

PROFILE

About Us:

Purpose Statement: We exist to contribute to Uganda's socio-economic transformation through efficient and sustainable petroleum resource management

Vision: To be a Leading Petroleum Regulatory Agency.

Mission: To regulate and monitor the petroleum sector in order to create lasting value for society and contribute to Uganda being a sound investment destination

Values:

- 1. Professionalism; Acting the PAU way
- 2. Responsibility to Society; Serving the PAU way
- 3. Integrity and ethics; Acting the PAU way
- 4. Mutual respect and trust; Trusting the PAU way
- 5. Excellence in execution; Working the PAU way

INTRODUCTION

The Petroleum Authority of Uganda (PAU) is a statutory body established under Section 9 of the Petroleum (Exploration, Development and Production) Act 2013, and in line with the National Oil and Gas Policy for Uganda which was approved in 2008.

The mandate of the PAU is to monitor and regulate the exploration, development and production, together with the refining, gas conversion, transportation and storage of petroleum in Uganda.

This includes ensuring that petroleum operations in Uganda are carried out in accordance with the relevant laws, regulations and guidelines in line with international best practice for the petroleum industry.

GOVERNANCE AND MANAGEMENT

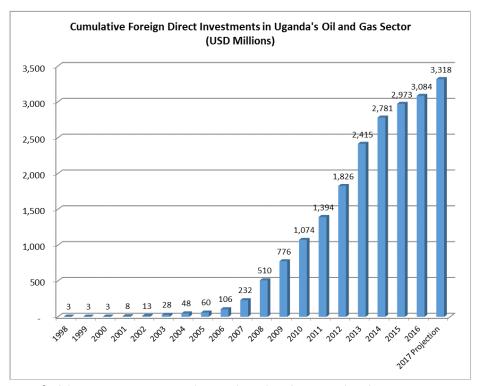
The Authority is governed by a Board of Directors, appointed by His Excellency the President of the Republic of Uganda and approved by Parliament. The Board of PAU, which was inaugurated during October 2015, is chaired by Dr. Jane Nambakire Mulemwa.

During 2016, the Board commenced recruitment of the top management. Mr. Ernest N.T. Rubondo was appointed Executive Director effective September 2016, and Directors for Exploration; Development and Production; Legal and Corporate Affairs; Finance and Administration; and Technical Support Services were recruited through a competitive process and commenced work during February 2017.

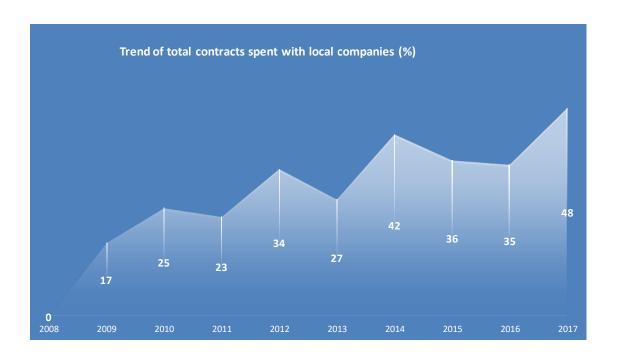
ROLES AND FUNCTIONS OF THE AUTHORITY

The roles and functions of the Petroleum Authority of Uganda are described in Part III of the Petroleum (Exploration, Development and Production) Act 2013 and Part II of the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, 2013 together with Section 7.2.4 of the National Oil and Gas Policy. In line with these roles, some of the key activities undertaken by the Authority so far include;

- Review of submissions from the licensed oil companies including reports on geoscience and engineering studies, annual resource reports, annual audit reports and procurement reports;
- Advising the Minister on the grant of the Eight Productions Licenses which were awarded to Total E&P and Tullow Oil at the end of August 2016;
- Review and approval of Budgets and Work Programmes submitted by the licensed oil companies for 2017. The three licensed oil companies will undertake work programmes whose budgets are in excess of US \$ 200 million during 2017.



- Monitoring field activities carried out by the licensed oil companies in the field stakeholder consultations for land to be acquired and used during the development of infrastructure and production phases of the petroleum value chain.
- Participating in developing the legal frameworks, like the Inter-Governmental and Host Government Agreement (IGA), and the design aspects of the East African Crude Oil Pipeline (EACOP).
- Regulating the implementation of National Content Development including aspects
 like employment and training of Ugandans and provision of goods and services by
 Ugandan enterprises.



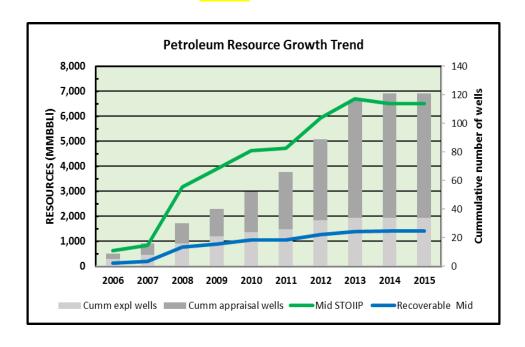
KEY PRIORITIES FOR 2017/2018

- Uganda's oil and gas sector has transitioned from exploration and appraisal to the
 development phase. The development phase includes the designing, procurement
 and construction of the infrastructure required for production, processing,
 conversion, transportation and storage of oil and gas. The roles of the Authority
 during this phase will therefore include:
 - Reviewing and approving work programmes and budgets together with monitoring compliance, in line with the Field Development Plans and Petroleum Reservoir Reports which were approved at the grant of the respective Production Licenses;
 - Ensuring that the development of the respective oil fields under production licences is carried out in a manner that achieves adherence to approved standards as well as good petroleum resource management practices.
 - Receiving and managing the data acquired during development operations, and using it, among other things, to update the country's petroleum resource and reserve estimates.
 - Monitoring implementation of the development activities which include Environment and Social Impact Assessments, Resettlement Action Planning,

Front End Engineering Design, Enhanced Oil Recovery, Geotechnical and Engineering studies among others.

• Other key activities will include:

- Monitoring petroleum exploration activities undertaken by the new international oil companies licensed by the Ministry of Energy and Mineral Development.
- Review and make recommendations on Field Development Plans (FDP's) and Petroleum Reservoir Reports (PRR's) for petroleum discoveries, namely Jobi-East, Mpyo and Lyec.
- Participate in meetings, negotiations and activities related to the Refinery project and Crude Oil Export Pipeline project.
- Regulation of National content development in the country's oil and gas sector
 including updating the National Suppliers' Database and developing the National
 Talent/Skills Register, and monitoring the implementation of national content in
 the respective activities and operations. Registration of entities and individuals on
 the 2018 National Suppliers' Database for the oil and gas sector in Uganda is being
 undertaken online via the website www.pau.go.ug
- Prepare and publish the Annual Petroleum Resources Report for 2017.



CONCLUSION

The Petroleum Authority of Uganda is now operational and is undertaking its regulatory

roles as described in the Petroleum (Exploration, Development and Production) Act 2013,

the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act 2013 and

the National Oil and Gas Policy for Uganda (2008).

The Board and Management of the Petroleum Authority of Uganda appreciate the

opportunity and acknowledge the responsibility of starting an institution to regulate

Uganda's oil and gas sector. The PAU will work with all stakeholders to professionally,

effectively and efficiently regulate the sector in a manner that achieves the goal of using

the country's oil and gas resources to contribute to early achievement of poverty

eradication and create lasting value to society.

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