

New licensing round for Angolan oil & gas sector in 2019

Angola has developed a strategic plan to attract new players to its established oil and gas sector, with a licensing round in 2019 and by opening up marginal fields based on new 2018 legislation. The measures will encourage new participation and investment from Angolan, African and international independents in the country's oil and gas sector.



Photo: Angop

Keen to bring new life to Angola's oil sector, which has seen a decline in discovered oil reserves and the maturing of producing fields, the 2019 licensing round, which will include onshore and offshore blocks in the Congo, Namibe and Cunene basins, will boost exploration potential with the ultimate aim to increase production from the country's current levels of 1.49-million barrels of oil per day.

"If we do not conduct the exploration works and find new reserves, we will not be able to maintain the current levels of production," says Diamantino Azevedo, minister of mineral resources and petroleum. "We have to work on the perspective of finding new oilfields to sustain the desired production, based on the goals set by the government."

In line with Angola's decision to promote access to marginal fields, the government has established guidelines for marginal operators by presidential decree. According to the law, marginal fields are characterised by at least one of many factors. These include: recoverable resources of less than 300-million barrels; water depth exceeding 800 metres and/or income to the state less than \$10.5 per barrel. The law also provides different tax structures for marginal fields.

“There is an antiquated perception that Angola as an oil and gas market is only for the big boys,” said Guillaume Doane, CEO of Africa Oil & Power, organiser of Angola Oil & Gas 2019. “Through marginal fields, Angola is attracting a greater diversity of exploration and production players that can operate smaller onshore and shallow water resource plays. In the next decade Angola can achieve historic developments through marginal fields similar to what Nigeria accomplished in recent years.”

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