



REPUBLIC OF UGANDA  
MINISTRY OF ENERGY AND MINERAL DEVELOPMENT

**Uganda's Refinery Project; RT Global Resources Emerges Selected Preferred Bidder**

**17<sup>th</sup> February 2015** - Government of Uganda (GOU) has selected the RT Global Resources - led consortium from the Federation of Russia as the Selected Preferred Bidder for Uganda's Refinery Project, with the SK Engineering and Construction-led consortium from Republic of South Korea as the Alternate Preferred Bidder.

This follows submission of Final Offers from the two bidders during January 2015, which were evaluated by a team from the Government and Taylor DeJongh, Government's Transaction Advisor.

Eng. Irene Muloni, Minister for Energy and Mineral Development said, "The process of selecting a lead investor for Uganda's refinery project has been highly competitive. We are pleased that the two bidders responded to the Request for Final Offers, from which RT Global Resources emerged as the Selected Preferred Bidder. We have confidence that we will execute the Project Agreements and go ahead to develop Uganda's Refinery Project."

Government will proceed to hold negotiations on the principal agreements with RT Global Resources led consortium starting in March 2015 with an aim of reaching an agreement within 60 days. Members of this consortium are Telconet Capital Ltd Partnership, VTB Capital PLC, Tatneft JSC and GS Engineering & Construction Corporation.

"The objective of these negotiations is to conclude the Project Agreements to the satisfaction of Government and the Lead Investor. These include the Project Framework Agreement, Shareholders Agreement, Implementation Agreement and the Escrow Agreement", Mr. Fred Kabagambe-Kaliisa, Permanent Secretary in the Ministry added.

Upon execution of the different project contracts, the lead investor and Government will constitute a Refinery Company that will take forward the engineering and finalise the financing aspects for the development of the refinery.

"The SK Engineering and Construction led Consortium has been a strong competitor throughout the selection process leading to the final offer, however they came short on key requirements of Government including contribution to the private share and operating plan", Mr. Kabagambe-Kaliisa said.

If at the end of the negotiations with RT Global Resources, Government is not satisfied that the major issues in the agreements meet its satisfaction, it may exercise its option to commence negotiations with the Alternate Preferred Bidder, SK Engineering and Construction led Consortium. Members of this Consortium include SK – KDB Global Investment Partnership Private Equity Fund, China State Construction Engineering Corporation Ltd, Haldor Topsoe A/S and Maestro Oil and Gas Solutions (MOGAS) DMCC.

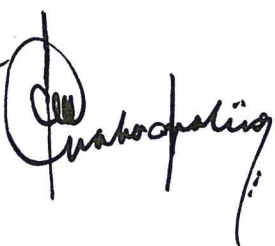
Uganda's refinery project is to be developed under a public private partnership (PPP) arrangement with the Government holding 40% equity. The East African Community Partner States have shown interest in participation in the Public Shares. The Project involves development of a refinery with a capacity of 60,000 BPD, development of crude oil and product storage facilities on site, as well as a 205-kilometer product pipeline to a terminal near the capital city, Kampala. The first phase of the refinery is expected to be in place in 2018.

74% of the Project affected persons (PAPs) in the 29 square kilometres of land which is now being acquired for the Refinery Project have now been compensated and payment for the remaining PAPs is in final stages. In addition, Physical planning for 533 acres of land that has been acquired within Buseruka Subcounty for the project affected persons who opted for resettlement is ongoing.

Uganda's Petroleum resources are now estimated at 6.5 billion barrels of oil initially in place from the 21 oil and gas discoveries made in the country to date. Less than 10% of the Albertine Graben is currently licensed and plans to hold the Country's first competitive licensing round during 2015 are underway.

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*Approved*  
  
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