



UNOC STRATEGIC PLAN

FY2024/25 - 2029/30

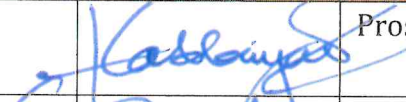



Creating Value for Generations

UNOC Vision: *To be a profitable company that sustainably operates across the petroleum value chain by 2030*

Theme: Grow the Business, achieve Operational Excellence, and Build Capabilities to sustainably manage Uganda's Petroleum Resources for Socio-Economic Transformation.

DOCUMENT APPROVAL HISTORY

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| Initial Issue Date: | 31 st May 2025 | | |

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Foreword

'Towards sustainable development of Uganda's Oil and Gas resources for social-economic transformation.'

Uganda is currently on an unprecedented path of economic transformation aimed at achieving Vision 2040. With 15 years remaining, the goal is to increase the economy more than tenfold, reaching a GDP of \$581 billion and a per capita income of \$9,500. Realising this ambition hinges on the country's ability to sustainably harness its diverse mix of energy resources, including proven oil and gas reserves.

This corporate strategy comes when the country is transitioning from NDPIII to the new National Development Plan IV, which aligns with Vision 2040. The NDP IV has earmarked oil and gas as a strategic resource to add to Uganda's energy mix and as a primary growth anchor that will enable Uganda's economy to achieve 10-fold growth and development by 2040.

Looking ahead, the Uganda National Oil Company (UNOC) plays a crucial role in leading the commercial aspects of sustainable development and managing the State's interests in the petroleum sector. This strategy will enable UNOC to unlock value in the sector while seizing opportunities brought about by the domestic and regional energy demand.

In recent years, UNOC has encountered financing challenges while fulfilling its technical and financial obligations across the petroleum value chain. These challenges have further been exacerbated by the growing global momentum toward energy transition, which has led investors to shift capital from fossil fuels to clean energy solutions. Nevertheless, we believe that oil and gas remain vital resources with the potential to impact the socio-economic transformation of the people of Uganda significantly. Therefore, we are committed to addressing UNOC's capitalisation challenges and supporting the successful execution of this strategy.

We call upon all potential investors, joint venture partners, and stakeholders to collaborate and support UNOC in fulfilling its monumental responsibilities.

We do extend our sincere appreciation to His Excellency, the President of Uganda, UNOC's business partners, regulators, the Board of Directors, and the Management for their dedication and support in fostering the growth and transformation of the oil and gas sector. We reaffirm our resolve to support UNOC towards achieving its 2030 ambitions and beyond.

FOR GOD AND MY COUNTRY

Hon. Dr Ruth Nankabirwa Ssentamu
Minister of Energy and Mineral Development

Hon. Matia Kasaija
Minister of Finance, Planning &
Economic Development

Acknowledgement

CEO's Message

'We are repositioning towards first oil, growth and profitability by 2030'

I am delighted to share the 6-year corporate strategy for Uganda National Oil Company Limited (UNOC) for FY2024/25 to FY2029/30. This strategy comes at a time when the country has made historic progress and breakthroughs in the petroleum sub-sector. Notably, the final investment decision for the upstream field development and East African Crude Oil Pipeline (EACOP) projects in February 2022 marked a significant milestone. It demonstrated the commitment of all stakeholders and joint venture partners to invest nearly \$10 billion in the sector to develop Uganda's petroleum resources and unlock the industry.

As we move towards achieving first oil in 2026, a key turning point for the country, we have a unique opportunity to rethink and reposition the company for the future. In light of past, present, and future contexts, we have revisited the company's mission, vision, and core values, realigning them to set new ambitions for corporate excellence in the petroleum sector.

This strategy fully aligns with the 5-year National Development Plan IV (NDP IV), which will run from FY2025/26 to FY2029/30. The NDP IV prioritizes the sustainable development of Uganda's oil and gas resources as a key driver of socioeconomic transformation.

Over the next six years, UNOC will focus on three main strategic priorities: ***Growing the Business, Achieving Operational Excellence, and Building Capabilities***. We believe these ambitions will help us realize our new vision: ***"To become a profitable company that operates across the petroleum value chain by 2030."*** We recognize that achieving this vision requires integrating sustainability into all our projects and operations.

This strategy is anchored on four key drivers:

1. Growing our portfolio by launching new business lines such as LPG, Crude Oil Trading, and Technical Services.
2. Fast-tracking the execution of strategic and foundational projects.
3. Achieving profitability to reduce or eliminate dependency on funding from the central government's consolidated fund.
4. Embarking on a new journey to become an independent operator of projects across the petroleum value chain.

As a strategic state-owned company, we are fully aware that the next six years will be critical in transforming both the petroleum sub-sector and the country. Therefore, I firmly believe that we can achieve our ambitions by working closely with our stakeholders, joint venture partners, clients, and staff. I take this opportunity to thank our shareholders and the Board of Directors for their unwavering support. I look forward with excitement to the next six years as we implement this strategy to deliver sustainable value in the petroleum sector for the people of Uganda and the State.

Proscovia Nabbanja

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List of Acronyms

| | | |
|-------|---|---|
| ADB | : | African Development Bank. |
| AGRC | : | Albertine Graben Refinery Consortium. |
| ARC | : | Audit and Risk Committee. |
| BOOT | : | Build Own Operate Transfer. |
| BOT | : | Build Operate Transfer. |
| BP | : | British Petroleum. |
| BPD | : | Barrels Per Day. |
| BSC | : | Balanced Scorecard |
| BTU | : | British Thermal Unit. |
| CA | : | Contract Area. |
| CAPEX | : | Capital Expenditure. |
| CNOOC | : | China National Offshore Oil Company. |
| COSO | : | Community of Sponsoring Organizations. |
| CPF | : | Central Processing Facility. |
| CPI | : | Cost Performance Index. |
| CSR | : | Corporate Social Responsibility. |
| CUL | : | CNOOC Uganda Limited. |
| DSC | : | Decision Steering Committee. |
| EAC | : | East African Community. |
| EACOP | : | East African Crude Oil Pipeline. |
| EBPM | : | Enterprise Business Process Management |
| ECAs | : | Export Credit Agencies. |
| EHT | : | Electrical Heat Tracing. |
| EOR | : | Enhanced Oil Recovery. |
| EPC | : | Engineering, Procurement and Construction. |
| EPCmC | : | Engineering, Procurement and Construction Management and Commissioning. |
| ERA | : | Electricity Regulatory Authority. |
| ERM | : | Enterprise Risk Management. |
| ESIA | : | Environmental and Social Impact Assessment. |
| ESMP | : | Environment and Social Management Plan. |
| ETP | : | Energy Transition Plan |
| FBE | : | Fusion-Bonded Epoxy. |
| FEED | : | Front-End Engineering Design. |
| FID | : | Final Investment Decision. |
| FRC | : | Finance and Remuneration Committee. |
| G&A | : | General and Administration. |
| GDP | : | Gross Domestic Product. |

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| GHG | : | Greenhouse Gas. |
| GIE | : | Gulf Interstate Engineering. |
| HACCP | : | Hazard Analysis and Critical Control Points. |
| HSSE | : | Health, Safety, Security and Environment. |
| IEA | : | International Energy Agency. |
| IGA | : | Inter-Governmental Agreements |
| IIR | : | Illness Incident Rate. |
| IOCs | : | International Oil Companies. |
| ISO | : | International Organisation for Standards |
| JOAs | : | Joint Operating Agreements. |
| JST | : | Jinja Storage Terminals. |
| JV | : | Joint Venture. |
| JVPs | : | Joint Venture Partnerships. |
| KFDA | : | Kingfisher Development Area. |
| KIP | : | Kabalega Industrial Park. |
| KPC | : | Kenyan Pipeline Company. |
| KPI's | : | Key Performance Indicators. |
| KST | : | Kampala Storage Terminals. |
| LPG | : | Liquified Petroleum Gas. |
| LTI | : | Lost Time Injuries. |
| M&E | : | Monitoring and Evaluation. |
| MEMD | : | Ministry of Energy and Mineral Development. |
| MOFPED | : | Ministry of Finance Planning and Economic Development. |
| NDP | : | National Development Plan. |
| NOCs | : | National Oil Companies. |
| NPC | : | National Pipeline Company. |
| NSSF | : | National Social Security Fund. |
| OECD | : | Organization for Economic Cooperation and Development. |
| OMCs | : | Oil Marketing Companies. |
| OPEX | : | Operating Expenditure. |
| PAU | : | Petroleum Authority of Uganda. |
| PIAP | : | Programme Implementation Action Plan |
| PESTLE | : | Political, Economic, Social, Technological, Legal and Environment. |
| PFA | : | Project Framework Agreement. |
| POC | : | Private Oil Companies |
| PPDA | : | Public Procurement and Disposal of Public Assets. |
| PSAs | : | Production Sharing Agreements |
| PUF | : | Polyurethane Form. |
| PwC | : | Price Waterhouse Coopers. |
| RAP | : | Resettlement Action Plan. |

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| RBL | : | Reserve Based Lending/Debt. |
| RFCC | : | Residual Fluid Catalytic Cracker. |
| ROA | : | Return on Assets. |
| ROE | : | Return on Equity. |
| ROIC | : | Return on Invested Capital. |
| RPIs | : | Risk Performance Indicators. |
| RPO | : | Reasonable and Prudent Operations. |
| RRR | : | Reserves Replacement Ratio. |
| SDGs | : | Sustainable Development Global Goals. |
| SME's | : | Small and Medium Enterprises. |
| SOPs | : | Standard Operating Procedures. |
| SPA | : | Sales and Purchase Agreement. |
| SPV | : | Special Purpose Vehicle. |
| STOOIP | : | Stock Tank of Oil Initially in Place. |
| SWOT | : | Strength, Weakness, Opportunities and Threats. |
| TA | : | Transportation Agreement. |
| TEPU | : | Total Exploration and Production Uganda. |
| TWG | : | Technical Working Group. |
| UNOC | : | Uganda National Oil Company. |
| URA | : | Uganda Revenue Authority. |
| URHC | : | Uganda Refinery Holding Company. |

EXECUTIVE SUMMARY

The Uganda National Oil Company (UNOC) Strategic Plan for FY2024/25 to FY2029/30 provides a clear roadmap for sustainably developing and managing the State's commercial interests in the petroleum sector, with the goal of becoming a profitable company by 2030. Anchored on the theme: *"Grow the Business, Achieve Operational Excellence, and Build Capabilities to Sustainably Manage Uganda's Petroleum Resources for Socio-Economic Transformation,"* the Plan aligns with Uganda's Vision 2040, NDP IV, and global development frameworks.

The strategy builds on the momentum from the inaugural plan (FY2019/20–FY2023/24), which achieved 81% implementation and delivered notable milestones, including the launch of bulk trading operations, progress on the EACOP project, and strengthened stakeholder partnerships. These achievements underscore the need for enhanced capitalization, operatorship readiness, digital transformation, and responsiveness to global energy transition and ESG imperatives.

UNOC's new direction supports NDP IV's Sustainable Extractives Industry Development Programme by prioritizing commercialization, value addition, and improved sector governance. It also advances Vision 2040 goals by accelerating oil and gas infrastructure development, supporting local industrialization, and reducing import dependency.

While institutional capacity remains a work in progress, UNOC has built core technical expertise across the value chain. Continued investment in human capital, corporate governance, and systems will be critical to execution. Given the significant capital needs over the planning horizon, the Company will pursue a diversified resource mobilization strategy and implement cost optimization measures to ensure financial sustainability.

Execution will be guided by an enhanced Monitoring and Evaluation system and integrated enterprise risk management. Through this strategy, UNOC reaffirms its mandate to deliver national value and catalyze Uganda's energy security, industrial growth, and economic transformation.

1. INTRODUCTION

1.1 Background

UNOC is a state-owned limited liability company established under the Petroleum (Exploration, Development and Production) Act, 2013. The company was incorporated in June 2015 under the Companies Act (2012) as a private limited company with the Minister of Energy and Mineral Development (MEMD) holding 51% and the Minister of Finance, Planning and Economic Development (MoFPED) with 49% shares.

In accordance with the Petroleum (Exploration, Development, and Production) Act of 2013 under which UNOC was established, UNOC is mandated to:

- i. Handle the State's commercial interests in the petroleum sub-sector.
- ii. Manage State Participation in the petroleum activities.
- iii. Manage the marketing of the country's share of petroleum received in kind.
- iv. Manage the business aspects of State Participation.
- v. Develop in-depth expertise in the oil and gas sector.
- vi. Optimise value to its Shareholders.
- vii. Participate in joint ventures in which it holds an interest on behalf of the State.
- viii. Participate in meetings of the operating committees in furtherance of its participation in the respective Joint Operating Agreements (JOAs); and
- ix. Investigate and propose new upstream, midstream and downstream ventures initially locally but later internationally.

Following the conclusion of UNOC's inaugural Strategic Plan (FY 2019/20 – FY 2023/24), and in anticipation of the transition to the Fourth National Development Plan (NDP IV), the Company has developed a new six-year Strategic Plan covering the period FY 2024/25 to FY 2029/30. This Plan is aligned to the NDP IV cycle to ensure continuity and strategic coherence with national development priorities.

The Strategic Plan provides a clear and comprehensive roadmap to guide UNOC's operations and investments over the medium term. Anchored in the Company's mandate to manage the State's commercial interests in the petroleum sub-sector, it outlines strategic priorities and enablers that will support Uganda's strategic agenda in NDP IV. It builds on the achievements and lessons of the previous strategy cycle while responding to dynamic industry trends, shifting national imperatives, and evolving stakeholder expectations. The plan reaffirms UNOC's role in contributing to Uganda's long-term development goals as outlined in Vision 2040 and supports the strategic priorities of NDP IV.

1.2 Legal framework of UNOC

Following the approval of the National Oil and Gas Policy, 2008 by Cabinet, the oil and gas sector underwent various reforms that resulted in a review of the legal and regulatory framework repealing the Petroleum Exploration and Production Act, 1985 and enacting the Petroleum (Exploration, Development and Production) Act, 2013 and the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, 2013. One of the major reforms was the institutional framework which evolved from having the department in the Ministry of Energy and Mineral Development performing the roles of policy formulation, regulation and commercial activities to the creation of three institutions i.e.

- i. The Directorate of petroleum in the Ministry of Energy and Mineral Development responsible for policy formulation;
- ii. The Petroleum Authority responsible for the regulation of the sector; and
- iii. Uganda National Oil Company responsible for the commercial aspects across the petroleum value chain.

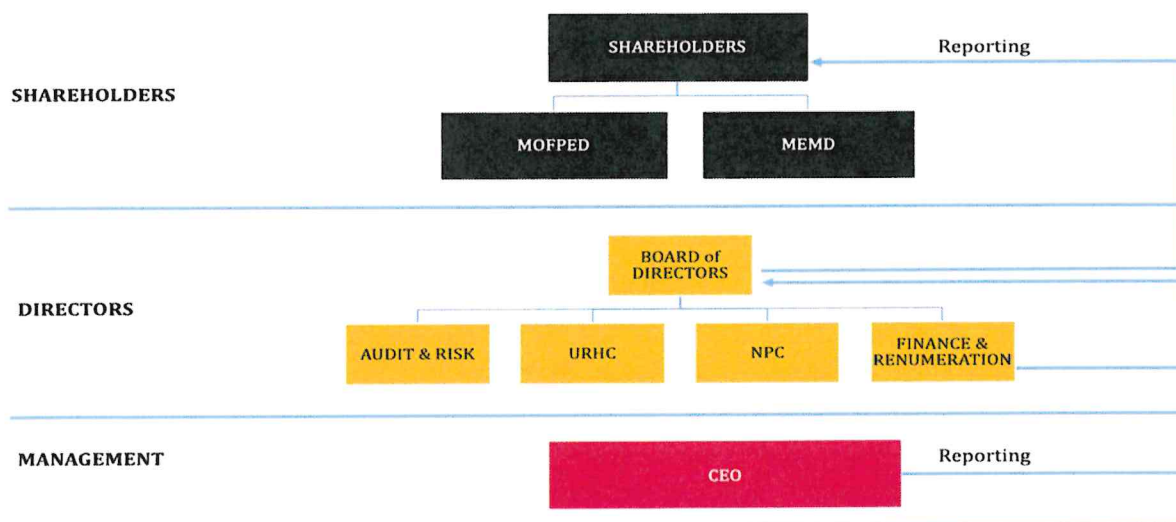
These three institutions work closely with other Ministries, Departments and Agencies of Government together with the private sector, civil society, the Academia, the media, and the general public among other stakeholders in achieving their mandate.

1.3 Governance and Organisational structure

Top-Level Governance Structure

Shareholders: The Uganda National Oil Company (UNOC) is wholly owned by the government of Uganda, with a shareholding of 51% by the Ministry of Energy and Mineral Development and 49% by the Ministry of Finance, Planning and Economic Development.

Figure 1: UNOC Top-level Governance



Board of Directors

The Board of Directors is comprised of seven (7) Independent Non-Executive Members. The UNOC Board of Directors is a governing and decision-making body appointed to serve for a period of 4 years (renewable once). The Board of Directors are appointed by His Excellency the President of the Republic of Uganda with the approval of Parliament. The Board is composed of members from diverse backgrounds as enumerated in the Petroleum (Exploration, Development and Production) Act, 2013.

The Board performs the following functions:

- a. Ensuring the Company goals are clearly established, and strategies are in place for achieving them;
- b. Establishing policies to strengthen company performance through the Executive Management Team and constantly monitoring operational performance;
- c. Ensuring that the Company is in a sound financial position and has the ability to meet its financial obligations and commitments ;
- d. Approval of the Company's and Subsidiary Business Plans;
- e. Overseeing compliance with regulatory and other statutory requirements;
- f. Hiring, performance management, remuneration and tenure of the CEO and Executive Management Team.
- g. Approving major capital expenditure, acquisitions and divestiture.

To fulfil their responsibilities, the Board is composed of committees that oversee administrative responsibilities and offer oversight of subsidiaries. Committees can undertake more detailed scrutiny of proposals or complete specific initiatives and report to the main board with recommendations for adoption. The level of scrutiny in the decision-making is founded on key governance principles of accountability and transparency, fairness and responsibility.

The CEO is an ex-officio member of the board; likewise, the Chief Legal Officer is the Company Secretary. The Internal Audit unit reports to the Board for audit and assurance purposes.

Audit and Risk Committee (A&RC): The A&R Committee consists of three members appointed by the Board of Directors with a responsibility for overseeing and ensuring that Company internal controls are effective. Additionally, the A&R Committee oversees the performance, independence and objectivity of both internal and external auditors. The A & R Committee further reviews the content of the annual report and accounts and makes recommendations on the Company's positions to the Board and Shareholders. The A&R Committee periodically meets to appraise the main Board on the position of the Company's

financial statements, status, adequacy and effectiveness of internal company controls. The A&R Committee in addition performs the following functions:

- a. Annually approve the internal audit function plan and review the effectiveness of the Company's and its subsidiaries' internal audit function and ensure it is independent, objective, adequately resourced and has appropriate standing within the Company;
- b. Where appropriate recommend to the Board for consideration, the appointment, re-appointment or removal of an external auditor plus overseeing the selection process of a new auditor where required. The Committee also ensures that rules on audit tender and audit rotation are observed, making appropriate recommendations, through the Board, for final presentation to the Company Shareholders during the Annual General Meeting;
- c. Reviewing the Company's systems and controls and issues of noncompliance that might arise.;
- d. Reviewing the nature and extent of risks, including principal risks, facing, or being taken by, the company which it regards as desirable or acceptable for the company to bear;
- e. Reviewing the likelihood of identified risks occurring and the impact of related risks;
- f. Reviewing the Company's ability to reduce the likelihood of the risks occurring;
- g. Assessing the exposure to risks before and after risks are managed or mitigated, as appropriate.

Finance and Remuneration Committee (F&RC): The F&R Committee is comprised of members appointed by the Board of Directors to review and approve all annual budgets and investments of the Company and its subsidiaries. The committee equally oversees the implementation of the performance and rewards policy while ensuring that the Company remuneration policy is up-to-date. The Committee further performs the following roles:

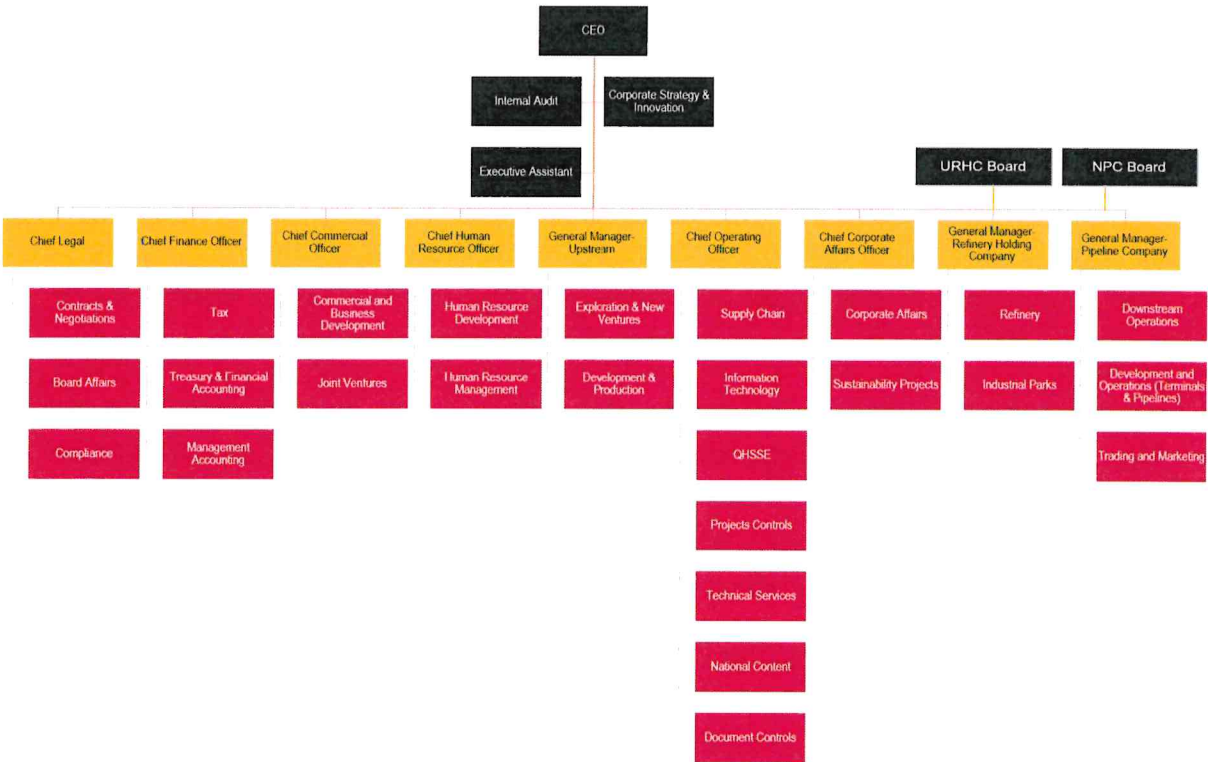
- a. Reviewing the Annual Budget before recommendations to the Board for approval;
- b. Monitors budget performance, including recommendations for budget allocations and re-allocations;
- c. Reviews all financial reports including Annual Financial Statements, before recommendations to the main Board for approval;
- d. Reviews and analyzes all strategic investment plans and advises the Board;
- e. The Committee and the Chief Human Resource Officer and the Chief Legal and Corporate Affairs Officer, develop the Company's Remuneration Policy for Board approval;
- f. Monitors and reviews staff remuneration based on industry trends;
- g. Participate in designing job descriptions, organization structural reviews and shortlisting of Board level appointments;
- h. Performance reviews and oversight of the Executive Management Team

UNOC's Organisational Structure

The organogram below indicates the structure UNOC will adopt for the corporate strategy period. The organizational structure shall be continuously reviewed for relevance to the company's mission and vision to enable the company to perform effectively and efficiently. Currently, the organization is structured around seven (8) departments and two (2) subsidiaries.

Chief Executive's Office: The office of the Chief Executive Officer provides overall strategic direction and leadership for the company; in addition, the CEO's office liaises with external stakeholders and engages strategic and potential partners, government, Joint venture partners and Board members.

Figure 2: UNOC Organogram



Legal Department: The Legal and Corporate Affairs department, headed by the Chief Legal Officer, provides legal advice to the company on all legal matters, ensuring effective corporate governance practices are established and adhered to, developing and overseeing the implementation of policies for the company, managing and defending the company in litigation and disputes, provide legal advisory to subsidiaries and compliance management with the regulations. The department further takes care of company contracts and negotiations and corporate branding and marketing as key roles of the department.

Upstream Department: The Upstream department is led by the General Manager. The department is responsible for preparing and implementing Upstream strategic business plans for the Company. The department plays a fundamental role of identifying, assessing, analysing and recommending upstream oil and gas investment opportunities. Other roles include managing state participation in the field development projects and producing assets, providing forecasts for the different fields in operation, providing technical expertise in the negotiation of agreements relating to the development and production of oil and gas resources, and managing upstream operations relating to exploration, development and production.

Commercial Department: The Chief Commercial Officer leads the commercial department; the department is responsible for providing commercial expertise in the negotiation of key contracts for the upstream, midstream and downstream, coordinating the development of Commercial objectives for each of the strategic Business units (Upstream, Refinery, Pipeline, KIP and Terminals), developing economic models to support negotiations and commercial decisions, providing support in framing economic evaluations and identification of embedded options, risks and mitigations in commercial ventures, leading the development and implementation of marketing strategies for Government of Uganda's crude received in kind, and ensuring integration of project planning, execution and control across UNOC's projects.

Human Resource Department: The Chief Human Resource Officer leads the human resource department. The department is responsible for providing overall human resource leadership and talent acquisition for the company. The function additionally coordinates staff performance management, develops human resource policies, and guides the company management on an appropriate company structure to achieve its long-term strategy.

Financial Department: The Chief Financial Officer leads the finance department. The department is responsible for developing and implementing finance and budgeting control frameworks and systems to ensure the company is financially sound. Additionally, the department is responsible for treasury and enterprise risk management.

Operations Department: The department is led by the chief operating officer, who is responsible accountable for offering strategic and technical leadership to all the shared

technical support functions of UNOC, responsible for setting up and offering leadership oversight to centres of excellence for the QHSSE, Supply Chain, IT, National Content and Technical (Engineering) Services functions. Additionally, the department is responsible for ensuring that the shared technical services functions provide the necessary level of support to the key business units by providing the necessary technical support in keeping with Oil & Industry standards in a timely manner and within budget.

Corporate Affairs Department: The corporate affairs department, led by the Chief Corporate Affairs Officer, is responsible for developing and implementing the group's corporate affairs policies and strategies. The department is responsible for formulating and implementing an integrated stakeholder strategic mapping that cuts across the group corporate communication and stakeholder experience, developing and implementing an efficient and effective communication and stakeholder management strategy for UNOC and building the company's brand image, leading the development and implementation of UNOC's media strategy and media governance protocols for use within the Company and implement their adherence across the company, developing and implementing a Corporate Brand promotion strategy and track corporate brand market positioning and managing the attainment and sustenance of the social license to operate for all UNOC projects.

UNOC SUBSIDIARY COMPANIES

Uganda Refinery Holding Company Limited (URHC)

The subsidiary company was incorporated on 25th January 2016 under the Companies Act, 2012. Its led by the General Manager URHC. The company mandate includes the following:

- a. To participate in the Uganda Oil Refinery;
- b. To manage, develop and operationalize the Kabalega Industrial Park;
- c. To enter into strategic partnership to achieve the above objectives.
- d. To own, operate and maintain any other facilities incidental to the above.,

National Pipeline Company (U) Limited (NPC)

Incorporated on 24th April 2017, under the Companies Act, 2012. NPC is led by the Acting General Manager- NPC.

The mandate of NPC includes;

- a. Manage, import and trade refined fuel on behalf while guaranteeing the security of supply.
- b. Owning, operating and maintaining oil and gas pipelines in Uganda such as participating in the development of the East African Crude Oil Pipeline (EACOP) .

- c. Operating and maintaining oil and gas storage terminals for both upstream, midstream and downstream activities.
- d. Owning and setting up strategic oil and gas reserves.
- e. To enter strategic partnership to achieve the above objectives.

1.4 The policy, legal and planning context.

Table 1: Policies and laws governing UNOC by Perspective

| Perspective | Applicable Policies & Legislation |
|---------------------------|--|
| FINANCIAL | <ul style="list-style-type: none"> - Petroleum (Exploration, Development, and Production) Act, 2013 - Public Finance Management Act, 2015 - National Oil and Gas Policy, 2008 - Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, 2013 - Income Tax Act, 1997 - Value Added Tax (VAT) Act, 1996 - Uganda National Oil Company Limited Act, 2013 - Public Enterprises Reform and Divestiture Act, 2000 |
| STAKEHOLDER | <ul style="list-style-type: none"> - National Oil and Gas Policy, 2008 - Petroleum (Exploration, Development, and Production) Act, 2013 - Public-Private Partnership Act, 2015 - National Environmental Management Act, 1994 - National Planning Authority Act, 2002 - Access to Information Act, 2005 - Public Service Act, 2008 - Environmental Impact Assessment (EIA) Regulations, 1998 - Uganda Investment Authority Act, 1991 |
| BUSINESS PROCESSES | <ul style="list-style-type: none"> - Petroleum (Exploration, Development, and Production) Act, 2013 - Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, 2013 - National Oil and Gas Policy, 2008 - Public Finance Management Act, 2015 - Uganda National Oil Company Limited Act, 2013 - Procurement and Disposal of Public Assets Act, Cap 205 - Public-Private Partnership Act, 2015 - Anti-Corruption Act, 2009 |

| Perspective | Applicable Policies & Legislation |
|--------------------------------|---|
| | <ul style="list-style-type: none"> - Competition Act, 2024 - ICT Policy, 2003 - National Information Technology Authority Act, 2009 - Data Protection and Privacy Act, 2019 - National Environment Act, 2019 - Occupational Health and Safety Act, 2006 - Public Health Act, 1964 - National Standards & Quality Policy, 2012 - Environmental Impact Assessment (EIA) Regulations, 1998 |
| ORGANISATIONAL CAPACITY | <ul style="list-style-type: none"> - Petroleum (Exploration, Development, and Production) Act, 2013 - Public Service Commission Regulations - Public Service Act, 2008 - Public Finance Management Act, 2015 - Labour Unions Act, 2006 - Uganda National Oil Company Limited Act, 2013 - Public Enterprises Reform and Divestiture Act, 2000 - National Planning Authority Act, 2002 - Uganda National Industrial Policy, 2020 - National Employment Policy, 2011 |

Linkage to National, Regional and Global Frameworks

Uganda Vision 2040

The Uganda Vision 2040 aims to transform the Ugandan society from a peasant to a modern and prosperous country within 30 years. It sets out the goals and targets to be achieved to realise the desired socioeconomic transformation.

Under the Vision 2040 targets for the upstream and midstream section of the value chain. UNOC has the role to contribute to the Vision 2040 through value addition to the petroleum resources and construction of the pipeline infrastructure to deliver the refined crude oil and products to the markets through, equitable participation in the refinery projects. In the downstream, UNOC is expected to establish and appropriately manage petroleum reserves in strategic locations for energy security and price stability.

National Development Plan IV FY2025/26-2029/30

The National Development Plan (NDP) IV has undergone significant processes to have it ready for implementation by FY 2025/26, a year later compared to UNOC's corporate strategy that begins in FY2024/25. The misalignment in timelines has been considered by having the strategy run for the next 6 financial years to match with the terminal period of the NDP IV. Subsequent corporate strategies will match a period of 5 years consecutively to match the final timelines of the NDP V and VI that terminate with Vision 2040. Besides the timelines, the corporate strategy has been developed with a clear view of what the NDP IV will prioritise for the next 5 years.

The NDPIV has been developed to respond to unique circumstances and exploit available opportunities to fast-track the realisation of the desired social-economic transformation aspirations towards achieving the quantitative leap. In a similar context, UNOC's Corporate Strategy has been developed first by validating the overall mission and vision to ensure that the gap between the NDP IV and priorities is closed.

The NDP IV's approved strategic direction, "Sustainable industrialisation for inclusive growth, employment and wealth creation", is premised on the desire to exploit the primary growth anchors of Uganda's economy to catapult it towards ten-fold growth and development. For the next 5 years, starting FY2025/26, the NDP IV will focus on 5 main objectives below:

- i. Sustainably increase production, productivity and value addition in agriculture, minerals, oil & gas, tourism, ICT, and financial services;
- ii. Enhance human capital development along the entire life cycle;
- iii. Support the private sector to drive growth and create jobs;
- iv. Build and maintain strategic sustainable infrastructure in transport, housing, energy, water, industry, and ICT; and
- v. Strengthen good governance, security, and the role of the state in development.

Of the 5 NDP IV Objective, UNOC is directly accountable for objective i), which is focused on sustainably increasing production, productivity and value addition in agriculture, oil & gas, tourism, ICT and financial services and NDP IV Programme 2 - Sustainable Extractives Industry Development Programme.

Sustainable Extractives Industry Development Programme:

The goal of the Sustainable Extractives Industry Development Programme is Sustainable exploitation, value addition, and commercialization of extractives for resource-based industrialization. This will be achieved through the following Programme Objectives:

Programme Objectives

- i. Increase exploration and quantification of the extractives;
- ii. Increase production and commercialization of the extractives;
- iii. Increase investment in extractive value addition;
- iv. Enhance human and local enterprise capacity to participate in and develop the extractives industry; and
- v. Strengthen governance, coordination, and innovation for the extractives industry.

Programme Results

- i. Increased national storage for refined petroleum products from 99.1 million litres in FY2023/24 to 150 million litres;
- ii. Increased oil and gas revenue from Shs. 184 Bn in FY2023/24 to Shs. 6,475 Bn
- iii. Increased mineral revenue from Shs. 180 Bn in FY2023/24 to Shs. 750 Bn
- iv. Increased number of Ugandans employed in the minerals industry by 80,000 jobs per year
- v. Increased contribution of the extractives industry to GDP from 1.9% in FY2023/24 to 7.9%
- vi. Increased value of investment in value addition for selected minerals from Shs. 200 Bn in FY2023/24 to Shs. 1,850 Bn;
- vii. Improved extractives industry governance effectiveness index from 78.5% in FY2023/24 to 90.0% and
- viii. Increased programme performance from 65% in 2022/23 to 85%.

UNOC's Contribution to the Sustainable Extractives Industry Development Programme.

UNOC goal under the Sustainable Extractives Industry Development Programme is to sustainably develop, manage and commercialize Uganda's petroleum resources to contribute to socio-economic transformation. The goal will be achieved by contributing to the Sustainable Extractives Industry Development Programme objectives 2, 3, 5, with respective Programme Results and associated UNOC mapped Themes/broad objectives as indicated below:

Table 2: Sustainable Extractives Industry Objectives UNOC Contributes To

| Programme Objectives | | Programme Results | UNOC PIAP Objectives |
|----------------------|---|--|---|
| 2 | Increase sustainable production and commercialization of the extractives | <ul style="list-style-type: none"> - Increased national storage for refined petroleum products from 99.1 million litres in FY2023/24 to 150 million litres; - Increased oil and gas revenue from Shs. 184 Bn in FY2023/24 to Shs. 6,475 Bn | Increase sustainable development, production and commercialization of Petroleum resources |
| 3 | Increase investment in extractives value addition | <ul style="list-style-type: none"> - Increased contribution of the extractives industry to GDP from 1.9% in FY2023/24 to 7.9% | Increase UNOC investment in Petroleum Production, Refining & Distribution |
| 5 | Strengthen governance, coordination and innovation for the extractives industry | <ul style="list-style-type: none"> - Improved extractives industry governance effectiveness index from 78.5% in FY2023/24 to 90.0% and - Increased programme performance from 65% in 2022/23 to 85%. | Strengthen Corporate Governance, Collaboration and Innovation in Petroleum Sector |

East African Community Vision 2050

The goal of the EAC vision 2050 under Natural resources and environmental management is to realize effective natural resource and environment management and conservation with enhanced value addition. The vision emphasizes the need to implement strategies on natural resources for value addition and transformation of the economies to the benefit of the EAC through sustainable environment management. The goal will be achieved under a three-fold

approach; 1) sustainable use of natural resources, by recognising the importance of strengthened institutional frameworks for sustainable development built to coherently and effectively respond to current and future use of natural resources while bridging gaps for achieving sustainable development goals. In addition, the Vision 2050 also recognizes the need for effective governance at all levels of governance right from the local, national to regional levels as critical measure for advancing sustainable development. 2) promotion of green growth with emphasis on its role in contributing to reducing poverty as well as sustained economic growth, enhancement of social inclusion, improvement of human welfare and creation of opportunities for employment and decent work for all, while maintaining a healthy and functioning regional ecosystem. 3) Climate change adaptation and mitigation; the vision 2050 aims to address issues such as emissions of greenhouse gases through efforts such as mobilisation of funding from a variety of sources at public and private, bilateral and multilateral plus launching a regional green climate fund meant to address issues of climate change. UNOC's Strategy, aligns well with all the 3 core goals for EAC interventions.

Linkage to Sustainable Development Goals

UNOC's Strategic Plan is closely aligned with Uganda's commitment to the 2030 Agenda for Sustainable Development. The Company's strategic priorities contribute meaningfully to inclusive economic growth, environmental sustainability, and institutional resilience, key pillars of the SDGs.

In delivering its mandate, UNOC integrates Environmental, Social, and Governance (ESG) principles across all operations. Particular emphasis is placed on environmental sustainability and responsible resource management, in alignment with:

- SDG 12: Responsible Consumption and Production – by ensuring efficient use of resources, minimizing environmental footprint, and promoting sustainable value chain practices.
- SDG 13: Climate Action – through proactive measures to reduce greenhouse gas emissions, incorporate renewable energy options, and build climate resilience into operations.

The Plan also directly supports the following priority SDGs:

- SDG 8: Decent Work and Economic Growth – by fostering job creation, building local content capacity, and enabling productivity within the petroleum sector.
- SDG 9: Industry, Innovation and Infrastructure – through investment in strategic infrastructure, promotion of technological innovation, and development of Uganda's oil and gas industrial base.

- SDG 17: Partnerships for the Goals – by strengthening collaborative frameworks with government, private sector, development partners, and local communities to deliver shared value.

1.5 Purpose of the plan

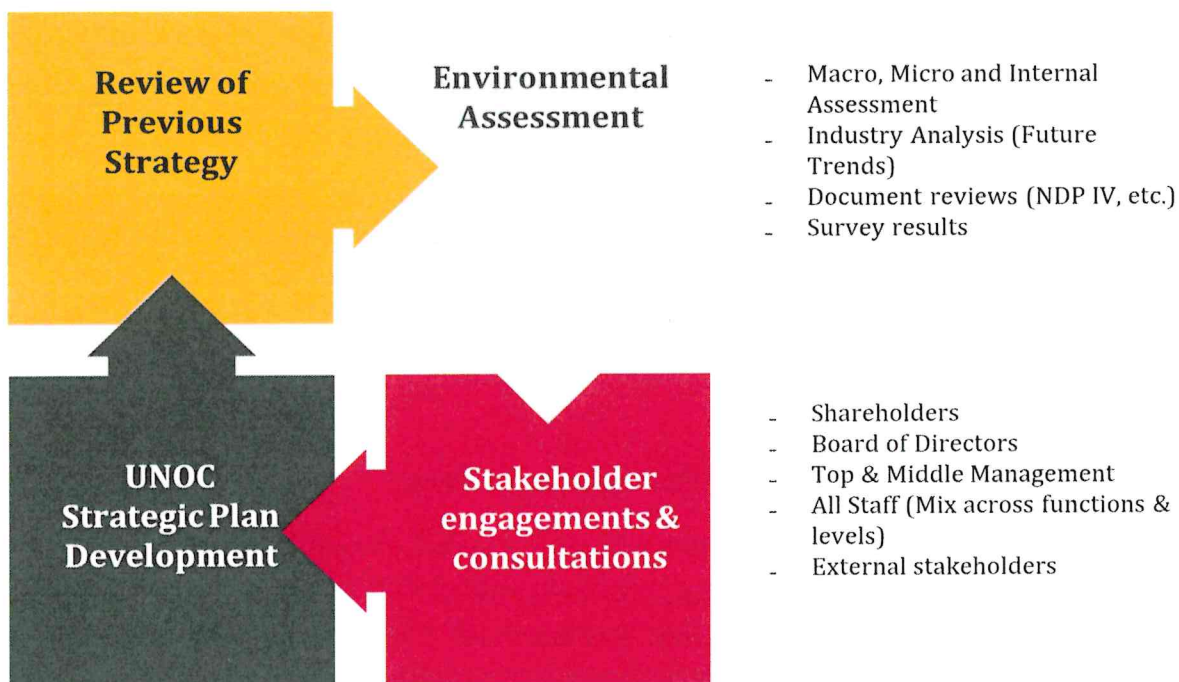
The UNOC Strategic Plan articulates the Company’s strategic priorities and its contribution to Uganda’s socio-economic transformation agenda. It provides a clear and cohesive direction aligned with UNOC’s mandate and the national development goals, particularly as outlined in Vision 2040 and the National Development Plan (NDP IV).

The Plan also serves as a practical roadmap to guide:

1. Strategic decision-making across the Company’s upstream, midstream, and downstream operations;
2. Resource allocation to priority projects and initiatives that drive value creation;
3. Performance management through well-defined objectives, targets, and accountability mechanisms;
4. Stakeholder engagement by fostering alignment with government, private sector, and community interests;
5. Institutional strengthening to enhance UNOC’s capacity, governance, and commercial viability.

1.6 The process of developing the SDP

Figure 3: Process of developing the new strategy FY 2024/25 - 2029/30



1.7 The structure of the UNOC's Strategic Plan.

The UNOC Strategic Plan FY 2024/25 – FY 2029/30 structure aligns with national planning guidelines and is organized as follows:

1. **Preliminary Pages:** Includes the following elements to frame and support the main content of the Plan: Cover Page, Foreword, Acknowledgements, Table of Contents, List of Tables, List of Figures, List of Acronyms.
2. **Executive Summary:** Provides a concise overview of the Strategic Plan.
3. **Nine (9) Main Chapters**
 - **Introduction:** Outlines the purpose, mandate, and rationale of the Plan. It presents the legal and policy framework, organizational structure, and alignment with Vision 2040, NDP IV, and global and regional development frameworks.
 - **Situation Analysis:** Reviews the performance of the previous strategic plan, identifies key achievements and challenges, assesses institutional capacity and presents a stakeholder analysis, SWOT analysis, and emerging issues with strategic implications.
 - **Strategic Direction:** Articulates UNOC's Vision, Mission, and Core Values. It defines the corporate goal, strategic objectives, outcomes, and interventions aligned with NDP IV and Programme Implementation Action Plans (PIAPs).
 - **Financing Framework and Strategy:** Presents the estimated cost of the Strategic Plan, funding projections, and sources. It includes MTEF alignment, financing gaps, resource mobilization strategies, and the costed implementation matrix.
 - **Institutional Arrangements for Implementation:** Defines the roles and responsibilities of internal and external stakeholders, implementation coordination mechanisms, and sustainability arrangements including partnerships, HR planning, and institutional capacity.
 - **Communication and Feedback Strategy:** Describes the objectives and priorities of the communication strategy, key messages per stakeholder group, communication channels, and frequency to ensure effective engagement and adaptive implementation.
 - **Risk Management:** Identifies potential strategic, operational, and external risks that may impact implementation. Includes a risk matrix with ratings and proposed mitigation measures.
 - **Monitoring and Evaluation Framework:** Details the mechanisms for tracking progress, including performance reporting, mid-term and end-term evaluations, and use of results frameworks at outcome and output levels.
 - **Project Profiles:** Summarizes major strategic projects
4. **Appendices:** Supporting documentation and reference materials

2 SITUATION ANALYSIS

This section will review performance under the previous strategic plan, document key challenges and achievements. Also, the SWOT analysis will be done as well as the stakeholder analysis needs to be conducted in terms of data and trends that influence the MDAs in order to describe the context within which the plan is being developed and also provide a foundation for the strategic direction going forward.

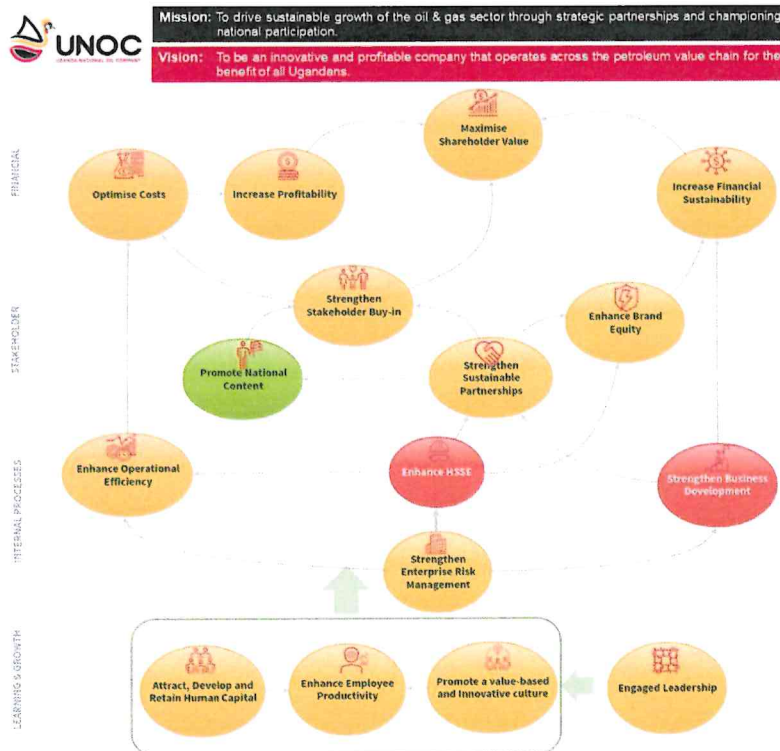
2.1 Performance of the Previous Plan

UNOC's first five-year Strategic Plan (FY 2019/20 – FY 2023/24) was a foundational blueprint to establish the Company's operational capability and commercial viability across the petroleum value chain. The strategy concluded in June 2024, one year ahead of the end of the Third National Development Plan (NDP III), achieving an overall implementation performance of 81%.

Anchored on three strategic themes: Build the Business, Strategic Partnering, and Invest in People, the strategy translated these focus areas into specific corporate objectives that guided implementation across the organization.

Performance of Strategic Objectives

Figure 4: Performance of the strategic objectives in the previous strategy



Summary overview of the Performance FY 2019/20 - FY 2023/24

Table 3: Summary of the performance of the FY 2019/20 - FY 2023/24 strategy

| CODE | Corporate Objective | Total No. of KPIs | Fully Achieved | Partially Achieved | Not Achieved | | |
|--------------------------------|--|-------------------|----------------|--------------------|--------------|------|-------|
| FINANCIAL PERSPECTIVE | | | | | | | |
| F1 | Maximize Shareholder Value | 5 | 2 | 40% | 3 | 60% | |
| F2 | Increase Profitability | 13 | 3 | 23% | 6 | 46% | 4 31% |
| F3 | Optimize Costs | 4 | 2 | 50% | 2 | 50% | 0% |
| F4 | Increase Financial Sustainability | 6 | 3 | 50% | 2 | 33% | 1 17% |
| STAKEHOLDER PERSPECTIVE | | | | | | | |
| S.5 | Improve Stakeholder Buy-in | 4 | 3 | 75% | 1 | 25% | |
| S.6 | Promote National Content | 3 | 3 | 100% | | | |
| S.7 | Strengthen Sustainable Partnerships | 2 | 1 | 50% | | | 1 50% |
| S.8 | Enhance Brand Equity | 2 | 1 | 50% | | | 1 50% |
| INTERNAL PROCESSES | | | | | | | |
| IB.9 | Enhance Operational Efficiency | 4 | 3 | 75% | 1 | 25% | 0% |
| IB.10 | Enhance HSSE Performance | 4 | 2 | 50% | 1 | 25% | 1 25% |
| IB.11 | Strengthen Business Development | 3 | 1 | 33% | | | 2 67% |
| IB.12 | Strengthen Enterprise Risk Management | 4 | | | 4 | 100% | 0% |
| LEARNING AND GROWTH | | | | | | | |
| LG.13 | Attract, develop & retain skilled staff | 5 | 1 | 20% | 4 | 80% | |
| LG.14 | Enhance staff Productivity | 5 | 3 | 60% | 2 | 40% | |
| LG.15 | Promote a value-based and Innovative culture | 3 | 1 | 33% | 2 | 67% | |
| LG.16 | Engaged Leadership | 3 | 1 | 33% | 2 | 67% | |

Progress on UNOC projects

Progress on UNOC Projects has been provided in line with planned initiatives per project and progress is as at end of UNOC cycle period ended June 2024.

Table 4: Progress of the Refinery Project as end June 2024

| Refinery Project | | |
|-------------------------|---|---|
| | Planned Initiative | Progress by end Strategy cycle (June 2024) |
| a) | Take Final Investment Decision (FID) for the Refinery Project in mid-2020 | Overall project did not achieve the anticipated milestones following the signing of the Project Framework Agreement (PFA) with the Albertine Graben Refinery Consortium in April 2018. The 3rd amended Project Framework Agreement (PFA) between AGEC and GoU/UNOC lapsed on 30th Jun 2023 without attaining Final Investment Decision (FID) to kick-off construction operations. |
| b) | Negotiation of Agreements: <ul style="list-style-type: none"> • Refinery Company Joint Venture Agreement • Crude Oil Sales/Purchase Agreements • Product Sales/ Purchase Agreement • Operations and Maintenance Agreement • EPC Contracts. | <ul style="list-style-type: none"> - Strategy was switched from obtaining Private sector investors to obtaining public sector investors. - MoU between Alpha MBM and GoU signed for development of the Uganda Refinery Project. 2nd extension addendum agreed to 31st August 2024. - Implementation Agreement, Crude Supply Agreement and Shareholders Agreement were drafted and shared with Alpha MBM for review. - A detailed crude Assay analysis to confirm the asphaltene content of crude has been concluded. - Environmental Social Impact Assessment (ESIA) was completed. However, the ownership of the documentation is still under AGEC and GoU has expressed interest in purchasing Intellectual Property (IP). |
| c) | Engineering, Procurement and Construction (EPC) Execution | - Front End Engineering Design (FEED) completed, and no objection granted on 12th Jul 2022. |

| | | |
|----|--|---|
| | | <ul style="list-style-type: none"> - Refinery configuration approved by Cabinet. - Mbegu Water Abstraction Project Affected Persons (PAPs) compensation plan was approved and payment modalities. - The delayed acquiring of FID and obtaining of the right investor has greatly delayed the commencement of key project activities. |
| d) | Secure \$480M over the construction period | <ul style="list-style-type: none"> - USD 39 Million secured for FY 2023/24 - USD 37 Million secured for FY 2024/25 |
| e) | Commissioning of the Refinery. | The delayed acquiring of FID and obtaining of the right investor has greatly delayed the commencement of key project activities. |

Table 5: Progress of the East African Crude Oil Pipeline as at end June 2024

| East African Crude Oil Pipeline (EACOP) Project | | |
|--|---|---|
| | Planned Initiative | Progress by end Strategy cycle (June 2024) |
| a) | Negotiation of Business model | EACOP Business Principle between GoU and the IOCs concluded. |
| b) | Incorporation of EACOP Company | EACOP Company incorporated |
| | Secure approval of the Front-End Engineering Design (FEED) from the Petroleum Authority of Uganda (PAU). | <ul style="list-style-type: none"> - EACOP's Environmental and Social Impact Assessment (ESIA) approved by NEMA, and certificate issued in Nov 2020. - FEED approved by PAU |
| c) | Negotiation of Agreements: <ul style="list-style-type: none"> • Host Government Agreement for Tanzania • Host Government Agreement for Uganda • Transportation Agreement (TA) with upstream crude oil shippers | <ul style="list-style-type: none"> - Inter Government Agreement (IGA), Host Government Agreement (HGA) Uganda signed on 11th April 2021, - HGA Tanzania signed on 1st Jun 2021, - Uganda EACOP Bill signed 31st Jan 2022. - Tariff and Transportation Agreement (TTA) signed on 1st Nov 2021 - Share Holders Agreement (SHA) signed on 15th Feb 2022 |

| | | |
|----|--|---|
| d) | Project Contracts: Engineering, Procurement and Construction Management & Commissioning) (EPCmC) | <ul style="list-style-type: none"> - Award of contracts for Level 1 contractors concluded and critical long lead items as well. <p>EACOP main contracts status:</p> <ul style="list-style-type: none"> - EPCM at 69.71% - ECW, Pipeline & AGIs construction at 11.12% - Line pipes & TIS at 40.10% - Tanks, Terminal & Jetty (MST) at 36.72% - Main Logistics contract at 51% - EITS at 51% - Company Items at 79.4% |
| e) | <p>Pre-FID Field Activities:</p> <ul style="list-style-type: none"> • Final Investment Decision: • Environmental and Social Impact Assessment (ESIA) • Geotechnical & Geophysical Surveys along the pipeline route both in Uganda and Tanzania, • UNOC to raise debt and equity to fund its share of capital expenditure for the 15% equity holding of about US\$213 Million • Implementation of Resettlement Action (RAP). | <ul style="list-style-type: none"> - Joint Final Investment Decision (FID) announced on 1st February 2022 for EACOP and upstream. - ESIA approved by NEMA, and certificate issued in Nov 2020. - 100% (USD 342 Million by Jun 2024) Government of Uganda (GOU) equity contribution released to UNOC through MoFPED. UNOC has consequently been able to meet its cash calls on time. There is delayed conclusion of Debt Financing Discussion (Financial Close). - As at end June 2024, Uganda Land acquisition stood at 95% and Tanzania Land acquisition 98%. - The EACOP project completed construction of replacement houses for the 177 in Uganda and these were handed to the designated PAPs in August 2023. Construction and hand-over of replacement houses on the Tanzanian side was concluded. |
| f) | Execution Phase: Commence detailed Engineering design, Procurement and Construction after FID. | <ul style="list-style-type: none"> - Overall project physical progress stood at 36% as at end June 2024 (Engineering - 79.5% VS Plan of 88.1%, Procurement - 50% vs Plan of 64.6%, Construction & Pre-Commissioning - 13.8% vs Plan of 30.5%) |
| g) | Complete the design for Early Civil | <ul style="list-style-type: none"> - 700 kilometres of line pipes delivered to Tanzania. |

| | |
|--|--|
| Works site Engineering, Procurement and Construction for the preparation and access roads to the construction camps. | - Commissioned the Thermal Insulation Plant in March 2024. |
|--|--|

Table 6: Progress of the Kabalega Industrial Park (KIP) as at end June 2024

| Kabalega Industrial Park (KIP) Project Progress | | |
|--|--|---|
| | Planned Initiative | Progress by end Strategy cycle (June 2024) |
| a) | Secure a strategic partnership with eligible entities to offer managerial, technical and financial services needed for the development of the Kabalega Industrial Park | <ul style="list-style-type: none"> - MoU has been signed between MEMD, UNOC and SBI to commence the construction work scoping process of Phase 1 infrastructure - The land allocation policy finalized, Service rates to be presented to Cabinet approval. - Danish EKF US\$120 million concessional loan approved by Cabinet. The MoU between SBC, UNOC, MEMD, MoFPED has been cleared by Attorney General seeking USD 120M from EKF. The MoU has been signed between MEMD/UNOC/SBI, and the process of scoping the project and eventually securing the loan has begun. In parallel the process of presenting through the DC in MEMD has also commenced - UGX. 10 Bn secured from GoU for KIP Infrastructure development for FY 2024/25. |
| b) | Secure Joint Venture Partner | Negotiations were held with COEGA Development Cooperation on 27th September 2023, process proceeding to a pre-FID JV Partner. The JV partner responded with a position. A position and approach to engagement has been |

| | | |
|----|------------------------------------|--|
| | | formulated is to be presented to EXCO for approval . |
| c) | KIP Land title transferred to UNOC | MEMD granted approval for UNOC to have leases from 49 to 99 years with automatic renewal. |
| d) | Development of the Industrial Park | <ul style="list-style-type: none"> - Site office design completed. Evaluation of bids for building works submitted by contractors is ongoing - Design for 30km double fence and access control to KIP Fencing completed. - Design of 94km of roads: An addendum was issued for waterway design and the design of the box culvert on Hima Kaiso Tonya Road. - Design of the MV/LV power reticulation: completed original scope. An addendum was submitted for the feasibility study for solar power generation. - Design consultancies for water & wastewater: The contract was cleared by Attorney General. It was signed by UNOC and the provider on the 14th of November 2023 and the consultancy. KIP water signed by is at final Preliminary Design stage. The Consultant submitted the preliminary design report and also submitted a draft feasibility study for the supply of water from the river KAFU or the river Nile. These have been reviewed and are due for re submission. |

Table 7: Progress of the Jinja Storage Terminal as at end June 2024

| Jinja Storage Terminal (JST) Project Progress | | |
|--|--|--|
| | Planned Initiative | Progress by end Strategy cycle (June 2024) |
| a) | Commence construction of a pipeline connecting JST and an oil Jetty at Lake Victoria | <ul style="list-style-type: none"> - Construction of a pipeline connecting JST and an oil Jetty at Lake Victoria was not achieved. - Following the termination of Joint Venture Agreement with JVA with One Petroleum Limited, interest from new potential partners for the development of the oil jetty and pipeline project needed to be secured. - VITOL BA showed interest and hence commenced negotiations with VITOL BA for financing of JST- Jetty and Pipeline. Discussions are still ongoing for this. |
| b) | Procure 12 million litres of strategic reserves | JST Strategic Stocks balances as at 30th June 2024; AGO: 3,092m3 and PMS: 3,681m3 |

Table 8: Progress of the Kampala Storage Terminal as at end June 2024

| Kampala Storage Terminal (KST) Project Progress | | |
|--|--|---|
| | Planned Initiative | Progress by end Strategy cycle (June 2024) |
| a) | Selection/Securing of a Strategic Partner | VITOL Bahrain (VBA) signed on as the partner to help UNOC implement the importation mandate. The partnership signed between UNOC and Vitol Bahrain covers both KST and Bulk trading but actual commitment pending for KST |
| b) | Project preliminary Activities: <ul style="list-style-type: none"> • Environmental and Social Impact Assessment (ESIA), • Feasibility studies, • Detailed engineering design and commercial studies | <ul style="list-style-type: none"> - ESIA for KST completed and Certificate offered by NEMA in March 2021. - Undertaking feasibility studies was included in the UNOC-VBA fuel supply agreement. VITOL BA submitted a |

| | | |
|----|---|---|
| | | <p>letter of readiness to commence feasibility studies.</p> <ul style="list-style-type: none"> - The engineering designs are subject to completion of the feasibility studies. |
| c) | Development of the business model and financing structures | The business case for KST developed and approved. |
| d) | Undertake Engineering, Procurement and Construction (EPC) of the storage terminal | This was not done. Is subject to the completion of the feasibility studies and FEED |

Table 9: Progress of the Bulk Trading Project as at end June 2024

| Bulk Trading Project Progress by end Strategy cycle (June 2024) | |
|--|--|
| <ul style="list-style-type: none"> - Received accreditation from PPDA for bulk trading of white products. - UNOC commenced bulk trading of petroleum products on 16th March 2020. - UNOC onboarded suppliers, including Galana, Texas, VITOL Bahrain, Dalbit Petroleum and HASS Petroleum, among others, to facilitate the Bulk Trading business. - UNOC signed off-take agreements with Oil Marketing Companies, including Stabex, Vivo Energy, TotalEnergies and Mt. Meru, among others. - Petroleum Products Supply Agreement (PPSA) signed 18th Aug 2023 with Vitol Bahrain. Petroleum Supply (Amendment) Act, 2023 enacted by Parliament granting UNOC exclusive importation of Petroleum products on 28th Nov 2023 - Licensed by the Energy and Petroleum Regulatory Authority – Kenya to import Petroleum products on 28 March 2024. - Transport and Storage Agreement signed between UNOC and Kenya Petroleum Company on 13 May 2024 - Tripartite Agreement (TPA) for sole importation of petroleum products signed between GOK, GOU and UNOC on 17 May 2024. - First UNOC Cargo MT Martinez 58,330 MT of PMS and MT Sinbad 79,968 MT of AGO received between 2nd to 4th July 2024. - UNOC Branch Office in Kenya established. | |

2.2 Institutional capacity of UNOC:

- Financial resources - giving the proportion of financial resources allocated and appropriated by vis-à-vis the overall national budget. The table below should provide details of the funding to the organisation.

Table 10: Budget and Allocation in UGX. Bn over the UNOC strategic plan (2019-2024)

| Budget Components | FY 2019/20 | | FY 2020/21 | | FY 2021/22 | | FY 2022/23 | | FY 2023/24 | |
|---|------------|---------|------------|---------|------------|---------|------------|---------|------------|---------|
| | Planned | Release | Planned | Release | Planned | Release | Planned | Release | Planned | Release |
| Recurrent (wage) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Recurrent (non-wage) (UNOC Capitalization) | 81.70 | 29.40 | 76.38 | 31.47 | 129.10 | 46.58 | 129.15 | 48.10 | 118.59 | 54.76 |
| Total Recurrent | 81.70 | 29.40 | 76.38 | 31.47 | 129.10 | 46.58 | 129.15 | 48.10 | 118.59 | 54.76 |
| Development | | - | - | - | 480.91 | 480.91 | 672.25 | 672.25 | 324.37 | 290.33 |
| External financing | - | - | - | - | - | - | - | - | - | - |
| Supplementary releases | - | - | - | - | - | - | - | - | - | - |
| Total Budget | 81.70 | 29.40 | 76.38 | 31.47 | 610.01 | 527.49 | 801.40 | 720.35 | 442.97 | 345.09 |
| Funding Gap (nominal) | 52.30 | | 44.91 | | 82.52 | | 81.05 | | 63.83 | |
| Funding gap (%) | 64% | | 59% | | 64% | | 63% | | 54% | |
| Share of Development to Total Budget | 0% | | 0% | | 79% | | 84% | | 73% | |

Table 11: Analysis of the budget spend in the previous strategy cycle

| Financial Year | Approved Budget | Released | Spent | % Releases spent |
|----------------|--------------------|--------------------|-------|------------------|
| 2019/20 | 29.40 Bn | 29.40 Bn | 100% | 100% |
| 2020/21 | 31.47 Bn | 31.47 Bn | 100% | 100% |
| 2021/22 | 527.49 Bn | 527.49 Bn | 100% | 100% |
| 2022/23 | 720.35 Bn | 720.35 Bn | 100% | 100% |
| 2023/24 | 385.12 Bn | 345.09 Bn | 100% | 100% |
| Total | 1,693.83 Bn | 1,653.80 Bn | | |

Human Resources development and management:

a) UNOC staff establishment

The table below shows UNOC staff establishment specifying the approved, filled and percentage of vacant positions by Subsidiary/Department as at 30th April 2025.

Table 12: Summary of the Human Resource establishment as at end April 2025

| SUMMARY OF THE COMPANY ESTABLISHMENT. | | | | | |
|---------------------------------------|--|------------|------------|------------|--------------|
| | SUBSIDIARY / DEPARTMENT | APPROVED | FILLED | VACANT | % STAFFING |
| 1 | CEO's Office | 12 | 6 | 6 | 50.0% |
| 2 | Corporate Affairs | 16 | 12 | 4 | 75.0% |
| 3 | Uganda Refinery Holding Company (URHC) | 31 | 13 | 18 | 41.9% |
| 4 | National Pipeline Company (NPC) | 26 | 14 | 12 | 53.8% |
| 5 | Upstream | 71 | 34 | 37 | 47.9% |
| 6 | Operations | 97 | 58 | 39 | 59.8% |
| 7 | Commercial | 18 | 9 | 9 | 50.0% |
| 8 | Finance | 25 | 16 | 9 | 64.0% |
| 9 | Legal | 15 | 9 | 6 | 60.0% |
| 11 | Human Resources | 26 | 21 | 5 | 80.8% |
| 12 | Internal Audit | 4 | 3 | 1 | 75.0% |
| | TOTAL | 341 | 195 | 146 | 57.2% |

b) Availability of UNOC relevant technical and specialized competences.

UNOC's ability to effectively execute its mandate across the petroleum value chain is underpinned by the availability of technical and specialized human capital. As a commercially oriented National Oil Company, UNOC has progressively built a team of qualified professionals across upstream, midstream, and downstream segments to support the development, management, and commercialization of Uganda's petroleum resources.

The table below provides a summary of the current distribution of technical and specialized staff by area of expertise and corresponding segment of the value chain:

Table 13: Summary of available UNOC relevant technical and specialized competences

| Technical & Specialised Competences | No. of Staff | Value Chain Segment |
|--|---------------------|----------------------------|
| Refinery Development & Operations | 7 | Midstream |
| Industrial Park development & Operations | 6 | Midstream |
| Pipeline development and operations | 3 | Midstream |
| Terminals development & Operations | 4 | Downstream |
| Trading & Operations | 7 | Downstream |
| Exploration & Production | 24 | Upstream |
| Commercial & Business Development | 7 | All segments |
| Total | | |

Monitoring and Evaluation Function

A robust Monitoring and Evaluation (M&E) framework is essential for tracking strategic implementation, measuring performance, and enabling evidence-based decision-making. The assessment of UNOC’s current M&E function reveals the following:

a) Existence and Functionality of the UNOC M&E Plan

UNOC has an established M&E framework aligned with its corporate strategy and the Government of Uganda’s results-based management principles. The M&E plan defines key performance indicators (KPIs), data sources, reporting frequency, and responsible units for each strategic objective. While the plan is in place and functional, there are opportunities to enhance its effectiveness to support continuous learning and strategy refinement.

b) Existence of a Coordination Structure

The Corporate Strategy and Performance Management function serves as the central coordinating unit for M&E within UNOC. It provides oversight on performance tracking and strategic alignment across departments and projects. Coordination is supported through periodic performance reviews, strategy cascades, and planning sessions.

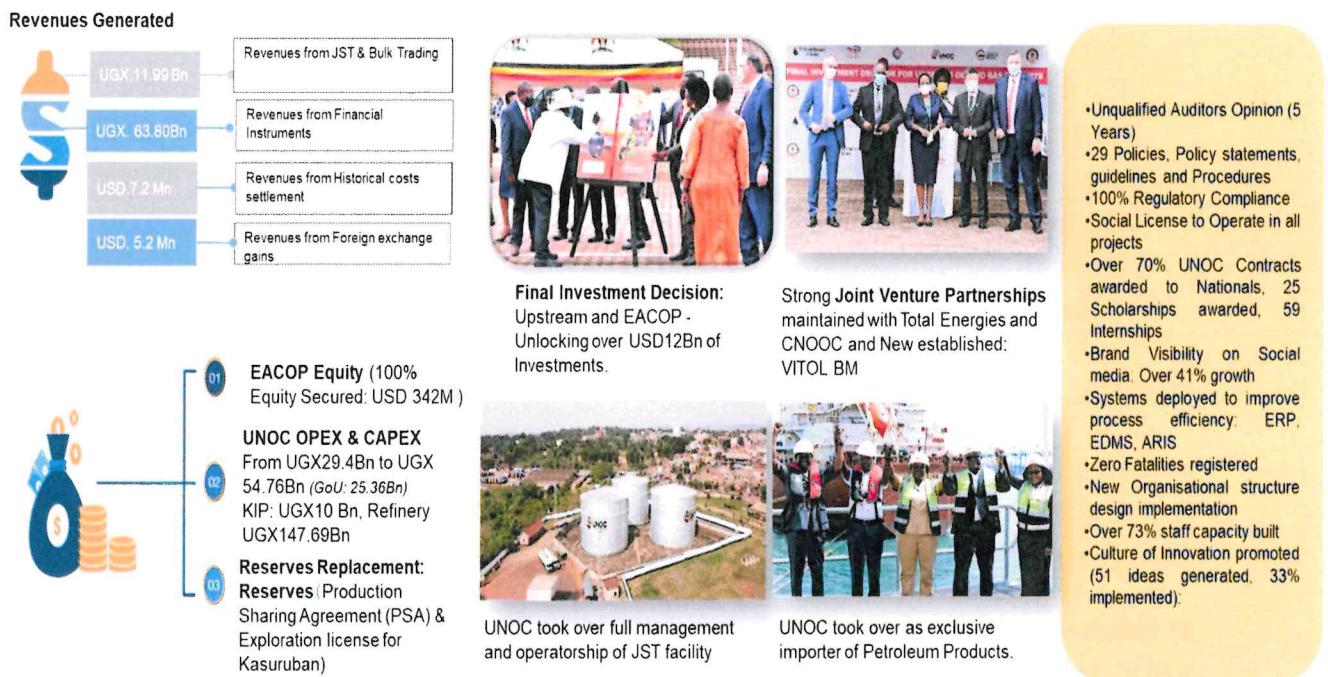
c) Existence of a Functional Information System

UNOC has made significant strides in leveraging digital tools to support the M&E function. In addition to the Enterprise Resource Planning (ERP) system, the Company utilizes the Strategic Planning, Implementation, Delivery and Evaluation Resource (SPiDER) platform, a dedicated corporate strategy management solution. SPiDER enables real-time performance monitoring, strategy tracking, and visualization of progress across KPIs and strategic initiatives. The system has improved visibility, transparency, and decision-making at both executive and departmental levels.

2.3 Key achievements and challenges

The key achievements under UNOC's Strategic Plan for FY 2019/20 – FY 2023/24 are summarized below:

Figure 5: Key achievements under UNOC's strategic plan FY 2019/20 - FY 2023/24



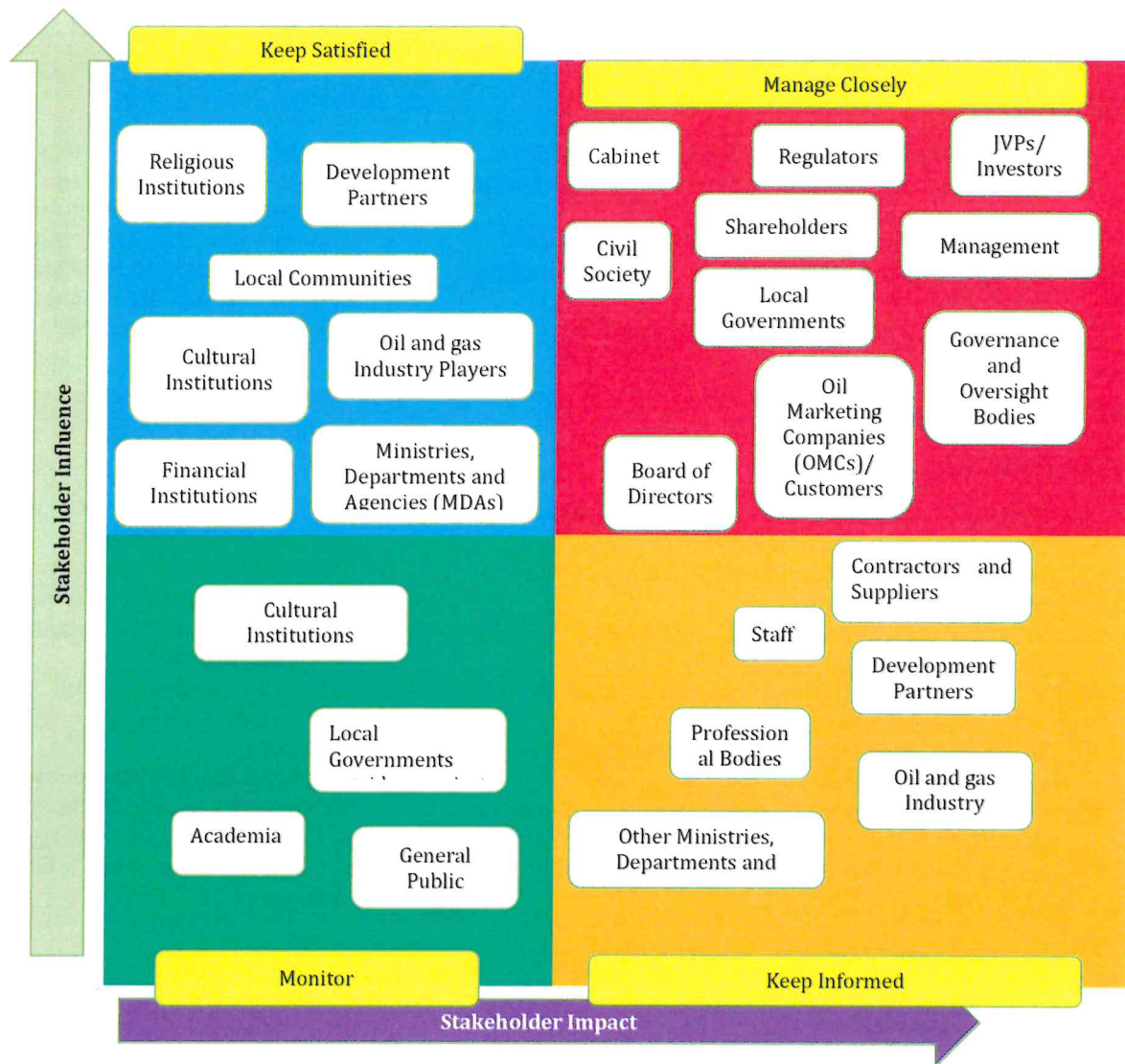
While the strategy registered commendable progress, the following challenges were noted:

- Shifting investment timelines,
- Global energy transition pressures
- Integration gaps across the value chain

2.4 Stakeholder Analysis

The figure below presents a mapping of UNOC's key stakeholders, categorized based on their level of influence and interest:

Figure 6: UNOC's key stakeholders



2.5 SWOT Analysis

An assessment of UNOC's previous performance, complemented by an organizational health review, was conducted to identify the Company's key Strengths, Weaknesses, Opportunities, and Threats (SWOT). The resulting analysis is summarized below:

Table 14: UNOC's SWOT Analysis

| INTERNAL INFLUENCES | |
|---|--|
| <p>STRENGTHS</p> <ol style="list-style-type: none"> 1. Strong Government backing and legislated portfolio. 2. Competent, diverse, and committed workforce and management team. 3. Strong brand recognition and stakeholder goodwill. 4. Robust business processes and governance structures. 5. Financially capable existing Joint Venture Partners. | <p>WEAKNESSES</p> <ol style="list-style-type: none"> 1. Limited operatorship experience and technical capacity in field operations. 2. Constrained internal financial resources. 3. Non-operator status in most upstream projects reduces hands-on learning. 4. Limited capital to finance large-scale infrastructure independently. |
| EXTERNAL INFLUENCES | |
| <p>OPPORTUNITIES</p> <ol style="list-style-type: none"> 1. Growing domestic and regional demand for petroleum products. 2. Untapped exploration acreage and potential to expand resource base. 3. Portfolio diversification (e.g., petrochemicals, LPG, technical services). 4. Opportunity to leverage regional goodwill and strategic location for exports. 5. Favorable regulatory frameworks and potential for technology transfer. 6. External funding from public and private sector sources. 7. Lessons from existing projects can be scaled and replicated. | <p>THREATS</p> <ol style="list-style-type: none"> 1. Increasing environmental activism and global anti-oil sentiments. 2. Talent flight and global competition for skilled oil and gas professionals. 3. Geopolitical risks and regional instability impacting logistics. 4. Western policies and ESG-driven investment trends reducing oil sector funding. 5. Price volatility and macroeconomic factors like foreign exchange risks. 6. Accelerated global energy transition timelines threatening long-term oil relevance. |

INDUSTRY OUTLOOK

Global Context

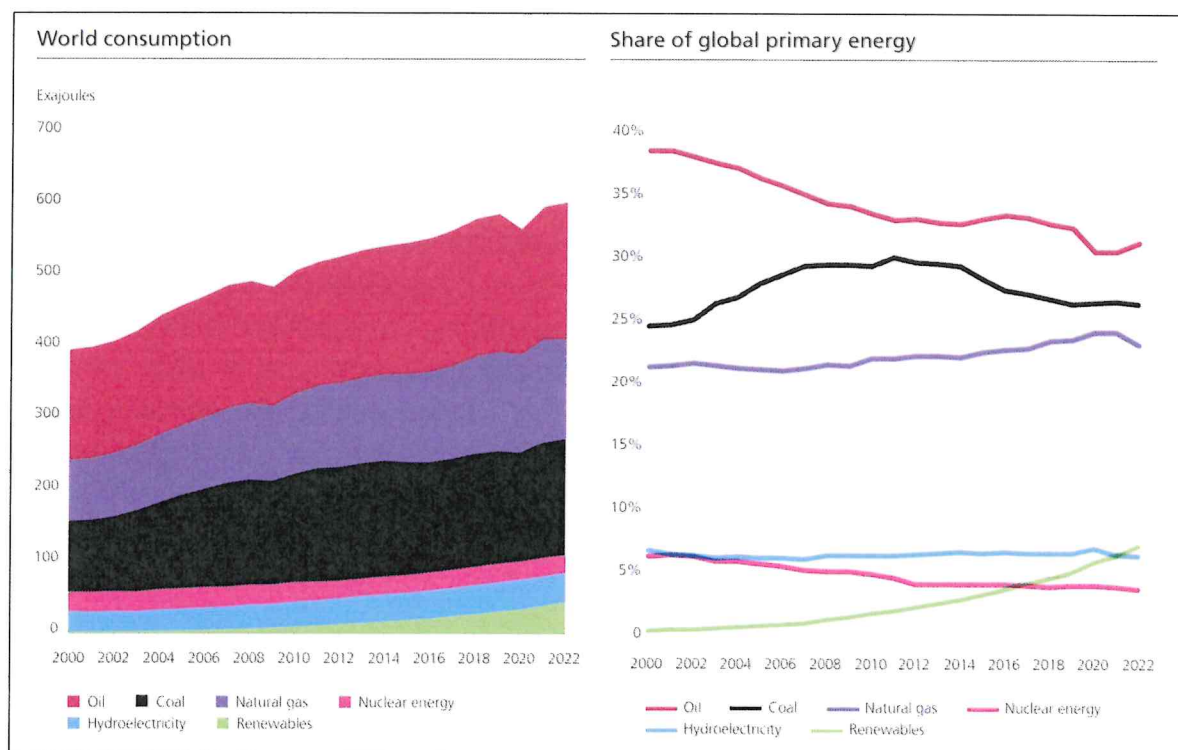
Global oil demand rebounded to approximately 96.5 million barrels per day (mb/d) in 2022, with projections indicating that demand will surpass 100 mb/d for the first time by 2030 (IEA 2023d). Between 2010 and 2019, pre-COVID-19, demand increased annually by about 1 mb/d on average. However, during the COVID-19 pandemic in 2020, global demand plummeted by about 9 mb/d, marking an unprecedented decline. Despite this, demand has

since recovered to record levels, with expectations that it will reach 3.2 mb/d more in 2030 than in 2023¹.

The surge in demand has been primarily driven by road transport, which accounts for over 45% of global oil consumption, significantly outpacing petrochemicals, which represent only 15% of demand. Over the past 20 years, the global vehicle fleet has expanded by more than 600 million cars, with road activity increasing by over 65%. Although the electric vehicle (EV) market has been growing steadily—at a rate of 20% of new cars sold globally—the share of electric cars is projected to reach only 46% by 2030 and 80% by 2050. The rise of EVs is putting pressure on the oil and gas industry as the energy transition shifts towards a system predominantly driven by renewables.

In the case of natural gas, demand in 2022 was around 4,150 billion cubic meters (bcm), with 40% consumed in the power sector and around 20% each in buildings and industry. The reduction in pipeline supply to Europe tightened global gas markets, leading to a 1% drop in global demand in 2022. Russia’s invasion of Ukraine further exacerbated the situation, causing a record 13% decline in demand in Europe, followed by emerging markets in Asia.

Figure 7: Global Trend for Primary Energy Consumption



Source: Energy Institute 2023

¹ <https://www.iea.org/news/slowing-demand-growth-and-surging-supply-put-global-oil-markets-on-course-for-major-surplus-this-decade>

Supply Side

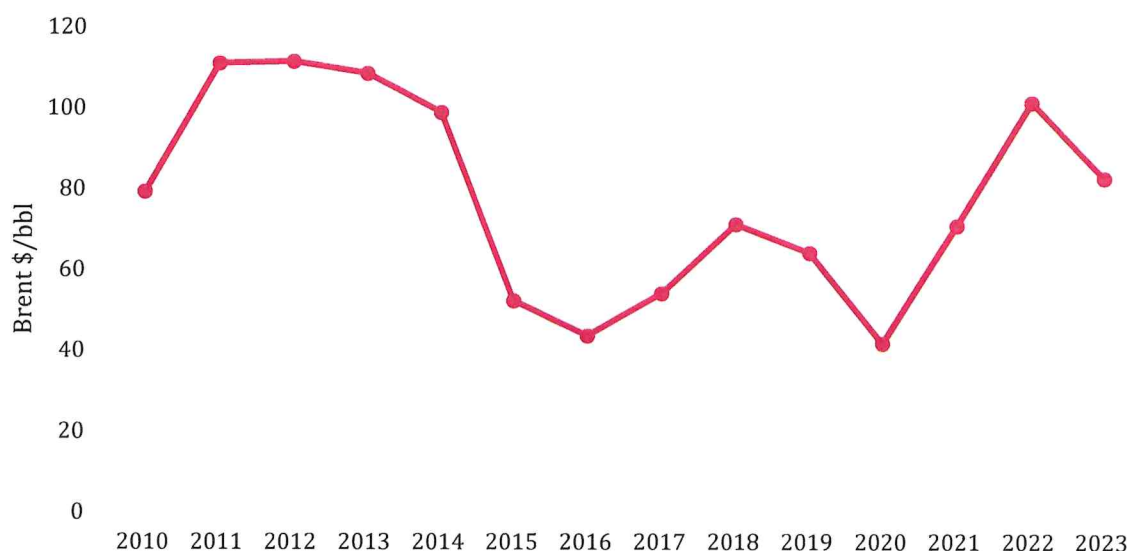
On the supply side, production increased from 150,000 barrels per day (kb/d) to 102.9 million barrels per day (mb/d) in June, as the easing of field maintenance and a rise in biofuel output compensated for a significant reduction in Saudi oil flows. Strong monthly gains boosted second-quarter 2024 output by 910 kb/d compared to the previous quarter. A growth of 770 kb/d is anticipated for the third quarter of 2024, with non-OPEC+ producers contributing 600 kb/d of this increase. An annual rise of 770 kb/d is projected for 2024, with an additional 1.8 mb/d expected in 2025.

Oil production is forecasted to increase by 0.8 mb/d in 2024, less than half the growth seen in 2023, reaching an all-time high of approximately 103 mb/d. This increase is expected to be driven entirely by non-OPEC+ producers, with the United States set to boost production by 0.6 mb/d this year, and Brazil, Canada, and Guyana each adding about 0.2 mb/d. In contrast, supply from OPEC+ is expected to decrease by 0.8 mb/d, though this is uncertain due to the production cuts announced in November 2023.

Demand Side

On the demand side, oil consumption is expected to rise by 1.2 mb/d in 2024, about half of the increase seen in the previous year, reflecting a difficult global economic environment, including slower growth in China. Around three-quarters of global demand growth is expected to come from five countries: Brazil, China, India, Indonesia, and Saudi Arabia, while demand in advanced economies is expected to decline slightly. In terms of composition, China's demand for LPG, ethane, and naphtha is expected to remain strong due to the growth of the petrochemical industry. In India, LPG and ethane consumption is also expected to remain high, driven by government policies promoting clean cooking. In 2025, oil demand growth is anticipated to slow further, with most of the growth concentrated in major emerging markets and developing economies (EMDEs) against the backdrop of continued subdued global GDP growth.

Figure 8: Crude Oil Spot Price Volatility



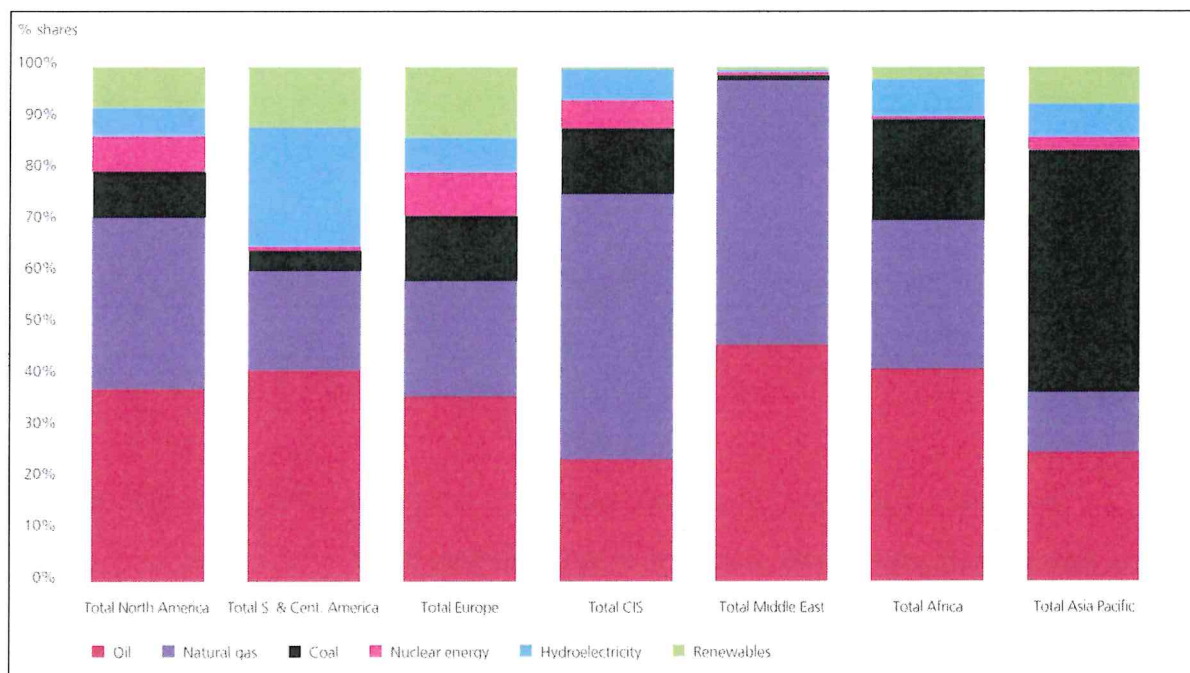
Source: *Energy institute Statistical Review of World Energy 2024*

Oil and natural gas prices act as intermediaries between supply and demand to ensure that sources of supply meet changes in demand for equilibrium. Over the past two years, persistent geopolitical tensions have kept oil prices and other critical commodities rising despite a slowdown in global economic growth. The price of Brent crude oil surged to \$91 per barrel earlier in the month of August 2024, nearly \$34 above the pre-COVID period between 2015 and 2019 average. Forecasts indicate that Brent prices are expected to average about \$84 per barrel in 2024, with a further decline to \$79 in 2025, assuming no significant conflict-related supply disruptions. However, should oil supply tensions in the Middle East escalate, supply disruptions could drive up global inflation. A moderate disruption could increase the average Brent price to \$92 per barrel this year, while a more severe disruption could push prices beyond \$100 per barrel, potentially raising global inflation by nearly one percentage point in 2024.

Africa's Context

At a continental level, the demand for oil and gas is entering a new phase as the world intensifies efforts to transition away from fossil fuels. This shift is increasing pressure on established and emerging producers like Uganda. Energy demand across the continent is at risk of surpassing supply. Over the next two decades, rapid population growth and industrialization are expected to fuel substantial energy demand across Africa, including for fossil fuels. Projections indicate that by 2040, Africa's energy demand could be approximately 30% higher than current levels.

Figure 9: Global and Regional Energy Consumption Patterns



Source: Energy Institute 2023

Uganda's Context

Uganda is entering a critical phase of oil production, coinciding with a growing oil demand that is significantly increasing the country's import bill. The surge in oil demand is primarily driven by the transport sector. Since 2010, Uganda has seen a 2.5-fold increase in oil consumption, largely due to the rising number of vehicles on the roads. Approximately 95% of the country's freight and passenger transportation is conducted by road, as there is currently no operational train infrastructure and limited shipping activity on inland rivers and Lake Victoria. Freight trucking is the largest energy consumer within the transport sector, accounting for about 45% of consumption. However, the demand for passenger road transport has been the fastest-growing segment, rising from around 10% in 2010 to nearly one-third by 2021, reflecting a significant increase in vehicle stocks, particularly in the two- and three-wheeler categories. According to the MEMD, y-o-y imports increased by 100.35%, an equivalent of 2.298 billion litres in 2021 from 1.147 billion litres. Majorly, consumption of PMS and Ago account for 93%, JET at 4.5% and Petrol at 2.3%². Public transport, including buses and many informal services, accounts for nearly 20% of transportation energy consumption. In contrast, domestic aviation, rail, and marine transportation collectively use

² [2021-STATISTICAL-ABSTRACT.pdf \(memd.go.ug\)](#)

just over 5% of the country's transport energy. Currently, Uganda imports all its finished oil products; however, the planned construction of the country's first refinery, starting in 2025, aims to reduce Uganda's net import bill and help meet the growing domestic and regional demand for refined products³.

2.6 Summary of emerging issues and implications

This section synthesizes key insights from the SWOT analysis, industry outlook, and contextual assessments at the global, regional, and national levels. Beyond presenting trends and data, the analysis seeks to answer the critical 'so-what' question; highlighting the strategic and developmental implications for UNOC.

Table 15: Summary of emerging issues and their implications on UNOC

| No. | Emerging Issue | Strategic Implication for UNOC |
|-----|--|---|
| 1 | Limited operatorship and technical capacity | Prioritize capacity building, technical training, and partnerships that transfer knowledge to position UNOC for operatorship readiness. |
| 2 | Constrained capital and financial dependency | Develop a robust capital mobilization strategy—including public-private partnerships, regional funds, and sovereign financing mechanisms. |
| 3 | Growing energy demand (Uganda and region) | Accelerate infrastructure development (e.g. refinery, pipelines, bulk storage) to capture domestic and regional market opportunities. |
| 4 | Energy transition and ESG pressure | Diversify portfolio into lower-carbon energy segments (e.g., petrochemicals, LPG, renewables) and strengthen sustainability practices. |
| 5 | Supply chain and geopolitical risks | Enhance risk management frameworks, build regional storage and logistics capacity, and develop resilient sourcing strategies. |
| 6 | Global oil price volatility | Strengthen commercial discipline, cost efficiency, and price risk hedging mechanisms to protect margins. |
| 7 | Talent flight and limited technical manpower | Strengthen retention and attraction programs, increase investment in specialized talent development, and deepen collaboration with academic and technical institutions. |

³ [Uganda Energy Transition Plan – Analysis - IEA](#)

3 THE STRATEGIC DIRECTION OF UNOC

UNOC CORPORATE STRATEGIC INTENT AND THEMES 2024/25-2029/30

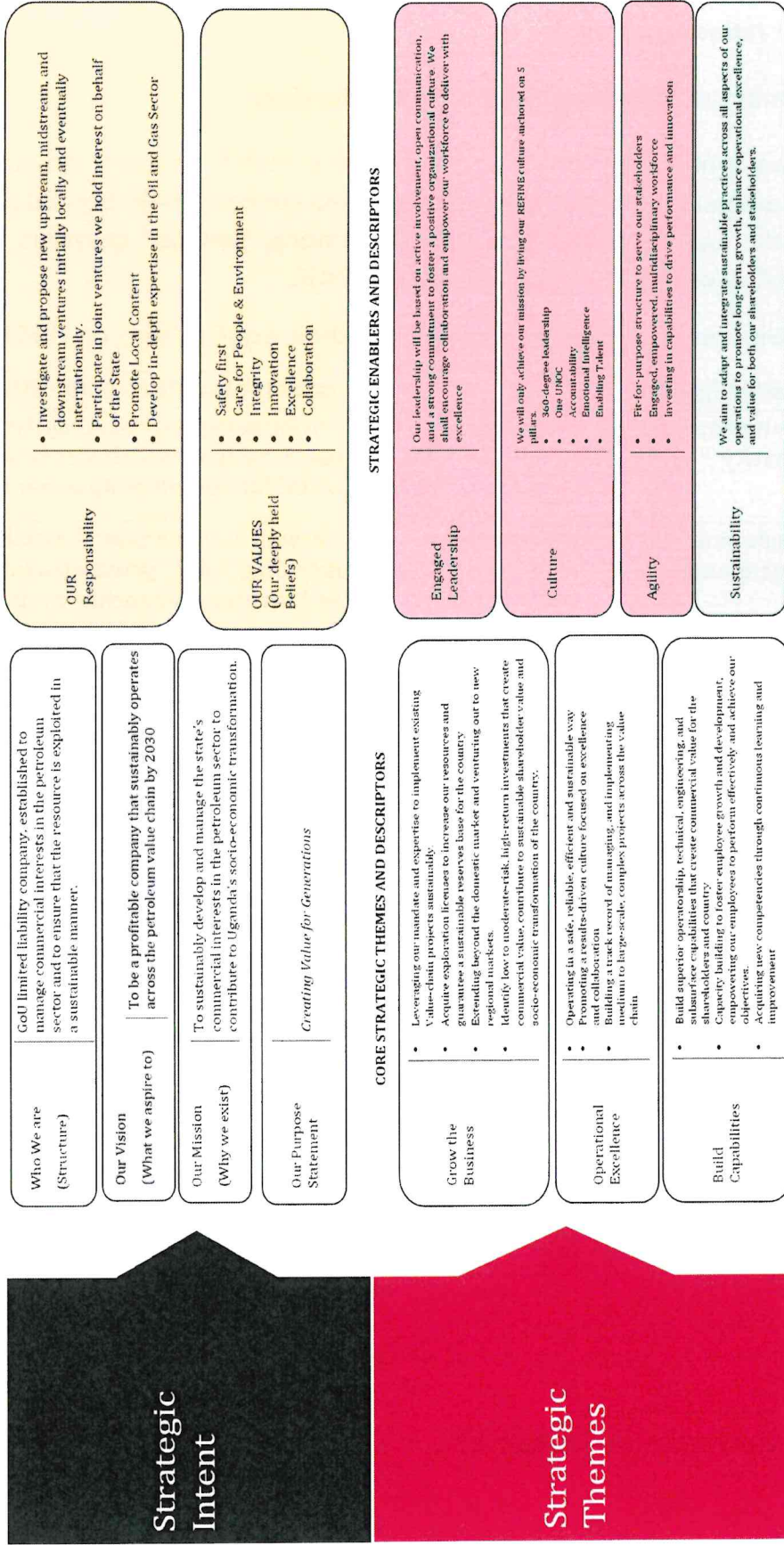


Figure 10: UNOC's Strategic Direction

To aim for the future, we needed to reset and rethink our fundamental purpose by asking ourselves key questions: Who are we? Why do we exist? Whom do we serve, and what benefits do we intend to provide? What values define us, and what should we prioritise to sustain and grow the company? After thoroughly diagnosing and validating the previous strategy, diagnostic results confirmed that it is indeed time to realign and redefine our overall mission, vision, and values, as illustrated below.

3.1 UNOC Vision

To be a profitable company that sustainably operates across the petroleum value chain by 2030.

3.2 UNOC Mission

To sustainably develop and manage the state's commercial interests in the petroleum sector to contribute to Uganda's socio-economic transformation.

3.3 UNOC Core Values.

Table 16: UNOC's Core Values

| Core value | Description |
|-------------------------------------|--|
| Safety first | We conduct our business in a safe manner, thereby protecting the well-being of our employees, stakeholders and assets. |
| Care for People and the environment | We are committed towards the well-being of our people. We shall ensure that our people are safe, motivated and cared for. Similarly, we shall preserve the environment and minimise the impact of our operations on the environment. |
| Integrity | We strictly adhere to ethical and moral standards of fairness and honesty in all our undertakings. |
| Excellence | We shall constantly pursue outstanding performance, innovation and value-creation |
| Collaboration | We pledge to work together with our clients and stakeholders toward common goals. |
| Innovation | We encourage creativity and continuous improvement in the conduct of our business. |

3.4 UNOC goal

UNOC overarching goal is to **sustainably develop and manage the State's Commercial Interests across the Petroleum Value chain** by:

Upstream

- Undertaking exploration for more oil in the Albertine Graben Region
- Managing States' interests in the Tilenga and King Fisher Fields

Midstream

- Value-addition of petroleum resources by fast-tracking the refinery development.
- Value-addition of the Petrochemical resources by fast-tracking the development of the Kabalega industrial park
- Fast-tracking the completion of the EACOP pipeline

Downstream:

- Fast-tracking the development of the Kampala Storage Terminal
- Manage the Security of Supply on behalf of the state

These will ultimately contribute to the following selected results for the Sustainable Extractive Industry Development Programme:

- Increased national storage for refined petroleum products from 99.1 million litres in FY2023/24 to 150 million litres;
- Increased oil and gas revenue from Shs. 184 Bn in FY2023/24 to Shs. 6,475 Bn
- Increased contribution of the extractives industry to GDP from 1.9% in FY2023/24 to 7.9%
- Improved extractives industry governance effectiveness index from 78.5% in FY2023/24 to 90.0% and
- Increased programme performance from 65% in 2022/23 to 85%.

3.5 UNOC PIAP Objectives and adopted intermediate Outcomes.

Table 17: UNOC Goal, Objectives and Key Adopted Intermediate Outcome Results

| UNOC GOAL/PIAP Objectives | Outcomes | Indicators | Baseline FY2023/24 | Target FY2029/30 | Comments |
|--|--|--|--------------------|------------------|---|
| UNOC Goal: Sustainably develop and manage the State's Commercial Interests across the Petroleum Value chain | | | | | |
| Increase sustainable development, production and commercialization of Petroleum resources | Outcome 2.1.1: Increased extractives production | <i>Volume of Crude oil produced (mbbl)</i> | 0 | 70 | PAU, MEMD <i>UNOC linked at action level not outcome</i> |
| (Programme. Objective 2: Increase sustainable production and commercialization of the extractives) | Outcome 2.2.1: 10 Days of stock for refined petroleum products maintained | No. of days of stock levels available in the country | 10 | 10 | This is a shared target with MEMD |

| | | | | | |
|---|---|--|------|----|---|
| Increase UNOC investment in Petroleum Production, Refining & Distribution (Programme. Objective 3: Increase investment in extractives value addition) | Outcome 3.1.1: <i>Increased Foreign Direct Investments</i> | <i>Value of FDI (Mn USD)</i> | 58.5 | 80 | MoFPED, UIA, BOU, UBOS <i>UNOC linked at output & action level not outcome</i> |
| Strengthen Corporate Governance, Collaboration and Innovation in Petroleum Sector (Programme. Objective 5: Strengthen governance, coordination and innovation for the extractives industry) | Outcome 5.1.1: <i>Improved compliance of the extractives industry to Quality, Health, Social, Security, and Environment (QHSSE)</i> | <i>Level of compliance to the oil and gas policy legal and regulatory framework (upstream and midstream) (%)</i> | 79 | 95 | PAU, MEMD <i>UNOC linked at output & action level not outcome</i> |

3.6 UNOC Interventions per objective and actions.

These should be in line with the PIAP actions. They will be costed annually. (See Annex 5 which shows the template for cost implementation matrix).

Table 18: UNOC PIAP Objectives, Interventions and Actions

| UNOC PIAP Objectives | Interventions | Outputs | PIAP Actions | Comments |
|---|---|--|---|--|
| Increase sustainable development, production and commercialization of Petroleum resources (Prog. Objective 2: Increase sustainable production and commercialization of the extractives) | Intervention 2.1.1.1: Increase the production of the country's extractives resources | Output 2.1.1.1.2: Upstream project facilities constructed | Monitor the construction of Upstream project facilities for Tilenga and Kingfisher projects. | Shared with MEMD & PAU. <i>UNOC linked at action level not Output</i> |
| | Intervention 2.2.1.2: Improve the stability in the supply of petroleum products | Output 2.2.1.1.3: Transport and storage infrastructure constructed. | Upgrade/Expand Jinja Storage Terminal infrastructure. Develop Kampala Storage Terminal to support bulk trading operations. | Shared action with MEMD Shared action with MEMD |

| | | | | |
|--|---|---|---|--|
| | | Output 2.2.1.1.4: Regional refined petroleum products and natural gas pipelines constructed. | Undertake feasibility study for the Tanzania – Uganda refined petroleum products pipeline. | Shared action with MEMD, MOJCA, MOFPED, MOFA |
| | | | Develop the Tanzania – Uganda refined petroleum products pipeline. | Shared action with MEMD, MOJCA, MOFPED, MOFA |
| | | | Develop the Tanzania – Uganda natural gas pipeline. | Shared action with MEMD, MOJCA, MOFPED, MOFA |
| | | | Develop the Kenya – Uganda refined product pipeline. | Shared action with MEMD, MOJCA, MOFPED, MOFA |
| | | Output 2.2.1.1.5: EACOP Project construction completed | Construction of the East African Crude Oil Pipeline, and its Operation and Maintenance (O&M) in the earlier years | Shared action with MEMD |
| | | Output 2.2.1.1.6: LPG usage in the country increased. | Develop LPG Storage & Bulk Filling Plants | |
| | | Increase UNOC investment in Petroleum Production, Refining & Distribution (Prog. Objective 3: Increase investment in extractives value addition) | Intervention 3.1.1.1: Construct, regulate and monitor development of extractives infrastructure | Output 3.1.1.1.1: Oil Refinery construction completed. |
| Negotiate and execute project agreements | Shared action with MEMD, PAU, MoJCA | | | |
| Output 3.1.1.1.2: Kabalega Petro-based Industrial Park completed. | Complete the Kabalega Industrial Park as the flagship zone for the Petrochemical Industry | | | |
| | Undertake preparatory activities for development of the refinery Petrochemical Integrated complex (including fertilizer production complex) | | | |

| | | | | |
|---|--|--|---|--|
| <p>Strengthen Corporate Governance, Collaboration and Innovation in Petroleum Sector</p> <p>(Prog. Objective 5: Strengthen governance, coordination and innovation for the extractives industry)</p> | <p>Intervention 5.1.1.5: Strengthen governance and accountability systems in the extractives industry</p> | <p>Output 5.1.1.5.1: Extractives Industry governance and accountability systems implemented</p> | <p>Implement UNOC governance and accountability systems</p> | <p>Shared output with MEMD, MoFPED but not direct actions for UNOC</p> |
| | <p>Intervention 5.1.1.6: Strengthen the human and institutional capacity in the extractives industry</p> | <p>Output 5.1.1.6.1: Human capacity strengthened</p> | <p>Attract, retain and build capacity of human resources in UNOC</p> | <p>Shared output with MEMD, PAU but not direct actions for UNOC</p> |
| | | <p>Output 5.1.1.6.2: Office blocks constructed</p> | <p>Construct UNOC offices</p> | |
| | | <p>Output 5.1.1.6.3: UNOC capitalised to fully participate in the petroleum activities.</p> | <p>Undertake Crude Oil Trading Execute UNOC operations activities</p> | |

3.7 List of UNOC Projects

1. Tilenga Project
2. Kingfisher Project
3. Kasuruban Project
4. Refinery Project
5. East African Crude Oil Pipeline (EACOP) Project
6. Kabalega Industrial Park (KIP) Project
7. Jinja Storage Terminal (JST) Project
8. Kampala Storage Terminal (KST) Project
9. Bulk Fuel Trading

4 FINANCING FRAMEWORK AND STRATEGY

This presents the financing framework of the plan. It provides the overall and disaggregated costs of the Plan, and the strategies for mobilizing the required financing.

4.1 Summary of Strategic Plan Budget

a) The detailed breakdown for the budget is provided in the table below.

Table 19: Summary of Strategic Plan Budget (UGX. Billions)

| CLASSIFICATION | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 |
|---------------------------------------|-----------------|---------------|-----------------|-----------------|-----------------|-----------------|
| WAGE | | | | | | |
| Non-Wage | | | | | | |
| Recurrent (UNOC Capitalization) | 126.33 | 129.78 | 133.67 | 137.69 | 141.81 | 146.07 |
| Total Recurrent | 126.33 | 129.78 | 133.67 | 137.69 | 141.81 | 146.07 |
| Total Development | 874.40 | 820.04 | 1,109.71 | 1,600.80 | 1,636.04 | 1,676.27 |
| Total Budget | 1,000.73 | 949.82 | 1,243.38 | 1,738.49 | 1,777.85 | 1,822.34 |

b) Major UNOC cost drivers over the planning period include:

- Staff costs
- Strategic Projects
- Infrastructure development
- Digital Transformation
- Governance and Compliance
- Operational and Administrative support

4.2 MTEF Projections and Implications for SP Financing

Table 20: UNOC MTEF Projections for 2024/25 – 2029/30 (UGX. Billions)

| Budget Item | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 |
|--------------------------------------|---------|---------|---------|---------|---------|---------|
| Wage | N/A | N/A | N/A | N/A | N/A | N/A |
| Non-Wage (UNOC Capitalization) | 349.56 | 83.14 | 97.27 | 111.86 | 134.24 | 161.09 |
| Development | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| External Financing | 379.74 | | | | | |
| Total | 729.30 | 83.14 | 97.27 | 111.86 | 134.24 | 161.09 |

Table 21: Funding Gaps (UGX. Billions)

| CLASSIFICATION | 2024/25 | 2025/26 | 2026/27 | 2027/28 | 2028/29 | 2029/30 |
|--|----------|----------|------------|------------|------------|------------|
| Wage Gap | | | | | | |
| Non-Wage Recurrent Gap (UNOC Capitalisation) | 223.23 | -46.64 | -36.40 | -25.83 | -7.57 | 15.02 |
| Total Recurrent Gap | 223.23 | (46.64) | (36.40) | (25.83) | (7.57) | 15.02 |
| Total Development Gap | (494.66) | (820.04) | (1,109.71) | (1,600.80) | (1,636.04) | (1,676.27) |
| Total Funding Gap | (271.43) | (866.68) | (1,146.11) | (1,626.63) | (1,643.61) | (1,661.25) |

Table 22: UNOC Strategic Plan Funding By Source FY (FY2024/25–2029/30) - (UGX. Billions)

| CLASSIFICATION | 2024/25 | | 2025/26 | | 2026/27 | | 2027/28 | | 2028/29 | | 2029/30 | | TOTAL |
|--|-----------------|-----|---------------|-----|-----------------|-----|-----------------|-----|-----------------|-----|-----------------|--|----------------|
| | FUNDING SOURCE | GoU | Don or | GoU | Don or | GoU | Don or | GoU | Don or | GoU | Don or | | |
| Wage | | | | | | | | | | | | | |
| Non-wage recurrent (UNOC Capitalization) | 126.33 | | 129.78 | | 133.67 | | 137.69 | | 141.81 | | 146.07 | | 815.35 |
| Total recurrent | 126.33 | | 129.78 | | 133.67 | | 137.69 | | 141.81 | | 146.07 | | 815.35 |
| Development | 874.40 | | 820.04 | | 1,109.71 | | 1,600.80 | | 1,636.04 | | 1,676.27 | | 7717.26 |
| Total Budget | 1,000.73 | | 949.82 | | 1,243.38 | | 1,738.49 | | 1,777.85 | | 1,822.34 | | 8532.61 |
| %ge of Source | 100% | | 100% | | 100% | | 100% | | 100% | | 100% | | 100% |

4.3 Resource Mobilization Strategy

The successful implementation of UNOC's Strategic Plan (2024/25–2029/30) requires a robust and diversified resource mobilization strategy to sustainably finance strategic investments across the petroleum value chain. UNOC will adopt a multi-pronged approach to mobilize the required resources: Enhances engagements with MEMD and MoFPED to prioritize funding for strategic infrastructure and equity obligations, Scaling up internally generated revenues from commercial operations, leveraging partnerships with international and regional players to co-finance and co-develop key infrastructure and commercial projects, implementation of cost optimization Strategies among others.

4.4 Detailed Cost Implementation Matrix (UGX. Billions)

| Interventions | Outputs | Actions | Budget FY2024 /25 | Budget FY2025/ 26 | Budget FY2026/ 27 | Budget FY2027 /28 | Budget FY2028/ 29 | Budget FY2029/ 30 | Total Budget | Budget Component | Source |
|---|--|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------|------------------|---|
| Objective: Increase sustainable development, production and commercialization of Petroleum resources | | | | | | | | | | | |
| (Programme Objective 2: Increase sustainable production and commercialization of the extractives) | | | | | | | | | | | |
| Intervention 2.2.1.2: Improve the stability in the supply of petroleum products | Output 2.1.1.1.2: Upstream project facilities constructed | Monitor the construction of Upstream project facilities for Tilenga and Kingfisher projects. | | 8.3 | 9.03 | 9.833 | 10.716 | 11.688 | 49.67 | Capital | GoU/UNO C. MEMD, PAU |
| | Output 2.2.1.1.3: Transport and storage infrastructure constructed. | Upgrade/Expand Jinja Storage Terminal infrastructure. Develop Kampala Storage Terminal to support bulk trading operations. | | - | 5 | 40 | 40 | - | 85 | Recurrent | GoU/UNO C |
| | Output 2.2.1.1.4: Regional refined petroleum products and natural gas pipelines constructed. | Undertake feasibility study for the Tanzania - Uganda refined petroleum products pipeline. Develop the Tanzania - Uganda refined petroleum products pipeline. | | - | - | - | - | - | - | | |
| | | | | 4.75 | 2 | 14 | 200 | 350 | 550 | 1,121 | |
| | | Develop the Tanzania - Uganda natural gas pipeline. | | 2 | 14.5 | 200 | 350 | 550 | 1,117 | | GoU/ UNOC, MEMD, MOJCA, MOPPED, MOFA |

| | | | | | | | | | | | |
|---|---|---|--------|--------|--------|--------|---------|---------|--------|-----------|---|
| | | Develop the Kenya - Uganda refined product pipeline. | | 2 | 10 | 215 | 445 | 455 | 1,127 | | GoU/ UNOC, MEMD, MOJCA, MOPPED, MOFA |
| | Output 2.2.1.1.5: EACOP Project construction completed | Construction of the East African Crude Oil Pipeline, and its Operation and Maintenance (O&M) in the earlier years | 132.63 | 2 | 13.859 | 12.859 | 21.575 | 3 | 185.92 | | GoU/ UNOC, MEMD |
| | Output 2.2.1.1.6: LPG usage in the country increased. | Develop LPG Storage & Bulk Filling Plants | 0.76 | 4 | 10 | 32 | 30 | 24 | 100.76 | Recurrent | GoU/UNOC |
| Objective: Increase UNOC investment in Petroleum Production, Refining & Distribution | | | | | | | | | | | |
| (Programme Objective 3: Increase investment in extractives value addition) | | | | | | | | | | | |
| Intervention 3.1.1.1:Construct, regulate and monitor development of extractives infrastructure | Output 3.1.1.1.1: Oil Refinery construction completed. | Construct the oil refinery and refined products pipeline | 140 | 779 | 760 | - | - | - | 1,679 | Capital | GoU/ UNOC, MEMD |
| | | Negotiate and execute project agreements | | 1 | 1 | 1.1 | 1 | 1 | 5 | Recurrent | GoU/UNOC, MEMD, PAU, MoJCA |
| | | Complete the Kabalega Industrial Park as the flagship zone for the Petrochemical Industry | 13.3 | 24.824 | 50.647 | 85.471 | 120.706 | 160.941 | 455.89 | Capital | GoU/UNOC |
| | Output 3.1.1.2: Kabalega Petro-based Industrial Park completed. | Undertake preparatory activities for development of the refinery Petrochemical Integrated complex (including fertilizer production complex) | | - | 1 | 1.5 | 3.5 | 4 | 10 | Capital | GoU/UNOC |

| | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|--------|--------|----------|--------|----------|----------|----------|--------|---------|-------|-------|-------|---------|---------|-------------------------------------|----------------|----------|----------|----------|
| Intervention 5.1.1.5: Strengthen governance and accountability systems in the extractives industry | Output 5.1.1.5.1: Extractives Industry governance and accountability systems implemented | UNOC linked at output not action level | | | | | | | | | | | | | | | Budget for MEMD, MoFPED. | | | | |
| Objective: Strengthen Corporate Governance, Collaboration and Innovation in Petroleum Sector | | | | | | | | | | | | | | | | | | | | | |
| (Programme Objective 5: Strengthen governance, coordination and innovation for the extractives industry) | | | | | | | | | | | | | | | | | | | | | |
| Intervention 5.1.1.6: Strengthen the human and institutional capacity in the extractives industry | Output 5.1.1.6.1: Human capacity strengthened | UNOC linked at output not action level | | | | | | | | | | | | | | | Budget for MEMD, MoFPED, MEMD, PAU. | | | | |
| | Output 5.1.1.6.2: Office blocks constructed | Construct UNOC offices | | | | | | | | | | | | | | 80 | Capital | GoU/UNOC | | | |
| | Output 5.1.1.6.3: UNOC capitalised to fully participate in the petroleum activities. | Undertake Crude Oil Trading Execute UNOC operations activities | | | | | | | | | | | | | | | | GoU/UNOC, MEMD | | | |
| | | TOTAL (UGX. Billions) | | | | | | | | | | | | | | | | | GoU/UNOC | | |
| | | | 417.77 | 955.90 | 1,024.71 | 958.13 | 1,557.07 | 1,928.53 | 6,842.24 | 815.35 | 146.066 | 2.836 | 2.754 | 2.674 | 137.689 | 141.814 | 11 | 80 | 815.35 | 1,928.53 | 6,842.24 |

5 INSTITUTIONAL ARRANGEMENTS FOR IMPLEMENTING THE PLAN

This section will address the coordination of the implementation of the plan, sustainability arrangements, partnerships and human resource plan.

5.1 Coordination of the Implementation Process

UNOC has adopted a structured and integrated approach to coordinate the implementation of its Strategic Plan. This approach ensures that the Programme Implementation Action Plan (PIAP) outputs, indicators, and targets are fully embedded into the Company's performance management system and cascaded to all levels of the organization.

At the corporate level, a Tier 1 Scorecard has been developed and aligned to the four strategic perspectives Financial, Stakeholder, Business Processes, and Organizational Capacity. The corporate scorecard incorporates PIAP-aligned outputs and corresponding performance indicators, which are mapped to strategic outcomes and the overarching goal of the Strategic Plan. These elements are directly linked to UNOC's Strategy Map, ensuring a clear line of sight between national priorities and corporate performance.

At the subsidiary level, Tier 1A and Tier 1B scorecards have been developed for: Uganda Refinery Holding Company (URHC) – Tier 1A, National Pipeline Company (NPC) – Tier 1B. Each subsidiary's scorecard reflects its unique mandate while aligning with corporate objectives, PIAP outputs, and national development targets. These scorecards ensure that each subsidiary contributes meaningfully to UNOC's corporate results and national strategic priorities.

At the departmental level (Tier 2), business units have developed detailed scorecards that translate corporate and subsidiary priorities into actionable objectives and performance indicators. Departmental scorecards incorporate PIAP outputs where relevant, with corresponding targets and indicators tailored to each unit's operational focus. Objective weights are applied to ensure alignment with the corporate scorecard across all perspectives.

At the individual level (Tier 3), employee scorecards are derived from departmental and business unit plans. These scorecards undergo a quality assurance process to ensure that individual performance objectives are consistent with departmental priorities and ultimately support corporate-level targets. This alignment enhances ownership, reinforces accountability, and drives the collective delivery of strategic results.

Through this cascading framework anchored in the Strategy Map and aligned with PIAP outputs UNOC ensures strategic coherence, alignment with national development frameworks, and an integrated performance monitoring system to support the effective execution of the Strategic Plan.

UNOC Strategy Map

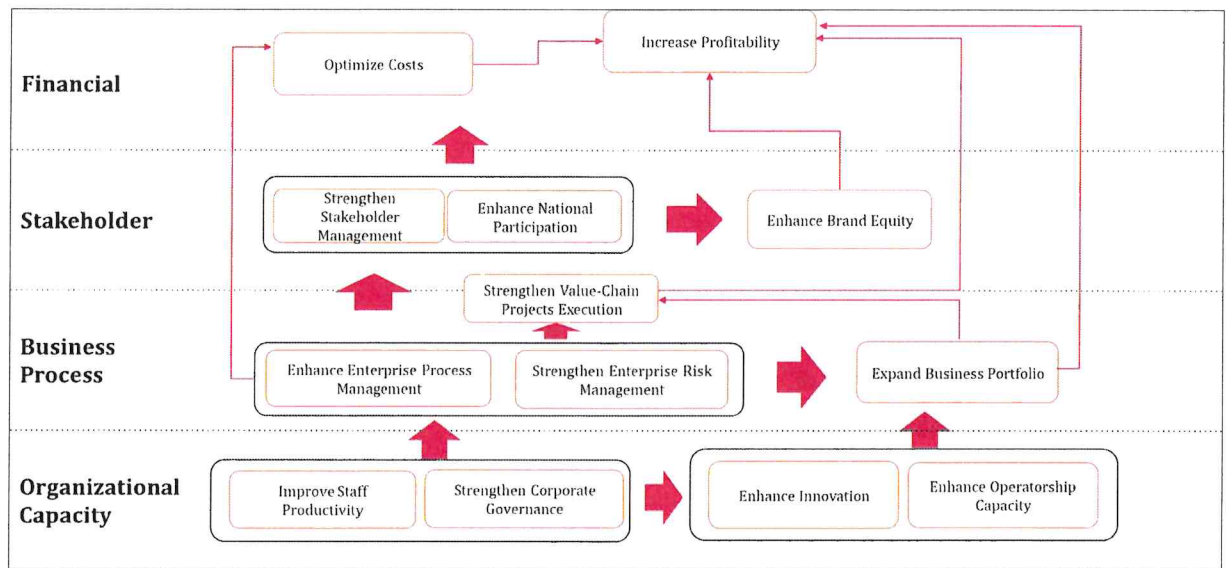


Figure 11: UNOC's Corporate Strategy Map

5.1.1 Roles and Responsibilities of UNOC

Table below summarizes the roles and assignments for the major players at UNOC including critical UNOC committees.

Table 23: Roles and responsibilities of various critical UNOC committees

| Responsible Person | Roles and Responsibilities |
|-------------------------|---|
| Board of Directors | <ul style="list-style-type: none"> - Provide strategic oversight and policy guidance on the implementation of the Strategic Plan. - Approve corporate strategies, budgets, and major investment decisions. - Monitor performance and ensure alignment with the national development agenda. - Promote transparency, risk management, and good governance. |
| Chief Executive Officer | <ul style="list-style-type: none"> - Provides strategic leadership and drive the execution of the Strategic Plan. - Ensures alignment of corporate strategies with national and sectoral priorities. - Champions stakeholder engagement and institutional visibility. - Guides investment decisions and strategic partnerships. - Reports progress and key risks to the Board. |

| | |
|--|---|
| Executive Committee (EXCO) | <ul style="list-style-type: none"> - Lead the operationalization of the Strategic Plan. - Translate strategic objectives into actionable departmental plans and projects. - Allocate resources and ensure execution of priority interventions. - Cascade corporate strategic objectives into departmental and subsidiary plans. |
| Heads of Departments/Subsidiaries | <ul style="list-style-type: none"> - Drive implementation of strategic initiatives and ensure results delivery. - Monitor KPIs and report performance against targets. - Coordinate day-to-day execution of departmental activities aligned to strategy. |
| Middle Management (Heads, Managers) | <ul style="list-style-type: none"> - Supervise teams and ensure timely delivery of outputs. - Track performance and provide operational insights to senior management. |
| Other Staff (Seniors, Officers, Support Staff) | <ul style="list-style-type: none"> - Execute assigned tasks and projects in line with strategic objectives. - Uphold UNOC values, policies, and performance standards. - Provide technical and operational support for departmental outcomes. |

5.1.2 Roles and Responsibilities of Other Stakeholders

Table 24: The roles and responsibilities of other UNOC stakeholders

| Stakeholder | Roles and Responsibilities |
|---|--|
| Ministry of Energy and Mineral Development (MEMD) | <ul style="list-style-type: none"> - Provide policy direction and oversight. - Coordinate sector-wide planning and integration with NDP IV. - Facilitate approvals and inter-agency coordination. |
| Sustainable Extractives Industry Development Programme Lead | <ul style="list-style-type: none"> - Champion sustainable development programme initiatives across the extractives players. - Monitor performance and ensure alignment with broader national agenda. |
| Ministry of Finance, Planning and Economic Development (MoFPED) | <ul style="list-style-type: none"> - Ensure strategic budget alignment and resource allocation. - Support investment frameworks and public-private partnerships. - Integrate UNOC priorities within the national planning frameworks. |

| | |
|--------------------------------------|---|
| Petroleum Authority of Uganda (PAU) | <ul style="list-style-type: none"> - Provide regulatory oversight and technical guidance. - Monitor compliance with petroleum laws, standards, and performance indicators. - Ensure integration of UNOC's plans with national sector plans. |
| Joint Venture Partners and Investors | <ul style="list-style-type: none"> - Co-develop and co-finance strategic projects. - Share technical expertise and operational best practices. - Participate in joint implementation committees and performance reviews. |
| Local Governments and Communities | <ul style="list-style-type: none"> - Facilitate stakeholder engagement and local content participation. - Support implementation of CSR and community development initiatives. - Participate in grievance redress mechanisms and community monitoring. |

5.2 Sustainability Arrangements

To ensure successful and resilient implementation of the Strategic Plan, UNOC has outlined key sustainability arrangements that strengthen its institutional foundations, secure long-term financing, leverage strategic partnerships, and build a robust talent pipeline.

a) Institutional Sustainability Arrangements

UNOC has prioritized the development of a strong institutional framework that supports strategic execution, governance, and accountability. Key measures include:

- i. Strengthening governance structures such as the Board and Board Committees to enhance strategic oversight and risk management.
- ii. Operationalizing corporate policies, procedures, and performance systems to promote efficiency and compliance across the business.
- iii. Enhancing internal coordination mechanisms between subsidiaries and business units through aligned planning and reporting structures.
- iv. Establishing a Centre of Excellence to anchor institutional knowledge, research, innovation, and capacity development across the oil and gas value chain.

b) Financial Sustainability Arrangements

UNOC's long-term financial sustainability is critical to the execution of its mandate. The Strategic Plan incorporates the following arrangements:

- i. Diversification of revenue streams through upstream, midstream, and downstream investments.
- ii. Strengthening financial forecasting and cost management practices to optimize budget utilization and reduce dependency on government transfers.

- iii. Developing a robust capital mobilization strategy, including engagement with public and private investors, joint ventures, and concessional funding sources.
- iv. Improving enterprise risk management to protect value and minimize financial exposure to market volatility, delays, or cost overruns.

c) Partnerships and Collaborations

Strategic partnerships are a cornerstone of UNOC's model for delivery and scale. The Plan emphasizes:

- i. Joint Ventures and strategic alliances with National and International Oil Companies (NOCs/IOCs) to co-develop projects and transfer technical know-how.
- ii. Collaborations with Government Agencies and Development Partners to align with national development priorities and attract blended financing.
- iii. Engagements with academia and research institutions to foster innovation, R&D, and technical training.
- iv. Partnerships with local enterprises to deepen national content, local procurement, and employment impact.

d) Human Resource Plan

Human capital development remains a key enabler of UNOC's strategy. The human resource plan includes:

- i. Implementation of a Competency-Based Talent Management Framework aligned to current and future business needs.
- ii. Continuous professional development and leadership programs to enhance technical, operational, and managerial skills.
- iii. Succession planning and knowledge retention strategies to ensure continuity in mission-critical areas.
- iv. Enhancement of employee value proposition (EVP) through competitive rewards, wellness initiatives, and inclusive workplace culture to attract and retain top talent.

6 COMMUNICATION AND FEEDBACK STRATEGY/ ARRANGEMENT

Effective communication is central to the successful implementation of UNOC's Strategic Plan. It ensures that internal and external stakeholders are informed, aligned, and engaged throughout the strategic period.

a) Rationale and objectives of the communication strategy;

The communication strategy is designed to:

- i. Enhance awareness and understanding of UNOC's strategic direction and priorities.
- ii. Foster alignment among internal teams, subsidiaries, and key stakeholders.
- iii. Support proactive engagement with government, private sector partners, communities, and international stakeholders.
- iv. Promote transparency, trust, and accountability in the implementation of the Strategic Plan.
- v. Establish feedback loops to inform continuous improvement and adaptive management.

b) Key communication priorities:

The following areas constitute the core communication priorities:

- i. Dissemination of UNOC's Vision, Mission, Strategic Objectives, and Key Results Areas.
- ii. Periodic updates on strategy implementation progress and key project milestones.
- iii. Awareness and education on UNOC's role in national development and value creation.
- iv. Stakeholder-specific messaging (e.g., JV partners, regulators, communities).
- v. Visibility of performance results and corporate impact stories.
- vi. Internal alignment through consistent messaging, leadership briefings, and performance updates.

c) Implementation of communication priorities.

UNOC will employ a multi-channel, multi-stakeholder communication approach tailored to audience needs and influence levels. Implementation will be guided by the following principles:

- **Timeliness:** Ensuring timely dissemination of strategic updates and performance information.
- **Clarity:** Using accessible language and formats for diverse stakeholders.

- Consistency: Harmonizing messages across platforms and engagements.
- Feedback-Driven: Embedding feedback mechanisms to capture stakeholder views and adapt messaging accordingly.
- Responsiveness: Maintaining open lines for dialogue and rapid response to issues.

Table 25: Key stakeholders, their issues and channels of communication

| Stakeholder Name | Key Issues/ Areas/Messages to communicate with stakeholders | Channels and Frequency of communication |
|-------------------------------------|--|--|
| Government of Uganda (MoFPED, MEMD) | Alignment to Vision 2040, NDP IV, investment and revenue performance | Quarterly briefings, formal reports, policy engagements, forums |
| UNOC Board of Directors | Strategic plan execution status, risk and governance issues | Board meetings (quarterly), performance reports, |
| Subsidiaries (URHC, NPC) | Strategy alignment, operational targets, KPI performance | Quarterly meetings, scorecard reviews |
| Development Partners & JV Partners | Project updates, performance metrics, compliance and governance | Bilateral meetings, joint venture committees, investment reports |
| Private Sector/Investors | Investment opportunities, regulatory clarity, financial performance | Investor roundtables, newsletters, website updates |
| Local Communities | Local content, CSR initiatives, grievance redress mechanisms | Community dialogues, radio talk shows, IEC materials, social media |
| Staff and Internal Teams | Strategy awareness, performance expectations, organizational updates | Internal newsletters, town halls, intranet posts, unit briefings (monthly/quarterly) |
| Media and General Public | Corporate visibility, transparency, UNOC impact stories | Press releases, media briefings, website and social media updates, annual reports |

7 RISK MANAGEMENT

Risk management at UNOC is structured into three tiers: Principal Risks, Corporate Risks, and Subsidiary and Departmental Risks. The figure below illustrates the hierarchy of risk governance within the organization.

UNOC's Approach to Effective Risk Management

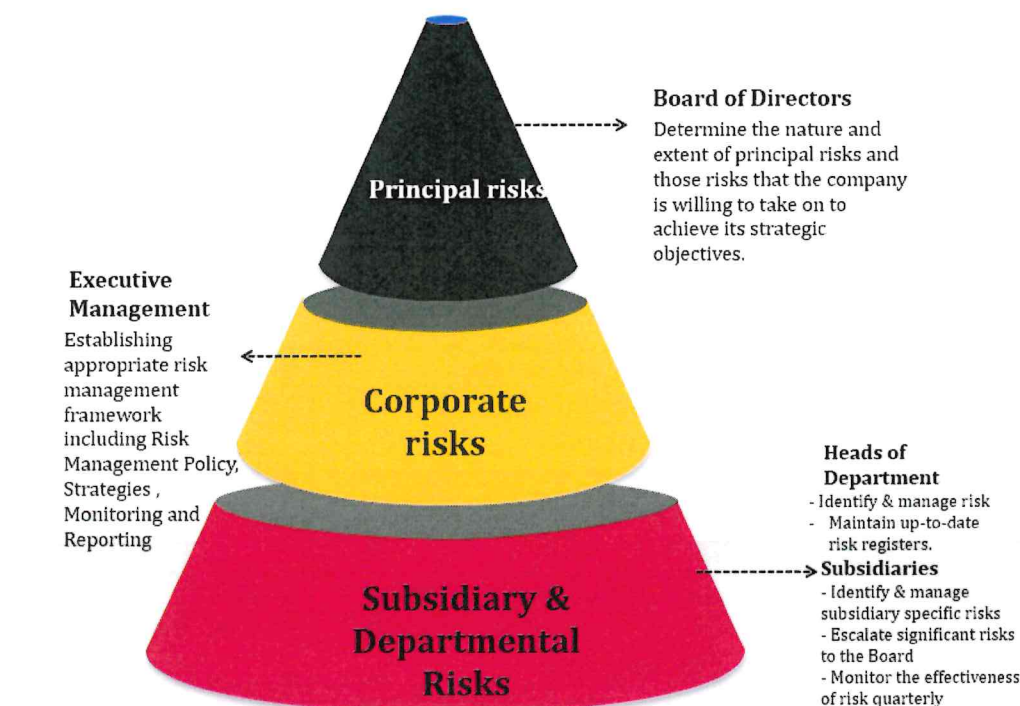


Figure 12: ERM Model

UNOC employs a comprehensive risk management framework designed to proactively identify, assess, mitigate, and monitor risks, ensuring alignment with its strategic objectives. This framework begins with a clear risk management policy that outlines principles, responsibilities, and acceptable risk levels. A robust governance structure involving the Board of Directors, Executive Management, and Heads of Departments and Subsidiaries ensures accountability and oversight throughout the risk management process.

Regular risk assessments and scenario planning will be conducted to anticipate and prepare for potential disruptions, ensuring business continuity and protecting shareholders' interests. UNOC's commitment to transparency and collaboration further strengthens its risk management framework, fostering a culture of risk awareness and continuous improvement within the organisation.

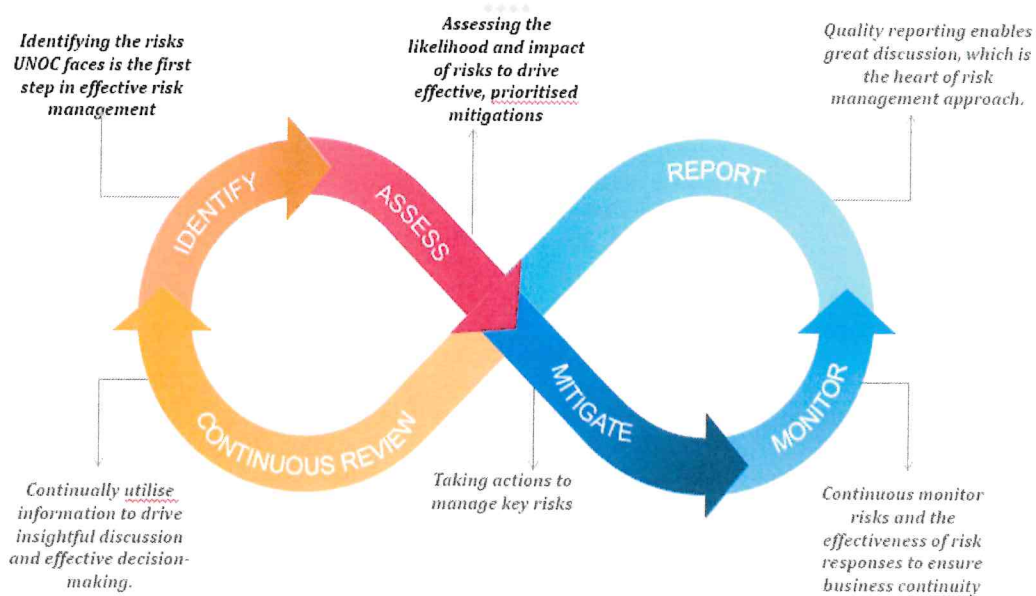


Figure 13: ERM Cycle

Table 26: Key Envisaged UNOC Risks

| SN | Identified Risk | Risk Category | Analysis | | | | Mitigation Measures | Lead Actor |
|----|--|---------------|---|------------|-------------|-------------|--|------------|
| | | | Causes | Likelihood | Impact | Risk Rating | | |
| 1 | Insufficient funding | Strategic | <ul style="list-style-type: none"> - Inadequate GoU budget allocations - Delay in project financing agreements | High | Significant | High | <ul style="list-style-type: none"> - Engage stakeholders on funding priorities - Explore alternative financing models | CFO |
| 2 | Ambiguity in the legal, fiscal, and regulatory framework | External | <ul style="list-style-type: none"> - Gaps in enabling legislation - Delays in policy approvals | Medium | High | High | <ul style="list-style-type: none"> - Proactively participate in policy formulation - Legal review and alignment of commercial agreements | CLO |
| 3 | Project dependencies | Operational | <ul style="list-style-type: none"> - Interdependency on external infrastructure - Delays in JV partner activities | High | Significant | High | <ul style="list-style-type: none"> - Strengthen project governance and monitoring - Formalize joint implementation frameworks | GMs |

| | | | | | | | | |
|---|--|-------------|---|--------|-------------|--------|---|------|
| 4 | Breach of data or sensitive information | Operational | Increasing sophistication of cyber threats | Medium | Significant | High | <ul style="list-style-type: none"> - Strengthen ICT security protocols - Conduct regular penetration testing | COO |
| 5 | Inadequate technical capacity to manage oil & gas projects | Operational | <ul style="list-style-type: none"> - Limited pool of sector-experienced professionals - Gaps in specialized training | Medium | High | High | <ul style="list-style-type: none"> - Implement competency-based training framework - Leverage partnerships with experienced IOCs and NOCs | CHRO |
| 6 | Disruption of business operations due to unforeseen events | External | <ul style="list-style-type: none"> - Natural disasters, pandemics - Political instability - ICT system outages | Medium | Moderate | Medium | <ul style="list-style-type: none"> - Review and Implement business continuity and disaster recovery plans - Conduct regular BCP drills and stress tests - Diversify key operational dependencies | COO |

8 MONITORING AND EVALUATION FRAMEWORK

A robust Monitoring and Evaluation (M&E) Framework is essential to ensure effective implementation, accountability, and continuous learning throughout the strategy period. UNOC's M&E Framework is designed to track progress, assess outcomes, and inform strategic decisions at all levels of the organization. It is aligned to the corporate performance management system, national planning frameworks, and international reporting standards.

8.1 Monitoring and Evaluation Arrangements

a) Progress Reporting;

UNOC will undertake continuous performance monitoring through periodic reporting at corporate, subsidiary, and departmental levels. This will include:

- Quarterly progress reports on the implementation of strategic initiatives, KPIs, and flagship projects.
- Performance dashboards integrated within the corporate strategy management system (e.g., Spider).
- Use of real-time data analytics tools to inform management decisions and course correction.

Reports will be submitted to Executive Management, the Board, and relevant oversight bodies.

b) UNOC Performance Annual Review;

An annual performance review will be conducted every financial year to:

- Assess progress against corporate objectives, departmental plans, and scorecards.
- Evaluate budget performance, output delivery, and key operational outcomes.
- Identify implementation bottlenecks, good practices, and lessons learned.
- Recommend strategic adjustments or shifts in resource allocation.

c) Mid-term Evaluation;

A Mid-Term Evaluation (MTE) will be conducted midway through the Strategic Plan period to:

- Assess relevance, efficiency, effectiveness, and sustainability of interventions.
- Evaluate progress toward achieving medium-term outcomes.
- Recommend corrective actions, re-prioritization of initiatives, or strategic recalibration if necessary.

- Strengthen alignment with evolving national priorities (e.g., NDP IV review outcomes).

d) End of Term Evaluation.

An End-of-Term Evaluation (ETE) will be carried out in to:

- Measure the overall performance and impact of the Strategic Plan.
- Assess the extent to which strategic goals, outcomes, and KPIs were achieved.
- Document institutional learning and performance trends over the six-year period.
- Generate evidence to inform the development of the next Strategic Plan and national development reporting obligations.

8.2 Monitoring and Evaluation Results Framework

The Result Framework will be used to measure and assess progress during implementation of UNOC's strategic plan.

Table 27: UNOC Results Framework

| Results | Indicator | Baseline FY2023/24 | Target FY2024/25 | Target FY2025/26 | Target FY2026/27 | Target FY2027/28 | Target FY2028/29 | Target FY2029/30 | Data Source | Responsible MDA/LG |
|--|--|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|----------------------------------|--|
| UNOC Goal: Sustainably develop and manage the State's Commercial Interests across the Petroleum Value chain | | | | | | | | | | |
| Objective 2: Increase sustainable production and commercialization of the extractives | | | | | | | | | | |
| UNOC Objective: Increase sustainable development, production and commercialization of Petroleum resources | | | | | | | | | | |
| Outcome 2.1.1: Increased extractives production (UNOC linked at action level which is under this outcome) | Volume of Crude oil produced (mbl) | 0 | 5 | 5 | 20 | 50 | 70 | 70 | MEMD Annual Statistical Abstract | PAU, MEMD |
| Intervention 2.1.1.1: Increase the production of the country's extractives resources | | | | | | | | | | |
| Output 2.1.1.1.2: Upstream project facilities constructed (UNOC linked at action level which is under this output) | Percentage of completion of the facilities for Tlenga and Kingfisher projects. | 40 | 70 | 70 | 85 | 95 | 99 | 100 | MEMD Annual Report | MEMD, PAU |
| PIAP/VF Actions | | | | | | | | | | |
| Regulate, monitor and supervise the construction of Upstream project facilities for Tlenga and Kingfisher projects. | Construction of Upstream project facilities for Tlenga and Kingfisher projects monitored | | 8.3 | 8.3 | 9.03 | 9.833 | 10.716 | 11.688 | | Responsible MDA/LG MEMD, PAU, UNOC |
| Outcome 2.2.1: 10 Days of stock for refined petroleum products maintained | No. of days of stock levels available in the country | 10 | 10 | 10 | 10 | 10 | 10 | 10 | UNOC Annual Report | UNOC, MEMD |
| Intervention 2.2.1.2: Improve the stability in the supply of petroleum products | | | | | | | | | | |
| Output 2.2.1.1.3: Transport and storage infrastructure constructed. | Increased terminal capacity (percentage) | 30 | 30 | 30 | 30 | 50 | 60 | 100 | UNOC Annual Report | UNOC, MEMD |
| | Percentage of completion of Kampala Storage Terminal | 0 | 0 | 10 | 50 | 70 | 90 | 100 | UNOC Annual Report | UNOC MEMD |
| PIAP Actions | | | | | | | | | | |
| Upgrade/Expand Jinja Storage Terminal infrastructure. | Jinja Storage Terminal infrastructure upgraded | | - | - | 5 | 40 | 40 | - | | Responsible MDA/LG UNOC |
| Develop Kampala Storage Terminal to support bulk trading operations. | Kampala Storage Terminal developed | | - | - | - | - | - | - | | UNOC |
| Output 2.2.1.1.4: Regional refined petroleum products and natural gas pipelines constructed (UNOC linked at action level which is under this output). | Percentage completion of Kenya – Uganda refined product pipeline. | 5 | 30 | 30 | 50 | 80 | 100 | - | MEMD Annual Report | MEMD |
| | Percentage completion of Tanzania – Uganda refined product pipeline. | 0 | 5 | 5 | 20 | 40 | 60 | 100 | MEMD Annual Report | MEMD |

| PIAP Actions | Budget FY2024/25 | Budget FY2025/26 | Budget FY2026/27 | Budget FY2027/28 | Budget FY2028/29 | Budget FY2029/30 | MEMD Annual Report | MEMD |
|--|------------------|------------------|------------------|------------------|------------------|------------------|--------------------|---------------------------------|
| Percentage completion of Tanzania - Uganda natural gas pipeline. | 0 | | 20 | 40 | 60 | 100 | | MEMD |
| Undertake feasibility study for the Tanzania - Uganda refined petroleum products pipeline. | | | | | | | | Responsible MDA/LG |
| Develop the Tanzania - Uganda refined petroleum products pipeline. | | 2 | 14 | 200 | 350 | 550 | | UNOC |
| Develop the Tanzania - Uganda natural gas pipeline. | | 2 | 14.5 | 200 | 350 | 550 | | MEMD, UNOC, MOICA, MOPPED, MOFA |
| Develop the Kenya - Uganda refined product pipeline. | | 2 | 10 | 215 | 445 | 455 | | MEMD, MOICA, MOPPED, MOFA, UNOC |
| Output 2.2.1.1.5: EACOP Project construction completed (UNOC linked at action level which is under this output) | 35.9 | 100 | - | - | - | - | MEMD Annual Report | MEMD |
| PIAP Actions | | | | | | | | Responsible MDA/LG |
| Construction of the East African Crude Oil Pipeline, and its Operation and Maintenance (O&M) in the earlier years | | 2 | 13.859 | 12.859 | 21.575 | 3 | | UNOC, MEMD |
| Output 2.2.1.1.6: LPG usage in the country increased. (UNOC linked at action level which is under this output) | 0 | 1 | 1 | 1 | 1 | 1 | MEMD Annual Report | UNBS; MEMD |
| PIAP Actions | | | | | | | | Responsible MDA/LG |
| Develop LPG Storage & Bulk Filling Plants | | 4 | 10 | 32 | 30 | 24 | | UNOC |
| Objective 3: Increase investment in extractives value addition | | | | | | | | |
| UNOC Objective: Increase UNOC investment in Petroleum Production, Refining & Distribution | | | | | | | | |

| | | | | | | | | | | |
|---|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----|--------------------|---------------------------|
| Outcome 3.1.1: Increased Foreign Direct Investments (UNOC linked at Output level which is under this outcome) | Value of FDI (Mn USD) | 58.5 | | 60 | 65 | 70 | 75 | 80 | BOU | MoFPED, UIA, BOU, UBOS |
| Intervention 3.1.1.1: Construct, regulate and monitor development of extractives infrastructure | | | | | | | | | | |
| Output 3.1.1.1.1: Oil Refinery construction completed. | Percentage completion of the oil refinery construction. | 5 | | 10 | 80 | 100 | - | - | MEMD Annual report | MEMD, UNOC, PAU |
| PIAP Actions | | Budget FY2024/25 | Budget FY2025/26 | Budget FY2026/27 | Budget FY2027/28 | Budget FY2028/29 | Budget FY2029/30 | | | Responsible MDA/LG |
| Construct the oil refinery and refined products pipeline | Oil refinery and refined products pipeline constructed | | 779 | 760 | - | - | - | | | UNOC, MEMD |
| Negotiate and execute project agreements | Project agreements negotiates and executed | | 1 | 1 | 1.1 | 1 | 1 | | | MEMD, UNOC, PAU, MoICA |
| Output 3.1.1.1.2: Kabalega Petro-based Industrial Park completed. (UNOC linked at action level which is under this output) | Percentage of completion of pre-requisite infrastructure | 5 | | 10 | 20 | 30 | 45 | 60 | MEMD Annual report | MEMD |
| PIAP Actions | | Budget FY2024/25 | Budget FY2025/26 | Budget FY2026/27 | Budget FY2027/28 | Budget FY2028/29 | Budget FY2029/30 | | | Responsible MDA/LG |
| Complete the Kabalega Industrial Park as the flagship zone for the Petrochemical Industry | Kabalega Industrial Park constructed | | 24,824 | 50,647 | 85,471 | 120,706 | 160,941 | | | UNOC |
| Undertake preparatory activities for development of the refinery Petrochemical Integrated complex (including fertilizer production complex) | Preparatory activities for development of the refinery Petrochemical Integrated complex (including fertilizer production complex) undertaken | | - | 1 | 1.5 | 3.5 | 4 | | | UNOC |
| Objective 5: Strengthen governance, coordination and innovation for the extractives industry | | | | | | | | | | |
| UNOC Objective: Strengthen Corporate Governance, Collaboration and Innovation in Petroleum Sector | | | | | | | | | | |
| Outcome 5.1.1: Improved compliance of the extractives industry to Quality, Health, nSocial, Security, and Environment (QHSE) - UNOC linked at output level which is under this outcome | Level of compliance to the oil and gas policy legal and regulatory framework (upstream and midstream) (%) | 79 | | 85 | 87 | 90 | 93 | 95 | MEMD Annual Report | PAU, MEMD |
| Intervention 5.1.1.5: Strengthen governance and accountability systems in the extractives industry | | | | | | | | | | |
| Output 5.1.1.5.1: Extractives Industry governance and accountability systems implemented | Ugandan score in Extractive Industry Transparency Initiative (EITI) | 78.5 | | 80 | 82.5 | 85 | 87.5 | 90 | UGEITI Report | MEMD, UNOC, MoFPED |
| PIAP Actions | | Budget FY2024/25 | Budget FY2025/26 | Budget FY2026/27 | Budget FY2027/28 | Budget FY2028/29 | Budget FY2029/30 | | | Responsible MDA/LG |

9 PROJECT PROFILES

UPSTREAM EXPLORATION AND NEW VENTURES

Kasuruban Contract Area

The Kasuruban Contract Area is a petroleum exploration block awarded to UNOC on 2nd February 2023, following the Company's successful participation in the country's second competitive licensing round.

The Block covers 1,285 square kilometres in which UNOC holds 100% of the Participating Interest and is the Operator. We consider the Kasuruban block to be of great significance because it is UNOC's effort to embark on the journey for its oil and gas reserves replacement, which is a "crucial action" needed to ensure the sustainability of the EACOP and Refinery projects in the midstream, in which UNOC holds 15% and 40% shareholdings respectively.

In addition to replacing petroleum reserves, the Kasuruban Block offers UNOC the opportunity to acquire the technologies, skills, and expertise needed to become an independent operator of oil and gas operations. UNOC will also leverage on its responsibility as the Operator to develop the capacity of Ugandan service providers with the aim of maximizing national content in its operations.

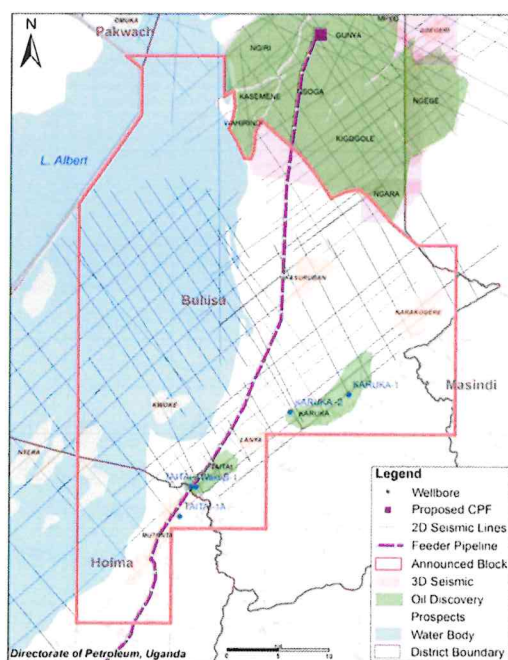


Figure 14: A map showing the Kasuruban Contract Area (Red polygon)

SECTOR FOUNDATIONAL PROJECTS

9.2.1 Upstream -Tilenga & Kingfisher Projects

Background and Project Progress to date

The Tilenga Project is operated by Total E&P Uganda B.V (TEPU) to develop the oil and gas fields in Contract Area (CA)-1 and CA-2 North through a single Central Processing Facility (CPF) with capacity of 190kbopd, located in Buliisa District.

The project planned to develop seven (7) oil fields, which all together cover approximately 230 square kilometers. The fields were discovered between 2008 and 2011 and subsequently, Government awarded five (5) Production Licenses in respect to these fields in August 2016. Tilenga has heavy & less waxy oils to the north of the Victoria Nile, while in the south the oil is medium-to-light and waxy.



Figure 15: Tilenga project

The Kingfisher Project is operated by CNOOC Uganda Limited (CUL) to develop the Kingfisher oil field in the Kingfisher Development Area (KFDA) and the Mputa-Nzizi-Waraga fields in CA-2 through a single CPF with capacity of 40kbopd. The CPF is planned to be located in Buhuka Parish, Kyangwali Sub-county, Hoima District. It is located at the South Eastern bank of Lake Albert.

The field was discovered in 2006 by the Kingfisher-1 well which was a long reach well drilled from on- shore location. The structure is a SW-NE trending compressional feature approximately 15km long and 3km wide covering an oil area of approximately 32.8 square

kilometers. Government issued a Production License for the Kingfisher field in February 2012.



Figure 16: *Kingfisher*

Tilenga and Kingfisher Investment Requirements and Revenue Forecasts

Development of an oil and gas field is capital intensive requiring huge finances and human capital. Capital Expenditure (CAPEX) will be required for the following field development components;

- Development drilling and well completions;
- Facilities cost – Pre-FID costs, Central Processing Facilities (CPF), Well Pads, infield pipeline, feeder pipelines and Common services. and
- Other Costs such as Owner’s costs and General and Administration (G&A).

UNOC’s share of upstream CAPEX until First Oil will be covered and financed by the International Oil Companies (IOCs). However, UNOC will face significant capital and operating costs for ongoing projects after First Oil. As a result, UNOC will need to budget for annual operating expenditures (OPEX), averaging \$60 million per year during the first five years of commercial production. Additionally, UNOC will require funds to cover cash calls for CAPEX and carry repayment obligations once the carry period expires after First Oil (see Figure 35). These deferred capital requirements are estimated to average \$275 million annually over the subsequent four-year development period.

The Public Finance Management (Amendment) Act 2021 allows UNOC to retain proceeds from the sale of petroleum generated from the State’s participating interests to fulfil state obligations. Any remaining proceeds will then be deposited into the Petroleum Fund.

Under the Production Sharing Agreements (PSAs) for the Tilenga and Kingfisher projects, there is a cost recovery ceiling of 70%. This cap limits the upfront costs that the joint venture partners and UNOC can recover in each year of production.

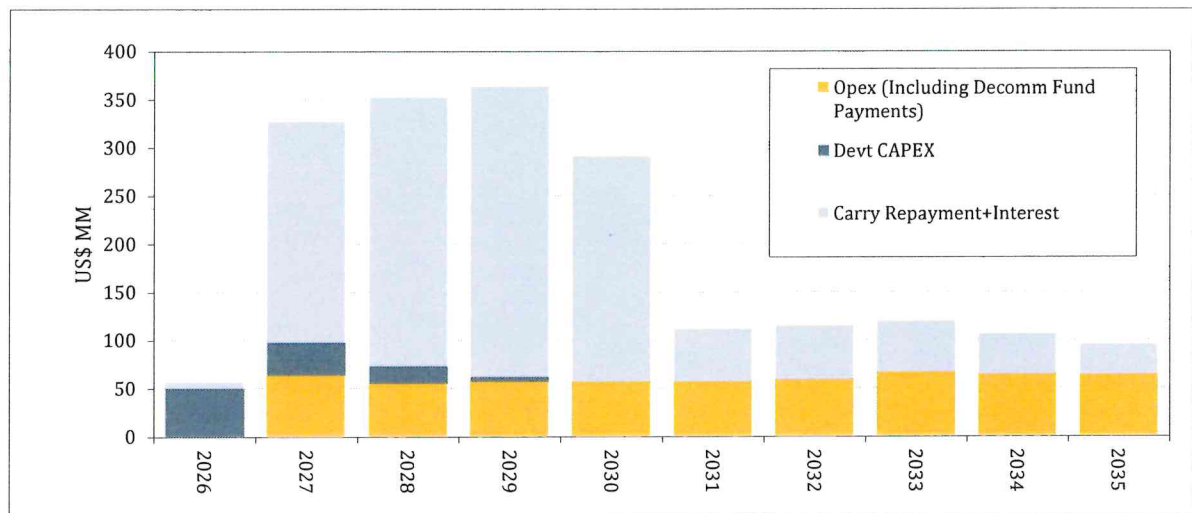


Figure 17: UNOC Cash call requirements for the Tilenga and Kingfisher Projects

Table 28: Tilenga and Kingfisher Project summaries

| PROJECT NAME | TILENGA | KINGFISHER |
|---|--------------------------|----------------|
| Total Capital Expenditure | 7,100 | 2,215 |
| UNOC/Government Interest | 15% | 15% |
| Project Structure (UNOC's | Non-Operator | Non-Operator |
| Proposed Financing model | N/A | N/A |
| UNOC's Equity investment (15% participating interest, Carried) | 693 | 251 |
| UNOC's Project Completion Guarantees (for project finance purposes) | N/A | N/A |
| Funding Requirement date | First oil 2026 | First oil 2026 |
| Project Construction duration | 4 years | 4 years |
| UNOC's Equity Investment Schedule (After First Oil) | Year 1: USD\$ 98 Million | |
| | Year 2: USD\$ 73 Million | |
| | Year 3: USD\$ 61 Million | |
| | Year 4: USD\$ 57 Million | |
| Operations duration | 25 years | 25 years |

Under the PSAs for the Tilenga and Kingfisher projects, there is a cost recovery ceiling of 60%. This limits the amount of the upfront costs that the JV Partners and UNOC can recover in each year of production. This cost recovery process would be considered by the

Government during production and, therefore, creates a revenue structure that will allow the UNOC to receive revenue in the form of cost reimbursement and a share of production.

Revenue Forecast

The revenue stream for the joint venture partners consists of their proportionate share of the contractor group's total profit and cost of hydrocarbons. UNOC will receive 15% of the contractor group's share of the profit and cost of hydrocarbons. Over the life of the Tilenga and Kingfisher projects, UNOC's net revenue is projected to be \$1.508 billion. The annual revenue distribution for crude oil and LPG is illustrated in Figures 1 and 2 below.

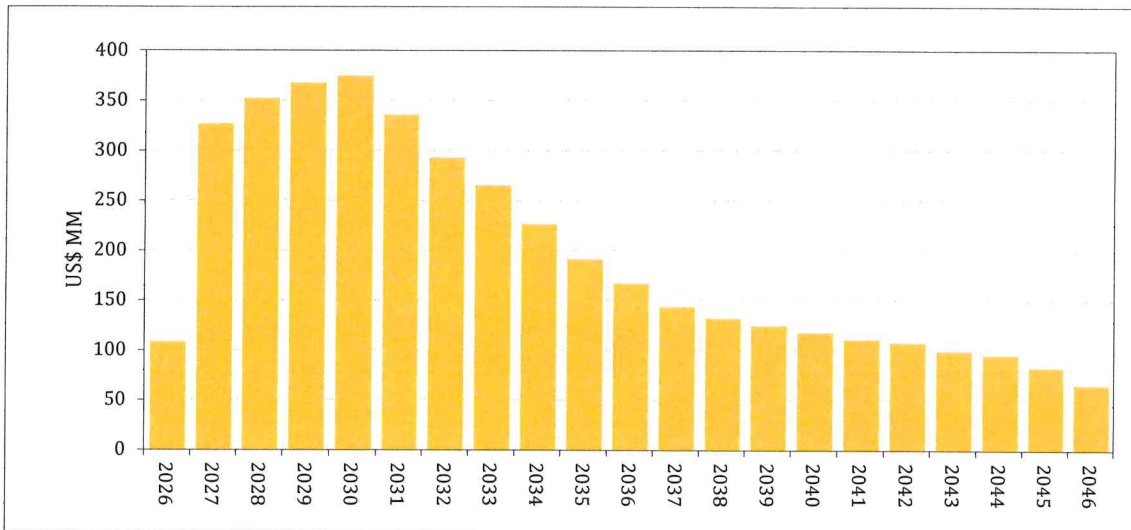


Figure 18: UNOC Revenue Projections for The Tilenga & Kingfisher Crude Oil Projects

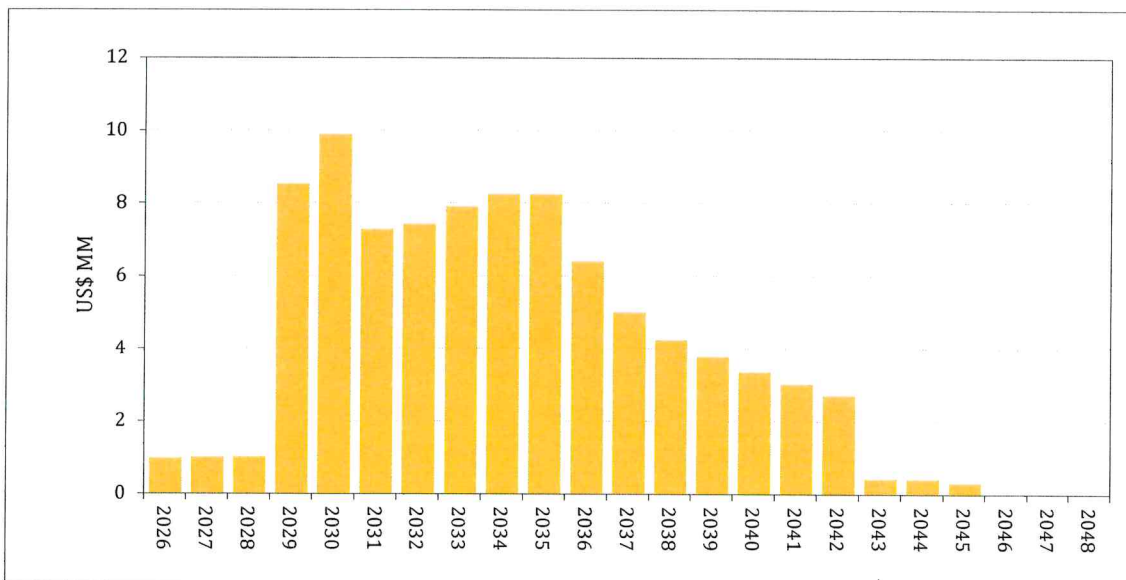


Figure 19: UNOC Revenue Projections for the Tilenga and Kingfisher Projects

Refinery Project



Figure 20: Refinery

The Uganda refinery will have a capacity of 60,000 Barrels Per Day (BPD), and will be designed to process sweet, medium/heavy and waxy Ugandan crude oil feedstock. The refinery shall be self-sufficient in energy and utility requirements, except for raw water that shall be abstracted from Lake Albert. No electric power export is foreseen, and the national grid shall provide power backup. The refinery configuration design considers the following key drivers:

- Minimization of low value products such as heavy fuel oil and coke;
- Maximization of high value light products, such as LPG, gasoline (petrol), jet fuel and diesel;
- Ensuring that the refinery's product specifications are Euro V compliant to match or exceed the quality of current and future East African imports from the Middle East and India; &
- Ensuring some flexibility to facilitate value addition through strategic integration of downstream petrochemical and fertilizer industries.

The recommended refinery configuration will be based on a Residual Fluid Catalytic Cracker (RFCC) for bottom-of-the-barrel processing as it provides the most optimal technical and economic solution, matching current and future Ugandan and regional market demands for high value petroleum products, as well as downstream petrochemical opportunities.

In April 2018, GoU represented by MEMD and UNOC signed the Project Framework Agreement (PFA) with the Albertine Graben Refinery Consortium which became effective

on 7th September 2018. The Refinery Company plans to take Final Investment Decision (FID) for the Refinery Project in FY 2025/26, to kick-off construction operations.

Table 29: Refinery Project Summary and Expected Return

| Financing Details | Amounts |
|--|---------------------------|
| Total Capital Expenditure | 3,534 Million |
| Proposed Financing: | 100 % equity |
| UNOC's Equity investment requirement (40% Shareholding in Refinery Co.): | US\$ 1,414 Million |
| Funding Requirement date: | FID (Estimated Q4 2025) |
| Project Construction Duration: | 3 Years |
| UNOC Equity Investment Schedule: | |
| | Year 1: USD\$ 438 Million |
| | Year 2: USD\$ 664 Million |
| | Year 3: USD\$ 311 Million |
| Operations Duration: | 25 Years |

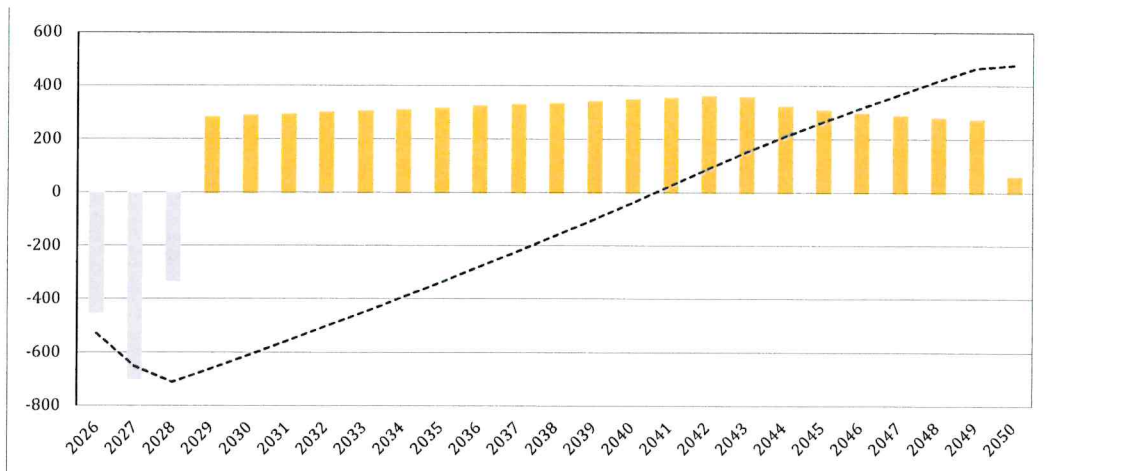


Figure 21: UNOC Revenue Projections for The Refinery Project

East Africa Crude Oil Pipeline Project (EACOP)

The EACOP is a 1,443km long and 24” diameter heated pipeline that is planned to transport crude oil from the Tilenga and Kingfisher Projects from the delivery point in Kabalega (Hoima) to the Indian Ocean Port of Tanga in the United Republic of Tanzania. The Pre-FID EACOP project activities are being funded and conducted by the Project Sponsor (Total East Africa Midstream B.V) and the other partners will later refund their share of Pre-FID project cost.



Figure 22: EACOP

Investment Requirement and Revenue Forecast

The EACOP will be insulated with Polyurethane Form (PUF) to ensure heat retention and will have Electrical Heat Tracing (EHT) systems designed to maintain the temperature of the waxy crude above 50°C so that the wax remain in solution. The pipeline will also be coated with Fusion-Bonded Epoxy (FBE). UNOC's investment in the pipeline is expected to generate a total net revenue of US\$208 Million from the project.

Table 30: EACOP investment summary

| Financing Details | Amounts |
|---|-------------------------|
| Total Capital Expenditure | 5,664 Million |
| Proposed Financing: | 42% debt, 58% equity |
| UNOC's Equity investment requirement (15% Shareholding in EACOP Co.): | US\$ 375 Million |
| Funding Requirement date: | FID (Taken Feb 2022) |
| Project Construction Duration: | 6 Years |
| UNOC Equity Investment Schedule: | |
| | 2022: USD\$ 126 Million |
| | 2023: USD\$ 102 Million |
| | 2024: USD\$ 125 Million |
| | 2025: USD\$ 22 Million |
| Operations Duration: | 25 Years |

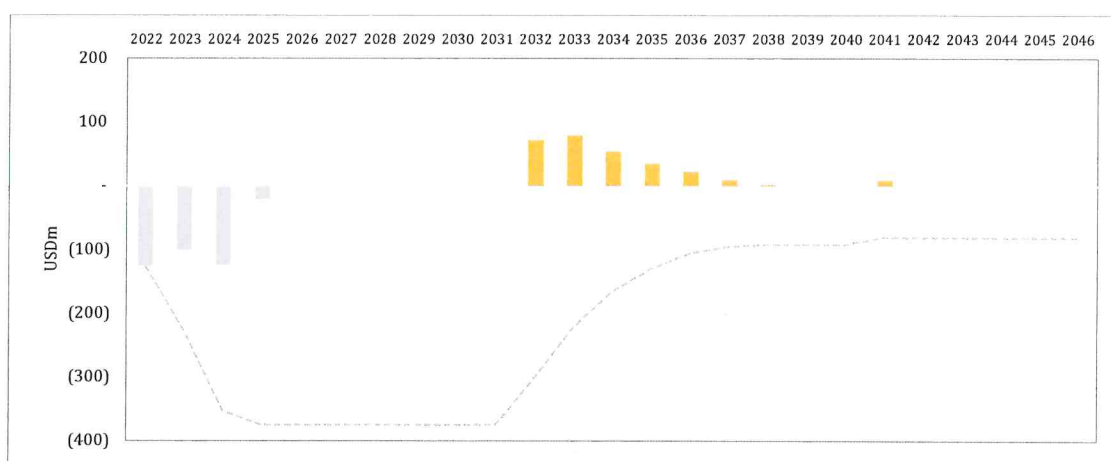


Figure 23: UNOC's Cumulative Net Revenue Profile from the East Africa Crude Oil Pipeline Project

Kabalega Industrial Park

The Petro-based Industrial Park sits on 29.57Km² (2,957 hectares) of land near the oil fields in the Albertine Graben. The Park is located in Kabalega Parish, Buseruka Sub-County, Hoima District, and is commonly referred to as Kabalega Industrial Park (KIP).

A Master Plan for the development of the Park was prepared and approved by Uganda's National Physical Planning Board. It provides for the optimum location of all the envisaged oil and gas commercialization projects, facilities and services. UNOC seeks to secure a strategic partnership with eligible entities to offer managerial, technical and financial services needed for the development of the Kabalega Industrial Park. UNOC will joint venture with a Management Partner of international repute, having a development track record in the area of petro- based industrial parks. UNOC will hold at least fifty-one percent (51%) of the total issued share capital of the Special Purpose Vehicle.



Figure 24: Kabalega Industrial Park

It has also been agreed in principle that the land title for the KIP be transferred to UNOC. This will allow UNOC to monetise the value of the land and contribute to its investment in the industrial park. The land to be transferred to UNOC will cover all the KIP land except the land allocated to the Refinery, the airport and the crude oil export hub, considering that these are strategic projects, different from the mandate of the industrial park.

| Life of the Project | Rate of Return | Net Present Value (NPV) |
|---------------------|----------------|-------------------------|
| 30 years | 15.36% | USD\$1.75Bn |

Return on Investment for KIP (Amounts in USD Million)

NB: Equivalent of net revenues from envisaged projects in the KIP (*Source: KIP Masterplan by SMEC)

Jinja Storage Terminal

The JST was established in the 1970s as a strategic reserve, to enhance security of petroleum supply. UNOC plans to enhance supply operations to the terminal and also embark on trading in petroleum products. The JST is a 30 million litre storage terminal.

This was handed over by Government to UNOC for management in May 2017. It currently generates a revenue of UGX 665 million annually. JST has potential of generating more revenue but this is constrained by a number of supply bottlenecks and limited market for JST products.

Therefore, during the medium-term, UNOC will undertake efforts to enhance business processes at JST and supply operations through water transport of petroleum products via Kisumu in Kenya and Mwanza in Tanzania to Jinja. In this regard, UNOC in the process of increasing product inflow into JST by utilizing Water transport. Plans are in advanced stages to commence construction of a pipeline connecting JST and an oil Jetty at Lake Victoria.

UNOC believes that re-stocking the JST will greatly improve the security of petroleum products and therefore plans to procure 12 million litres of strategic reserves.



Figure 25: Jinja Storage Terminal

Kampala Storage Terminal



Figure 26: Kampala Storage Terminal

The Kampala Storage Terminal (KST) is a multi-user petroleum storage and distribution terminal that is planned to be developed in a 300 Acres of land acquired by MEMD, in Namwambula, Mpigi District. UNOC plans to embark on developing Phase-1 (60 Million litres) of the KST. The government acquired approximately 300 acres of land for the development of the Kampala Storage Terminal in Namwambula, Mpigi District. The Ministry of Energy and Mineral Development handed over to UNOC to implement the development and operation of the Terminal.

The KST is planned to be developed in phases and is designed to hold up to 320 Million litres of petroleum products development when complete. (Figure 31). The terminal will receive, store and serve as a central distribution terminal for refined petroleum products from either imports through Kenya and Tanzania or the planned Uganda refinery. It will also serve as a central hub for refined products infrastructure from Kenya through Uganda to Rwanda.

Investment Requirement and Revenue Forecast

The KST project will require capital investments currently estimated at US\$320 Million to complete construction of all the phases. In the medium-term, UNOC will focus on Phase-1 that will cost US\$140 Million. After taking Final Investment Decision of the project, UNOC will need to meet the capital expenditure for its share of participating interest.

Bulk Fuel Trading

Government of Uganda (GoU), through the Ministry of Energy and Minerals Development (MEMD), authorized UNOC to engage in bulk petroleum trading to support the development and maintenance of national fuel reserves, ensuring stability during supply chain disruptions. Until recently, (November 2023) when GoU granted, UNOC an exclusive license to import all fuel on behalf of the state, Uganda's licensed Oil Marketing Companies (OMCs) were importing and distributing petroleum products, including fuels, bitumen, LPG, and lubricants, either in bulk to commercial customers or through retail fuel stations as mandated by regulations.

Your Partner in Uganda's Oil and Gas Sector

As the National Oil Company, UNOC has a mission to sustainably develop and manage the state's commercial interests in the petroleum sector, contributing to Uganda's socio-economic transformation.

For more information, visit www.unoc.com