



# MINISTRY OF ENERGY AND MINERAL DEVELOPMENT

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## Announcement of the Second Licensing Round for Petroleum Exploration in Uganda. *4,926 Km<sup>2</sup> of high potential acreage offered for licensing.*

In accordance with the powers bestowed upon me by the Petroleum (Exploration, Development and Production) Act of 2013, I wish to announce the Second Open Competitive Licensing Round for petroleum exploration in Uganda. This licensing round will cover five blocks in the Albertine Graben which is a proven prospective sedimentary basin. Uganda's Second Licensing round is guided by the National Oil and Gas Policy for Uganda (2008) and the Petroleum (Exploration, Development and Production) Act, 2013.

The main objectives of implementing the license round are:

- (i) Establishment of additional petroleum resources and reserves to the current recoverable reserves estimated at 1.4 Billion Barrels of oil and 500 Billion Cubic feet of non-associated gas. The additional resources are to ensure sustainability of oil production and economic viability of the Refinery and the Crude Export Pipeline.
- (ii) To take advantage of the current high crude oil price, conducive investment climate and minimal geological and commercial risks together with the comprehensive legal, regulatory and institutional frameworks to attract a large spectrum of oil companies including moderate to big ones and subsequently achieve competitive work programs and fiscal terms. This week, the price of crude oil at the world market is above USD 60 and is progressively rising. Additionally, most areas of the Albertine Graben have been greatly de-risked in terms of geological, market, transportation and infrastructure risks.

- (iii) To respond to the significant number of investors who have expressed interest in investing in the country's oil and gas industry. It is important and beneficial that Government responds to these interests before the investors consider investing the high-risk capital in other Countries which are dynamically engaging in promotion.
- (iv) To enhance the promotion of the National Content. The exploration licensing is envisaged to create several opportunities not limited to national participation through service provision and employment,
- (v) To generate and achieve upfront and long term monetary benefits for the country. The upfront direct monetary revenue to the tune of more than USD 5 million will accrue from the application fees, data package sales, signature bonuses, training fees and ground rent. The long term benefits will be realized once commercial discoveries are made and production starts.

The five blocks on offer are;

- i. LR2\_2019\_Block01 (**Avivi**) covering the districts of Obongi, Adjumani, Amuru and part of Arua and with area coverage of 1026km<sup>2</sup>.
- ii. LR2\_2019\_Block02 (**Omuka**) covering the districts of Nebbi, Nwoya and Buliisa and with area coverage of 750km<sup>2</sup>
- iii. LR2\_2019\_Block03 (**Kasuruban**) covering the districts of Buliisa, Hoima and Masindi and with area coverage of 1285km<sup>2</sup>

- iv. LR2\_2019\_Block04 (**Turaco**) covering the districts of Ntoroko and with area coverage of 635km<sup>2</sup>
- v. LR2\_2019\_Block05 (**Ngaji**) covering the districts of Kanungu, Rukungiri and Rubirizi with area coverage of 1230km<sup>2</sup>

The demarcation of the areas was based on a 5x5' block size (85.4 Km<sup>2</sup>) and its multiples as provided for in the Petroleum (Exploration, Development and Production) Act 2013 (PEDP Act).

The Ministry will issue a Request for Qualification (RFQ) inviting interested firms and/or consortia to submit Statements of Qualifications within a period of 4 months for government to determine their eligibility to participate in this Second Licensing Round. The qualifying firms will then be issued a detailed Request for Proposals (RfP) which will be evaluated by the Government. The companies submitting the best evaluated Proposal/Bid for each of the blocks will proceed to negotiations with the Government prior to signing the Production Sharing Agreements. The licensing round is expected to be concluded with the award of Petroleum Exploration Licenses to successful firms by December 2020.

Licenses accruing from this process will be subject to state Participation and Government will specify its maximum share prior to granting the Petroleum Exploration Licenses.

Eng. Irene Muloni (MP)

**MINISTER OF ENERGY AND MINERAL DEVELOPMENT.**