



PETROLEUM AUTHORITY OF UGANDA

**UGANDA'S OIL AND GAS SECTOR:
opportunities, local content policy and
favourable investment frameworks.**

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PRESENTATION OUTLINE

1. Introduction
2. Opportunities
3. National Content
4. Achievements
5. Conclusion



INTRODUCTION: COUNTRY OVERVIEW



Description	Status
GDP	\$ 56.2 Bn
GPD per capita	\$ 1,247.87
GDP Growth rate	5.2%
Area (SqKm)	241,038 km ²
Population	45million



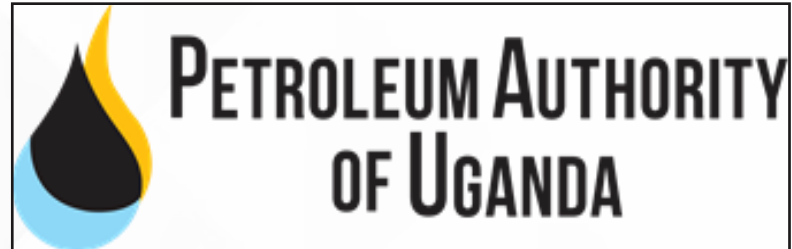
INTRODUCTION: INSTITUTIONAL FRAMEWORK

- Policy formulation
- Investment promotion
- Licensing

Ministry of Energy and
Mineral Development



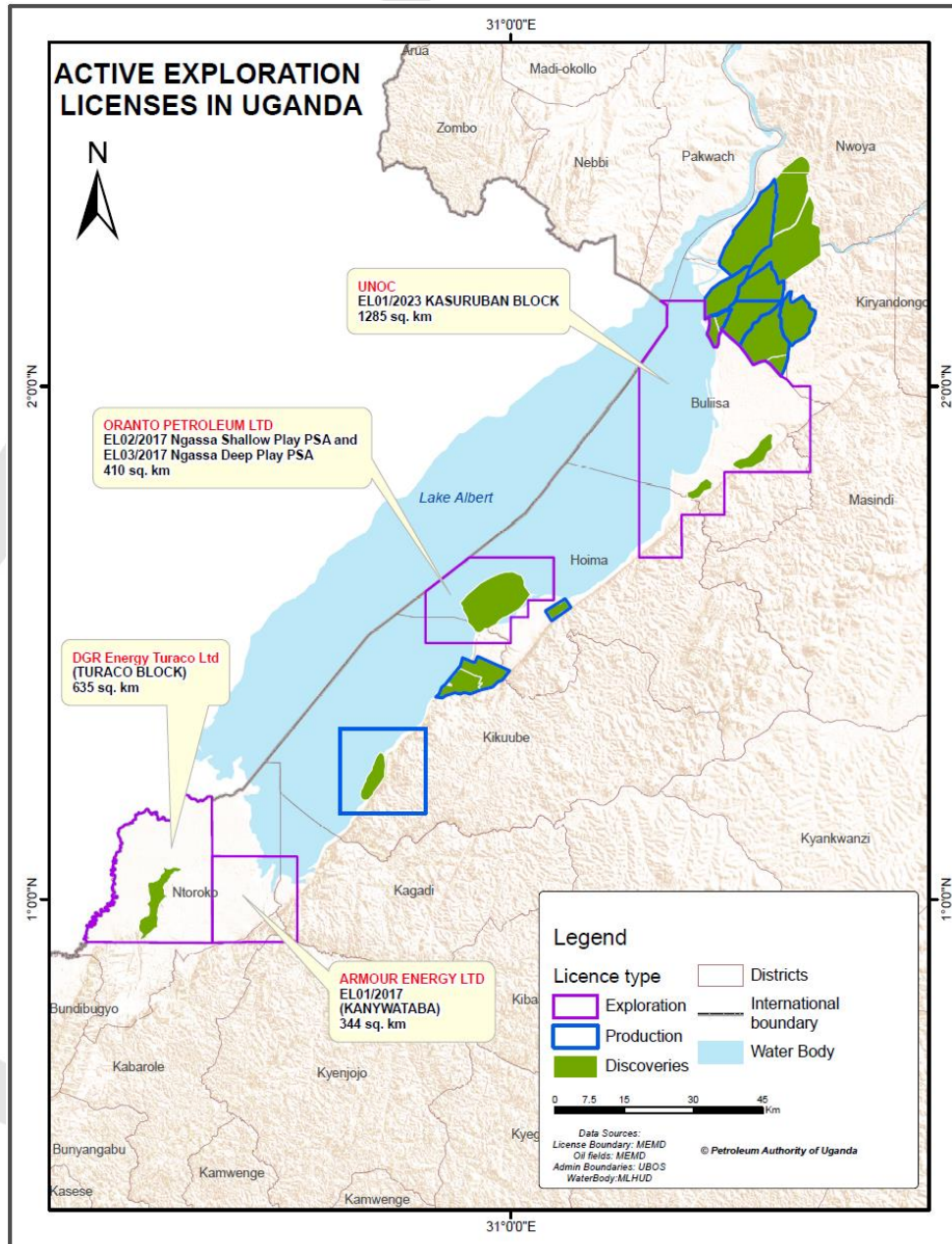
- Regulate and monitor Upstream and Midstream sub-sector
- Ensure compliance of petroleum operations



- To move forward the country's commercial interest.
- Create Joint Ventures across the petroleum value chain



INTRODUCTION: STATUS OF UGANDA'S OIL AND GAS SECTOR



No	Operator	License	Status
1.	Armour Energy Uganda Limited (AEUL)	1 Exploration License (EL) (Kanywataba Contract Area)	<ul style="list-style-type: none"> Awarded EL in 2017 for 2 years, renewed twice, expiring in 2025 Acquired 100-line km of 2D seismic data Reprocessed 214-line km of 2D seismic data Identified 3 drillable prospects Awaiting drilling in 2024
2.	Oranto Petroleum Limited (OPL)	2 ELs (Ngassa Shallow and Deep plays)	<ul style="list-style-type: none"> Awarded EL in 2017 for 2 years, renewed twice. Acquired 330-line Km of 2D seismic data Reprocessed 250 sq km 3D seismic data Identified a drillable prospect Awaiting drilling of one exploration well
3.	DGR Energy Turaco Uganda Limited (DEUL)	1 Exploration Licence (Turaco Contract Area)	<ul style="list-style-type: none"> Awarded EL in May 2023 for 2 years Expected to reprocess both 2D and 3D seismic data Carry out geological, geophysical & geochemical studies
4.	Uganda National Oil Company (UNOC)	1 Exploration Licence (Kasuruban Contract Area)	<ul style="list-style-type: none"> Awarded EL in Feb 2023 for 2 years Expected to acquire and process 150-line km of 2D seismic Carry out field studies and collect samples Find a suitable partner to do exploration

INTRODUCTION: MONETISATION PROJECTS

Uganda Refinery Project

- Refinery of 60,000bbl/day planned to be developed located in Kabaale, Hoima
- Final Configuration approved
- 29 Sq.km of land acquired (5 sq. Km for refinery)
- FEED completed and approved.
- New investor identified - **Alpha MBM Investments LLC from the United Arab Emirates, negotiation of key agreements commenced in January and will take 3 months.**



East Africa Crude Oil Pipeline (EACOP) Project

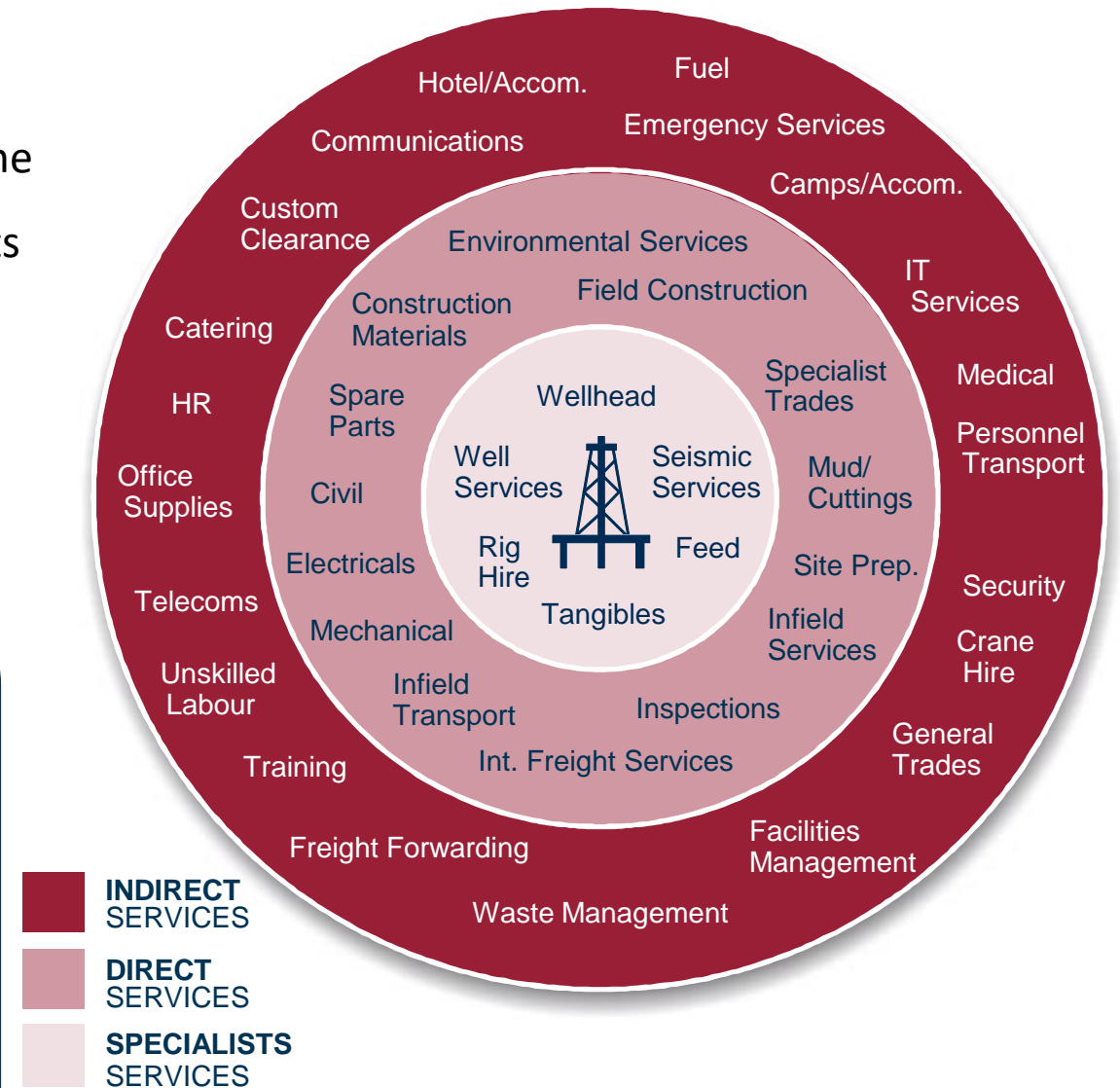
- 1443km, 24-inch diameter heated and buried.
- Construction of the Thermal Insulation Plant in Tanzania is at 95%. Coating and insulation equipment installation is ongoing
- Construction licence was issued in January 2023 and February 2023 for Uganda and Tanzania sections respectively.
- Line pipes supplied by Panyu Chu Kong Steel Pipe Zhuhai Co. Ltd (PCK) and Corinth Pipe Works (CPW)
- In Uganda, civil works commenced in August 2023 at Main Camp and Pipeyard 1 in Hoima



OPPORTUNITIES

- ❑ Petroleum Exploration opportunities
- ❑ Provision of goods and services
 - ❑ Farm-in existing licenses
 - ❑ Upcoming licensing round.
 - ❑ For reconnaissance data acquisition in areas like the Kadam-Moroto Basin and Hoima Basin
- ❑ Specialized services
- ❑ Domiciling services for the operations -low hanging fruits
- ❑ JV with Ugandan companies
- ❑ Sectoral linkages

- | | |
|--|--|
| 1. Pipe Coating | 1. Mud Logging Assembly Facility |
| 2. Threading of Oil Country Tubular Goods | 2. Manufacture of flanges and fittings |
| 3. Fabrication in the Oil and Gas Industry | 3. Assembly of distributed control systems and safety instrumented systems |
| 4. Some Pressure Vessels | 4. Detailed Engineering |
| 5. Assembly of Christmas Tree (oil and gas) | 5. Industrial Area Maintenance Services |
| 6. Paint Manufacturing and Painting Service | 6. Steam Truck Services at low and high pressures and temperatures |
| 7. Valve Testing and repair | 7. Well intervention services |
| 8. Mechanical testing | 8. Workover rig services |
| 9. Manufacture of high and low-pressure fibre glass pipes and piping accessories | 9. Supply and assembly of pre-fabricated buildings |
| 10. Supply of Chemicals (Barite, Bentonite, etc) | |



WHERE ARE THE OPPORTUNITIES

LICENSEE	Tilenga Project Major contracts - (Over 20 T-1) – US \$ 4 ~ 6 Billion	KFDA Project Major contracts (Over 15 T-1) – US \$ 2 ~ 3 Billion	EACOP Project Major Contracts (Over 7 T-1) ~ US\$ 3 Billion
MAIN CONTRACTOR/TIER ONE	Industrial Area Site Preparation Access Roads Bugungu Airstrip Upgrade Wellpads & Lake water Abstraction Site preparation	PC-1 well pad site preparation, Civils EPC-2 EPC -3 CPF EPC -4 feeder pipeline,	EPCM EITS Thermal Insulation Line Pipes Supply
TIER 2 CONTRACTOR	Construction Project Management EPSCC Mud Logging Services Electrical Logging Services DD,LWD,BUTS,RTOC Services OCTG Wellheads & Associated Services Waste Management Fluid Cement & Solid Control Upper & Lower Completion	EPC Construction supervision Rig Integrated Services Drilling Waste Management Downhole Pressure Gauge Coring Cutting & Fishing Service ESP & Heat Tracing Wellhead and Xmas tree Casing and Tubing Drill Bits Screens and Blank Pipes	Logistics Pipeline Construction AGI Construction Others
TIER 3 CONTRACTOR	Drilling Rigs Main Logistics Provider (MLP) Intra-field Logistics Services Construction Water Management & Supply Others services Security, Health Services etc	Others services Security, Health etc	

Major Nigerian Companies domiciled in Uganda

- Eco Bank
- United Bank for Africa Uganda Ltd
- NIC Holdings
- Computer Warehouse Group (CWG) Plc

Collaborations

- PETAN with Association of Uganda Oil and Gas Service providers
- Nigerian Content and Monitoring Board with PAU.



Nigerian Companies in Uganda's Oil and Gas Industry

- Oranto Petroleum Limited
- WEAfri – coil tubing Services
- The initiates – Waste Management

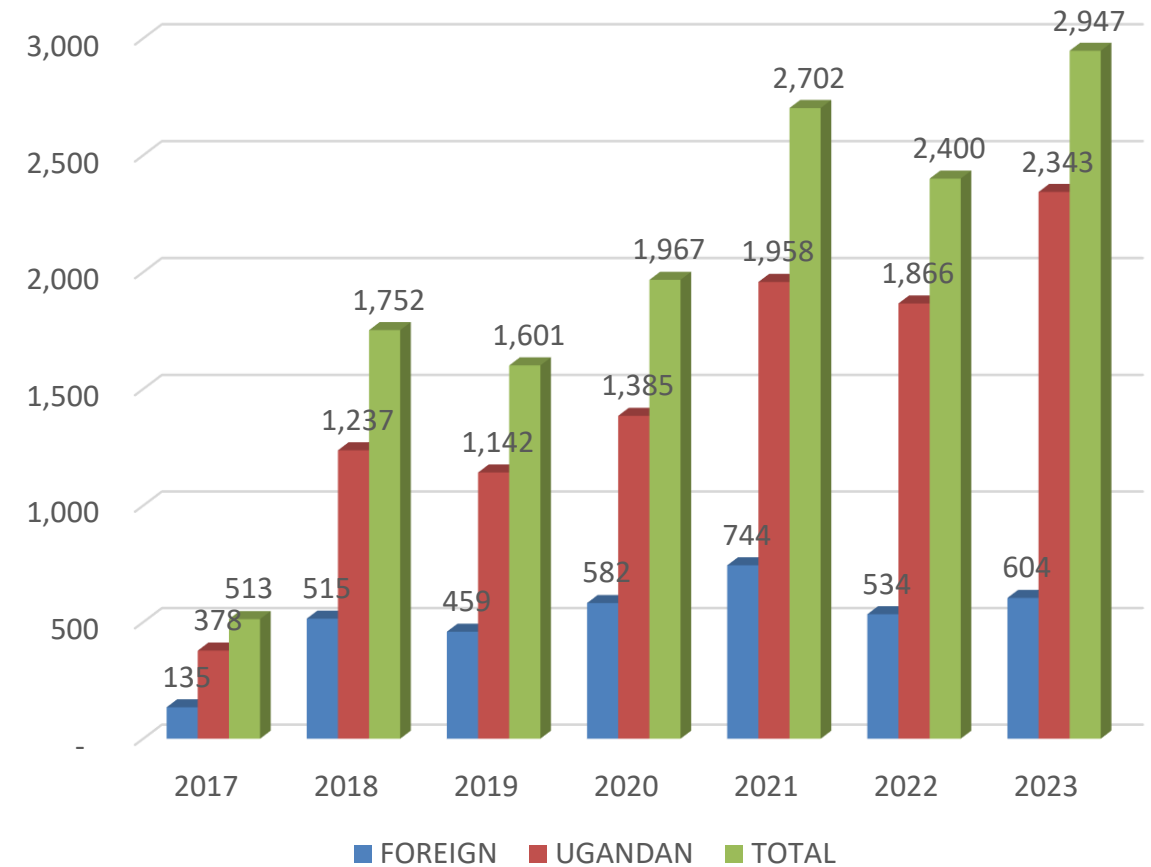
Successful JVs between Nigerian & Ugandan Entities

- The Initiates Nigeria, White Nile and Epsilon
- CITADEL Energy Services Limited and Future Concerns Nigeria Limited

HOW TO PARTICIPATE

- ❑ Registration on the National Supplier Database
- ❑ Qualified-2,947; Ugandan- 2,343 (80%), Foreign- 604 (20%)
 - Register for all entities willing to provide goods & services for petroleum activities in Uganda.
 - Efficient Procurement Processes in the Oil and Gas sector.
 - Being upgraded into a joint qualification system.
 - 10 Nigerian companies are registered on the NSD
- ❑ Joint ventures with local companies
- ❑ Look out for adverts in papers and NSD platform

NSD REGISTRATION TREND

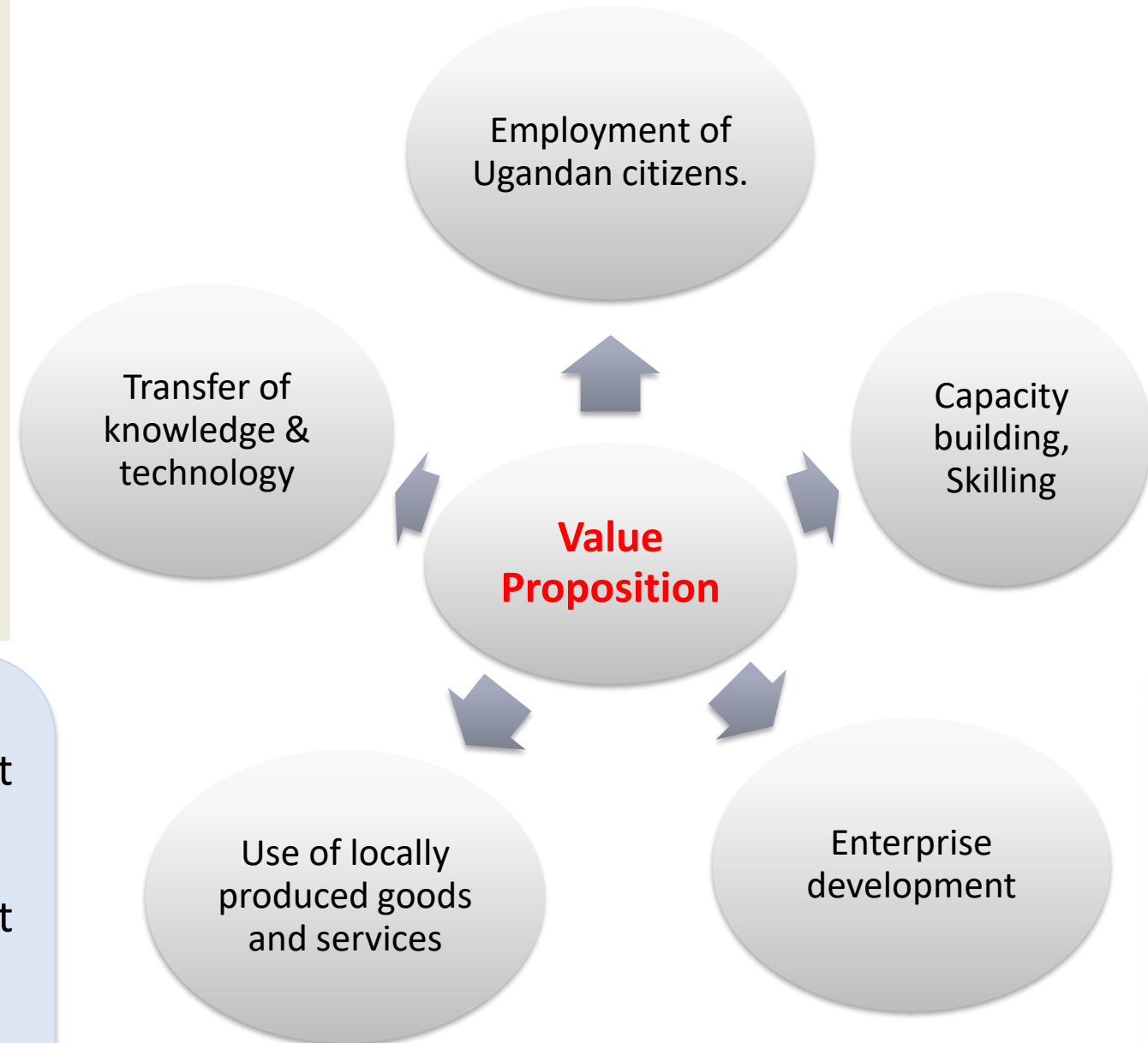


Legal framework

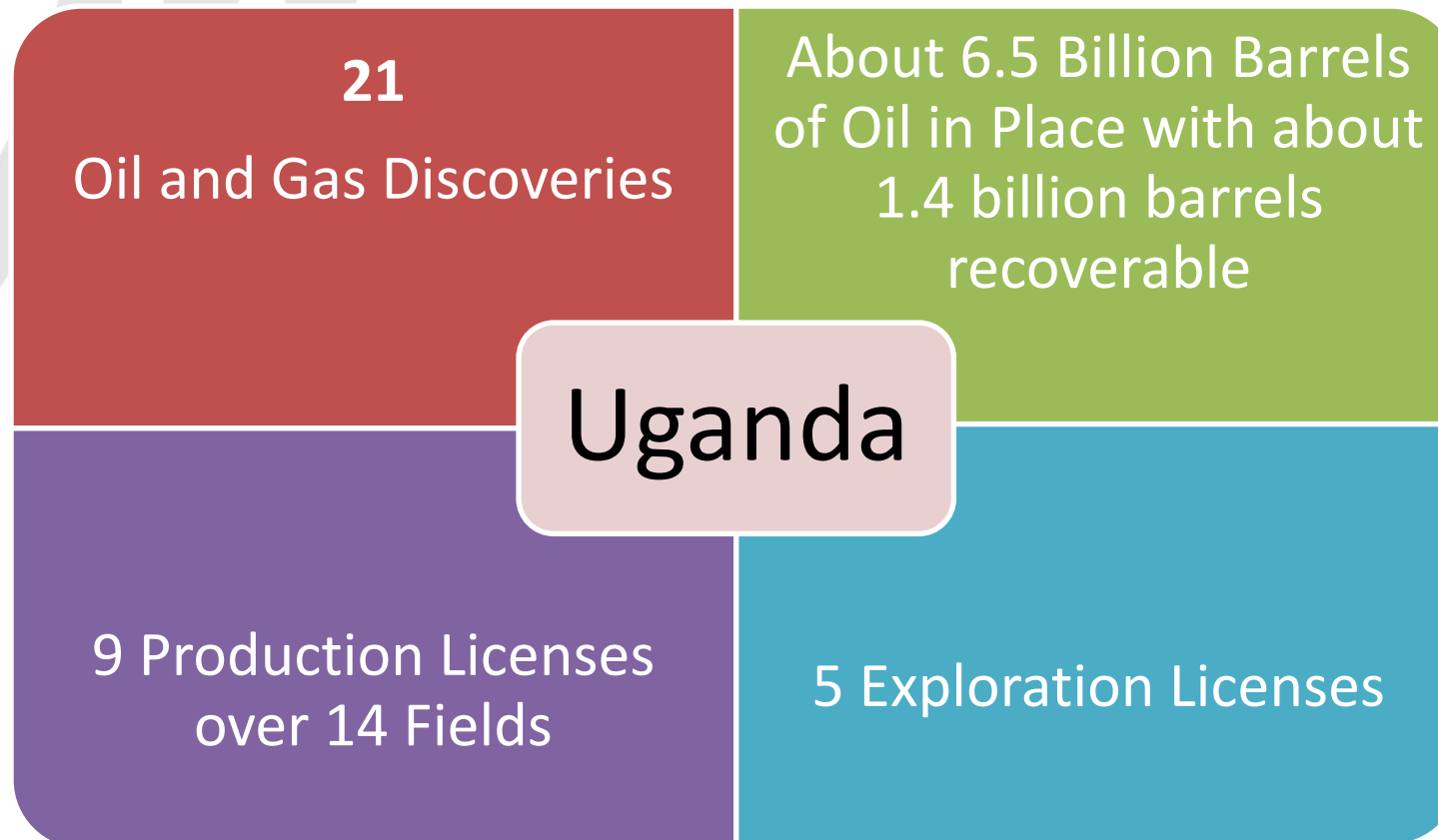
- Value added or created in the Ugandan economy through the employment of Ugandan workers and the use of goods produced or available in Uganda and services provided by Ugandan citizens and enterprises: A Ugandan company is therefore one incorporated in the country, with 70% Ugandan workforce and utilizing inputs from Uganda.
 - Prioritises Ugandans for jobs and provision of goods and services
 - Ringfenced scheme
 - JV
 - Foreign procurements with approval
 - National Content commitments including subcontracting

Objectives

- Achieve in-country value creation and retention whilst ensuring competitiveness, efficiency and effectiveness.
- Development of in country human capital development in oil and gas related disciplines.
- Develop competitiveness of Ugandan enterprises to supply the Oil and Gas Sector.

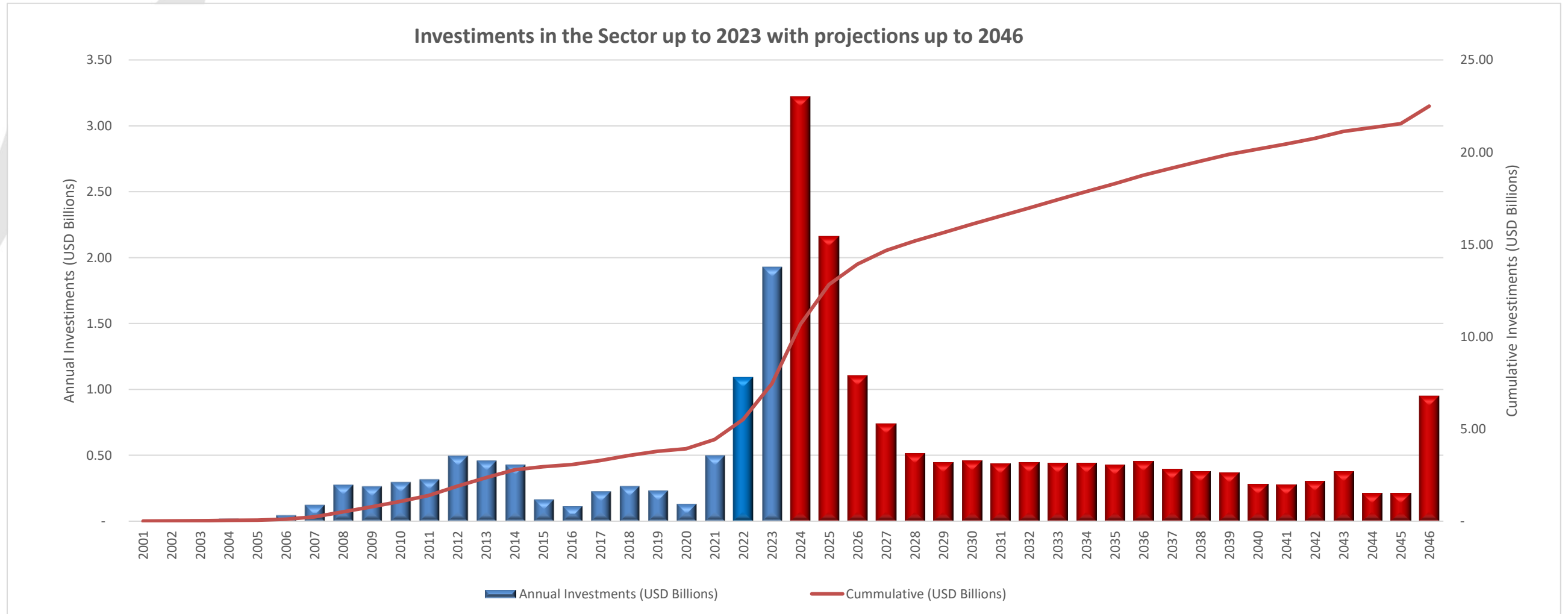


High discovery rate and lower finding costs of oil



- Uganda has one of the lowest finding costs the world with less than \$1 per barrel compared to global average of \$5-\$10
- High drilling success rate of 88% compared to the global average of 10%.

ACHIEVEMENTS



- A total of US\$7.5 billion invested in the sector by the end of 2023 with US\$ 1.09 billion and US\$ 1.93 billion invested in 2022 and 2023, respectively.
- An additional US\$ 15 billion is expected to be spent over the following 23 years of development, operation and maintenance of the oil fields and other infrastructure (Both Upstream and Midstream)

Provision of goods and services

- Between 2017 to date 6 years, over 4,540 contracts valued at US\$ 4.955bn were awarded, of which **3,932** valued at US\$2.012bn (41%) were awarded to Ugandan companies as defined in the regulations.
- About US\$ **19.94** million went to community-based companies.

Technology Transfer

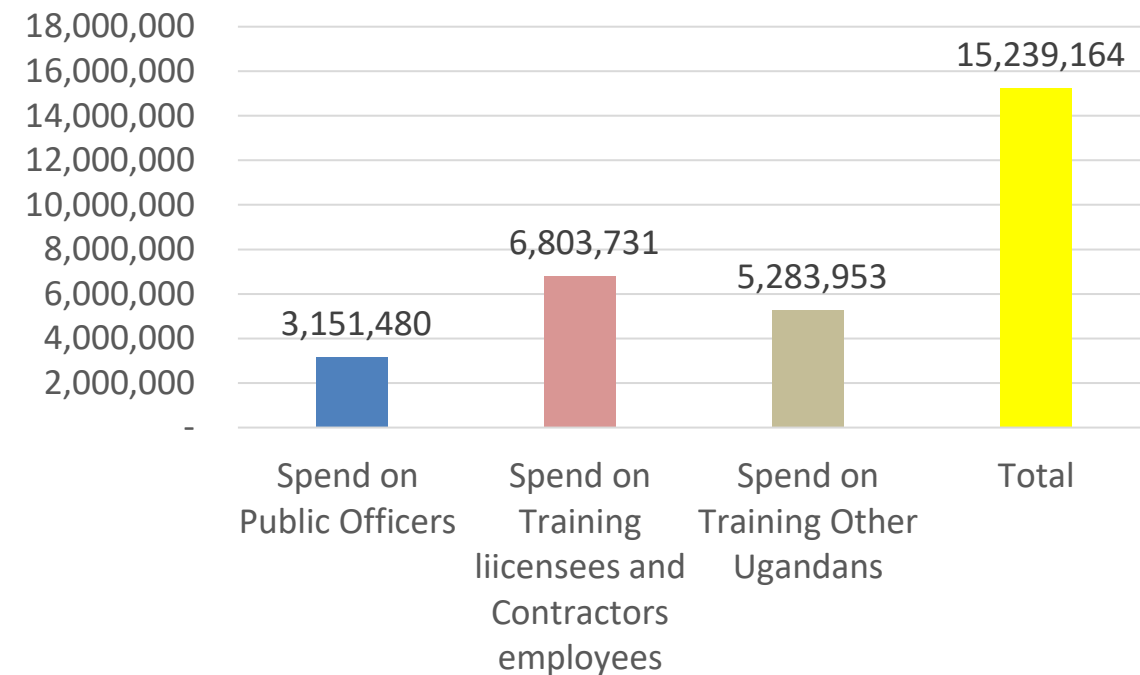
Since 2017 to date, a total of **65** joint ventures have been approved by the PAU of which 31 have secure 35 contracts worth USD 190,924,528.

Employment

- ❑ As of December 2023, 13,067 (90% Ugandans) persons were employed.
- ❑ 4595 were from house communities.

SME Capacity building

Investment in Training Ugandans



Training

- ❑ 20 Ugandans on international expatriation.
- ❑ In-country training capacity established
- ❑ 13,128 Ugandans trained and certified, 200 government officials trained

- ❑ The road to first oil in Uganda targeted for 2025 is steady and comes with immense business opportunities.
- ❑ The enabling institutional and legal framework is working well.
- ❑ The country has learnt a lot from Nigeria including the adoption of the JQS, National content fund and now support in provision of apprenticeship programs to Ugandan students through PETAN.
- ❑ The PAU welcomes your participation in the country's oil and gas sector with a view to ensure that the petroleum resources create lasting value for Ugandan society.

THANK YOU

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