THE PAU NEWSLETTER

Petroleum Authority of Uganda

Volume 4, Issue 3 May 2025

Beyond Rigs & Pipelines : Uganda's Oil & Gas Projects are Driving Positive Transformation

Inside this issue

EDITOR'S WORD

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This year, the Petroleum Authority of Uganda (PAU) will mark its 10th Anniversary. This presents an opportunity to reflect, with pride, on the decade's steady progress anchored on bold decisions, that have ushered in several transformative milestones.

From the early days of policy and institutional development to the tangible infrastructure visible across the Albertine Graben, Uganda's oil and gas journey is now firmly on the path to first oil, and more importantly value creation and retention.

The synchronised development of the Tilenga, Kingfisher, Refinery, and EACOP projects—collectively worth over USD 20 billion—demonstrates not only technical ambition but a national vision anchored in energy independence and inclusive growth.

What once seemed a distant dream is now taking shape in well pads, central processing facilities, pipeline construction works, paved roads, a second international airport, booming towns, training institutions, and Ugandans at the heart of the process.

The sector's impact goes far beyond rigs and pipelines. Over 16,000 people are now directly employed in the industry, with 90% being Ugandans. Ugandan businesses are gaining traction, communities are being reskilled, and vital linkages to agriculture, tourism, and infrastructure are creating shared prosperity.

As this issue highlights, the Authority continues to uphold its mandate of ensuring that petroleum operations are conducted in a sustainable, transparent, and inclusive manner. From environmental safeguards to community development, from investment attraction to national content growth—PAU's regulatory oversight has laid a foundation that benefits both the present and future generations.

As we celebrate PAU@10, we reaffirm our commitment to serve, regulate, create lasting value in Uganda's oil journey.

Gloria Sebikari
Editor

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President Yoweri Museveni (C) flanked by the Hon. Ruth Nankabirwa – Minister of Energy and Mineral Development (R) and Sheikh Mohammed Bin Maktoum Alpha MB Investment lead

UGANDA'S JOURNEY TO FIRST OIL: THE STRIDES IN CREATING LASTING AND SHARED VALUE

By Gloria Sebikari

Uganda's Petroleum sector dominated the headlines during the first quarter of 2025, with landmark achievements.

The East African Crude Oil Pipeline (EACOP) project secured the first tranche of debt financing, ensuring the continued development of the 1,443 km conduit that will transport Uganda's crude oil to the international market.

Capping off this streak of progress, on 29th March 2025, the Government of Uganda signed an implementation agreement with Alpha MBM Investments for the design, construction, and operation of a 60,000-barrel-per-day refinery in Hoima—yet another critical stride toward the country's energy independence and industrialisation goals.

Uganda's four flagship petroleum infrastructure projects—the Tilenga and Kingfisher developments in the Upstream, together with the EACOP, and the Refinery Projects—are being developed simultaneously, with the shared goal of bringing value to Ugandans as we journey to first oil. This lasting and shared value is the basis of the Petroleum Authority of Uganda's regulatory mandate for the oil and gas sector.

Since the announcement of the Final Investment Decision (FID) in 2022, the sector's value to Uganda is undeniable. Worth close to USD 20 billion in investment, these flagship projects make up the largest infrastructure undertakings in Uganda's history.

The Upstream Projects

Operated by TotalEnergies EP Uganda, the Tilenga Project includes six oil fields and over 400 wells, with a total estimated cost of USD 6 billion. By the end of March 2025, over 120 wells had been drilled using three drilling rigs. Land acquisition for the project is close to fully completed, with 4,948 out of 4,954 project-affected persons (PAPs) already compensated.

The Kingfisher Development Area

Arial view of the EACOP Marine Storage tanks at the Tanga port

Painting works for pipe-joints for the Feeder and flow lines for the Tilenga project

(KFDA), operated by China National Offshore Oil Corporation (CNOOC) Uganda Limited, consists of four oil fields and 31 wells and is estimated to cost USD 2.5 billion. By March 2025, 13 of the 15 wells required for First Oil had been drilled using a single drilling rig. Land acquisition was fully completed by June 2024, with all affected persons compensated. The upstream projects involve the construction of well-pads, drilling of wells, construction and installation of facilities to produce, treat and evacuate the petroleum from the fields, and construction of associated infrastructure such as the central processing facility (CPF), support bases, fabrication yards, access roads and accommodation camps, among others. Overall progress for the upstream projects was close to 60% by the end of March 2025.

The East African Crude Oil Pipeline

Stretching 1,443 km from Hoima, Uganda to Tanga, Tanzania, this 24-inch diameter pipeline is projected to cost USD 5 billion. The project includes 17 construction camps (five in Uganda, 12 in Tanzania) and six pump stations (two in Uganda, four in Tanzania). As of May 2025, 51km of pipeline had been welded in Uganda, and 206 km in Tanzania.

Land acquisition is nearly complete, with 99.7% of Project Affected Persons (PAPs) in Uganda (3,749 out of 3,759) and 99.1% in Tanzania (9,833 out of 9,927) compensated. The overall land acquisition progress stood at 99.2% and the overall EACOP project was 60% complete by May 2025.

The Uganda Refinery Project

The Government of Uganda plans to construct a 60,000 barrels-per-day crude oil refinery in Kabalega Industrial Park, Hoima District. All the required land has been acquired, and an Implementation Agreement has been signed between the Government of Uganda and Alpha MBM Investments from the United Arab Emirates (UAE).

The refinery's construction is expected to take three years, and its comple-

Ongoing construction works at the Kingfisher Project - Kikuube

Stringing of the flowlines for the Tilenga Project

Between 2017 and 2024, over USD 2.23 billion in contracts—41% of total value—were awarded to Ugandan companies, including USD 28.3 million to community-based businesses.

tion will mark a transformative step in Uganda's energy value chain—ensuring more domestic value addition, job creation, skills and technology transfer, and boosting industrialisation.

National Content

With Ugandan companies and Ugandans increasingly developing the capacity to handle high level engineering works, operations in the industry are more efficient. The level of engineering work in the country is unprecedented. This has been because of unbundling the civil works and engineering contracts that has given Ugandan entities the opportunity to grow the required capacity.

The sector directly employs over 162,000 people, 90% of whom are Ugandans. Around 5,000 workers come from host communities. This has generated an additional 135,000 indirect and induced jobs. Ugandans now hold 63% of management, 93% of technical, and 98% of support roles, reflecting strong national engagement.

Over 14,000 Ugandans have received training and certification in oil and gas disciplines, while 300+ government officials have gained specialised expertise. Fifteen vocational institutions with globally recognized accreditation now offer oil and gas programs locally.

The National Supplier Database (NSD), now a Joint Qualification System, includes 3,059 registered companies, 80% of which are Ugandan. By end of 2024, 53% of awarded contracts went to local businesses, underscoring Uganda's commitment to inclusive growth and sustainable development.

Sector Linkages:

The Petroleum Authority of Uganda (PAU) has played a pivotal role in fostering strong linkages between the oil and gas sector and other key areas of Uganda's economy, including agriculture, housing, tourism, finance, and health. Through commissioned studies and multi-sectoral stakeholder engagements, PAU has identified opportunities where oil and gas developments can spur growth across these sectors.

The agriculture has benefited from new markets for high-standard food supply chains, while housing demands in regions like the Albertine Graben have opened up real estate investment opportunities. The tourism sector is being strategically integrated to ensure oil activities enhance, rather than disrupt, tourism through better infrastructure, growth in the hospitality industry, and promotion of geo-tourism. Similarly, increased demand for banking, insurance, and healthcare services in oil-rich regions is driving growth in the financial and health sectors.

These cross-sectoral linkages are driving economic diversification, job creation, industrial growth, and enhanced infrastructure. They also position Uganda to explore broader export opportunities by elevating the competitiveness of local industries. Ultimately, these developments ensure that the oil and gas sector acts not as an isolated industry, but as a catalyst for inclusive and sustainable national development.

Ugandan workers at the Construction Support Base, Tilenga Project


Ugandans being skilled in pipeline welding at one of the project workshops


The 40,000 seater Hoima City stadium currently under construction in Hoima City

Environmental Sustainability

In line with the sector's steady progress, significant strides have been registered in integrating environmental safeguards across all petroleum activities. Since the confirmation of commercial oil and gas resources in 2006, the government has implemented a robust policy and legal framework to address potential environmental and social risks. No oil and gas project proceeds without securing an Environmental and Social Impact Assessment (ESIA) certificate from the National Environment Management Authority (NEMA), a requirement that has been met by all ongoing projects, including Tilenga, Kingfisher, and EACOP.

The PAU, in partnership with agencies like NEMA and the Uganda Wildlife Authority (UWA), regulates and monitors environmental compliance throughout the project lifecycle—from design to decommissioning. This includes applying the best available techniques, deploying on-site field officers, conducting quarterly environmental audits, and implementing a national oil spill contingency plan.

Furthermore, Uganda is working with licensed oil companies to implement a 'net gain' policy in ecologically sensitive areas, and to reduce carbon emissions by using the natural gas to produce Liquefied Petroleum Gas (LPG). LPG is key in addressing deforestation and promoting cleaner cooking solutions. To support sustainable waste management, three state-of-the-art facilities have been established in Hoima and Kikuube districts to safely handle both drilling and general waste. These initiatives demonstrate Uganda's commitment to ensuring that the development of its petroleum resources proceeds in an environmentally responsible and sustainable manner.

As progress towards First Oil takes centre stage, the focus remains on ensuring that all the necessary infrastructure and systems for production, processing, and transportation bring lasting value to Ugandans and development partners for decades to come.

The Author is the Manager Corporate Affairs at the PAU


Officials from PAU, NEMA, UWA, Uganda Police, and Kikuube, Buliisa, Nwoya District during a refresher tabletop exercise recently at the Kingfisher project

UGANDA'S TRANSFORMATIVE INFRASTRUCTURE CALCULATION

By Ali Ssekatawa

Uganda is slowly but surely positioning herself on the path to transformative infrastructure that will propel energy independence. This path is marked by a series of historic milestones achieved in the past six months.

First was the closure of external financing syndicated by African and Middle Eastern banks for construction of the 1,443 km East African Crude Oil Pipeline (EACOP); the repossession of the national power infrastructure from Umeme back to the Uganda Electricity Distribution Company Limited (UEDCL); the release of the first tranche of financing for the Standard Gauge Railway (SGR); and, the signing of the Implementation Agreement for a 60,000-barrels-per-day refinery with Alpha MBM International.

Together, these series of unrelated but interlinked events form a transformative package that signals Uganda's decisive shift toward controlling its energy infrastructure and economic destiny. As is already known by now, EACOP will transport the country's crude oil from the oil fields in mid-western Uganda to Tanzania's Tanga Port en route to the international market. Additionally, the EACOP project includes 48-core fibre optic cables, offering a robust backup for internet connectivity and contributing to the country's growing digital infrastructure.

The egress of Umeme from the power equation on 31st March was preceded by the likes Eskom and Jacobsen from the generation portfolio, with their erstwhile responsibilities reverting to the Uganda Electricity Generation Company Limited (UEGCL). This firmly gives the Ministry of Energy full autonomy over the electricity sub-sector to chart the country's energy future.

On the one hand, SGR is a key component in the country's planned intermodal transport, including rail-water transport and road, to spur connectivity access to the sea, either through Mombasa, Kenya, or Dar es Salaam. This infrastructure is expected to play a key role in supporting logistics and facilitating broader regional trade. The Ministry of Works and Transport last November signed a Shs10.9 trillion Engineering, Procurement and Construction (EPC) tender with Turkiye's Yapı Merkezi İnşaat ve Sanayi A.Ş for execution of the project.

The implementation agreement for the oil refinery signed on March 30 effectively means commencement of project works is within arms-length. The greenfield project represents a major leap forward in Uganda's journey toward energy security. While some sceptics argue that the project could meet the same fate as the now-defunct refineries in Kenya and Tanzania, Uganda's approach is fundamentally different. Unlike its coastal neighbours—whose refineries relied on imported crude from the Middle East, advantaged by their coastal location—Uganda's refinery will process domestically produced crude, owned by the Uganda National Oil Company (UNOC), which is also a partner in the project.

Critically, the Uganda refinery project will operate on a tolling model, rather than a merchant model. In a merchant model, the refinery buys and owns the crude it processes. Uganda's tolling model, however, works much like a maize or coffee milling plant (kyuma kya kasoli in Kisenyi), where farmers bring their maize or coffee, pay a milling fee, and take home the processed product—flour (obuwunga). Similarly, UNOC, as a crude owner, will deliver its oil to the refinery, pay a processing fee, and retain ownership of the refined products. These refined products will then be distributed to downstream players—companies that supply final petroleum products such as petrol, diesel, jet fuel, and kerosene.

By the time Uganda begins receiving its first refined products, UNOC will have gained valuable operational experience through its current role as the sole importer of petroleum products. This transition to domestic refining is projected to save the country nearly $2 billion annually in import costs. Beyond the economic savings, it will enhance energy reliability and stimulate investment in critical transport infrastructure, including railways, roads, and airports.

The planned nuclear power plant in Buyende District, adds the final layer of ambition to Uganda's energy vision, serving as the icing on the cake. It will not only diversify the country's energy mix but also position Uganda as a regional leader in sustainable, secure, and forward-looking energy generation.

These series of infrastructure investments might appear to an ordinary Ugandan as merely government throwing away money as opposed to investing in say social services, but they are calculated investments; the long-term pathway towards economic development envisioned in the policy blueprint, Vision 2040— investing directly in strategic areas to stimulate the economy and facilitate private sector growth, and strengthening the fundamentals of the economy to harness the abundant opportunities around the country

The Author is the Director Legal and Corporate Affairs at PAU

AI-Driven Innovations in Oil and Gas: Enhancing Workplace Safety through Digitalisation and Proactive Well Control

Between 2017 and 2024, over USD 2.23 billion in contracts—41% of total value—were awarded to Ugandan companies, including USD 28.3 million to community-based businesses.

By Liu Xiangdong

As Uganda joined the global community on April 28th, 2025, to commemorate World Day for Safety and Health at Work, this year's theme focused on the transformative potential of Artificial Intelligence (AI) and digitalisation in enhancing workplace safety.

While some remain anxious about AI potentially replacing human roles, the reality is that these advanced technologies, when implemented strategically, offer immense opportunities to revolutionise workplace safety.

AI is already redefining safety standards—wearable sensors and smart building systems that alert supervisors in real-time to potential hazards such as PPE non-compliance or moving machinery. Robots are also reducing manual handling risks, for example, through Pipe Vacuum Lifting Machines that replace traditional lifting methods involving flagmen, tag lines, and slingers.

At the forefront of these safety efforts in Uganda's energy sector is the CNOOC Annual Well Control Day activity that is observed every 20th April. This initiative reinforces the concept of "Proactive Well Control" to support high-quality development through high-quality well control management and also aligns with the CNOOC overarching safety goals of preventing major accidents and striving for zero fatalities.

Advancing into the era of intelligent energy operations, CNOOC is implementing "Superior Intelligent Drilling and Completion" by integrating big data and artificial intelligence into well control systems. These technologies enable real-time monitoring, early warning, and predictive risk analysis, significantly enhancing the company's ability to anticipate and mitigate potential hazards.

In 2025, under the theme "Smart Well Control, Strict Defence Line", CNOOC Uganda Limited has launched a week-long campaign featuring educational campaigns, on-site inspections, knowledge quizzes, and practical skills competitions focused on blowout prevention and emergency preparedness. These aim to elevate technical proficiency and embed a robust safety culture among staff and contractors.

More to that, the LR8001 drilling rig, used for operations at the Kingfisher field, As a modern semi-automated drilling rig, incorporates features that directly enhance worker safety. Notably, the inclusion of an iron roughneck and an iron derrick which automates the physically demanding and potentially hazardous tasks of lifting and connecting drilling components, substantially reducing the risks associated with manual handling. Also, the advanced iDriller system is equipped with anti-collision technology. This system provides critical alerts when the equipment, moves too close to other objects or is on a collision course, and it can even automatically halt equipment movement beyond a safe proximity. This prevents accidents and injuries on the rig floor. Beyond collision pre-

vention, the extensive array of sensors used during drilling operations, continuously monitored by the mudlogging unit, supports in well control. By providing real-time data on critical parameters like mud levels and gas presence, these sensors enable early detection of potential hazards, allowing for timely interventions to prevent dangerous well control incidents.

These efforts shall not only strengthen well control capabilities, lay a solid foundation for the company's high-quality development, and make new and greater contributions within the company, but also set a benchmark for safety excellence in Uganda's oil and gas industry.

Beyond well control, digitalisation continues to drive safety improvements across operations. AI-powered analytics facilitate risk forecasting, while innovations like smart helmets and fatigue monitoring systems help safeguard frontline workers.

CNOOC Uganda Limited's example proves that the integration of innovation, people-centred policies, and safety culture can foster an environment where business and well-being thrive side-by-side.

The author is the President, CNOOC Uganda Limited

Visitors Follow the Oil in Bunyoro's Hospitality Boom

Accommodation rates have also adjusted to meet demand. In Hoima City, hotel prices typically range from UGX 100,000 to 150,000 per night, while guest houses charge between UGX 50,000 and 100,000.

By Samuel Mugisa

On a warm Saturday night in Hoima City, the buzz of conversation rises above the music in a packed local restaurant on Perse Street. Tables are full, waiters weave between diners with steaming plates of grilled tilapia and chips, and a group of engineers—fresh from the oil fields—unwind over drinks. Just a few years ago, this scene would have been hard to imagine. Today, it's the new normal. Since Uganda's oil boom began reshaping the Bunyoro region, places like Hoima, Buliisa, and Kikuube have seen an extraordinary transformation. What were once quiet towns are now hubs of activity, alive with construction crews, and opportunity seekers from across the country and beyond. Hotels are full. New guest houses rise every month. Local entrepreneurs are thriving. And behind every new room key handed to a guest is a story of a region awakening to economic promise.

Bunyoro region lies at the heart of Uganda's oil and gas activities. It hosts the Kingfisher Development Project operated by CNOOC Uganda Limited, the Tilenga Project under TotalEnergies, and the East African Crude Oil Pipeline (EACOP), which straddles Kikuube, Buliisa, and Hoima districts, among others. These projects have unleashed an economic surge in the area, catalysing the growth of the hospitality industry. Existing hotels, guest houses, and apartments are thriving, while new ones spring up to meet the increasing demand.

Since 2021, a wave of oil-related investment, projected at USD 15 billion, has swept across the region. With it came convoys of trucks, heavy equipment, and thousands of oil workers. Towns like Hoima City, Kigorobya, Biiso, Buliisa, and Wanseko, along with emerging trading centers such as Kyesiga, Nyamasoga, Kabaale, Kyarushesa, Buseruka, Ngwedo, and Kasinyi, are experiencing visible transformations. Along these bustling "oil roads," economic life is changing fast.

Across Hoima City, hotels and guest houses are teeming with guests. Restaurants, bars, and nightclubs fill up on weekends, echoing the vibrancy of a growing economy. Remarkably, most of these hospitality businesses are owned by the indigenous Banyoro, who have seized the opportunity to capitalise on the influx of people pouring into the Albertine Graben. As the oil activities expand, so too does the demand for accommodation, food, and entertainment.

By evening, traffic builds up along Hoima's main roads, especially on

Hoima Night Life

Perse Street and Old Fort Road. Hotels are reportedly booked out for months, some fully occupied until the end of 2025. The oil boom has generated direct, indirect, and induced jobs, making Bunyoro a rare pocket of growth in a country still grappling with high unemployment. Beyond oil, sectors like agriculture and tourism have also seen a lift, benefiting from improved infrastructure such as the famous "oil roads" network.

Currently, Hoima City hosts ten hotels and eight guest houses that are collectively providing 527 rooms to accommodate EACOP project staff and contractors. But it's still not enough. Three new hotels and five guest houses are under construction within the city, a clear signal that investor confidence remains strong. Compared to the period before the Final Investment Decision (FID) for Uganda's oil projects, this is a striking transformation. Since 2021 alone, five major hotels have opened in Hoima City. Hotel owners report constant inquiries, with many guests redirected to facilities in outer suburbs like Kyesiga Cell, located up to five kilometres away.

Accommodation rates have also adjusted to meet demand. In Hoima City, hotel prices typically range from UGX 100,000 to 150,000 per night, while guest houses charge between UGX 50,000 and 100,000.

Uganda is on track to join the ranks of oil-producing nations, with a projected peak output of 200,000 barrels per day and an estimated 1.4 billion barrels of recoverable oil from a total of 6.5 billion barrels in place. As production nears, the allure of Bunyoro continues to grow. Tourists, investors, and researchers are now increasingly visiting the region—not just for the oil, but also to experience the changing landscape, explore the Kabalega International Airport, and anticipate the opening of the Hoima City Stadium.

This combination of industrial momentum and local entrepreneurship has given Bunyoro's hospitality industry a powerful and unexpected lifeline. As Uganda's oil story unfolds, Bunyoro is not just hosting the show. It is thriving from it.

The author is a Social Affairs Officer at PAU

DID YOU KNOW?

The etymology of "petroleum" is derived from Ancient Greek "petra" (rock) and "élaion" (oil).

Unlocking Uganda's Industrial Parks: A Strategic Blueprint for Competitive Growth

By Gordon Ashaba

As you drive into Kampala—Uganda's capital and main commercial hub—along the Jinja-Kampala highway, a curious sight catches the eye: the inbound lane into the city appears noticeably more sunken than the outbound one. To the average observer, it might seem like nothing more than the result of wear and tear from endless convoys of heavy trucks. But look closer, and the imbalance tells a deeper story: Uganda's economic arteries are burdened by a one-way flow—imports outweigh exports by far. The road bears the weight of our dependency.

Yet, just 14 kilometres East of Kampala's central business district, a beacon of industrial hope stretches across 2,200 hectares: the Namanve Industrial Park. Poised as a transformative engine for Uganda's manufacturing and export potential, this park and many across the country may hold the key to reversing the economic imbalance—if harnessed with the right strategies.

Industrial parks are becoming the anchors of Uganda's long-term transformation strategy. Namanve Industrial and Business Park, with over 320 investors is projected to create more than 200,000 jobs. Despite persistent infrastructure delays, it remains a symbol of the country's push to industrialise its economy. Beyond Namanve, other key parks are emerging: Mbale Industrial Park, with the highest investment value at $600 million; Kapeeka Industrial Park, focused on manufacturing with over 3,000 jobs; and Kabalega Industrial Park in Hoima, which is the largest and most strategic at 29.57 square kilometres. Each of these industrial zones plays a specific role, with an aim of contributing to Uganda's broader objective of export-led growth and economic decentralisation.

Kabalega Industrial Park in Hoima stands out not only for its size but also for its sectoral focus. As Uganda's premier oil and gas industrial zone, Kabalega is pivotal to the country's strategy to maximise value from its petroleum resources. Fully funded by the government at a cost of US$ 400 million, the park integrates critical components such as the Uganda Refinery Project, a crude oil export terminal via the East African Crude Oil Pipeline (EACOP), petrochemical and fertiliser industries, and logistics infrastructure including Uganda's second international airport. These facilities are not only expected to enhance the country's energy independence but also to spur industrialisation in the mid- and downstream sectors of oil and gas. Situated in the oil-rich Albertine Graben, Kabalega embodies Uganda's commitment to process and add value to its natural resources domestically, in line with the National Oil and Gas Policy.

Benchmarking Uganda's parks against those in Egypt, Morocco, and Ethiopia reveals both the progress made and the road ahead. Egypt's Suez Canal Economic Zone (SCZone) spans 461 square kilometres and has attracted over US$ 18 billion in investment due to its integration with global logistics and strong public-private partnerships (PPPs). Morocco's Tanger Med Industrial Zone, covering 30 square kilometres, has secured around US$ 15 billion and serves as a hub for automotive and

aerospace manufacturing. Ethiopia's state-led Industrial Parks Development Corporation (IPDC), covering over 214 square kilometres, has successfully drawn US$ 2 billion by focusing on low-cost textile and garment exports. In contrast, Uganda's developed industrial park space remains modest at 56.66 square kilometres, but it is steadily expanding with over US$ 600 million in investment. The key differentiator is Uganda's strategic location at the heart of East Africa, offering access to markets in the East African Community (EAC), Common Market for Eastern and Southern Africa (COMESA), European Union (EU), and under African Growth and Opportunity Act (AGOA).

Several lessons emerge from these African peers. First, Uganda must strengthen PPP frameworks to mobilise capital and speed up infrastructure development. Second, industrial specialisation is essential. Just as Morocco thrives in automotive exports and Ethiopia in textiles, Uganda must align industrial parks with local strengths, such as agro processing in Mbale, manufacturing in Kapeeka, and petrochemicals at Kabalega. Third, Uganda must invest aggressively in export infrastructure, especially to improve connectivity to seaports in Mombasa and Dar es Salaam, reducing the cost burden of its landlocked geography. Fourth, policy consistency and bureaucratic efficiency, as demonstrated by Ethiopia, are vital to attracting and retaining investors. Finally, the global shift toward green industrialisation presents a unique opportunity. Uganda should embed sustainability in its parks through renewable energy adoption and eco-friendly industrial practices, particularly in oil and gas zones where environmental concerns are paramount.

Oil and gas industrial parks like Kabalega are not just about processing crude—they are about transforming the structural base of the Ugandan economy. By integrating oil refining with petrochemicals, fertiliser production, and power generation, such parks enable Uganda to move up the value chain, create quality jobs, and reduce dependence on imports. They support the agricultural sector, improve energy security, and open avenues for industrial exports to regional and global markets. Most importantly, they ensure that the economic impact of oil endures long after the last barrel is pumped.

Uganda's industrial parks are not side projects—they are the foundation of a new economic order. The sunken roads into Kampala symbolise an economy weighed down by structural inefficiencies, but from Namanve to Kabalega, new hubs are rising. These parks are potential engines of growth, vehicles of export expansion, and instruments of regional influence.

What is needed now is clear strategy, coordinated investment, and bold execution. Uganda must treat industrialisation as a national mission. With smart planning and steady action, it can shift from import reliance to becoming an industrial leader in the Great Lakes Region.

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Oil and gas industrial parks like Kabalega are not just about processing crude—they are about transforming the structural base of the Ugandan economy.

DID YOU KNOW?

Caped Crusader: Did you know that Batman has a refinery?
This unique fact is not inspired by DC Comics, but did you know there is a Batman refinery? It gets its name not from the Caped Crusader, but because of its location in Batman, Turkey. Batman in Turkish means "sunken", and the town was named that because it often floods.

Balancing Progress and Preservation – Part I: Uganda's Oil Awakening

Can Uganda strike gold with oil without losing its green heart?

By Sarah Birungi Banage

The Unsung Hero of Modern Life

As you sip your morning coffee, commute to work, or charge your smartphone, there's an invisible force powering it all: petroleum. This unassuming resource fuels cars, generates electricity, and manufactures everything from plastics to medicines. Globally, it's a geopolitical cornerstone, shaping economies and international relations. Yet, for Uganda, petroleum represents more than just energy—it's a gateway to economic transformation.

In 2006, Uganda struck oil in the Albertine Graben, a biodiverse region close to Lake Albert. With an estimated 6.3 billion barrels of oil underground, 1.4 to 1.7 billion recoverable, the discovery promises to redefine the nation's future. His Excellency President Yoweri Museveni describes it as a catalyst for "economic transformation, industrialization, and national prosperity.

While the nation prepares to pump its first oil in a year's time, a critical question lingers: How can Uganda harness this "black gold" to fuel progress while safeguarding its natural heritage and communities? At the heart of this balancing act is the Uganda National Oil Company (UNOC), the state-owned steward tasked with turning oil dreams into sustainable realities as it marks its 10th anniversary in 2025.

From Discovery to Development: A Nation's Hope

Petroleum exploration, often simplified as "searching for oil," involves seismic surveys, exploratory drilling, appraisal and evaluation to assess commercial viability of the discovery, and partnerships with global energy giants. For Uganda, this means jobs, infrastructure, and a chance to leap into economic prosperity.

Yet oil is not without its complexities. The process requires careful planning, advanced technology, and expertise to ensure safe and responsible exploratory practices. Oil is a finite resource, whose impact lasts forever as often stated by Proscovia Nabbanja, the CEO of UNOC, adding that UNOC's role is to ensure it benefits all Ugandans, not just today's generation.

Following the announcement of the Financial Investment Decision (FID) in February 2022 that unlocked a $15 billion investment inflow, Uganda's oil and gas sector transitioned from the exploration and appraisal phase to the development phase marking a significant journey to production of petroleum resources and achieving first oil. This journey has involved activities namely field development plans, production licenses, infrastructure devel-

Rangers from Uganda Wild Life Authority and Oil and Gas Biodiversity officials on a collari

opment and pipeline construction to mention a few; all of which have led to employment opportunities and the leap into economic prosperity.

UNOC: The Guardian of Uganda's Oil Future

Established in 2015, UNOC operates as the bridge between Uganda's aspirations and the technical expertise of international firms like TotalEnergies and CNOOC - who are the joint venture partners to UNOC. Its mandate? To protect Uganda's 40% stake in the refinery project, 15% stake in each of the oil projects namely Tilenga, Kingfisher and EACOP, and negotiate favourable terms, in addition to prioritizing local participation.

Key to UNOC's strategy is local content. The National Supplier Database has registered approximately 3,000 Ugandan businesses, from catering services to engineering firms, ensuring they get a slice of the oil pie.

Already, over 16,000 people are employed directly in the oil and gas sector, 90% of whom are Ugandans and over 5,000 from surrounding communities. Of this workforce, 63% are employed in management positions, while 93% are employed in technical positions and 98% in support functions. A quick look at capacity building shows that over 14,000 Ugandans have been trained and internationally certified in various oil and gas disciplines.

UNOC has additionally made significant contributions to national content in the oil and gas sector with key achievements namely: Building internal capacity through internal training, secondments, and industrial placements to develop in-depth expertise especially as the company progresses into operatorship; Supporting local companies through incubator programs with commercial banks to educate local companies on how to compete for contracts in the sub sector; Supporting supplier development by building capacity at national and community levels through programs aimed at enhancing local content; Internship and attachment in UNOC's operations to equip Ugandans with necessary skills; and finally Employment opportunities for Ugandans.

UNOC and the Joint Venture (JV) partners have also launched community projects to include Keep a Girl in school, Youth skilling programs e.g. international welding and fabrication certification, building schools, clinics, and water systems —to ensure the communities are empowered as development progresses. For Enterprise development, the capacity of over 2700 entities in the country has been built over the last 5 years, with over 5,900 engaging in supplier development workshops and over 2,500 engaged through conferences.

Watch out for Part II in our next edition or follow online link:

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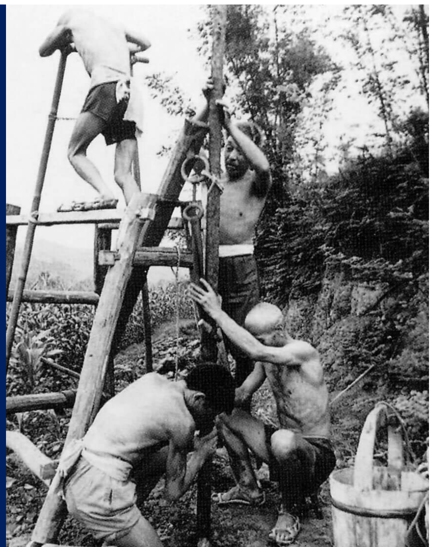
DID YOU KNOW?

The first known oil wells were drilled nearly 2,500 years ago in present-day China. Early engineers used bamboo to dig and extract crude oil.



Ancient Chinese drilling rigs

OIL WORKS CEMENT HOIMA'S STRATEGIC CITY STATUS

By Yusuf Masaba

The second National Development Plan (NDPII), the government's policy blueprint, an offshoot of Vision 2040 to transform Uganda into a Middle-Income class economy, now in its fourth series, initially conceptualised the establishment of four regional cities: Gulu, Mbale, Mbarara, and Arua.

The blueprint also laid out five strategic cities: Hoima (oil), Nakasongola (industrial), Fort Portal (tourism), Moroto (mining) and Jinja (industrial).

Today, Hoima requires no belabouring. It is no longer the backwater it was ten years ago when the NDP II came into force. Save for a few setbacks, everything is falling into place in Hoima, all pointing to its rapid transformation into a regional industrial hub.

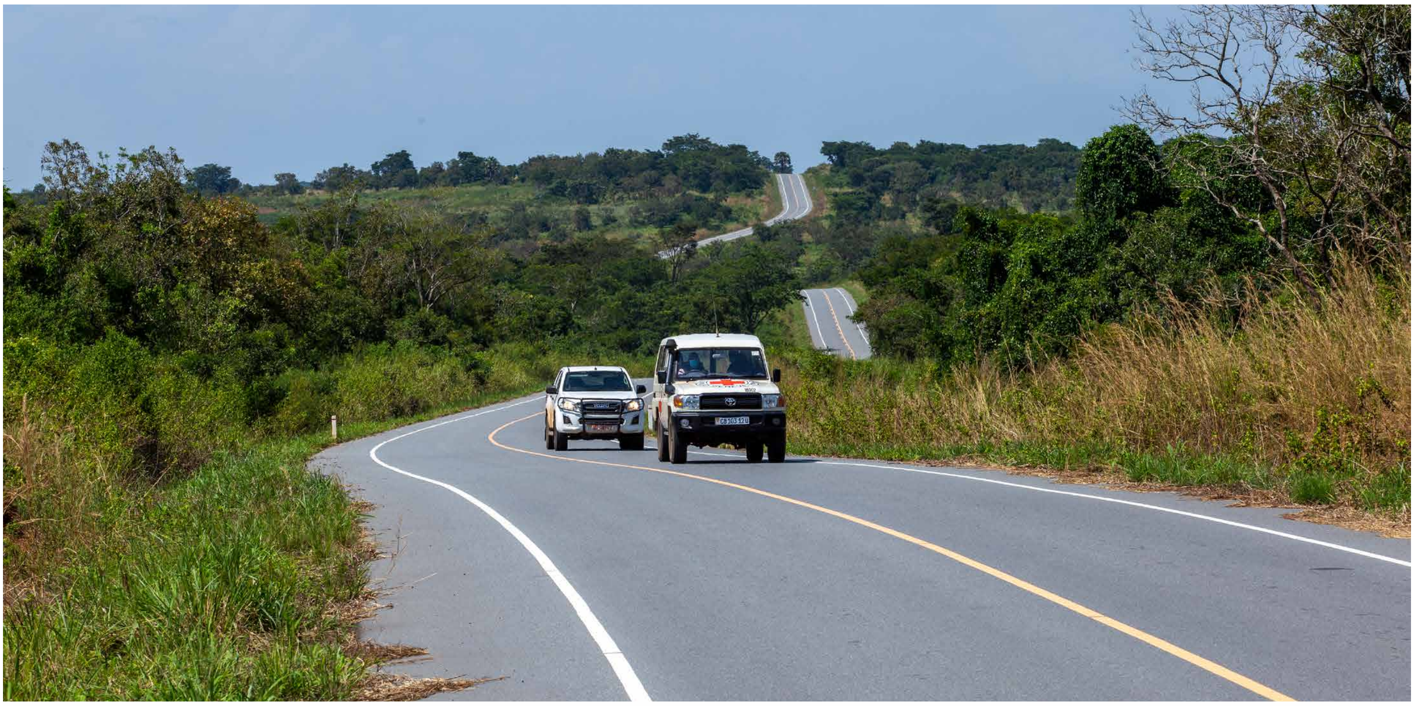
From a bird's-eye view, Hoima's—which was granted city status in July 2021—skyline is rapidly urbanising. On the ground, the rhythmic hum of development echoes through the tarmacked roads, high rise buildings with offices for rent, to the booming hoteling industry.

In Hoima East Division, Kyarwiru Cell, the towering 20,000-seater Hoima City Stadium symbolises a future hub of sports and entertainment, poised to generate revenue from major events like the 2027 Africa Cup of Nations (AFCON).

In Kabaale-Buresuka, the Kabalega Industrial Park, home to Uganda's second international airport, is emerging as a gateway to global commerce. While the financial figures behind these projects may be unfamiliar to many locals, one thing is certain; their lives and communities have been irreversibly transformed.

Leaving Hoima City, the transformation becomes even more tangible along the 111km Hoima–Butiaba–Wanseko road. Once a rugged trail, it has been reborn into a smooth tarmac highway, turning what was once a challenging journey into an effortless drive. Along the way, Peterson's Viewpoint offers a stunning panoramic vista, while Waki B-1, Uganda's first deep oil well drilled in 1938, stands as a historic marker of the region's resource wealth.

Upon arrival in Buliisa town, formerly classified as a hard-to-reach area, a new reality unfolds. Streets bustle with activity, businesses thrive, and modern infrastructure welcomes visitors. These well-paved roads now provide seamless access to Murchison Falls National Park, Uganda's largest protected area.



Once hard to reach, the park can now be accessed in under two hours, from Hoima City, thanks to oil and gas-driven infrastructure investments.

Further into Buliisa, the Tilenga Project is bustling with activity. Spanning over five square miles, the Tilenga industrial area will soon house a Central Processing Facility, a drilling support base, and a 4,000-man camp. Alongside this transformation, newly constructed permanent homes serve as a testament to the resettled families who have embraced the changes and opportunities brought by development.

The benefits extend far beyond infrastructure. Buliisa's hospitality industry is booming, with new hotels and lodges catering to all types of travellers. Previously, the high cost of accommodation deterred many locals from exploring Murchison Falls National Park, but the rise of diverse hospitality options has made wildlife tourism more accessible than ever.

These developments exemplify how Uganda's oil and gas sector is unlocking opportunities across multiple industries, particularly tourism.

The decision to build Hoima City Stadium was largely influenced by the presence of Kabalega International Airport, itself a product of oil and gas developments. The airport is not only designed to facilitate the transport of heavy machinery for refinery and industrial park construction, but it also serves as a strategic gateway for tourists and businesses seeking to tap into unexplored regional markets.

Recognising these linkages, the Petroleum Authority of Uganda (PAU) commissioned a study to assess the relationship between the oil and gas sector and tourism.

The findings highlighted key benefits, including the construction of over 700 km of quality tarmac roads, improved access to attractions like Kabwoya Game Reserve, and increased investment in hospitality facilities. As oil-related infrastructure expands and Kabalega International Airport becomes operational, these synergies are expected to grow, further cementing the Albertine region as both an industrial and tourism hub.

The Author is a Corporate Affairs Officer at the PAU

DID YOU KNOW?

Oil was first distilled into kerosene in Persia during the 9th century. Thanks to kerosene production, by the late 1800s, there was a rapid decline in whale hunting (whale blubber was used for lamp fuel).

Why East Africa Must Urgently Plan for Oil & Gas Decommissioning

The global energy transition has fundamentally altered the way nations approach oil and gas investments. While much of the focus has been on financing and production, one critical issue remains largely overlooked - Decommissioning. For East Africa, failure to proactively plan for the decommissioning of oil and gas facilities could pose a significant financial, environmental and reputational risk.

By Moses Ekunu

Despite ambitious plans to develop petroleum resources, the region's current decommissioning legislation, just like it is the case in most parts of the world, is insufficient and does not align with the realities of the fast-changing energy landscape. If we do not act now, we may find ourselves grappling with thousands of abandoned wells and facilities, placing the financial burden of cleanup on taxpayers.

The Hidden Time Bomb in Our Oil and Gas Sector

The challenge lies in when and how decommissioning is planned. A review of decommissioning legislation in Uganda, Kenya, Tanzania, South Sudan, Rwanda, and Ghana reveals that decommissioning plans and activities typically begin at the end of a project's life cycle. Additionally, contributions to decommissioning funds are structured to start mid-project—an approach that might have worked in a stable petroleum environment but is increasingly inadequate in light of the realities of the energy transition today.

The global push for rapid decarbonisation, coupled with activist-driven efforts to phase out oil and gas, means that some projects could end much earlier than originally anticipated. If financial provisions for decommissioning are only made midway or at the end of a project, what happens when the project shuts down prematurely?

This risk presents a ticking time bomb for East Africa. Without early decommissioning plans in place, we risk being caught off guard—forced to deal with abandoned wells, environmental degradation, and massive financial liabilities.

Canada and the United States provide stark examples of the consequences of poor decommissioning planning. Canada is grappling with over 5,000 orphaned oil and gas facilities, forcing the government to introduce an Orphan Fund Levy to cover decommissioning costs for sites without responsible operators. Similarly, the United States had to allocate US$4.7 billion under the

Arial view of the EACOP Marine Storage Terminal at CHONGOLEANI, Tanga Port

Bipartisan Infrastructure Law to plug abandoned oil and gas wells after operators failed to fulfil their obligations. These cases highlight the urgent need for proactive decommissioning policies to prevent financial and environmental liabilities.

East Africa cannot afford to repeat these mistakes. We must recognise that a poorly planned decommissioning framework has real consequences, from environmental hazards to economic setbacks. The idea of setting up an orphan fund levy or, worse, having governments finance decommissioning directly from national budgets is one that must be avoided at all costs.

The Opportunity in Decommissioning: A Multi-Billion Dollar Industry

Decommissioning is no longer just a financial burden—it presents a multi-billion-dollar investment opportunity. By 2030, over US$100 billion will be spent on decommissioning oil and gas assets globally, and by 2050, more than US$8 trillion will be invested in decommissioning energy projects including stranded assets. East Africa has the potential to turn this emerging sector into a thriving industry, creating jobs, attracting investment, and positioning itself as a leader in responsible resource management. Regional financial institutions must also recognise the opportunity to manage decommissioning trust funds and offer specialised financing to support this growing industry.

The 11th East African Petroleum Conference and Exhibition (EAPCE), held in the Tanzanian coastal city of Dar-es-Salaam, highlighted the urgent need to reform decommissioning policies across East African Community (EAC) member states. To ensure long-term benefits from the petroleum sector, governments must revise existing laws, mandate early financial contributions to decommissioning funds, and encourage financial institutions to invest in the sector. Additionally, learning from global best practices will help East Africa avoid costly mistakes seen in other oil-producing regions. With the energy transition accelerating, the question is not whether oil and gas will be phased out, but whether the region will be prepared. Acting now will allow East Africa to turn decommissioning into an opportunity rather than a crisis, ensuring economic sustainability, environmental protection, and financial stability.

The Author is the Manager, Office of the ED at the Petroleum Authority of Uganda

DID YOU KNOW?

On land, oil/drilling rigs are used. When in water, oil platforms are used. Oil platforms have been known to attract fish and other wildlife and provide a surface for coral, barnacles, and algae to populate. In other words, these structures create ecosystems.

The Big Oil Payday: What Will Uganda's Crude Oil Sell For?

Every Farmer knows this feeling. You get a big harvest, and you are excited at the thought of earning really big from it. Then you reach the market, the prices are high or have dropped. Take maize for example, one season, you sell a Kilogram at UGX 1,200; the next, the buyers are offering UGX 500 or vice versa.

By Faith Edigold Musimenta

A similar scenario, although on a larger scale, could be said about Uganda's crude oil when it is put on the market. With Uganda in its final stages towards its first oil, we are all excited to reap big from this long-awaited harvest, but the ultimate question remains: What Will Uganda's Crude Oil Sell For?

To answer this question, let's first understand the history of pricing crude oil.

Back in the day, in the early 1900s, the oil-producing countries (in the Middle East, Venezuela, and North Africa) had little to no control over pricing of the oil they produced. Instead, the price was set by a small group of powerful suppliers nicknamed the Seven Sisters comprised mostly of Western oil companies (primarily the U.S.A and the UK), who would buy low and sell high.

However, in 1960, a big shift happened in the oil market where major oil producers like Saudi Arabia, Iraq, Iran, Venezuela, and Kuwait formed the Organization of the Petroleum Exporting Countries (OPEC). The objective of these oil producing countries, through OPEC, was to gain supply and price control in the oil market. When they would want the prices to go up, OPEC would reduce supply in the market, creating a crude oil shortage, which would increase the price and vice versa. In this way, OPEC influenced global oil prices and gave oil-producing countries a backbone in the global oil market, for a while at least.

Today, while the significance of OPEC cannot be overlooked, the organisation does not solely influence the price of Crude Oil on the market like it used to. Price can now be influenced by other global oil producers like the U.S.A, Brazil, and Canada, producing large amounts of oil as well; particularly the U.S.A, which has become a top oil producer because of shale oil (unconventional crude oil found in shale rock). Now like OPEC, these countries can decide to influence prices by controlling their production

Additionally, the impact of global demand on price cannot be ignored. If big economies are growing, they use more oil, and prices rise. But if the world slows down, like during

COVID-19, demand drops, and prices fall. Other factors that affect prices include wars, sanctions, and even traders who buy and sell oil contracts based on what they think will happen, even if it hasn't happened yet.

Today, no single country controls the price. But big players like the U.S., Saudi Arabia, and Russia still matter. When they move, the market feels it. They don't set the price directly, but their actions like cutting or boosting supply can push prices up or down.

So, what price is Uganda's crude oil blend likely to fetch?

Uganda is expected to produce about 230,000 barrels per day at peak which is less than 1% of the global oil market. That makes Uganda what economists call a "price taker," meaning we will sell our oil based on the already set global market price. This is usually tied to one or more crude oil benchmarks like Brent crude oil (UK), West Texas Intermediate crude oil (USA), Bonny Light (Nigeria), Es Sider (Libya), Cabinda (Angola), etc.

Now that we know that Uganda shall be a price taker, let us assume a crude oil benchmark like Brent is trading at US$ 85 per barrel, that would not be the full price for Uganda's crude oil blend.

We then must put into consideration the point at which Uganda's crude oil blend will be valued or bought from. For example, will a buyer choose to buy it from Kabaale in Hoima before it enters the East African Crude Oil Pipeline (EACOP) or at the port in Tanga, Tanzania?

For our discussion, let us assume that Uganda's crude oil blend is valued at Kabaale in Hoima before it enters the EACOP. So, we get our assumed international oil price of US$85 per barrel and remove the EACOP transport cost of about US$12.77 per barrel, bringing the price down to US$72.23. This still would not be the final price at Kabaale in Hoima.

The final price at Kabaale Hoima would then need to be adjusted to recognise the quality of Uganda's crude oil blend. Uganda's oil is heavy, waxy, and low in sulphur. So, if refineries (buyers) demand more of this quality of heavy crude oil, then Uganda's crude oil blend would be priced at a premium in comparison to the lighter crude and vice versa. This premium or discount would need to be calculated and sometimes also quoted from price reporting agencies like Platts, Argus Media. For this discussion, let us assume a quality differential of US$0.5 per barrel. This means that for if refineries (buyers) demand more of heavy crude oil like Uganda's crude oil blend instead of Brent crude oil (which is the assumed benchmark crude for this discussion) which is lighter, we could earn US$0.50 more than Brent, bringing in US$72.73 per barrel. Or, if refineries (buyers) demand more of lighter crude oil, Uganda may get US$0.50 less than Brent, earning US$71.73 per barrel. At 230,000 barrels a day (on peak days), that's about US$16.5 million and US$16.7 million in daily revenue.

Of course, prices can also fall. If Brent drops to US$50, Uganda might only earn US$36.73 per barrel after transport costs and a quality discount, or US$37.73 with a premium, which brings us to just over US$8.5 million a day. That's the reality of oil: prices swing, and so do the revenues.

Now, before we get ahead of ourselves and start to think that all this revenue belongs to Uganda, it's worth noting that these figures reflect gross revenue, before factoring in the production sharing agreement with the oil companies. That's a discussion for another day. For today, the bottom line is this: Uganda's oil doesn't come with a fixed price tag. What we will earn will depend on global market conditions, transport costs, the nature of our crude, and buyer preferences. Some years will bring in strong earnings, while other years the earnings may be lower. Because oil, just like maize, might sell well today, but no one can predict what tomorrow's market will hold. For now, we continue the race to first oil.

The good news is that while we run the race towards first oil, Uganda has reaped benefits before the big oil harvest. Through national content participation, local companies are winning contracts, Ugandans are getting jobs, and skills are being developed. The government is also earning from taxes like Pay As You Earn (PAYE) and non-tax revenues such as license fees and signature bonuses. These are the early fruits of good planning and patience. Unlike countries that rushed straight to pumping oil and missed out on these foundational gains, Uganda has taken the time to build from the ground up. The full harvest is still ahead—but the early signs show we're on the right track.

The Author is a Senior Petroleum Economist and Financial Analyst, PAU

Fact or Fiction: The Uganda refinery project, currently under construction in Hoima, will operate on a "merchant model," meaning the refinery buys and owns the crude oil it processes.

Answer: The Uganda refinery project will critically operate on a "tolling model," where UNOC, as the crude owner, will deliver its oil to the refinery, pay a processing fee, and retain ownership of the refined products. This differs from a merchant model where the refinery buys and owns the crude.

EAPCE 2025: A Call for Investment, Innovation, and Collaboration in East Africa's Petroleum Sector

The 11th East African Petroleum Conference and Exhibition (EAPCE 2025), hosted in Dar es Salaam, Tanzania, served as a platform for regional cooperation, investment promotion, and energy security and transition discussions. Under the theme "Unlocking Investment in Future Energy: The Role of Petroleum Resources in the Energy Mix for Sustainable Development in East Africa," the conference brought together government leaders, investors, policymakers, and industry experts to chart a path for East Africa's petroleum industry.

By Grace Kenganzi

The event showcased the region's commitment to harnessing its petroleum resources while balancing the energy transition agenda from legal and fiscal frameworks to stakeholder engagement, financing, and sustainable energy solutions.

Balancing petroleum development with energy transition

One of the most debated topics at EAPCE 2025 was how East Africa can balance petroleum development with its energy transition commitments. Speakers reinforced that oil and gas remain crucial to East Africa's energy security and industrialisation.

"The significant progress made in exploration, including in the Kasuruban Contract Area, confirms that the country is on a path to sustainable development, with irreversible steps taken toward realising our petroleum potential," Hon. Dr Can. Ruth Nankabirwa Ssentamu, the Minister of Energy and Mineral Development said, stressing that Uganda's oil and gas projects are irreversible.

Speakers also illustrated how natural gas and cleaner fuels can serve as a transition bridge to renewable energy adoption.

"We should be mindful that the oil and gas sector has a pivotal role in the energy transition agenda," Hon. Dr Hussein Ali Mwinyi, President of Zanzibar, noted during the conference's closing remarks.

Energy access initiatives, such as using liquefied petroleum gas (LPG) as a cleaner cooking solution or compressed natural gas (CNG) as an alternative fuel source for vehicles and rural electrification funded by petroleum revenues, are essential to economic growth and social development. A notable case study came from Tanzania, where petroleum funds have successfully supported the Rural Electrification Fund, expanding electricity access to remote communities.

Strengthening regional investment and infrastructure development

Another highlight of EAPCE 2025 was the need for increased investment in oil and gas exploration, infrastructure, and regional energy projects. As the global energy transition accelerates, traditional financiers are withdrawing support for African oil and gas projects, citing climate change concerns. However, speakers at EAPCE 2025 argued that Africa must develop its petroleum resources responsibly while securing alternative funding mechanisms.

For instance, the African Petroleum Producers Organisation and Afreximbank have partnered to establish the African Energy Bank, designed to address the financing gap in the African oil and gas industry. A call was made for East African nations to consider a similar funding mechanism, ensuring that petroleum development remains a pillar of regional economic growth.

Hon. Dr Mwinyi this urgency in his remarks: "Insufficient funds are a big problem for the sector. Export credit agencies are increasingly hesitant to support petroleum projects. We must ask ourselves: how do we, as partner states, overcome this challenge? How can we advance our petroleum resources while implementing our energy transition plans?"

One of the proposed solutions was the establishment of a Petroleum Fund, as outlined in Article 114 of the EAC Treaty, which calls for joint and efficient management of natural resources for mutual benefit. Infrastructure such as the East African Crude Oil Pipeline (EACOP), a landmark project connecting Uganda's oil fields to Tanzania's coast, is an example of investment that arises from cross-border cooperation.

Several speakers also argued for aggressively promoting investment opportunities in the region, participating in global petroleum roadshows, and engaging with multi-client companies to unlock the region's hydrocarbon potential.

Using sound legal and regulatory frameworks to attract investors

One of the pillars noted as a factor for attracting investment to the region's petroleum sector was legal, fiscal, and regulatory clarity. Ms Lynda Biribonwa, the Chairperson of the Petroleum Authority of Uganda (PAU)'s Board of Directors emphasised Uganda's efforts to align regulatory frameworks with global best practices. This includes ensuring transparent and competitive licensing rounds, predictability for investors through stable fiscal terms, and strict adherence to environmental and governance standards.

Harmonising regulations across the East African Community (EAC) would, therefore, streamline investment and encourage cross-border oil and gas projects.

EAPCE 2025 reaffirmed that with sound policies, collaboration, and investment, East Africa's petroleum sector can drive economic prosperity while transitioning toward a more sustainable energy future.

Grace Kenganzi is a Senior Corporate Affairs Officer at the Petroleum Authority of Uganda
Email: corporateaffairs@pau.go.ug

Fact or Fiction: All of Uganda's petroleum projects, including the Tilenga, Kingfisher, Refinery, and EACOP, are being developed simultaneously and are collectively worth over USD 20 billion in investment.

Answer: FACT! These four flagship petroleum infrastructure projects are indeed being developed concurrently and represent the largest infrastructure undertakings in Uganda's history.

Proscovia Nakaliika at their tailoring business in Mitiima Trading Centre, Sembabule district

Beyond the Pipeline: EACOP is Uplifting Livelihoods

Because of the training, our lives have not been left the same; we can now look after our families," says Proscovia Nakaliika, a single mother of two from Sembabule district. "We earn approximately UGX 500,000 per month from this business, and we use this money to pay for our basic needs like health and education

By Kenneth Babihemaiso

Her cousin, Ritah Nakagwa, nods in agreement as they work side-by-side in their modest tailoring shop at Mitiima Trading Centre. Just a year ago, both women were among thousands affected by land acquisition for the East African Crude Oil Pipeline (EACOP). Today, they are business owners and community role models—graduates of EACOP's vocational training program, which is quietly transforming lives across Uganda.

The EACOP is more than just a 1,443 km, 24-inch heat-traced pipeline stretching from Kabaale in Hoima to the Tanzanian port of Tanga to transport Uganda's crude. It's also a story of inclusive development—an effort to ensure that progress in energy infrastructure goes hand in hand with improvements in human welfare.

Since 2022, EACOP has been implementing Livelihood Restoration Programs (LRPs) for households affected by the project in the ten host districts on the Uganda side. These programs are a cornerstone of the project's social safeguard commitments, rolled out after compensation for land and assets. To date, 99.7% of affected individuals (3,748 out of 3,759) have received compensation, clearing the path for more focused livelihood support.

More than 3,400 people are eligible for support through tailored interventions designed to restore and improve their previous sources of income. Nearly 3,000 have already enrolled in agriculture, vocational training, or enterprise development activities—programs that prioritize sustainability and community empowerment.

In agriculture, EACOP's support includes training in improved agronomic practices, distribution of quality seedlings, mentorship, and market linkages. Demonstration gardens—nearly 100 of them established so far—are now active learning centers in affected communities. Farmers are growing high-value crops such as bananas, cassava, maize, beans, coffee, and assorted fruits and vegetables. Through partnerships with government programs like the Parish Development Model, farmer groups are being formed and supported to ensure long-term viability.

Meanwhile, the vocational skills training program is equipping young people with hands-on expertise in trades such as tailoring, welding, hairdressing, electrical installations, motorcycle and vehicle repair, bricklaying, and construction. These courses run for three months and conclude with certification from the Directorate of Industrial Training under Uganda's Ministry of Education and Sports.

For Proscovia and Ritah, the training was a springboard. After graduating from Mummy's Institute of Beauty and Commercial Studies in Masaka City, they pooled their resources and opened a tailoring shop in their home district. Beyond tailoring, Proscovia has since trained in soap-making and earns an extra UGX 280,000 per month from supplying liquid soap in the Mitiima area. In a full-circle moment, the cousins now offer apprenticeship opportunities to fellow EACOP graduates, passing on their skills to empower others.

Their journey reflects a larger shift. As EACOP nears the completion of land acquisition activities, its community development focus is widening. Programs that initially targeted only project-affected households are being extended to other vulnerable members of host communities, promoting inclusivity and strengthening the project's social license to operate.

In communities once defined by uncertainty, stories like Proscovia and Ritah's are redefining the future—one skill, one garden, one enterprise at a time.

The Author is a Social Affairs Officer, PAU

PICTORIAL

Uganda's delegation at the recently concluded East African Petroleum Conference and Exhibition held in Dar es Salaam, Tanzania

H.E. Yoweri Museveni, President of Uganda congratulates the team that negotaited the Refinery Implementation Agreement shortly after its signing at State House, Entebbe

PICTORIAL

The PAU Team receives the Gunya Award during the Energy and Minerals Convention held recently

Students who are currently being skilled at the Uganda Petroleum Institute -Kigumba (UPIK) under the EACOP Welders Training program

PICTORIAL

Mr. Ernest Rubondo, the ED PAU inspects works at the Tilenga Industrial Area, during a recent supervisory duty.

Oil and Gas Puzzle 003

Words can be found in any direction (including diagonals) and can overlap each other. Use the word bank below.

R	G	L	W	N	E	C	D	M	E	R	W	H	P	Z	H	R	A	C	X
K	N	P	Z	N	A	G	O	N	E	A	D	I	A	K	W	B	Z	S	R
B	D	Y	I	T	Q	R	E	G	K	C	C	Y	W	Y	N	A	E	P	F
P	H	O	S	D	K	R	I	U	R	A	D	O	T	A	P	O	D	D	Q
I	Z	A	I	L	A	N	Y	A	D	N	Z	L	P	J	R	Y	O	V	E
V	F	C	L	A	C	O	L	I	T	Q	D	L	S	Q	H	U	E	S	V
M	G	Y	T	T	K	S	E	I	G	R	E	N	E	L	A	T	O	T	M
B	B	E	F	Z	J	E	B	E	N	U	C	L	E	Z	S	G	R	J	T
B	A	N	L	C	J	S	Y	I	N	M	C	L	B	W	H	M	J	C	Y
L	A	W	G	K	F	Q	H	T	B	U	M	P	E	T	I	O	B	V	N
N	L	K	J	F	F	G	X	I	L	V	G	E	A	A	C	R	M	N	I
O	B	C	J	A	H	Z	Z	U	O	T	T	Q	N	N	C	W	A	G	G
J	E	N	F	J	N	E	N	D	K	O	W	L	A	G	J	G	L	O	E
L	R	X	F	M	T	O	I	E	Y	F	O	D	H	A	V	Y	J	Z	R
U	T	N	B	U	C	Z	U	L	G	G	D	U	G	Z	P	W	I	D	I
A	I	C	O	N	T	E	N	T	N	P	D	G	L	M	W	B	G	O	A
N	N	A	I	Z	U	X	X	A	M	V	J	F	X	J	F	X	D	H	B
D	E	G	X	M	C	Y	N	Z	F	W	P	J	Z	B	Z	R	Y	Y	C
A	S	H	D	I	K	O	Y	D	N	U	S	V	G	V	D	F	W	C	X
Y	C	V	K	L	S	P	E	T	R	O	L	E	U	M	A	C	T	K	P

WORD BANK		
SONANGOL	NIGER	LOCAL
PSC	LOCAL	TANGA
SWEET	TANGA	CONTENT
PIDA	CONTENT	ALBERTINE
UNOC	ALBERTINE	EACOP
EOR	EACOP	PETROLEUMACT
EITI	LUANDA	
DELTA	TOTALENERGIES	
NIGERIA	LUANDA	
GHANA	TOTALENERGIES	

INDUSTRY NEWS:

Stakeholders at the 3rd Annual CSO Conference

Civil Society, Government, and Oil & Gas Industry Commit to Enhanced Collaboration on Business and Human Rights

KAMPALA – FRIDAY, 23 MAY 2025: Key stakeholders from civil society, government, and the oil and gas sector have pledged to deepen cooperation and foster mutual understanding in a renewed effort to advance best practice in business and human rights in Uganda's extractive industry. This commitment was reaffirmed during the 3rd Civil Society Organisation (CSO) Conference on Oil and Gas, organised by the Petroleum Authority of Uganda (PAU) in partnership with various actors. The annual event continues to serve as a vital platform for dialogue, transparency, and trust-building across the sector.

Mr. Ernest Rubondo, Executive Director of the Petroleum Authority of Uganda (PAU), emphasised the importance of open dialogue in his opening remarks. "We've made significant progress thanks to stakeholder alignment across most activities. However, differences have emerged—particularly around business, social, and human rights perspectives. It's crucial that even in disagreement, we foster constructive engagement that promotes learning without hindering Uganda's socio-economic development," Mr. Rubondo said.

Mr. JB Habomugisha - Deputy Managing Director -ECAOP at 3rd Annual CSO

He further acknowledged the work undertaken by civil society actors in supporting information sharing, community empowerment, policy enhancement, and adherence to international best practices, especially in areas related to social inclusion and human rights.

Mr. Frank Mugisha, Ag. Commissioner for the Petroleum Department at the Ministry of Energy and Mineral Development (MEMD), speaking on behalf of the Minister, reaffirmed the government's dedication to upholding human rights throughout Uganda's oil and gas journey.

"As we advance in resource extraction, human rights, environmental sustainability, and equitable benefit sharing are non-negotiable. Our development strategy must integrate social safeguards, uphold dignity, and promote justice, especially for communities in project areas," Mr. Mugisha noted.

He also commended the Civil Society Coalition on Oil and Gas (CSCO) for its consistent engagement in public education, policy advocacy, and sector monitoring.

The keynote address by Ms. Ana Maria Esteves, founder of Community Insights Group and Honorary Professor at both the Australian National University and the University of Strathclyde, delivered a compelling call to action on the centrality of social and human rights performance in business—particularly for marginalized and often overlooked communities.

She highlighted the critical yet underappreciated role of Community Liaison Officers (CLOs), who operate on the frontlines of extractive projects, managing complex power dynamics and the competing expectations of companies and communities.

"True human rights due diligence means seeing and supporting everyone, especially those often overlooked. Community Liaison Officers are at the frontline, navigating complex power dynamics and expectations. Their voices, and the communities they represent, must be central to our performance and progress," emphasised Ms. Esteves.

TotalEnergies' General Manager, Mr. Philippe Groueix, emphasized that respect for each other is one of the core values that guides their approach to dialogue and human rights as they undertake the Tilenga Project. He underscored the company's tangible impact through its agricultural programs, which have improved livelihoods for over 11,000 people within the project area by enhancing food production, and increasing access to education, healthcare, and markets.

"At TotalEnergies, we remain committed to a culture of active listening, learning and continuous improvement. We are not here to meet minimum standards – but to strive to set new benchmarks in the responsible energy development of the Tilenga Project," said Mr. Groueix.

Speaking on behalf of civil society under the Civil Society Coalition on Oil and Gas (CSCO), Mr. Bashir Twesigye emphasized that the engagement came at a pivotal moment, particularly as protests against the East African Crude Oil Pipeline (EACOP) have resurfaced.

"It is important to spotlight emerging issues, and as CSCO, we believe the contributions of broader civil society actors must be recognized. Their role in shaping dialogue and ensuring accountability is vital, and we call for deeper, continued engagement," Mr. Twesigye stated.


Mr Ernest Rubondo - ED PAU


Mr. Phillipe Groueix -TotalEnergies

However, Mr. John Bosco Habomugisha, Deputy Managing Director of EACOP, cautioned that some youths were being misled into protests by misinformation. He reaffirmed EACOP's commitment to transparency and engagement.

"We value the role of civil society in promoting accountability and compliance. EACOP is committed to strengthening collaboration—on worker rights, grievance mechanisms, gender-responsive policies, and Business and Human Rights awareness—especially amid growing public concern and youth activism."

CNOOC Uganda's Corporate Social Responsibility (CSR) Manager, Mr. Zak Lubega, presented updates on the Kingfisher project, spotlighting community engagement strategies and a dedicated human rights management plan. "Daily interactions with local communities and the work of Community Liaison Officers (CLOs) ensure concerns are addressed and stakeholder interests are respected," he said.

The conference also featured insights from Ms. Christine Byaruhanga, Head of Legal and Human Rights at TotalEnergies, who presented the company's robust human rights framework aligned with international standards and the United Nations Guiding Principles on Business and Human Rights.

Ms. Ruth Ssekandi, Director of Inspections at United Nations High Commissioner for Refugees (UNHCR), shared real-life challenges encountered during oil and gas operations, from noise complaints to infrastructure strain, reinforcing the need for continuous monitoring and stronger civil society involvement.

Looking ahead, Hon. Ruth Nankabirwa, the Minister of Energy and Mineral Development, in a statement delivered on her behalf, committed to institutionalising a multi-stakeholder Human Rights and Extractives Forum, supporting local government and community capacity-building, and encouraging licensees to operationalise human rights due diligence frameworks.

As Uganda moves towards first oil, such multi-stakeholder engagements reaffirm the country's commitment to ensuring that oil and gas development uplifts rather than undermines the rights and welfare of its people.

INDUSTRY NEWS:

Uganda Chamber of Energy and Minerals shifts focus to cleaner energy, sustainable mining

KAMPALA, Uganda — The Uganda Chamber of Energy and Minerals (UCEM) has announced a shift in focus to champion cleaner energy advocacy and sustainable mineral development in Uganda. The move signals a new direction for the organization as the country aims for a greener and more inclusive energy future.

The announcement was made Wednesday at a launch event in Kampala, officiated by Energy and Mineral Development Minister Dr. Ruth Nankabirwa. Government officials, private sector leaders, development partners, and representatives from the energy and minerals sectors attended the event.

Aggrey Ashaba, Chairman of the UCEM Governing Council, emphasized the urgency of addressing global climate trends and local development needs.

"UCEM is repositioning, not as a marketing exercise, not as a cosmetic change, but as a bold, strategic shift toward purpose," Ashaba said. "From this day forward, the Uganda Chamber of Energy and Minerals will lead as a champion of cleaner energy solutions and sustainable minerals development."

The repositioning comes as global energy systems undergo rapid transformation, with renewable energy capacity increasing significantly worldwide. In Uganda, while electricity access remains low in rural areas, the country faces increasing pressure to balance industrialization with environmental protection.

Source: Agencies

OPEC+ Stuns Market With Larger Than Expected Output Hike

Crude oil markets took a fresh hit this month after OPEC+ stunned traders by announcing a larger-than-expected output increase for June. In a virtual meeting on Saturday, key producers led by Saudi Arabia and Russia agreed to raise collective output by 411,000 barrels per day (bpd), nearly triple the volume originally scheduled.

The move follows a similar surge announced for May and signals a sharp reversal from OPEC+ efforts to defend oil prices. Instead, Riyadh appears to be embracing a low-price strategy, aiming to discipline overproducing members like Kazakhstan and Iraq. Both nations have repeatedly exceeded their quotas, with Kazakhstan surpassing its March target by 422,000 bpd.

"OPEC+ has just thrown a bombshell to the oil market," Jorge Leon of Rystad Energy told Bloomberg. "With this move, Saudi Arabia is seeking to punish lack of compliance and also ingratiate itself with President Trump."

Source: Agencies

INDUSTRY NEWS:

Sinopec launches training program for over 800 Ugandans

Sinopec, the Chinese firm contracted to build Uganda's Central Processing Facility (CPF), began training more than 800 Ugandans on Wednesday as part of efforts to develop a skilled local workforce for the country's oil sector.

The training will be conducted in batches through October at the Sunmaker Oil and Gas Training Institute, with courses covering areas such as fabrication, pipe fitting and scaffolding, according to SINOPEC.

Betty Jackie Namubiru, manager of national content at the Petroleum Authority of Uganda, a state agency that regulates and monitors the petroleum sector, said the industry still requires a significant number of skilled local workers.

"I therefore want to take this opportunity to thank Sinopec-Uganda Limited for the initiative, and Sunmaker for the effort they have put in place to continuously build capacity for Ugandans," Namubiru said.

"We believe that by equipping our local workforce with world-class skills and best practices, we are not only ensuring operational excellence but also fostering long-term economic growth, self-reliance and the development of local expertise in this vital industry," she added.

Yi Xuhui, project director at Sinopec, said the company has already trained at least 900 people and plans to train around 860 more, particularly in pipeline welding, CPF installation, construction and maintenance.

"We are here in Uganda for Uganda. The training will continue, and these internationally recognized skills can be used by trainees anywhere in the world," Yi said.

Damian Yonitho, one of the trainees, expressed his gratitude to Sinopec for the opportunity to learn from experienced instructors. "This is a once-in-a-lifetime opportunity, and I promise to learn with commitment so I can master as many skills as possible."

Uganda discovered 6.5 billion barrels of oil in 2006, of which 1.4 billion barrels are considered commercially viable, according to the Ministry of Energy and Mineral Development. The country is currently constructing an oil refinery and a crude oil pipeline as part of its broader oil development strategy.

Source: Xinhua

BP shuns renewables in return to oil and gas

BP has announced it will cut its renewable energy investments and instead focus on increasing oil and gas production.

The energy giant revealed the shift in strategy on Wednesday following pressure from some investors unhappy its profits and share price have been lower than its rivals.

BP said it would increase its investments in oil and gas by about 20% to \$10bn (£7.9bn) a year, while decreasing previously planned funding for renewables by more than \$5bn (£3.9bn).

The move comes as rivals Shell and Norwegian company Equinor have also scaled back plans to invest in green energy and US President Donald Trump's "drill baby drill" comments have encouraged investment in fossil fuels.

Murray Auchincloss, BP's chief executive, said the energy giant had gone "too far, too fast" in the transition away from fossil fuels, and that its faith in green energy was "misplaced".

He said BP would be "very selective" in investing in businesses working on the energy transition to renewables going forward, with funding reduced to between \$1.5bn and \$2bn per year.

He said this was part of a strategy "reset" by the company to focus on boosting returns for shareholders.

Helge Lund, chair of BP, added that the new direction of the firm had "cash flow growth" at its heart.

Shares in the company climbed before Tuesday's announcement but fell shortly after.

BP is one of several firms in the energy industry to return focus on oil and gas production, which has seen an increase in profits as prices have increased following lows seen during the Covid pandemic.

The firm said it plans to increase its production to between 2.3 million and 2.5 million barrels of oil per day by 2030, with hopes of "major" oil and gas projects starting by the end of 2027.

Source: BBC

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