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ANGOLA SPOTLIGHT

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ANGOLA IN NUMBERS



GDP: \$110.19bn



Projected 2019 GDP: Growth: 3.1%



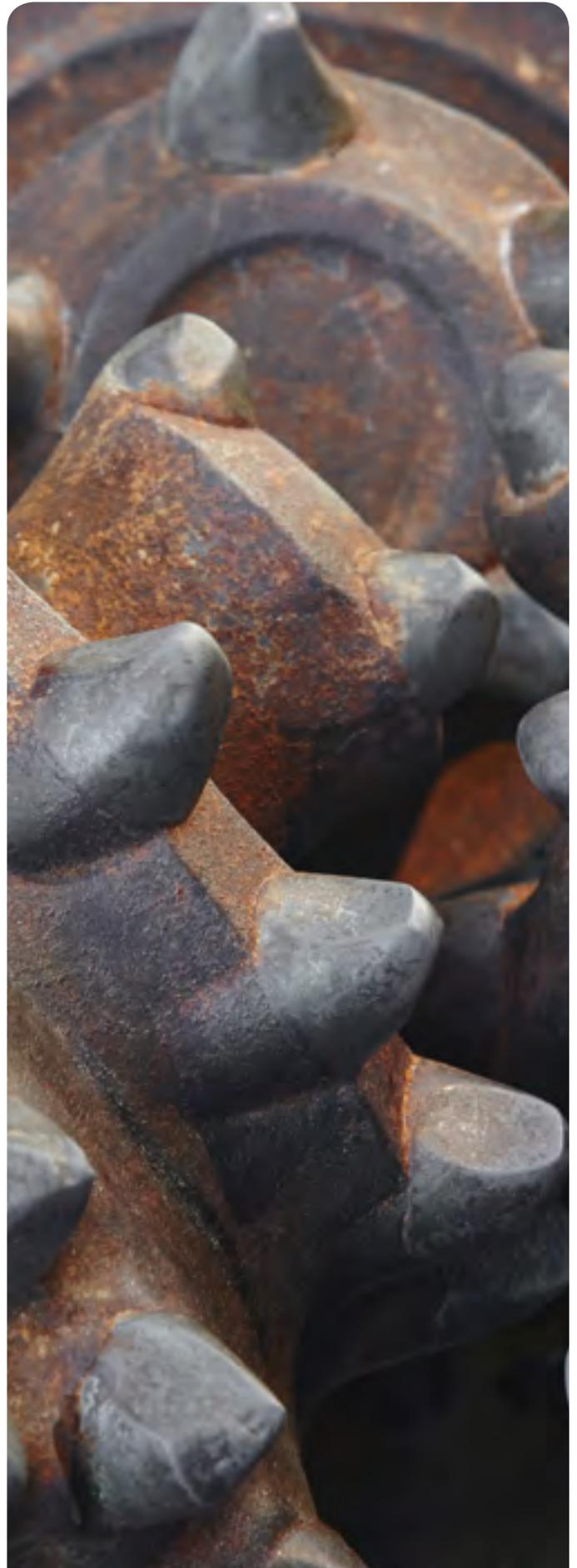
Proven oil reserves: 9.5bn barrels



Total oil production (2019): 1.478 million bpd



Upcoming Marginal Fields Bidding Round



OVERVIEW:

Angola's first commercial discovery was made in 1955 by Belgian oil company Petrofina in the south of Luanda, following which the company partnered with the Portuguese colonial government in the establishment of Petrangol and the construction of the Luanda refinery. These developments attracted the interests of several other IOCs, including Chevron, and from the early 1970s onwards, oil has become Angola's largest export by value. The country's oil production hit a peak of almost 2 million bopd in 2010, but output has been decreasing since then and is currently averaging slightly over 1.4 million bopd. At the same time, the two constants that had marked Angola's oil industry for decades, state-owned Sonangol and President José Eduardo dos Santos, have changed. Angola is now headed by a new president and a new administration, which is undertaking a complete overhaul of Sonangol's role and its relationship with the government and foreign investors.

Since taking office in the summer of 2017, Angolan President João Lourenço has been implementing a bullish reformist agenda that is drastically transforming the governance of the country's oil and gas sector. International investors have been responsive so far, with Total being the first operator to have seized the opportunity of new taxation frameworks and regulations to boost its Angolan operations.

During President Lourenço's visit to Paris in May 2018, Total took the final investment decision to launch the \$1.2bn Zinia 2 deep offshore development in Block 17, which will have a production capacity of 40,000 bopd, with the project's development attributed to the new favorable fiscal framework introduced by the Angolan authorities. Two months later, the French major started up production of Kaombo, Angola's largest deep offshore development, where peak production is expected to reach 230,000 bopd.

British major BP also responded positively to the wave of reforms in Angola, signing an agreement with Sonangol in December 2018 to extend the production license of its operated Greater Plutonio

project on Block 18, and committing to a final investment decision for the Platfina deep-water field in the same block.

More importantly, the country is launching its first marginal fields bidding round this year as a result of a new May 2018 policy enacted by President Lourenço, to be launched at the Angola Oil & Gas conference in Luanda in June 2019. The round will be marked by a new oil-licensing strategy covering the 2019-2025 period, under which petroleum concessions are to be awarded under three different modalities: public bidding, limited public bidding and direct negotiation.

KEY OIL & GAS REFORMS LED BY THE PRESIDENT LOURENÇO ADMINISTRATION:

- Presidential Decree 5/18 permits the development of additional resources from existing blocks by creating an exceptional regime for additional research activities;
- Presidential Decree 6/18 provides a more adapted and clearer regulatory framework for the development of marginal areas;
- Presidential Decree No. 7/18 regulates the prospection, research, evaluation, development, production and sale of natural gas in Angola;
- Presidential Decree 49/19 establishes the new Angola National Petroleum and Gas Agency (ANPG) as Angola's new licenses concessionaire;
- Presidential Decree No. 52/19 defines the country's new general strategy for the attribution of its petroleum concessions up until 2025.
- A new local content law and regulatory framework has been in preparation and should be released soon.



HOW CAN WE HELP YOU?

Centurion Law Group is a pan-African corporate law conglomerate with a specialized focus on cross-border business and energy law. We help you navigate the legal and regulatory environments of Africa's many jurisdictions and ensure that deals are done and completed as efficiently and cost-effectively as possible.

With its large network of lawyers and on-demand specialists, Centurion is ready to be mobilized to undergo your full suite of legal and advisory work.

CONTACT US TODAY

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