Rwanda oil survey stalls

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RWANDA. Oil exploration in Rwanda has stalled after negotiations with Chinese firm BGP suddenly collapsed, The EastAfrican has learnt.

The country expected to resume oil exploration in November last year when BGP — which also conducts explorations in Kenya and Tanzania — won a tender in May to explore for the "black gold" in Lake Kivu.

But sources privy to the matter confirmed that oil exploration may have to wait a bit longer after negotiations between government and BGP hit a dead end, even when a draft contract had been adopted by both parties.

The Minister of Natural Resources, Vincent Biruta, declined to explain why the negotiations collapsed, noting that the procurement process is still ongoing and that no company had won oil exploration rights in the country.

"I cannot interfere in the process or comment on companies that bid to explore oil. We will wait for the procurement process to be concluded and know who is selected. The company selected will then sign a contract; but until then I cannot comment," Mr Biruta said.

However, documents show that the procurement process was indeed concluded and the tender to explore oil was awarded to BGP mid last year.

Thereafter, in mid July, a negotiation team led by Dr Michael Biryabarema, the former deputy general of the Geology and Mines Department, met with the manager of BGP Kenya, Feng Wenhui, and discussed the terms of the contract that would be signed between both parties.

During these talks, which lasted three days, BGP requested, among other things, the government to seek access to explore for oil across the DRC portion of Lake Kivu in order to get better data. This request was granted later in August when both Rwanda and the DRC agreed to explore a portion of the lake within each other's territory. Under the contractual terms, BGP also agreed to fully fund training for up to six Rwanda staff in petroleum engineering.

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