

## 2 Day Oil and Gas Masterclass

### **Space to play in the monetisation of crude oil discoveries**

Unbundling Uganda's Oil and Gas value chain opportunities

**1<sup>ST</sup> - 2<sup>ND</sup> NOVEMBER, 2018**

US Dollars 250



The main facilitator is Bill Page, a leading global oil, gas and tax advisor supported by 2 seasoned local Ugandan oil, gas and tax practitioners.

The final investment decision (FID) on Uganda's crude oil development is imminent. The FID will represent the irreversible commitment of the oil companies to proceed with the infrastructural development including but not limited to production facilities, crude oil pipeline and the refinery. This investment is expected to cost over United States Dollars (USD) 12 Billion which is significant considering that Uganda's Gross Domestic Product is about USD 30 Billion.

Uganda aims to maximise economic benefit from its crude oil development and production through policies that emphasise the creation of local value.

To help individuals and enterprises position better to harness these opportunities, Cristal Advocates through its School of Professional Excellence has organized a 2 day oil and gas masterclass to examine in detail the pertinent oil and gas issues. This training will equip participants with an understanding of the oil and gas sector and the opportunities along its value chain providing critical knowledge of business origination and development.

**Contact us**

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## Facilitators

### Lead Facilitator



Bill Page

Bill is a Senior Advisor with Cristal Advocates. He has concentrated on working with energy companies with a particular focus on cross border transactions and M&A since 1989 and is a leading global oil and gas and tax practitioner with wide international experience. Between 1986 and 1998, he worked in London with the UK tax authorities and Big Four accounting firms. From 1998 to 2004, he was based in Kazakhstan working across the Caspian region with Deloitte. He was in the region at the time it was developing its infrastructure for crude oil production with international investment following the collapse of the Soviet Union.

From 2004 to 2008, he worked in Russia where he led Deloitte's oil and gas industry group and established Deloitte's office in Sakhalin. He moved to East Africa in 2009 leading Deloitte's energy and resources industry group in Uganda, Kenya, Tanzania, Rwanda, Ethiopia and Mozambique. He was initially based in Kampala, Uganda later relocating to Dar es Salaam, Tanzania. Bill returned to the UK in 2014 supporting Deloitte UK teams working on outbound projects investing in Africa and was a key member of Deloitte UK's energy and resource practice until his retirement from the firm in September, 2018.

Bill has extensive experience advising oil and gas companies and their subcontractors, particularly on issues related to implementation of Production Sharing Agreements (PSAs) and concession agreements. Companies he has advised include: Shell, Statoil, BG Group, BP, Glencore, Petrobras, TNK-BP, ExxonMobil, Rosneft, Kazmuniagaz, Cove Energy, Halliburton, Schlumberger, Bechtel, Fluor, Tullow Oil, Total, Anadarko, Maersk, Africa Oil, the Oil and Gas Association of Tanzania among others. Bill has advised on mergers, disposals and acquisitions, group restructuring projects, transfer pricing, financing, negotiation and interpretation of mining and oil and gas concessions and PSAs, hydrocarbon transportation agreements, structuring cross-border transactions and the provision of tax advice to large infrastructure projects. He has been involved in negotiation of complex tax issues at ministerial level and has also supported clients involved in tax-related litigation, including national governments. He has also led cross-discipline teams on major due diligence, privatization and forensic projects.

Bill is a graduate of Oxford University and completed his inspectors' training with the UK Inland Revenue in 1989.

### Facilitator



Dickens Asiimwe Katta

Dickens leads the oil and gas practice at Cristal Advocates. He has an in depth appreciation of Uganda's oil and gas sector having served as the maiden Company Secretary of the Uganda National Oil Company (UNOC) and the Uganda Refinery Holdings Company Limited (URHC). UNOC represents the Government of Uganda commercial interests in the oil and gas sector while URHC represents government interests in the refinery project as well as managing the petrol based industrial park.

Dickens was instrumental in UNOC's formation and initial period of operation and also served as its head of Contracts, Negotiations and Advisory until May 2018. Prior to joining UNOC, Dickens was Legal Counsel at the Petroleum Directorate of the Ministry of Energy playing key legal advisory roles on the negotiation and implementation of PSAs, Joint venture and other oil and gas agreements. He was also part of the team that shepherded the process of enactment of the current Ugandan oil and gas Legislations and Regulations including the local content requirements.

He holds a Bachelor's Degree Law from Makerere University, a Post Graduate Diploma in Legal Practice and Masters of Laws Degree in Petroleum Law and Policy from the University of Dundee in the United Kingdom

### Facilitator



Denis Yekoyasi Kakembo

Denis leads the energy and tax practice at Cristal Advocates. He is qualified both as a Lawyer and Chartered Accountant with vast experience serving the oil and gas industry in Sub Saharan Africa. Before joining Cristal Advocates, Denis had worked for close to 10 years with Deloitte and Touche where he started his career and rose to senior managerial positions.

At Deloitte, he lived and worked in Uganda, Kenya, Tanzania and the United Kingdom for over 6 years and subsequently became the firm's chief of staff for the Energy and Resources Industry Group seeing him play a lead advisory role in Uganda, Kenya, Tanzania, Mozambique, South Sudan, Somalia and Ethiopia. Companies he has advised include: Shell, Statoil, BG Group, Afren Plc, Petrobras, ExxonMobil, PTTEP, Halliburton, Schlumberger, Far Energy, Tullow Oil, Anadarko, Maersk, Africa Oil, the Oil and Gas Association of Tanzania and the Kenya Oil and Gas Association among others.

Denis is widely published and a regular commentator in the local, regional and international media and speaker at various forums regarding the taxation and financing of energy projects as well as the protection of large capital projects within the framework of international investment law.

He holds a Bachelor's Degree Law from Makerere University, a Post Graduate Diploma in Legal Practice and Masters of Laws Degree in Petroleum Taxation and Finance from the University of Dundee in the United Kingdom

## Areas to be covered in the Masterclass

### The political economy of the oil and gas industry

- What is petroleum?
- Edwin Drake drilling breakthrough in 1859 in Pennsylvania
- Invention of the electric bulb by Thomas Edison
- Invention of the internal combustion engine
- The quest for energy stability and geopolitics
- Characteristics of the early oil and gas concessions
- Independence for resource rich countries and the agitation for Production Sharing Contracts
- The formation of OPEC
- The rise of oil prices and resource nationalism of the 1970s
- The 1989 Washington Consensus
- The scramble for foreign direct investment
- The Proliferation of Bilateral Investment Treaties, Double Tax Agreements, Stabilisation clauses as a means of attracting private sector investment
- Resource Nationalism in the 2000's
- Integration of issues of sustainable development in the petroleum sector
- Differences between conventional and non-conventional petroleum resources
- The future of the oil and gas industry

### Overview of the oil and gas sector value chain

- From well head to gasoline pump
- The upstream segment
- The midstream segment
- The downstream segment

### Overview of Uganda's oil and gas sector

#### The upstream segment

- State of Uganda's upstream oil and gas sector
- Applicable legislation for the upstream petroleum sector
- Role of the Ministry of Energy and Mineral Development
- Role of the Petroleum Authority of Uganda
- Role of the National Oil Company

#### Midstream segment

- State of Uganda's midstream oil and gas sector
- Applicable legislation for the midstream petroleum sector
- Role of the Ministry of Energy and Mineral Development
- Role of the Petroleum Authority of Uganda
- Role of the National Oil Company via the Uganda Refinery Holding Company
- Role of the National Oil Company via the National Pipeline Company (U) Limited

#### Downstream segment

- State of Uganda's downstream oil and gas sector
- Applicable legislation for the downstream segment
- Role of the Ministry of Energy and Mineral Development

### The acquisition and disposal of upstream oil and gas interests

- First come first serve
- Farm outs
- Auctions
- Corporate acquisitions
- Direct applications for blocks by the National Oil Company
- Why are there farm outs in the upstream petroleum sector
- Reimbursement of past costs
- Consideration in the form of carried interest
- Deferred contingent consideration
- Rules in the law on the transfer of upstream oil and gas rights
- Tax and fiscal considerations on the acquisition and disposal of upstream oil and gas rights

### The lifecycle of an upstream oil and gas project

- The lifecycle of an upstream petroleum project involving licensing, exploration and appraisal, development and production and decommissioning

### Upstream oil and gas contracts

- The primary types of contracts in the upstream petroleum industry being the Concessions, Production Sharing Agreements and Risk Service Agreements
- Features of Concessions ( Advantages and disadvantages)
- Features of Risk Service Agreements ( Advantages and disadvantages)
- What are the State Investor concerns in petroleum agreements and discussions in countries around the right form of contract to offer to investors

### Production Sharing Agreements

- The genesis of the PSA and initial application in Indonesia
- Why is the PSA popular?
- Rules and procedures regulating the right to conduct petroleum operations under PSAs
- What are the arguments for and against PSAs?
- Comparison of a PSA to Risk Service Agreements and Concessions
- Why is the concession preferred to the PSA by oil companies for financial reporting purposes
- Who owns and controls the resources under the PSA
- Royalties under PSAs
- Cost recovery under PSAs
- Profit Oil under PSAs
- State participation clauses in PSAs
- Assignment clauses in PSAs
- Taxation clauses under PSAs
- Stabilisation clauses under PSAs
- Force majeure, amendment and termination, dispute resolution and choice of law clauses
- Who are the Parties to the PSAs?
- Contract Areas under PSAs
- Duration of terms and relinquishment under PSAs
- Work Programme and Budgets clauses under PSAs
- Commercialisation procedures under PSAs
- Decommissioning clauses under PSAs
- Unitisation clauses under PSAs
- Local content clauses under PSAs
- Rules for the cooperation between the State and the Contractor
- Environmental considerations

### Joint operations in oil and gas

- Elements of a farm out agreement or deed of assignment
- Elements of a Joint Operating Agreement including the accounting procedures usually appended thereon
- Why are unincorporated joint ventures common for the upstream joint operations
- Discussion of oil lifting agreements
- Operating Committee under joint operations
- Authorisation for Expenditure under joint operations
- Joint billing statements and cash calls in joint operations
- Appointment and role of the operator in joint operations
- Sole risk operations under joint ventures

<p><b>Upstream petroleum fiscal and taxation issues</b></p> <ul style="list-style-type: none"> <li>• Royalties</li> <li>• Cost recovery</li> <li>• Profit oil</li> <li>• Value Added Tax</li> <li>• Import duties</li> <li>• Withholding taxes</li> <li>• Pay As You Earn</li> <li>• Capital gains taxes</li> <li>• Environmental levies</li> <li>• Export taxes</li> <li>• Bonuses</li> <li>• Local content</li> </ul>	<p><b>Role plays enabling an understanding of the oil and gas sector and value chain</b></p> <p><b>Route to market business opportunities</b></p> <ul style="list-style-type: none"> <li>• Key elements of agreements in the commercialisation of crude oil discoveries</li> <li>• Discussion of Uganda's local content regime</li> <li>• What will be involved in the construction of production facilities</li> <li>• What will be involved in the construction of the crude oil pipeline</li> <li>• What will be involved in the construction of the petroleum industrial park and associated infrastructure</li> <li>• What will be involved in the development of the petroleum industrial park and the associated infrastructure for crude oil production?</li> <li>• Ideas on positioning for the opportunities in Uganda's oil and gas value chain.</li> </ul>
<p><b>Financing of petroleum projects</b></p> <ul style="list-style-type: none"> <li>• Equity financing</li> <li>• Project financing</li> <li>• Corporate financing</li> <li>• The key risks involved in financing oil and gas projects at the various stages of the value chain</li> </ul>	
<p><b>Financial evaluation of oil and gas projects</b></p> <ul style="list-style-type: none"> <li>• Payback period</li> <li>• Internal rate of return</li> <li>• Net Present value</li> </ul>	

<b>Target</b>	Law firms, banks, insurance companies, logistics firms, International oil companies, manufacturers, professional service companies
<b>Dates</b>	1 <sup>st</sup> November 2018 and 2 <sup>nd</sup> November 2018
<b>Fee</b>	<b>US Dollars 250</b>
<b>Venue</b>	Cristal Advocates, Fourth Floor-Padre Pio House, Plot 32 Lumumba Avenue. There is adequate parking for all participants
<b>Contact</b>	Lynette Ankunda for additional course details lankunda@cristaladvocates.com (via email), Tel: +256414671274 or +256751834168

Accreditation for Continuous Professional Development by the respective professional bodies underway and will let you know if successfully obtained

Contact us

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