



REPUBLIC OF UGANDA

MINISTRY OF ENERGY AND MINERAL DEVELOPMENT

PRESS RELEASE

Government Incorporates the National Oil Company (NOC)

KAMPALA 15TH JULY, 2015: Government of Uganda has concluded the process of incorporating the Uganda National Oil Company Limited. The company which was registered at the end of June 2015 is now a legal entity.

The Petroleum Exploration, Development and Production Act 2013 provides for the establishment of a National Oil Company incorporated, under the Companies Act. The Act also provides that the National Oil Company shall be wholly owned by the State to manage Uganda's commercial aspects of petroleum activities and the participating interests of the State in the petroleum agreements.

Dr. Kabagambe Kaliisa, the Permanent Secretary of the Ministry of Energy and Mineral Development said that the incorporation of the National Oil Company is a legal requirement and the company will be responsible for government's commercial interests in the oil and gas industry. He added that through the National Oil Company, government can now participate in the oil industry hence significantly enhancing national content in the country's oil and gas sector.

"Now that we have incorporated the National Oil Company, Government is set to take up its position on the business side of the oil and gas industry" said Dr. Kabagambe Kaliisa.

The Production Sharing Agreements that government entered into with the licensed oil companies provide for government's participation through a carried interest of up to 15%. The licensed Oil Companies carry this interest for government during the exploration and development phases of the petroleum value chain. This carry ends upon commencement of production when Government starts to take full care of its interests through the National Oil Company.

The National Oil Company is also expected to handle government's interests in the refinery through a subsidiary. The state will hold a 40 percent share in the oil refinery which is planned to be built on a Public Private Partnership.

Members to the Board of Directors of the National Oil Company were nominated by the President and approved by Parliament in 2014. Incorporation of the company now paves the way for formal appointment of the board members.

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