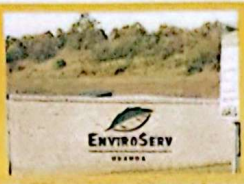


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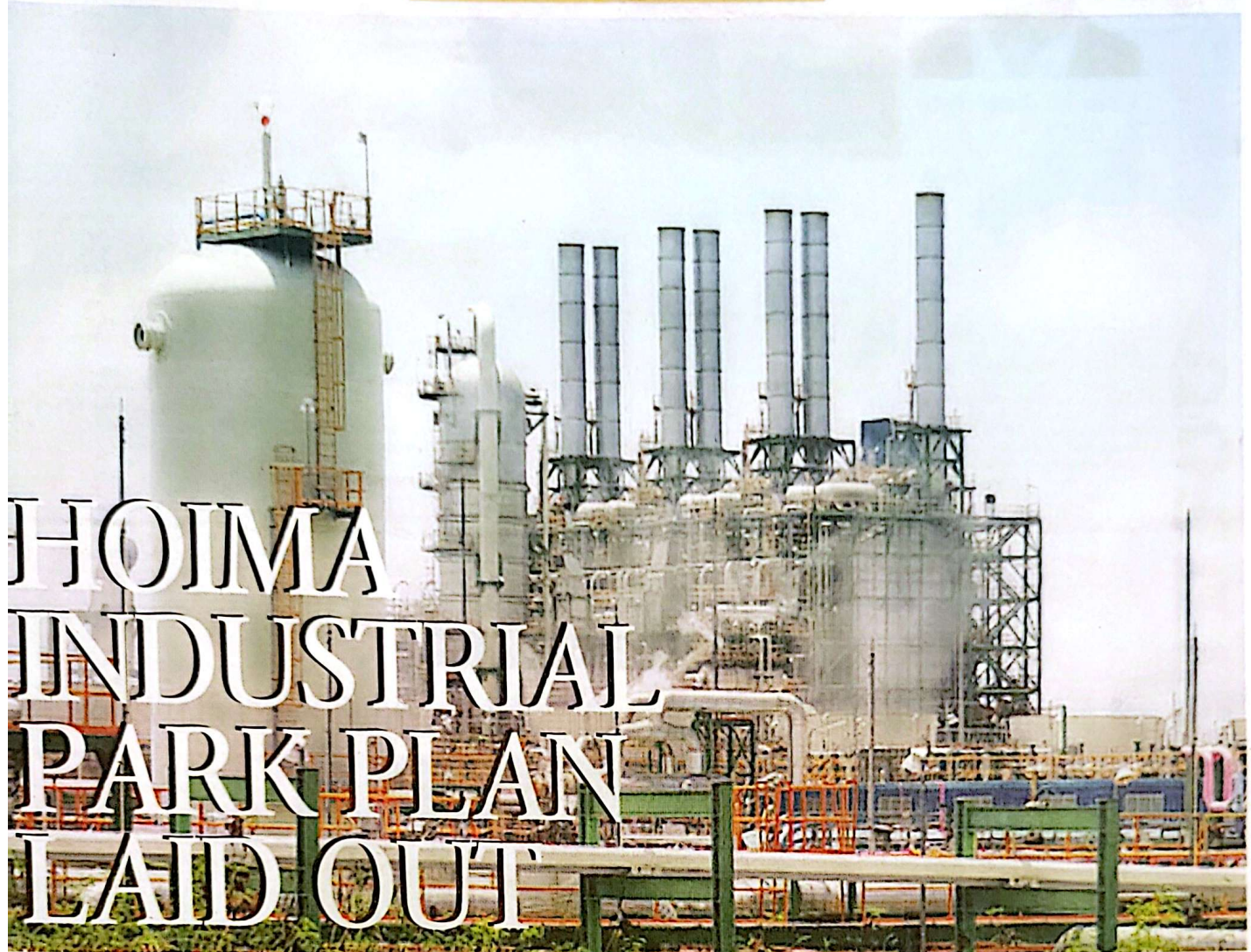


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HOIMA INDUSTRIAL PARK PLAN LAID OUT

The first phase of Hoima oil and gas industrial park is under construction. The facility will generate employment opportunities, revenue for the Government and value-addition, writes Pascal Kwesiga

occupied by over 7,000 people in over 10 villages in Kabaale parish, Buseruka sub-county, the facility will include, among others, Hoima International Airport, an oil refinery, petrochemical industries and a free zone for (export) production.

According to the industrial park masterplan, the facility will also have an export hub where the crude oil from the production fields in the Albertine Graben will start its 1,445km journey to the Tanzanian Tanga seaport along the Indian Ocean.

It will also have delivery point facilities where crude oil meant for export will be separated from the one for refinery. Upon refinery, the 60,000 barrels will be transported through pipelines from Kingfisher and Tilenga central processing facilities in Buhuka in Hoima and Buliisa districts respectively.

However, the refinery's initial processing capacity is planned to be 30,000 barrels per day, but this will be upgraded to 60,000 later.

"By-products from the refinery will be taken by the petrochemical industries to produce other products such as rubber and plastics," the energy ministry's permanent secretary, Robert Kasande, said.

"Oil and gas development activities call for planning because they come with large facilities and increased populations in an area. These activities and people have to be planned for," Kasande explained.

He said the decision to have an industrial park on the 29 square kilometre land was informed by the desire to ensure it is well-utilised. An inter-ministerial committee undertook benchmarking studies, including a visit to the Coega Industrial Development Zone in South Africa.

"What was found out during the benchmark studies is that management of the industrial park, Coega in particular, is well-defined and there is a framework for financing. They have the Coega Industrial Development Corporation, which was charged with building it and attracting investors," Kasande said.

The industrial park, he revealed, will be managed by the Uganda National Oil Company (UNOC). UNOC would have to oversee the construction of midstream and other facilities in the park and attract investors into it, as well as monitor their activities.

THREE PHASES

The park, according to the masterplan, would be developed in three-phased manner.

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When up and running, the Oil and Gas Industrial Park in Hoima will be one of the largest facilities in Africa. Sitting on the 29 square kilometres of land that was, until recently,

Oil, gas sector expected to bring



Ernest Rubondo

As stated by Benjamin Franklin, one of the founding fathers of the US, "Investment in Knowledge pays the best interest".

The Petroleum Authority of Uganda (PAU) is delighted to partner with Vision Group to publish a weekly pullout on the oil and gas sector in Uganda.

This pullout, which will run every Tuesday during 2018, will represent the PAU's contribution to building knowledge, especially among Ugandans, through increased and regular sharing of information on the sector.

This effort, which is also in fulfilment of the Petroleum Exploration, Development Act 2013, should enable more informed participation in, and inclusive development of the sector.



A well pad at kasemene 1 in the Albertine graben, Bunyoro region. Photos by Richard Sanya

It is now clear that the oil and gas sector in Uganda is entering a phase of increasing and broader opportunities, as it transitions from having only exploration, to having new exploration, preparation of the already discovered oil fields for production.

The sector is also putting in place infrastructure for both commercialisation of oil and

40,000 Barrels
the capacity the Kingfisher project produces per day

gas resources and facilitating developments.

INFRASTRUCTURE

The infrastructure for commercialising the discovered oil and gas resources includes the facilities in the oil fields, pipelines and the refinery.

While that for facilitating the developments in the sector

includes roads, an and the new intern being built in Kabab district.

The signs of expansion are things; the in of activity in th especially in the where oil and ga discovered, laying

KEY ISSUES

Petroleum Authority of Uganda to monitor, regulate key activities

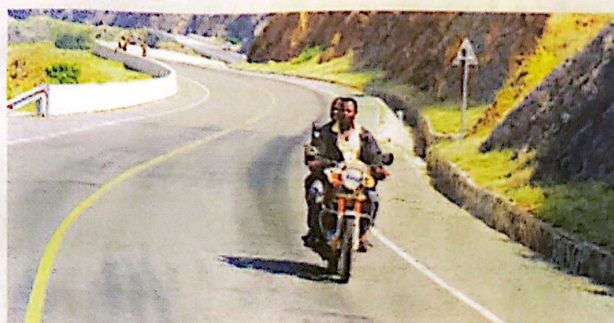
In the short term, the PAU will be monitoring and regulating the following activities

■ New exploration work to be undertaken by Armour Group, in the Kanywataba Exploration Area in Ntoroko district and in the two vertical licenses in the Ngassa Exploration Area in Hoima district which are licensed to Oranto Petroleum Limited.

The work to be undertaken in these exploration areas includes reprocessing the existing seismic data, acquiring new seismic data, undertaking geological and geophysical studies as well as feasibility studies and drilling of at least two exploration wells.

■ Preparation of the already discovered oil fields for production, will be undertaken under two separate projects, the Tilenga project in Buliisa and Nwoya districts, and the Kingfisher project in Hoima district.

The Tilenga Project includes a Central Processing Facility (CPF) with capacity to process 190,000 barrels of oil per day, and over 412 wells (including 189 injectors, 190 producers and 33 observers) which are planned to be drilled on 35 wellpads.



Construction of roads in Bunyoro has led to fast development on the area

The CPF is an infrastructure used to process crude oil, which is received directly from the oil wells, by removing impurities and water and also separating the produced gas from the crude oil.

The Tilenga project is also planned to have 250km flow lines which will transport crude oil within the oil fields and a 10 km feeder pipeline which will transport the processed crude oil from the CPF in Buliisa to the export hub and refinery in Kabaale.

Conversely, the Kingfisher project has a planned CPF with a capacity of 40,000 barrels per day

and 31 wells (11-injectors and 20 producers) to be drilled on four well pads. The project is planned to have 16 kilometres of flow lines and a 55km feeder pipeline from the CPF in Buhuka, Hoima district, to the Export Hub and refinery in Kabaale.

■ Preparations for, and construction of the 1445km, 24-inch buried and heated East African Crude Oil Pipeline (EACOP) from Kabaale, Hoima to Chongoleani in Tanga, Tanzania.

The pipeline will have a loading pad in Kabaale, six pumping stations and 27 heating stations along the route

together with a facility to load oil on to tankers at Chongoleani.

The export pipeline route was agreed and an Inter-Governmental Agreement between Uganda and Tanzania to implement EACOP was concluded.

Selection of contractors for accessing the pipeline in preparatory phases of construction are commencing.

■ Participation in the negotiation of agreement with lead investor for the 600,000 bpd greenfield refinery in Kabaale.

The activities listed above only represent an increasing number of activities in the oil and gas sector, but also significant expansion.

As an example, the oil fields which are planned to be developed in the next three to four years of preparing the area for production will see a significant increase in the number of wells which were drilled in the 12-15 years period of exploration and appraisal.

The investment in the sector over the last 15 years, is estimated to be over \$3b while that for the next five years is estimated to be over \$2b.