

**\*PRESS RELEASE\***

**\*DEVELOPMENT OF A GREENFIELD OIL REFINERY IN UGANDA\***

KAMPALA, August 7 2017 – The Government of Uganda has agreed core project terms for the Uganda Refinery Project with the Albertine Graben Refinery Consortium (AGRC) for the development of a greenfield oil Refinery to be located in the southwestern district of Hoima in Uganda. This follows a thorough review process of over 40 companies that expressed interest to develop the much anticipated oil refinery.

The AGRC consortium is made up of General Electric (GE) Oil and Gas, YAATRA Ventures LLC, Intracontinent Asset Holdings Ltd (IA) and Saipem SpA, in the role of Engineering, Procurement and Construction partner (EPC).

The Consortium has proposed to Government a financing approach and a path to establish, develop and operate a commercially viable refinery company with a strategic benefit to the country and the region.

The agreement of the core project terms signals the start of Government discussions and negotiations with the Consortium on the Project Framework Agreement (PFA). The PFA will detail the proposed solutions, validation of the solutions, risk mitigation measures, and additional due diligence necessary for accelerating investments and financing for the project.

The Project Framework Agreement is expected to conclude and be signed within the next 2 months. The Consortium will have the benefit of exclusivity during this period of negotiations and should the parties agree on all terms, the Consortium will be granted the rights and licenses to develop and manage the refinery as lead investor in a joint venture partnership with Government.

The signing of the Project Framework Agreement will in turn pave the way for commencement of pre-Final Investment Decision (FID) activities such as Front End Engineering and Design (FEED), Project Capital and Investment Costs Estimations (PCE), Environmental and Social Impact Assessments (ESIA), among others.

The oil refinery is expected to spur growth of petro-chemical and other related industries in Uganda.

Dr. Stephen Robert Isabalija

PERMANENT SECRETARY

MINISTRY OF ENERGY AND MINERAL DEVELOPMENTS