



# GREAT LAKES ILLUSTRATIVE PROJECTS

## UGANDA OIL REFINERY



<b>Project Country (ies)</b>	Uganda
<b>Project Sector</b>	Mining – Petroleum Refinery
<b>Project Source/Sponsor/Funder(s)</b>	Uganda Government (Seeking private sector participation via a PPP)
<b>Investment Opportunity</b>	Engineering, oil refinery systems management, procurement services
<b>Stage of Project:</b>	RT Global Resources selected as preferred bidder and construction was due to commence in 2015.
<b>Type of Project:</b>	Development of an oil refinery
<b>Duration of Project:</b>	3 years (2015 – 2018)
<b>Cost of Project:</b>	US\$2.5 billion
<b>Funding Available:</b>	US\$2.5 billion
<b>Funding Gap:</b>	Unknown



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### Description of the Project

According to the Ugandan government in April 2015, the country has proven crude oil reserves of 6.5 billion barrels, at least 1.5 billion of which is recoverable. The International Monetary Fund was quoted in 2013 as saying that these reserves are the fourth-largest in sub-Saharan Africa, behind Nigeria, Angola, and South Sudan.

A feasibility study conducted by Foster Wheeler Energy Ltd in 2010/11 recommended a 60 000 barrel per day refinery be constructed and would be commercially viable. It projected a Net Present Value (NPV) of \$3.2 billion at a discount rate of 10% and an Internal Rate of Return (IRR) of 33%.

Following a tender process commencing in October 2013, a consortium led by Russia’s RT Global Resources was selected as the preferred bidder to develop a refinery in Uganda. The consortium selected also includes the Russian oil producer Tatneft, and the investment banking unit of Russian bank VTB, VTB Capital, as well as South Korean conglomerate GS Group. UK oil exploration and production company Tullow Oil, French oil major Total and Chinese national oil company China National Offshore Oil Corporation are responsible for developing the project’s fields. The South Korean consortium led by SK Engineering & Construction Company had been named the alternate bidder for the refinery.

The refinery aims to process 60,000 barrels-a-day. The refinery will be developed under a PPP with the lead investor taking 60% stake and the remaining 40% equity to potentially be split between the Governments of Uganda, Kenya, Tanzania, Rwanda and Burundi. The refinery will be developed in phases, with the initial phase producing 30,000 bpd before gradually increasing to 60,000 bpd. The cost of the project is expected to be around US\$2.5bn.

The refinery and the oil field are both expected to come to stream around 2018 and serve the national and regional markets.

### Further Information

Website:  
[www.oilinuganda.org/categories/infrastructure](http://www.oilinuganda.org/categories/infrastructure)