

STATEMENT TO PARLIAMENT ON THE STATUS OF OIL AND GAS PROJECTS IN THE COUNTRY

BY

MINISTER OF ENERGY AND MINERAL DEVELOPMENT

Rt. Hon. Speaker,

The purpose of this statement is to update the House on the current status of the country's oil and gas (petroleum) projects. As mentioned in my previous statements, Uganda's Albertine Graben is a mature Oil and Gas province that has nine (9) Production Licenses issued to TotalEnergies EP Uganda BV., CNOOC (U) Ltd. and Uganda National Company Ltd. (UNOC).

Rt. Honourable Speaker and Members of Parliament: The Ministry of Energy and Mineral Development (MEMD) is leading the formulation of comprehensive National Petroleum Policy following the review of the National Oil and Gas Policy, 2008 and Energy Policy, 2002 to address the entire petroleum value chain and emerging issues. The new policy will create a conducive environment for faster and efficient exploration, development, production and commercialization of discovered resources and utilization of petroleum products in the country while acknowledging the energy transition initiatives. We plan to conclude the policy before end of this Financial Year.

EXPLORATION

Rt. Honourable Speaker and Members of Parliament; In an effort to increase our resource base, we issued exploration licences to Armour Energy Ltd over the Kanyawataba area, Oranto Petroleum Ltd over the Ngassa Shallow and deep in 2017, and more recently (2023) to UNOC over the Kasurubani block and DGR Global over the Turaco block. My Ministry is also increasing



efforts to explore for more petroleum areas in new basins such as the Kadam Moroto, Kyoga and Hoima basins.

DEVELOPMENT AND PRODUCTION

Rt. Honourable Speaker and Members of Parliament, the drilling of development and production wells was launched in January 2024 at the Kingfisher field by H. E. the President of the Republic of Uganda. Development and production drilling for the Tilenga project also commenced in June 2023. A total of 11 wells have been drilled, 8 in the Tilenga and 3 in the Kingfisher area. These wells are being drilled using 3 rigs in the Tilenga project and One (1) rig in the Kingfisher project.

At Peak production, all fields mentioned above will produce 230,000 bbls of oil per day for 5 years. The Tilenga project will produce 190,000 bbls of oil per day at peak while the Kingfisher field will produce 40,000 bbls of oil per day at peak. In total, the above production will require a total of 457 wells and 35 well pads. Construction of the Central Processing facilities both at Kingfisher and Tilenga is ongoing and on schedule to be ready by 2025. The Tilenga's 190,000 bopd capacity Central Processing facility which is under construction is currently 33% complete while the Kingfisher's 40kbopd capacity Central Processing facility which is under construction is currently 12% complete. The laying of interconnecting pipelines of the Kingfisher feeder pipelines to the export hub has already commenced.



It is expected that 80 kilo tonne and 20 kilo tonne per year of Liquefied Petroleum Gas (LPG) will respectively be produced from the Tilenga and Kingfisher projects. This will enable the country reduce on deforestation and hence save us from any climate change impacts.

REFINERY PROJECT

Rt. Honourable Speaker and Members of Parliament, Government is taking forward the development of 60,000 barrels per day oil refinery in Kabaale, Hoima district. I will be announcing the winning bidder for the refinery project soon after the Project Framework Agreement with Albertine Graben Energy Consortium expiring in June 2023. Regarding the refined products pipeline project that traverses 6 districts over a distance of 213km from Hoima to Mpigi, Land acquisition process is currently ongoing and is at 74%.

EAST AFRICAN CRUDE OIL PIPELINE (EACOP)

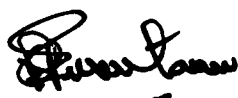
Rt. Honourable Speaker and Members of Parliament Government in January 2023 issued a Permit to the East African Crude Oil Pipeline (EACOP) company to construct the pipeline. The progress for detailed design for the EACOP pipeline and attendant facilities being undertaken by Worley in London and Dar es Salaam stands is at 66%. Construction of the Thermal Insulation Plant in Tanzania is at 95%. Together with the installation of equipment for two coating trains is ongoing. In Uganda, civil works commenced in August and will be followed by works at the other camps.



The Resettlement Action Plan (RAP) for affected persons within the 10 districts where the EACOP crosses is ongoing. Approximately 94% of the affected persons have consented and signed documents while 88% of the affected persons who opted for cash payment have been cleared and paid. The Ministry, Companies and key stakeholders are attending to grievances associated with land acquisition process.

CONCLUSION

Finally, the Rt. Honourable Speaker and Members of Parliament, Government and its partners are working tirelessly and I am happy to report that we are on track to have First Oil by end of 2025. I thank you colleagues for the continued support towards achieving these milestones.



Hon. Dr. Ruth Nankabirwa Ssentamu

MINISTER OF ENERGY AND MINERAL DEVELOPMENT

25TH OCTOBER, 2023