



« OIL AND GAS »





# UNOC: Taking the first steps towards a world class oil and gas company

UNOC is Uganda National Oil Company and was established under Section 12 of the Petroleum (Exploration, Development and Production) Act (Upstream Act) and Section 7 of the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act (Midstream Act), both of 2013.

It was incorporated under the Company's Act of 2012 as a limited liability company wholly owned by the Government of Uganda.

#### Mandate

The mandate of UNOC is provided for in the Upstream Act as follows:

1. Handle the State's commercial interests in the petroleum sub-sector;
2. Manage the marketing of the country's share of petroleum;
3. Develop in-depth expertise in the oil and gas sector;
4. Optimize value to its shareholders;
5. Participate in joint ventures in which it holds an interest on behalf of the State;

6. Investigate and propose new upstream, midstream and downstream ventures initially locally but later internationally.

The Company is intended to operate and grow into an oil company with international presence employing Ugandans in specialized skills all over the World wherever it will acquire and own acreage. It is also intended to operate as a private entity driven by commercial benefit as opposed to being run like a government parastatal.

#### Governance Structure

The Shareholders of UNOC are the Minister of Energy and Mineral Development (51%) and the Minister of Finance, Planning and Economic Development (49%) on behalf of Government.



UNOC is governed through the Shareholders, a Board of Directors and an executive management team.

The Board of Directors is chaired by Mr. Emmanuel Katongole. Other Board Members are: Mr. Francis Nagimesi, Eng. Irene Batebe, Mr. Francis Twinamatsiko, Hon. Grace Tubwita Bagaya, Mr. Godfrey Andama, and Ms. Stella Marie Biwaga.

The management team of UNOC is headed by the Chief Executive Officer (CEO). The team is composed of Dr. Josephine Wapakabulo (CEO); Ms. Proscovia Nabbanja (Chief Operations Officer – Upstream); Mr. Peter Muliisa (Chief Legal & Corporate Affairs); and Mr. Emmanuel Mugagga (Chief Finance Officer).

The Company has also incorporated two wholly owned subsidiaries to manage its interests in the refinery, pipeline and storage terminals.

#### What has been done:

**Incorporation of the Uganda Refinery Holding Company Ltd (URHC) and National Pipeline Company Uganda Limited (NPC(U)).** The URHC has been incorporated and its General Manager, Dr Michael Nkambo Mugerwa was recruited in February 2017 and the subsidiary is operational. It is expected that the Refinery will be operational at first oil in 2020 and should in addition to supplying petroleum products to the Ugandan and regional market spur industrial growth in the Country. The General Manager is tasked with overseeing a successful Refinery project for the benefit of the Country.

The NPC (U) was incorporated in April 2017 and its General Manager, Mr. John Bosco Habumugisha recruited in June 2017. He is tasked with overseeing and managing UNOC's interests in pipelines and storage terminals. UNOC will have interests in the East African Crude Pipeline (EACOP) from Hoima to Tanga port as well other pipelines to be developed.





**Joint Operating Agreement (JOA)**

UNOC is concluding discussions with Upstream joint venture partners to back into all Joint Operation Agreements relating to the areas under development. UNOC is however attending JOA related meetings with the Joint Venture Partners as this process concludes.

**The Inter-Governmental Agreement (IGA)**

UNOC was part of the negotiations leading to signing of the Inter-Governmental Agreement (IGA) between Government of Uganda and the Government of the United Republic of Tanzania.

The IGA was signed in May 26<sup>th</sup> 2017 to facilitate the development of the East Africa Crude Oil Pipeline Project (EACOP).

The EACOP is a 1445km buried heated pipeline that will run from Kabaale (in Hoima District, Uganda) to Tanga (in Tanzania).

UNOC will be involved in the agreements to follow the IGA, including the Host Government Agreements (HGAs), Shareholders Agreement, Crude Transportation Agreements, among others in relation to transportation of Crude Oil from Hoima to Tanga.

**Sale of Test Crude**

UNOC is leading the process of identifying potential buyers of test crude oil (about 46,000 barrels) extracted from extended well testing during appraisal of the discoveries in Graben. These barrels of crude are an asset of government which has been handed over to UNOC to market and sell on behalf of Government in line with the mandate earlier cited. It is hoped that this will generate revenue for the state from this asset.

**Jinja Storage Terminal (JST)**

UNOC has been handed the Jinja Storage Terminal (JST) to ensure reliable stocking and management of petroleum products of the Government Strategic Reserves. UNOC took over the facility at the end of May 2017 and working in a joint venture with a strategic partner, worked through the month of June to put the facility to required standards and stocking started. The benefit for the Country created here is that strategic reserves are going to be maintained to help during periods of disruption and in addition UNOC will be earning revenue from commercial operations at the Facility.

*“Management of Jinja Strategic Reserves facility marks UNOC’s 1st step in generation of income for the company as we start to deliver on the key strategic projects and execution of UNOC mandate of protection of Government Commercial Interests in the Oil and Gas sector and commencement of value creation for our Shareholders,” the Chief Finance Officer Mr. Emmanuel Mugagga, says.*

**Our Strategy**

**Vision**

*‘To be an innovative and profitable company that operates across the petroleum value chain for the benefit of all Ugandans’.*

**Mission**

*‘To drive sustainable growth of the oil and gas sector through strategic partnerships and championing national participation.’*

**Core values**

*Safety First. Concern for the Environment. Integrity. Continuous Improvement. Teamwork. Innovation. People Orientation.*

UNOC will also have interests in planned as well as existing storage terminals. All these interests will be managed through NPC.

**Staff Recruitment**

In order to deliver the mandate, UNOC recognizes the need for experienced and technical staff both at management and other levels. As such recruitment has been done for some key management and technical roles and the process continues. It is hoped that this process will be completed by 2019. UNOC hopes to continue to attract the best talent in and out of Country.

**Policies, Procedures and Guidelines**

Policies and procedures for the efficient and effective running of the entity have been put in place. The initial ones put in place are to streamline governance, accountability, risk management, joint venture participation, planning, staff management and investment.

**Journey to First Oil 2020**

UNOC is fully behind the government target to have first oil by 2020 and is doing everything within its mandate and means to contribute to having this plan attained. As such, UNOC is closely working with stakeholders at all levels, across all critical areas such as Infrastructure and Logistics, Land Acquisition, Environmental and Social Impact Assessments, Water Extraction and Excess Gas Utilisation to ensure this important government target is achieved.





**Strategic themes**

**Invest in people:** An empowered workforce, within UNOC and all UNOC Joint Ventures and Subsidiaries, focused on continuous improvement of themselves and the organisations.

**Partner strategically:** Long and medium-term relationships built on synergies that deliver on projects as planned, create commercial benefits, share risks and ultimately transfer knowledge and build national capacity.

**Build the business:** Fit for purpose systems, processes, policies and procedures resulting in operational excellence (safe, efficient, effective, compliant, self-sustaining cash flow) underpinned by international standards and best practice.

**Areas of focus**

**Upstream:**

**Joint Operations:** Manage the State participation in the Kingfisher (Hoima) and Tilenga (Buliisa) Projects.



**Exploration and New Ventures;** Investigate and propose investment opportunities.

**Sale of Test Crude Oil:** Lead the process of identifying potential buyers of the test crude oil.

**Midstream:**

**Refining:** Manage the development of an in-country refinery through the Uganda Refinery Holding Company (URHC) on behalf of UNOC and Government of Uganda.

**Pipelines:** Participate in the development of the East African Crude Oil Export Pipeline (EACOP) and other pipelines through the National Pipeline Company (Uganda) Limited (NPC) on behalf of UNOC and Government of Uganda.

**Storage:** Manage Uganda's strategic fuel

reserves at Jinja Storage Terminal (JST) and the development of the Buloba Storage Terminal.

**Industrial Park:** Manage the development of Kabaale Industrial Park which will host support infrastructure such as Petrochemical industries, Warehouses, Offices, Logistic facilities among others.

**How to achieve our strategy**

UNOC believes in joint ventures to reduce the country's exposure to financial risks.

*"We will seek strategic partnerships for our investments across the value chain to leapfrog into a competitive position in the oil and gas industry," the CEO Dr. Josephine Wapakabulo, says.*

UNOC – Your Partners in Uganda's Oil and gas industry.

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