

Topic: "OIL & GAS CURRENT STATUS AND THE IMPLICATION ON BUSINESS AND THE ECONOMY AT LARGE"

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@Regional logistics Expo 2019

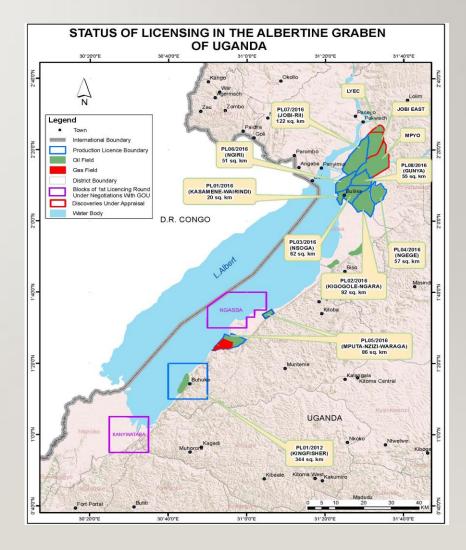
BRIEF ABOUT UCMP

The Uganda Chamber of Mines & Petroleum (UCMP) is a non-for-profit organization representing the interest of the mining and petroleum sector in Uganda. UCMP is a coordinating and facilitating centre for information and administrative support to prospective and current investors in the mining and exploration sectors in Uganda.

WE ARE THE VOICE OF THE OIL, GAS & MINERAL SECTORS IN UGANDA

Current Status of the oil and gas Sector

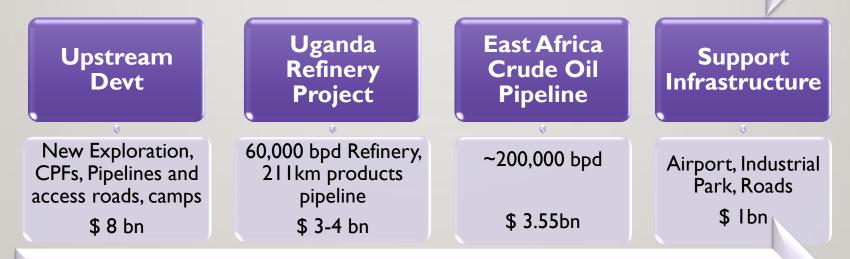
- 21 Oil and Gas discoveries; 14 fields under development
- 6.5 billion barrels of Oil equivalent in place; 1.4 billion barrels recoverable.
- Gas (Non-associated) Initially In Place (GIIP) stands at 500 BCF.
- 40% of Albertine Graben has been explored; less than 15% is licensed.
- Other sedimentary basins in the country are under investigation; example <u>Moroto-Kadam Basin</u>
- 5 Players; CNOOC, Total E&P, Tullow, Armour and Oranto
- Policies, laws, regulations and standards, PSAs all in place



Current Status of the Sector

2.4 KEY PROJECTS

Road to First Oil ~ US\$ 15 - 20 Billion Investment

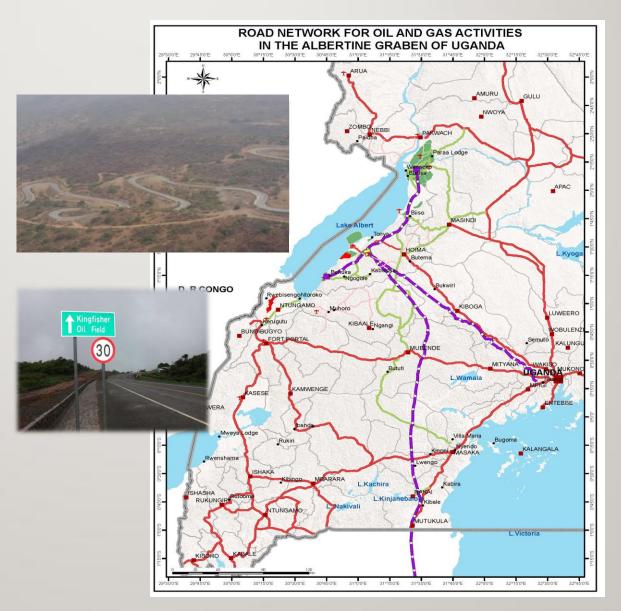


Opportunity for National Content Development

50% or more of the spend will be in the logistics sector.

Key Projects

- Planned network of 12 roads; 580 Kilometres at US \$ 500 million
- 3 kilometre bridge
- A Refinery,
- An International Airport
- A crude oil and products storage/ transmission hub,
- Logistics warehousing
- Energy-Based Industries,
- Petrol Chemical Industries
- Other associated facilities.



IMPLICATION ON BUSINESS

Delays in commercial negotiations;

- Delayed Local Content
- Pressure on Businesses (Acquired loans, etc)
- Investor Fatigue / Frustration
- Delayed Expected Employment
- Subsided investor interest

IMPLICATION ON THE ECONOMY

Delays in commercial negotiations;

- Approx. USD 20bn investment expected on Oil & Gas expected projects
- This is two thirds of Uganda's current GDP
- Delayed Revenues to Govt
- With such investment, it is possible to grow the GDP to double digits
- Multiplier effect from the investment.

AS WE WAIT FOR COMPLETION OF NEGOTIATIONS

- Oil and Gas at its peak is expected to require over1,000 trucks every month and over 2,000 professional drivers.
- Opportunities in freight logistics will be in: supply chain management; freight forwarding; customs clearing; ware housing; transport; and lifting services among others
- Compliance to Global standards environment; health and safety standards

- Skilling the Local Content
- Enterprise development;
- Use of locally produced goods and services
- Transfer of knowledge and technology in the country.
- Partnerships to over come capacity and financing challenges

EXAMPLE: HEAVY GOODS VEHICLES REQUIREMENTS

- Some of the HGV minimum Requirements.
- vehicle vetting-mileage and age
- maintenance scheme-plan/history
- personnel (mechanics etc)training
- 3 point seat belts
- ABS/EBS- Ant/Electronic Braking system
- head rest for all seats
- first aid kit and a flash light/torch

in vehicle monitoring system (VMS)

- Reversing alarm system
- under- run protection; front, side and rear
- fire extinguishers- atleast 5kgs dry chemical
- 2xsuitable spare wheel and repair kit, wheel chocks

warning triangle and reflective vest to be used when stepping aside a vehicle out of service

- Rollover protection (shall be fitted on any vehicle where risk assessment shows this is necessary)
- head board for flat bed trucks
- suitable tyres, same type of

tyres

EXAMPLE: HEAVY GOODS VEHICLES REQUIREMENTS

- Mandatory vichicle/ equipment inspection prior to mobilisation to site
- Requirement for escort vehicle on all HGV'S
- A contractor HSE representative for all field projects.
- Speed limits for all route/road types and regions.
- No/zero drug & alcohol policy during projects
- Mandatory tracking (VMS) to monitor compliance and other parameters.
- Mandatory route assessments for every project prior to implementation.
- Employee HSE training plan

EXAMPLE: HGV & LIGHT VEHICLE DRIVERS REQUIREMENTS

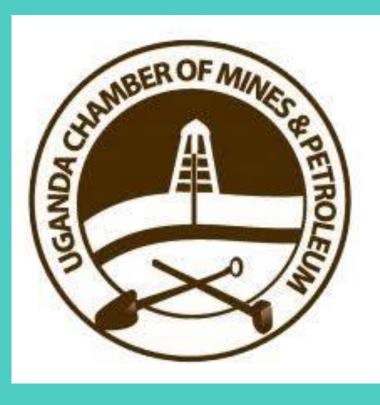
- Valid driving license and class
- 2 years and above driving experience
- 21 years minimum age
- Able to communicate speak, read and write English
- Certificate- defensive, off-road
- Medical fitness certificate
- First aid
- Fire fighting

- General safety awareness
- Basic mechanic knowledge(general vehicle inspections- tyre change, oil levels etc)
- Driver assessed by approved driving examiner and passed in on road test
- Training in dangerous good and special and special loads for drivers in this category

CONCLUDING REMARKS

- Oil and gas sector in Uganda is broadening from exploration to development of discovered oil and gas resources together with refining and pipeline infrastructure development.
- Efforts to ensure sustainable exploitation and utilisation of the resources are ongoing. You play a critical role.
- All stakeholders must play their roles responsibly, with mutual respect and promote sustainable development and partnerships





Get in touch!

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