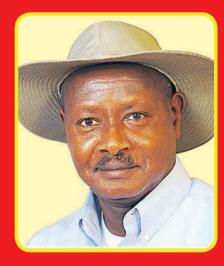


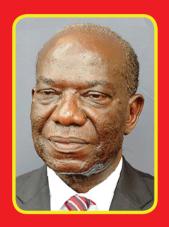
MINISTRY OF ENERGY AND MINERAL **DEVELOPMENT (MEMD)**

THE OIL & GAS SECTOR IN UGANDA

PROGRESS OF IMPLEMENTATION OF THE NATIONAL OIL AND GAS POLICY FOR UGANDA



H. E. Gen. Yoweri Kaguta Museveni, The President of the Republic of Uganda



The Vice President of the Republic of Uganda











INTRODUCTION

The National Oil and Gas Policy for Uganda (NOGP), which was approved during 2008, is the key document guiding the development of the country's oil and gas sector. The Ministry of Energy and Mineral Development (MEMD) presents this progress of implementation of NOGP to keep all stakeholders informed on developments in the country's oil and gas sector and to share the progress being made with regard to each of the ten objectives of the National Oil and Gas Policy to date.

CURRENT STATUS OF THE SECTOR

Uganda's oil and gas sector has transitioned from the exploration and appraisal phase to the development phase in preparation for sustainable production of the petroleum resources that have been discovered in the country. The oil companies currently licensed in the country to undertake petroleum exploration, development and production are: - China National Offshore Oil Corporation Uganda Limited (CNOOC (U) Ltd), Total E&P Uganda B.V and Tullow Uganda Operations Pty Limited

The ZPEB-7001 ria during drilling of Kingfisher nber 2014 to March 2015

Other significant investors are expected to join the sector during 2015/16 when i) the procurement of a lead investor for the development of a refinery and its attendant infrastructure in the country is concluded ii) new licensees come into the country at the conclusion of the ongoing competitive licensing round and iii) the subcontractors and service providers who will come into the country to support the development phase for the oil fields, development of the refinery and construction of pipelines and other facilities.

Data Acquisition

Over thirty (30) seismic surveys have been undertaken in the country to date resulting in the acquisition of 7,254.6 line Kilometres of Two Dimensional (2-D) seismic

data and 1,948.6 square kilometres Dimensional (3-D) Seismic

One hundred and twenty (120) exploration and appraisal wells have been drilled in the country with one hundred and six (106) of these wells encountering oil and/or gas which is an unprecedented drilling success rate of over 85%.

Confirmation of Resources

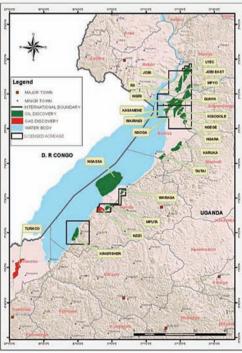
The above mentioned work has led to the discovery of twenty one (21) oil and/ or gas fields in the country's Albertine Graben. Appraisal of these discoveries has established that petroleum resources in these fields are now estimated at over 6.5 billion barrels of oil equivalent in place with 1.4 billion barrels of these resources estimated to be recoverable

Cumulative foreign direct over USD3 billion at the end of 2015. Investment in the petroleum sector is expected to increase significantly as the country enters the development,

and subsequently the production, transportation and refining phases of the petroleum value chain.

Regulatory Framework

Following a wide consultative process, two new laws were enacted during 2013 to update the legal framework for the sector. These are; the Petroleum (Exploration, Development and Production) Act 2013 and the Petroleum (Refining, Conversion, Transmission and Midstream



investment in petroleum exploration in the country since 1998 was estimated to be USD 2.8 billion at the end of 2014 and is projected to be

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ulative Investments (USD Mill

Storage) Act 2013, Regulations to operationalize these laws have been drafted and these include Technical aspects like metering. National Content together with Health, Safety and Environment aspects for both the Upstream and Midstream Sub-sectors. In addition, the Public Finance Act 2015 was enacted during March 2015 and this Act provides for among others the management of revenues accruing from petroleum activities. These pieces of legislation together with other relevant laws and statutes like those on Environment, Wildlife, Water, Land and Income Tax, are used in regulating the country's petroleum sector.

THE NATIONAL OIL AND GAS POLICY FOR UGANDA

The National Oil and Gas Policy for Uganda (NOGP) which was formulated through an extensive consultative process and approved in 2008 is the key framework guiding the development of the oil and gas sector in the country. NOGP together with its popular version which has been translated into eleven languages can be accessed at www.petroleum.go.ug and www.energyandminerals.go.ug.

The Policy was developed to comprehensively address issues of exploration, development, production, utilization and commercialisation of the country's petroleum resources following the confirmation of commercial petroleum reserves in the country in 2006. The discovery of petroleum in the country created excellent opportunities for the accelerated development of the economy but also brought along key issues such as anxiety and high expectations by the population, the need to ensure national participation

of the sector, the need to develop the sector with due regard to the country's environment and biodiversity, concerns on management of oil revenues, the need to put in place appropriate regulatory and institutional frameworks for the sector and decommissioning

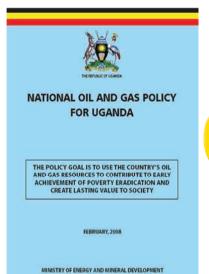
of installations, among others. The goal of the National Oil and Gas Policy for Uganda is to "Use the Country's Oil and Gas Resources to Contribute to Early Achievement of Poverty Eradication and Create Lasting Value to Society". The policy has ten objectives for developing and utilizing the country's oil and gas resources and describes the strategies and key actions which need to be taken to maximize the opportunities and address the challenges in the

POLICY IMPLEMENTATION

Following the approval of NOGP in 2008, Government has continued to implement the Policy in line with its (10) policy objectives.

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A summary of the achievements made in implementing each of the ten objectives is presented below:

Objective 1:

of petroleum in the Graben Albertine sector especially to

other things, competitive licensing rounds. Formulation of legislation for the sector commenced in 2009 after putting in place of the NOGP. The Petroleum (Exploration, Development and Production) Act 2013 which repealed the Petroleum (Exploration and Production) Act of 1985, was passed by Parliament during December 2012 and it became effective on 5th April 2013 upon Presidential assent. In line with the Act, the first competitive licensing round for some of the areas which are currently not licensed was announced by the Minister for Energy and Mineral Development on 24th February 2015. This licensing round covers six areas in the Albertine Graben which already have good data

The six blocks are:- Ngassa (410 Km2) in Hoima District, Taitai & Karuka (565 Km2) in Buliisa District, Ngaji (895 Km2) in Rukungiri & Kanungu Districts, Mvule (344 Km2) in Moyo and Yumbe Districts together with Turaco (425 Km2) and Kanywataba (344 Km2) in Ntoroko District. . A total of 19 companies responded to the Notice of request for qualification for the first licensing round for petroleum exploration, development and production in Uganda.

The companies which qualify will be requested to submit proposals covering their technical and fiscal offers and based on these submissions, the winner who will eventually negotiate and enter into Production Sharing Agreements (PSAs) will be identified. These new PSAs are expected to be concluded during 2015/2016.

The Ministry of Energy and Mineral Development has commenced speculative

geophysical surveys in the other areas of the country which have potential for petroleum production but with little or no data acquired in them to date. Licensing for those areas is expected to be undertaken in future licensing rounds. Less than 10% of the Albertine Graben is currently licensed and over 14,000 Sq. km of acreage with high potential for petroleum production remains unlicensed in the Albertine Graben.

This acreage includes over 10,000 which has become available through relinquishment or surrender of acreage by the licensed oil companies and expiry of exploration licenses as provided for in the legislation and the Production Sharing Agreements (PSAs) entered into between Government and the oil companies. Another over 10,000 sq. km of acreage with potential petroleum production exists outside of the Albertine Graben.

The speculative geophysical surveys referred to above are planned to be undertaken in these areas in preparation for their future licensing

licensing areas with the potential for o

The confirmation of commercial resources led to the significant lowering of the country's exploration risk, hence a need to update the regulatory framework for the provide for, among

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Map showing the six blocks (in red) for the 1st lice

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rence (Right) is Dr. F.A.

Objective 2:

country's oil and gas resource potential.

The exploration and appraisal of the oil and gas discoveries in the Albertine Graben has led to an increase in the country's petroleum resource base from 300 million barrels of oil equivalent in place when the policy was approved in 2008 to 2 billion and 3.5 billion barrels in 2010 and 2012 respectively; and to the current estimate of 6.5 billion barrels of oil in place with 500 billion standard cubic feet of gas. Out of these resources, 1.4 billion barrels of oil equivalent are estimated to be recoverable.

ALBERTINE GRABEN ■ INPLACE OIL ■ RECOVERABLE

The Ministry of Energy and Mineral Development uses the Petroleum Resources Management Systems (PRMS) to classify and report the country's petroleum resources

A new Institutional framework for the sector which separates the three aspects of policy setting, regulation of the industry and execution of the commercial interests of the state respectively is being put in place. In this regard, Governmenthas put in place the Petroleum Authority, to regulate the sector and the National Oil Company to manage Government's commercial interests (including managing the State Participation provided for in the respective Production Sharing Agreements) in the sector. Members to the Board of Directors for the Uganda National Oil Company were nominated by His Excellency the President and approved by Parliament in 2014 and the company was incorporated in June 2015. The Ministry has

also been restructured and a Directorate of Petroleum created to better support policy setting and implementation as well as carrying out the licensing roles of the Ministry.

Objective 3:

Efficiently produce the country's

Appraisal drilling, three dimensional (3D) seismic surveys and extended well testing have been undertaken as part of the effort to appraise the oil and gas discoveries made in the country to date. This appraisal work provides a better understanding of the volumes of oil and gas in each of the discoveries made and enables identification of the most efficient methods of producing these volumes.

The licensed oil companies use the data and information acquired during appraisal to prepare Field Development Plans (FDPs) and Petroleum Reservoir Reports (PRRs) which are submitted to Government as part of the application for production licenses. Applications for production licenses for sixteen discoveries, namely Mputa, Nzizi, Waraga, Kajubirizi (Kingfisher), Kasemene, Wahrindi, Kigogole, Ngara, Ngege, Nsoga, Ngiri, Jobi-Rii, Jobi East, Gunya and Mpyo whose appraisal was completed were submitted to Government by the licensed oil companies for assessment before approval.

Out of these, the Kingfisher Production License became effective during September 2013 following the approval of its FDP and PRR. Granting of the Kingfisher production license marked the country's entry into the development phase of the

petroleum value chain. Government and the oil companies are in discussion on the submissions made for the other discoveries and additional production licenses are expected to be granted during 2016.

CNOOC (U) Ltd has commenced predevelopment work on the Kingfisher oil field starting with construction of infrastructure to support the operations. This includes the construction of a 10 kilometer all weather road from

Ikamiro Village, across the escarpment to Buhuka in Kyangwali Subcounty, Hoima district where the Kingfisher oil filed is located.

Objective 4:

lisation of the

The policy recommends refining the discovered oil to supply the national and regional petroleum product demand before consideration of export options. In order to facilitate achievement of this policy objective, the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act 2013 was enacted by Parliament during uary 2013 and became effective during July 2013 following Presidential assent.

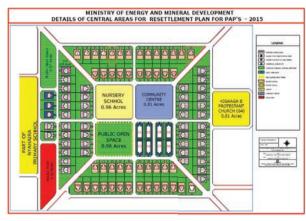


do, Ag Director of Petroleum on a supervisor

This Act provides for among others, the legal foundation for the development of a refinery in Uganda and other midstream infrastructure like pipelines and storage facilities. Following enactment of the Midstream Act, the Ministry is working together with the other arms of Government to put in place regulations to operationalize this Act. In addition, the Ministry together with the Uganda National Bureau of Standards through Technical Committee 16 are developing standards and codes for the operation of petroleum infrastructure in the country. To date over 50 draft standards have been identified as required for both upstream and midstream petroleum operations and their formulation has commenced. Of these, 27 standards have been approved by the National Council for Standards and are ready for

Regarding, the development of a refinery in Uganda, the East African Community (EAC) Refineries Strategy of 2008 recommended, among other things, the development of a second refinery in East Africa to be developed in Uganda. The other refinery being that of Mombasa which has since been shut down for the last two years. Government subsequently contracted Foster Wheeler Energy Limited from the United Kingdom during 2009 to carry out a feasibility study on the development of a refinery in Uganda. This study was undertaken during 2010/2011 and it defined the key aspects of developing a refinery in the country such as the size and configuration of the refinery, its location and financing as well as markets for the petroleum products to be produced from the refinery. The study also confirmed the economic viability of refining petroleum in the country and its recommendations were adopted by Government during 2011.

The development of a 60,000 barrel per day refinery to be located at Kabaale in Buseruka Subcounty, Hoima District, is now being taken forward by Government. Acquisition of the land required for the refinery commenced in 2012 with the preparation of a Resettlement Action Plan (RAP) for project affected persons (PAPs). The RAP was completed during 2012 and is now being implemented. As part of this implementation, payment of compensation to the PAPs who opted for cash commenced in December 2013 and is now due to be concluded. By the end of June 2015, 95% of PAPs who opted for cash compensation had received their payments. In addition, 533 acres of land was acquired in Kyakabooga Parish, Buseruka Subcounty for resettlement of the PAPs who opted for relocation and physical planning for this land has been completed. Construction of resettlement houses for those who opted for relocation is due to commence during 2015 and is expected to be completed during 2016.



Physical Development Plan for settlement area in Kyakaboga Parish, Buseruka Subcounty, Hoima District. The area where the project affected the people in the

In further preparation to develop the refinery, Government contracted Taylor-DeJongh from USA in January 2013 as Transaction Advisor to advise on the structuring of the project as well as the selection of a lead investor to lead the construction and operation of the refinery.

A Request for Qualification (RFQ) for a lead investor/operator was issued during October 2013 and six firms/ consortia were selected from the applicants and short-listed to receive the Request for Proposals (RFP);

A Request for proposal was issued to the six firms/ consortia during January 2014 and four of them submitted detailed proposals at the end of May 2014. Two consortia, namely RT – Global Resources from Russia and SK Engineering and Construction from South Korea qualified for the final stage of bidding and were issued with a Request for Final Offers in October 2014.

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Both consortia submitted their final offers during January 2015. The RT Global Resources led consortium (which includes GS Engineering and Construction from South Korea with Mitsui Corporation from Japan as a partner together with VTB Capital Plc. JSC Tatneft and Telconet Capital from Russia) was selected as best preferred bidder to be the lead investor for Uganda's refinery project during February 2015. Following conclusion of the negotiations with the best preferred bidder and execution of the key project agreements, Government and the lead investor will constitute a refining company that will take forward the development, financing, construction and operation of the refinery. Negotiations between Government and the RT Global Resources led consortium for the final agreements are due to be concluded and the refinery company formed in 2016.

In addition to development of the refinery, Government agreed to a revised commercialization plan which provides for exporting some of the crude oil produced in the country. In this regard, a Memorandum of Understanding (MoU) between Government and the Licensed Oil Companies which provides for the commercialization of the discovered oil and gas resources was concluded during 2014. The MoU provides for use of the petroleum resources discovered in the country for power generation, supply of Crude Oil to the refinery to be developed in Uganda by Government and export of Crude Oil through an export pipeline or any other viable options to be developed by the Industry. The Governments of Uganda, Kenya and Rwanda through the Northern Corridor Infrastructure projects contracted Toyota Tshusho from Japan to undertake a feasibility study for a crude oil export pipeline. Government is seeking to achieve a least cost route option to the East African Coast. The study will contribute to decisions on the routing and structuring of the pipeline among others.

Objective 5:

The following key studies on the transportation and storage of petroleum in the country have been concluded

A study for the development of pipelines and storage facilities of petroleum commodities (crude oil and gas) from the fields to the refinery was concluded during March 2012. Planning for the transportation of crude oil from the oil fields to the refinery is ongoing and the development of these crude oil feeder pipelines will be developed as part of the oil fields. Surveying of the route to transport crude oil from the Kingfisher field in Buhuka to the refinery area in Kabaale commenced in June 2015.





tion during the surveying of the pipeline route from KingFisher to

A study covering the distribution and storage facilities of petroleum products (gasoline, diesel, kerosene, jet fuel etc.) from the refinery to different national and regional markets was concluded during November 2012. A 205 km pipeline to transport refined petroleum from the refinery in Kabaale, Hoima to a distribution center in Buloba, west of Kampala is planned to be developed as part of the refinery project. A routing Study and a Resettlement Action Plan for this pipeline route have commenced and plans to extend this pipeline from Kampala to Kigali and Eldoret are also under consideration

The Ministry of Energy and Mineral Development has concluded the preparation of a draft Strategy and Plan for the Transportation and Storage Facilities of Petroleum Commodities and Products in Uganda which is due for submission to Cabinet during 2016.

Construction of the road infrastructure required for the development of the oil and gas sector is also ongoing. In this regard, the Hoima-Buseruka-Kaiso Tonya Road whose construction commenced in 2013 was completed and handed over to Government in December 2014. Designing of the Kyenjojo-Kagadi-Hoima-Masindi as well as that for Hoima – Biso – Wanseko Road were completed by the Ministry of Works and Transport and procurement of contractors for these two roads is ongoing.



ons the Hoima- Buseruka-Kaiso Tonya Rd. during Feb 2015 together with Hon. Irene Muloni

Objective 6:

them to create lasting value for the entire natio

The Ministry of Finance, Planning and Economic Development is taking lead in implementation of this policy objective. The Ministry formulated an Oil and Gas Revenue Management Policy that was adopted in February 2012. The Ministry also tabled the Public Finance Bill 2012 to Parliament during May 2012. The bill was passed by Parliament during November 2014 and gazetted on 6th March 2015, following Presidential assent. This Act provides for among others, the management of revenues accruing from petroleum resources. As of March 2015, Government had received over UGX 2.4 trillion from Non-tax revenues, Capital Gains Tax, and other tax obligations from operations in the sector. Government's successful defense in the Permanent Court of Arbitration in February 2015, of the assessment of Capital Gains Tax on the sale of Heritage assets and an out of court settlement of the Capital Gains Tax dispute with Tullow Oil during June 2015 regarding its farm-down to CNOOC and Total in 2012 are testimony to the efforts Government is ensuring collection of the right revenues in the oil and gas sector.

Objective 7:

num national participation in oil and gas activities.

A study to establish the opportunities and challenges for the participation of Ugandans in the oil and gas sector was commissioned in 2010 and completed during 2011. The final study report can be accessed at www.petroleum. go.ug. The key recommendations of the study included; establishment of an institutional framework for the implementation of national content policies for the oil and gas sector, ensuring capacity building in people and in firms (enterprise development), and facilitating participation of Ugandans in the sector with due regard to maintaining the competitiveness of the sector. The recommendations of this study are now being implemented and the

activities undertaken to date include putting in place a National Content Office in the Ministry of Energy and Mineral Development, setting up an Association of Oil and Gas Service Providers (AOGAS) in the country and formulation of a National Content Policy and Plan. The draft National Content Policy and Plan was prepared and stakeholder consultations concluded during 2014. The Policy and Implementation Plan are expected to be approved during 2016.

Draft National Content Regulations for the Upstream and Midstream Acts have also been prepared and they cover the provision of goods and services by Ugandan businesses, employment of Ugandans and transfer of technology. As these institutions and frameworks for National Content are being developed, efforts to ensure that Ugandans are actively participating in the sector through direct employment and provision of goods and services to the oil and gas sector are continuing. The activities being undertaken to achieve this include requiring the licensed oil companies to develop Nationalisation Plans which are approved and monitored by Government. The three licensed companies (Tullow, Total and CNOOC) together with the international service companies like Baker Hughes, Schlumberger, EXALO, ZPEB, Oriental Geophysics Company and Halliburton employed over 1,000 Ugandans during 2013/14 with each of the licensed companies having more than 50% of its staff as Ugandans



yees at a drilling activity in the Abertine Graber

To date, more than 1000 National Enterprises have provided services such as Logistics, civil works, Environment consulting services, Catering and Hotel Accommodation, cleaning and fumigation services, transportation, communication, Medical services and manpower/ recruitment services among others to the Oil and Gas Sector. These companies have also provided employment to over 9,000 Ugandans through indirect and induced employment. In preparation for the development of the discovered oil fields, the licensed oil companies undertook an Industrial Baseline Study to assess the projected demand for the planned activities and also assess the ability of the different service sectors in the country to supply the emerging oil and gas sector. The study identified the demand and supply gaps in terms of quantity and quality and recommended key actions to be undertaken which are being implemented. These actions include dissemination of information on the requirements such as manpower and services among others, putting in place an Enterprise Center to raise the standards of businesses and entrepreneurs,

Objective 8:

Under this policy objective, the Uganda Petroleum Institute Kigumba (UPIK) which offers diploma and certificate courses in petroleum related studies was established under the Ministry of Education and Sports and it opened during March 2010. The Institute has to date produced 88 Technicians, who undertook 2 years formal training at UPIK and then 6 months of industrial training in Trinidad and Tobago. Admission of 30 students for UPIK's third ntake was undertaken in 2014 and Infrastructure for the institute including lecture rooms, dormitories and workshops are being put in place together with the procurement of training equipment for the workshops.

The infrastructure being put in place will enable the students to undertake



ies and workshop. (Below) Prof Charles Kwesiga head of UPIK A Team infrom of the lecturer's living quaters



most of their industrial training in the country. A 5 year institutional development plan has been put in place to guide the development of the institution. At the professional level, a Bachelor's degree in Petroleum Geosciences was introduced at Makerere University in the academic year 2009/2010. Demand for this training saw the enrollment grow from 46 students to 57 and 80 students in the academic years 2009/10, 2010/11 and 2011/12 respectively. The pioneer 46 students graduated in January 2014. MEMD supports this training through facilitating field work in the Albertine Graben, supervising fourth year students' projects and providing internship placement for some of the students. Makerere University also commenced Master of Science degree in Petroleum Geoscience Programme during 2012. This post graduate programme is being undertaken in collaboration with the University in Bergen, Norway. Private institutions, including Victoria University, Institute of Petroleum Studies/ Quest Energy, OGAS Training East Africa, ICON Industry Services, among others have also commenced both short and long term training courses in Petroleum studies in the country.

There is, however still a need for the institutions to take on an optimum number of students at both undergraduate and post graduate levels for whom field training opportunities can be made available and the job market can accommodate. As these initial capacity building efforts are being taken forward, MEMD, working with the Ministry of Education, Science, Technology and Sports and with support from the World Bank, have completed a comprehensive study on the skills requirement for the entire petroleum value chain in the country and a strategy and plan for skills development for the sector is under development. This study documents the skills required for exploration, development, production, refining and transportation at the artisan, technical and professional levels of education.

Government has also continued to prioritize capacity building of officers from the different institutions taking forward the development of the oil and gas sector in the Country. These include Ministries of Energy and Mineral Development, Finance Planning and Economic Development, Justice and Constitutional Affairs, , Lands, Housing and Urban Development, Water and Environment, National Environment Management Authority, Uganda Wildlife Authority, Uganda Revenue Authority, Office of the Auditor General and Bank of Uganda among others. More than 180 officers of Government have to

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Students from Victoria University pursuing petroleum related courses on a field visit to operations in the Albertine Graben

date been trained at post graduate level specializing in different petroleum disciplines. The oil companies licensed in the country such as Tullow Oil, Total and CNOOC together with their service providers also and continue to offer training opportunities for the sector at both the blue collar and professional levels. Some Development Partners such as Japan Oil, Gas and Metals National Corporation (JOGMEC), Norwegian Agency for Development Cooperation (NORAD), United States Agency for International Development (USAID) and the World Bank, among others are also offering capacity building opportunities to Ugandans in oil and gas related studies.

Objective 9:

Ensure that oil and gas activities are undertaken in a manner that conserves the environment and biodiversity

The Ministry of Water and Environment together with the National Environment Management Authority (NEMA) continue to play a leading role in the implementation of this policy objective. The Albertine Graben, where oil and gas activities are taking place in Uganda, is recognized as one of the most bio-diverse rich areas in the world. Environment and Social Impact Assessments (ESIAs) are conducted prior to undertaking each activity in the oil and gas sector as required by the National Environment Act Cap 153 and EIA Regulations. During the EIA process, consultations are undertaken with stakeholders at community and national levels to ensure a harmonious interface between petroleum activities, communities, the environment and the biodiversity of the Albertine Graben. In addition, routine Environmental Inspections and Audits are carried out by the respective responsible arms of Government to assess compliance with environmental requirements and to investigate impacts which may not have been predicted at the time when EIA approval was granted. Drilling waste has in the past been containerized and monitored at designated sites prior to authorization of the final disposal place. In 2014 NEMA authorized six firms to set up petroleum waste treatment and disposal facilities in the country.

Two of these firms, Enviroserve and Luwero Industries have constructed facilities in Hoima and Nakasongola respectively and are now licensed to operate these facilities. Construction of the Enviroserve facility at Nyamasoga commenced during 2014 and the facility was officially launched during April 2015. In addition, the following environmental and biodiversity tools have been developed as part of the efforts to ensure appropriate environment management for the oil and gas sector in the country,

- An Environment Sensitivity Atlas (ESA) for the Albertine Graben was developed in 2009 and updated in 2011. The ESA describes the different levels of sensitivity in the different parts of the Graben with a view to guiding the oil and gas activities in the area.
- An Environment Monitoring Plan (2012 to 2017) for the Albertine Graben that defines the key monitoring indicators together with an enforcement and compliance monitoring strategy have been put in place and are being implemented.
- Guidelines for operation of Oil Companies in Protected Areas have also



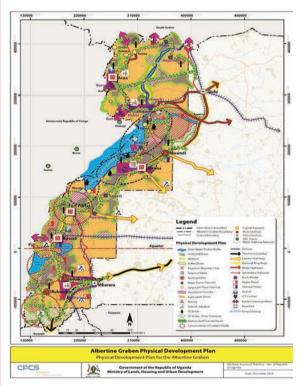
(Above) Waste treatment facilities at the Enviro serve waste manegement facility in Nyamasoga in Buseruka Subscounty, Hoima District. (Below) A solid waste engineering land fill at the facility.



been developed.

- A Strategic Environment Assessment (SEA) for Oil and Gas Activities in the entire Albertine Graben was prepared and approved by Government in July 2015. The SEA will be used to ensure that environmental concerns are captured in Government's PPPs (plans, programmes & policies).
- A National Oil Spill Contingency Plan is under development for use in the (unlikely) event of an oil spill.
- Management plans for the protected areas within the Albertine Graben such as Murchison Falls National Park, Queen Elizabeth National Park and Budongo Forest have been updated to provide for the ongoing and planned oil and gas activities within these areas of high biodiversity.

A multi-institutional environment monitoring team led by the National Environment Management Authority (NEMA) and composed of the Uganda Wildlife Authority (UWA), Fisheries Resources Department, National Forestry Authority, Directorates of Environmental Affairs and Water Resources Management in the Ministry of Water and Environment, District Local Governments and the Directorate of Petroleum is in place to monitor the interface between the environment and petroleum activities. The monitoring framework includes representatives of these institutions based in the field, regular visits to field operations by senior level technical officers from these institutions who report to a committee of executives from the same institutions. Land use planning for the Albertine Graben and its surrounding areas as recommended by the Policy commenced when the Graben was declared a special planning area in 2010. Physical planning for specific towns in the operation areas, namely Sebagoro in Hoima District together with Butiaba and Buliisa in Buliisa district that will be impacted by the developments has been undertaken together with planning for the areas around the refinery development area. The Ministry of Lands, Housing and Urban Development has prepared a regional physical development plan for the entire Albertine Graben.



Map showing the physical plan for the Albertine Graben

Objective 10:

To ensure mutually beneficial relationships between all stakeholders in the development of a desirable oil and gas sector for the country.

Development of the oil and gas sector in Uganda is being taken forward in a manner that recognizes the roles of different stakeholders and seeks to ensure their participation in the development of the sector. Extensive consultations were undertaken during formulation of the National Oil and Gas Policy and in the preparation of the new petroleum legislation that became effective subsequently. The consultations on the new laws were enhanced by the additional consultations which Parliament undertook both in country and overseas in preparation for the debate on the Bills. Consultations with stakeholders continue to be undertaken during studies relating to the Refinery Development Project, National Participation and Environment Management, among others. The consultations undertaken while putting in place these frameworks do not only enhance the quality of the frameworks but also enhance ownership of the outcome of the frameworks by the respective stakeholders. In addition to the consultative process, a National Communication Strategy for the Oil and Gas Sector was developed and put in place during 2011 to bridge the communication gap between the oil and gas industry and the general public. This strategy, which is under implementation can be accessed on www.petroleum.go.ug. A public information and education effort to enable Ugandans achieve a better understanding of the developments and opportunities in the sector and how they (Ugandans) can participate is also on-going. This effort has included radio and television programmes across the country, engagements with different stakeholder groups such as the media, civil society, business entrepreneurs, religious and cultural institutions together with leaders and communities in the Albertine Graben as focal stakeholders. In addition, the website www.petroleum.go.ug is regularly updated with recent developments and documents relating to the oil and gas sector.



Rt. Hon. Anastase Murekezi, Prime Minister of Rwanda (right) is taken round Uganda's exhibition booth by Eng. Irene Muloni (centre) and Hon. Peter Lokeris (2nd right) during the 7th EAPCE during March 2015

The Policy also recommends regional cooperation in the development of Uganda's oil and gas resources. The Albertine Graben where oil and gas exploration is taking place is shared with the Democratic Republic of Congo. In 1990, the Governments of Uganda and the Democratic Republic of Congo (DRC) (then the Republic of Zaire) signed an "agreement of cooperation for the exploration of hydrocarbons and exploitation of common fields" between the two countries. As a result of the understanding arising out of this Agreement, the Oil companies which have been licensed by the Government of the DRC to undertake oil exploration and development in DRC are using Uganda as a base or as a transit route for movement of their equipment and personnel required for their operations. For example, Soco E&P DRC completed Environment and Bathymetric studies and acquisition of seismic and aeromagnetic data over the Lake Edward basin in DRC using a base camp located at Lake Katwe in Uganda. In addition, the East African Community (EAC) Partner States are also working together to promote investment in the region's emerging oil and gas sector, mainly through the biennial East African Petroleum Conference and Exhibition (EAPCE) and the EAC Sectoral Council on Energy. During the 7th EAPCE 2015 that was held in Kigali, Rwanda during March 2015, Uganda presented the country's first licensing round and also made various presentations on Uganda's oil and gas potential. In addition the Northern Corridor Infrastructure Summit also takes forward the development of key infrastructure such as pipelines, the refinery project and refurbishing the railway network to, among others, support the developments in the petroleum sector in the region. Government is continuing to establish bilateral linkages with other and gas exploration, development and production is taking place, including Australia, India, Malaysia, Norway, Trinidad and Tobago and USA, among others. This is with a view to provide opportunities to share experiences and best practices for the country's oil and gas sector.



Community sensitazation meeting on land related issues in Ngwendo Sub county,

Buliisa District during April 2015.

CONCLUSION

The Government of Uganda is taking forward the development of the oil and gas sector in the country through implementation of the National Oil and Gas Policy. The oil companies that have been licensed in the country are continuing to invest in the development of this sector. The exploration success in the country has led to the transformation of the Albertine Graben from being a frontier exploration basin to an internationally recognised and established petroleum province. Planning for the development, production, refining and transportation of petroleum in the country is ongoing. The oil and gas sector which is a newly emerging sector in the country is beginning to provide opportunities and benefits for the people of Uganda, its economy, and the region at large. These opportunities include; new investments, development of infrastructure, enhanced demand for services in the country, employment opportunities; establishment of offices and bases in the country by multinational companies; technology transfer and industrial development, among others. The Ministry of Energy and Mineral Development appreciates the roles played by the respective stakeholders and invites the public to support this new and important sector of development in the country through actively playing their respective roles. The Government of Uganda is committed to effective and efficient development of the Country's Nascent Oil and Gas Sector. For More Information Contact:

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