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# Investing, Mergers, and Acquisitions: Getting The Deal Done

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# INTRODUCTIO

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This brief presentation will cover key aspects of oil and gas contracts, focusing on concluding deals (from conceptualizing to drafting, reviewing, negotiating, novating, and terminating agreements).

**The presentation will also focus on the following key stakeholders:**

- Government (including Host Ministry and Institutions)
- Local Communities
- Local Private Sector
- Local Advisers
- Media and the General Public
- Competing and complementing Investors

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# Session Overview

Understanding the full lifecycle of oil and gas contracts:

- Conceptualization
- Drafting and reviewing
- Negotiation
- Novation (transferring obligations)
- Termination

**Angola-specific focus:**

- Petroleum Activities Law and Local Content Requirements
- Importance of regulatory compliance
- Sourcing/Engaging Local Advisors
- Integrating ESG (Environmental, Social, Governance) standards

# Importance of Stakeholder Objectives

Key Takeaway: Aligning objectives of all parties to ensure smooth contract execution.- **Securing optimal terms to ensure performance**

## Discussion Points:

- Understanding government and private sector expectations.
- Reconciling regulatory requirements with investor goals.
- Addressing local content and sustainability concerns.
- Understanding the whole nine yards of stakeholders

## Example:

In a recent exploration project, failure to engage local communities led to delays and contract renegotiation, emphasizing the need for comprehensive stakeholder engagement.





# **Best Practices in Drafting & Negotiating Contracts**



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# Best Practices

**Key Takeaway:** Implementing international standards and principles in drafting but arm yourself with a deep understanding of the local nuances.

**Best Practices:**

- Clear definitions of obligations and rights.
- Equitable risk and reward allocation.
- Integration of dispute resolution mechanisms.
- Incorporating ESG principles in contracts (environmental, social, governance)

**Understanding the peculiarities and opportunities of the phases of Oil & Gas Contracts:**

- Exploration, development, production, and decommissioning considerations.



# Drafting & Negotiation

- **Local adviser mix must be engaged**\_ Legal, technical, and commercial
- **Tax considerations**\_ Approvals are required, for other institutions and Ministries to be engaged
- **Enduring provisions.** No rationalizations\_ Draft as if none of the representatives on either side will be present when the provisions in the agreement will be tested.
- Expect the usual changes in government over the life of the contract
- Dispute resolution mechanisms with government and co-venturers
- **Decommissioning provisions.** What to do with the fund including possible exclusions on cost recovery
- **Default rules and exceptions-** operator and admin operator, government as rep to other ministries





# Drafting & Negotiation

- Cost recovery provisions
- Apart from contractual mechanisms, there are other rules implicated
- **Pre-emption rights**\_ Carry the government along to ensure a smooth transition
- Distinguish between the office, the official, and the institution
- **Anticipate exit scenarios**\_ transferability of incentives, pre-emption, closed lists
- Localise employment agreements when advantageous
- Understand the limitations of the existing legal and regulatory framework
- Termination scenarios



# Angolan Regulatory and Local Content Requirements

**Key Takeaway:** Navigating Angola's regulatory landscape effectively.

- Local content laws and their impact on foreign investors
- Succession Planning
- Immigration and Customs
- Meeting local participation requirements
- Coordination with Angolan government agencies
- Take advantage of the cost-benefit of engaging, training, and empowering local manpower at all levels
- Build goodwill

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# Conclusion

## Summary of Key Takeaways:

- Equitable contract structuring is vital for long-term success.
- Aligning the objectives of stakeholders helps mitigate risks.
- Best negotiation practices ensure clarity and enforceability of contracts.
- Having a thorough understanding of the regulatory landscape is crucial for foreign investors.

**Final Thoughts:** Effective oil and gas deals require a combination of legal acumen, stakeholder engagement & management, and strategic foresight.





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