

PROGRESS IN THE PETROLEUM SUB SECTOR

Pledges:

- Build oil refinery with capacity to produce 60,000 barrels per day
- Build an export pipeline to enable export of oil to the Eastern Africa region and international market.
- Collaborating with the E.A Partner States in the development of shared infrastructure and harnessing of the natural resources.

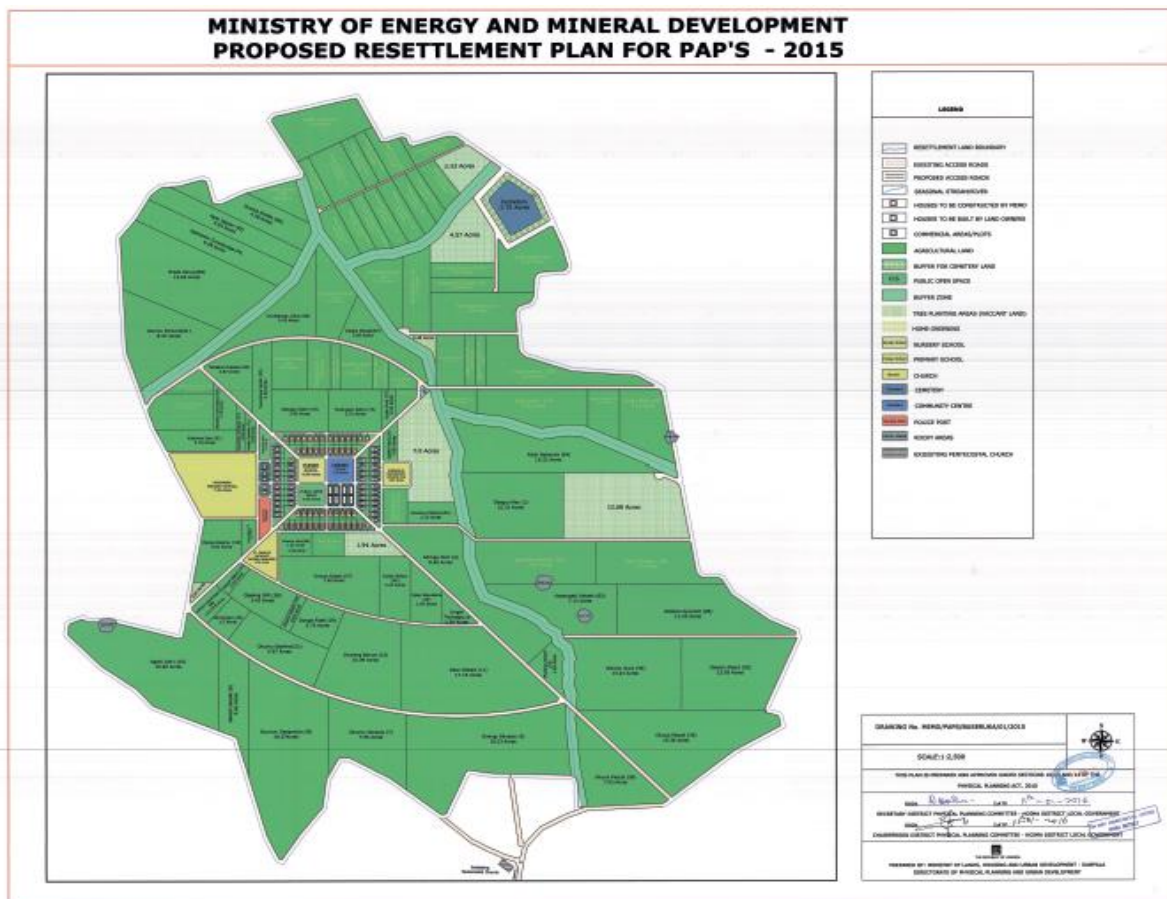
Oil field development:

- **Final Investment Decision (FID) for Uganda's oil and gas projects:** Government is in advanced stages of discussions with the licensed oil companies regarding legal and commercial aspects related to the oil and gas projects.
- Agreement on this, will pave way for the oil companies to take a Final Investment Decision.
- These efforts have been fostered by the recent sale of Tullow shares in the Albertine Graben to TOTAL E&P Uganda B.V. that is pending GoU approval.

Refinery development:

- GoU, in April 2018 entered into a Project Framework Agreement (PFA) with the **Albertine Graben Refinery Consortium (AGRC)** as the Lead Investor to develop a 60,000 BOPD in Kabaale, Hoima.
- Cabinet approved the extension of the PFA from 24 to 41 months to enable finalisation of FEED, ESIA and sourcing of financing.
- The implementation of the Project Framework Agreement has been impacted by the delayed Upstream Final Investment Decision (FID).
- The Refinery Development Project includes a 213 km products pipeline from Hoima to Mpigi District.
- The Project is expected to cost about USD 3.5 Billion and will have Debt (70%) and Equity (30%).
- The Refinery Configuration Technical Feasibility (FEL-2) Study was completed and the report has been approved by government.

- The approved Refinery Configuration will produce Liquefied Petroleum Gas (LPG), Petrol, Diesel, Jet Fuel and Heavy Fuel Oil (HFO).
- The Front-End Engineering and Designs (FEED) study for the refinery project continued in Milan, Italy and is currently estimated at 65-75% complete.
- Completion of FEED is expected in mid-2021.
- The Environmental Social Impact Assessment (ESIA) commenced in March 2020. The study will last 18 months.
- **Land Acquisition for Refinery Development:** Resettlement infrastructure for the refinery Project Affected Persons (PAPs) including schools, houses and health centers constructed.



Kabaale Petro-based Industrial Park (KIP)

- The Master Plan for the Kabaale Oil and Gas Industrial Park (KIP) was approved by the National Physical Planning Board.
- The plan provides for development of a refinery, free zone, airport, Petro-chemical and energy based industries among others.

- UNOC the manager of KIP is sourcing for a strategic partner to develop the park and also promote investment.
- Following the completion of the Expression of Interest and the due diligence on the shortlisted bidders, Government is in the process of issuing a Request for Proposals for selection of a Strategic Partner in the development and management of the Park

Kabaale International Airport

- The Kabaale Airport and Terminal Master plan and detailed engineering designs for phase 1 were completed.
- Construction of the Phase I of the airport commenced and is 40% complete.
- Phase I is expected to be completed at the end of 2020. The rest of the works to be completed in 2023.
- The Ministry continues to collaborate with Ministry of Works and Transport and Civil Aviation Authority to ensure the airport is ready by the target dates.

KABAAL INTERNATIONAL AIRPORT CONSTRUCTION WORKS



DEVELOPMENT OF PIPELINES AND STORAGE FACILITIES

East African Crude Oil Pipeline (EACOP)

The EACOP is a 1443 Kilometres long pipeline that will transport crude oil from Hoima in Uganda to Tanga in Tanzania. It traverses 10 districts in Uganda.

Continued to negotiate the Host Government Agreement, the Transportation and Tariff Agreement and Shareholder Agreement. The target is to have key agreements executed by end of 2020.

The Land acquisition process for the EACOP corridor from Hoima to Mutukula is on-going and the RAP study almost complete. This will be followed by Compensation and resettlement of project affected persons.

ESIA was completed and awaiting approval by National Environment Management Authority (NEMA).

Front End Engineering Design (FEED): The Front-End Engineering Design (FEED) study for EACOP was completed and the report submitted to government.

Resettlement Action Plan for Tanzania: The EACOP RAP activities for the pipeline on the Tanzania section are ongoing.

Refined Products Pipeline from Hoima to Namwabula, Mpigi: The land acquisition process is on-going with the cadastral surveys and valuation of property almost complete.

Compensation and resettlement of project affected persons will commence once valuation reports are approved by the Chief Government Valuer.

Kampala Storage Terminal (KST): Government is in the process of identifying the Strategic Partner for the development and management of KST.

The ESIA was completed and report submitted to National Environment Management Authority (NEMA) for approval.

COLLABORATION WITH EAST AFRICAN PARTNER STATES IN THE DEVELOPMENT OF SHARED INFRASTRUCTURE

- **Natural Gas Pipeline:** There is on-going co-operation with the Government of Tanzania to develop a natural gas pipeline to Uganda to mainly support the iron and steel industry.
- The Joint Technical Committee comprising of representatives from the two states has held discussions to agree on the modalities for undertaking a joint feasibility study.
- The plan is to commence the study this year 2020.

- **EAC Sectoral meetings where this sub-sector falls continue to be held. In March 2020, a meeting of petroleum experts from Partner States was held to discuss harmonization of petroleum policies in the region.**