



PRESS RELEASE

Government of Uganda signs Agreement for the Development of the Oil Refinery in Kabaale – Hoima District.

The Uganda Government has, through the Ministry of Energy and Mineral Development together with the Uganda National Oil Company, today entered into the Project Framework Agreement (PFA) the with Albertine Graben Refinery Consortium (AGRC) for the development of the oil refinery.

KAMPALA April 10, 2018. In June 2017, Government of Uganda selected the Albertine Graben Refinery Consortium to negotiate the Project Framework Agreement (PFA) for the development of the oil refinery. The plan for the development of the refinery is in line with the Uganda National Oil and Gas Policy (2008) which provides for value addition and development of necessary infrastructure in the oil and gas sector.

Government of Uganda's entry into the Project Framework Agreement (PFA) with the Albertine Graben Refinery Consortium (AGRC) for the purposes of developing, designing, financing, construction, operation and maintenance of the oil refinery in Hoima district, marks a major milestone in the Country's oil and gas sector. The signing of the PFA will lead to the commencement of pre-Final Investment Decision (FID) activities such as Front-End Engineering and Design (FEED), Project Capital and Investment Costs Estimations (PCE), Environmental and Social Impact Assessments (ESIA), among others.

H.E President Yoweri Kaguta Museveni is committed to continuing a sustainable and desirable development of an oil and gas industry in the country in partnership with diverse group of private sector partners for the benefit of Uganda and the region.

The Parties to the Agreement are: - (i) Government of the Republic of Uganda (Acting through the Ministry of Energy and Mineral Development), The Uganda National Oil Company Limited, YAATRA Africa (Mauritius), Lionworks Group Limited (Mauritius), Nuovo Pignone International SRL – A General Electric Company (Italy) and SAIPEM SPA (Italy).

Under the PFA, AGRC will be responsible for funding the pre-FID activities listed above and will proceed thereafter to construct and operate the refinery. The refinery is going to be developed as a commercially viable venture with a regional market focus. It will supply its products that will include kerosene, petrol, diesel, heavy fuel oils, among others to the Ugandan and regional markets. It is believed that this will not only improve access to these products but also create

employment as well contribute to national development. The refinery is planned to have a 60,000 Barrels per Day refining capacity and will rely on crude oil from Uganda's oil fields under development.

In recognition of the leadership and guidance provided by the President of Uganda, His Excellency Yoweri Kaguta Museveni, MEMD, UNOC and AGRC will pursue the Refinery Project in good faith, with total transparency and in accordance with the following key objectives and guiding principles: (i) to deliver both economic benefit to the people of Uganda and other states in East Africa and value to private sector investors in the Refinery Project; (ii) to assist in the development of the overall oil and gas sector in Uganda; (iii) to commit sufficient resources and to adopt a coordination strategy for the development of the Refinery Project and the upstream sector in Uganda; and (iv) to structure the Refinery Project to maximise debt and equity financing from the private sector.

The Government of Uganda is also very pleased to expand its commercial ties with the United States of America and with that, the participation of American private sector companies in the development of the oil and gas sector and the wider Ugandan economy. The friendship and long-standing support of the Government of the United States of America to Uganda's economic growth is deeply respected and appreciated.

During the term of the Agreement, the Albertine Graben Refinery Consortium (AGRC) shall establish a profitable and commercially viable refinery that delivers refined products to the market. The consortium will be required to raise the required finances for the Project and deliver a cost effective, technologically sound and environmentally compliant refinery design that creates jobs and skills development for Ugandans.

The Project will be implemented by a Special Purpose Company, the Refinery Company, to be incorporated by the Private investors and the Uganda Refinery Holding Company, a subsidiary of the Uganda National Oil Company.

This milestone is a land mark in the commercialization of the country's petroleum resources estimated at 6.5 billion barrels with an estimate of 1.4 – 1.7 billion barrels recoverable.

For More Information, contact

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FOOT NOTES

Nuovo Pignone Intenational SRL (NP) is a global operator in the oil and gas industry and has a world-class reputation. Its technical and commercial expertise brings full oil and gas value chain capabilities to the Project along with extensive industry leadership and management experience. YAATRA Africa brings innovative infrastructure solutions, which are aligned with Uganda's strategic development goals for new infrastructure in the country and the ability to mobilize private sector investor resources, capital and capabilities necessary to launch the Project. LionWorks Group, an Africa focused infrastructure investor, brings both Africa and developed market private equity and financing expertise in addition to a global network of financiers. Saipem SPA as a world-class engineering procurement and contracting (EPC) contractor brings extensive experience of developing refineries globally and will support the various phases starting from the execution of Front End Engineering Design (FEED).

Nuovo Pignone Intenatioanl is – A General Electric Company located in Italy was founded in 1894. It was acquired by General Electric (GE) in 1994 and is the oldest company in the General Electric Oil and Gas business with 2000+ employees and USD \$ 3.8 Billion in revenues. It operates in more than 100+ countries with significant presence in Africa including Nigeria, Angola, Kenya, Congo, Gabon, and Cameroon. It produces equipment in the Oil & Gas applications including Refineries.

Saipem S.p.A is an Italian oil and gas industry contractor and was founded in 1957 as a service provider. It was a subsidiary of Italian energy company Eni, which owned approximately 30% of Saipem's shares until 2016. Saipem has been contracted for designing and constructing several pipelines, including Blue Stream, Green stream, Nord Stream and South Stream. Saipem has designed and built over 30 oil refineries in Europe, Africa and the Middle East as an EPC contractor.

Uganda National Oil Company (UNOC), is a limited liability petroleum company in Uganda and owned by the Ugandan Government. UNOC was incorporated under the Company's Act of 2012 as a limited liability company wholly owned by the Government of Uganda. UNOC's overall function is to handle the State's Commercial interests in the petroleum sector and to ensure that the petroleum resource is exploited in a sustainable manner.

YAATRA Africa LLC (Mauritius) is an infrastructure development and financing company registered in Mauritius and is focused on the development of infrastructure projects in sub-Saharan Africa.

Lionworks Group Limited (Mauritius) a Private Equity Fund for African infrastructure registered in Mauritius and anchored by USD100MM of General Electric (GE) capital.