



SPEECH
BY
MR. EMMANUEL KATONGOLE
CHAIRMAN, BOARD OF DIRECTORS

AT THE LAUNCH OF THE JINJA STORAGE TERMINAL (JST)

JINJA
3RD NOVEMBER 2017

The Honorable Minister of Energy and Mineral Development;

The Honorable Minister of Finance, Planning and Economic Development;

Honorable Members of Parliament;

Central Government and Local Government Officials;

District Chairpersons and Officials;

Resident District Commissioner and Security Officers;

The Board, Management and Staff of Uganda National Oil Company (UNOC) Limited;

The Board, Management and Staff of M/s One Petroleum Ltd;

Members of the Press;

Distinguished Guests;

Ladies and Gentlemen;

- 1.** On behalf of the Board of Uganda National Oil Company Ltd, I am delighted to welcome you to this occasion when we launch our first revenue-generating asset and thank you for making time off your very busy schedules to attend this function.
- 2.** The history of Jinja National Storage Terminal is well known to many of us here but suffice it to say that it was established mainly to support the Country in ensuring security of supply of petroleum products. As a land-locked Country with no access to the Sea, this was essential. However, after the facility was established, the Government was required to budget and procure petroleum products to be held as national reserves in these 30 Million capacity tanks before you. The cost of filling these tanks

and thereafter ensuring safety and security of the reserves required commitment of large budgets and a wealth of experience in the operation of petroleum terminals. The facility has as a result only been filled a few times in the past. Thereafter the Government has been managing it with private players, amidst significant financing and operational challenges. For many years therefore, the facility had not effectively been fulfilling its intended purpose of holding petroleum reserves.

3. Following the establishment and operationalization of the Uganda National Oil Company, the Board and Management started discussing the possibility of managing this terminal and finding ways to make it deliver its mandate while generating revenue for the Company/Government. Management explored the matter further and presented a detailed proposal to the Board. At this point the Ministry of Energy and Mineral development unknown to us was thinking of handing over the facility to us as well. Following valuable discussions, the ministry handed over the facility to UNOC at the end of May 2017 and charged us with the obligation of ensuring that national reserves are in place before the August 8th Presidential elections in the Republic of Kenya. This was a very tough assignment for UNOC especially because it gave us two months within which to find a partner, conduct repairs of some of the machinery and instruments at the facility and thereafter stock the facility in time.
4. UNOC however moved quickly and after due process entered into a joint venture agreement with a consortium of Messrs One Petroleum (K) Ltd, Mbaraki Bulk Terminals Ltd and One Petroleum (U) Ltd. Together with the joint venture partner, we

embarked on getting all necessary regulatory procedures complied with, started repairs and refurbishment works and by the second week of early July all this had been concluded.

5. UNOC therefore started restocking the facility and I am happy to report that by the time of the Presidential elections in Kenya, the facility had 10 million litres in the tanks.
6. I want to thank the Hon. Minister of Energy and Mineral Development for trusting UNOC and handing over this key Government installation. I would also like to thank the Ministry for all the support it has continued to extend to UNOC. I would like to thank the Minister of Finance, Planning and Economic Development and your entire team for the support and guidance you have provided to UNOC. We have also received support and goodwill from the Parliament of Uganda and I would like to thank the Speaker, the head of the Natural Resources Committee, other Committees as well as all members of Parliament present.
7. Hon. Minister, allow me also appreciate our other stakeholders who have greatly helped us in making this facility operational since we took it over. Uganda Revenue Authority efficiently processed all the requirements we needed to start operations and in addition allowed us to operate 24 hours, 7 days a week so that we could complete the required restocking of the facility. URA doesn't usually do this but for the good of the facility, the nation and UNOC, they quickly allowed us. I want to thank the Commissioner General and her team, in particular the Commissioner Customs and his team. I believe we have sufficiently built confidence in the running of the facility with URA that with time we shall be allowed to re-export the products to

our neighboring countries to improve our throughput and make the project more profitable.

8. I would also like to thank our partners led by One Petroleum (U) Ltd for effectively managing and investing in the facility. We believe that the partnership will continue to grow as long as we continue to provide services that are relevant to the market and our stakeholders.
9. Last but by no means the least, I thank my colleagues the Board Members of UNOC and Management for rising to the challenge and delivering this project that is now delivering revenue while supporting security of supply of petroleum products in the country. I want to continue to challenge you to work at delivering value to the Shareholders and to be known as a Company that eases government revenue challenges by greatly contributing to the treasury.
10. Hon. Minister, invited guests, Ladies and Gentlemen, please allow me to thank you once again for accepting our invitations and for listening to me.

For God and My Country!

Emmanuel Katongole
Chairman, BOD
UNOC