

- **Oil in Angola, what's the current situation and the way forward ?**

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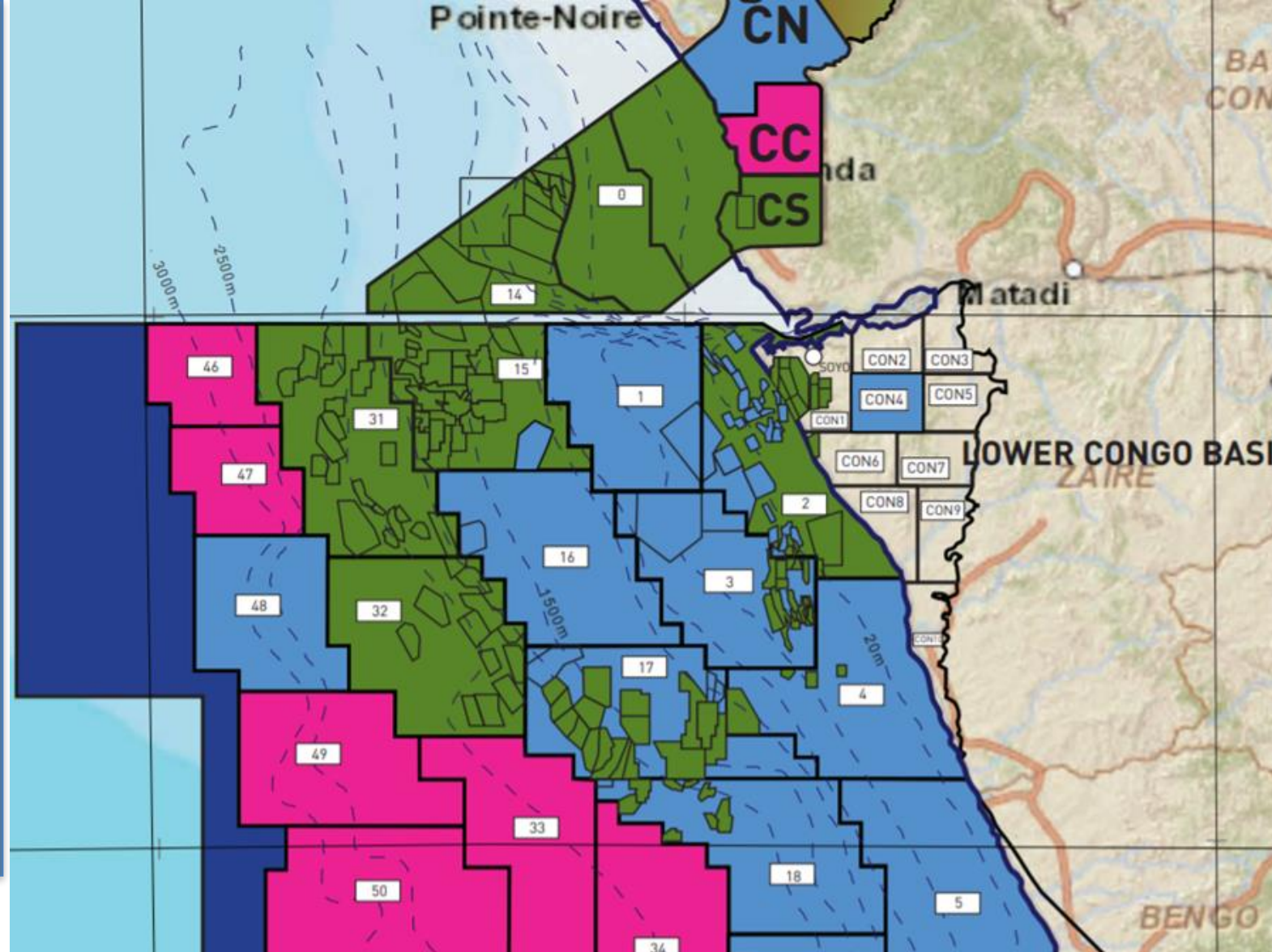
What's the current oil context?

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- **A bit of history**
 - Massive exploration since the 1950' (onshore, shallow offshore)
 - Production in early 1960'
 - José Eduardo Dos Santos era has been marked by major projects developed especially during the golden decade 2002/2015 where output has been doubled due to political and security stability
- **Since Lourenco**
 - Constant GDP decrease since 2016
 - Oil output has passed from 1.8 million b/d in 2015 to 1.2 million now
 - Better relationship with donors (IMF agreed for 3.7 billion \$ in 2018)
 - Total is clearly the front runner acquiring lots of new blocks (operating 45% of the production) and entering downstream sector
 - ENI and Equinor seems also willing to stay and invest

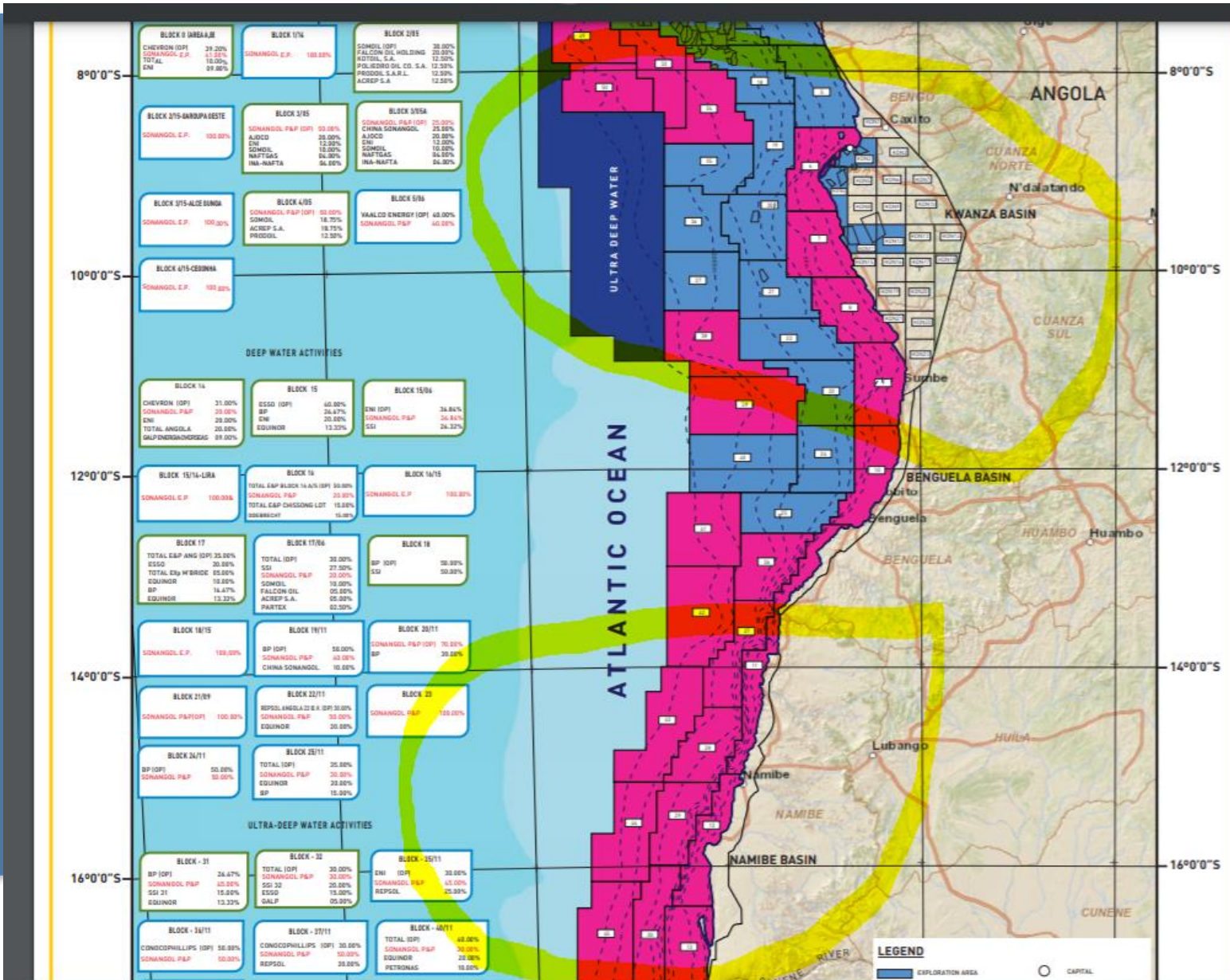
Producing blocks in decline

- The past and the near future



- Block 0 (Chevron) renegotiation of fiscal terms in 2019 to limit the output free fall
- Blocks 14 (Chevron) and 15 (ExxonMobil) reached 800 000 b/d ten years ago but free fall since a decade
- Block 17 (Total – Pazflor, Girasol, Dalia, CLOV from 2001 to 2014) – lots of investments to remain above 400 000 b/d. Extension of license until 2045
- Block 15/06 (ENI) – 155 000 b/d – new developments ahead
- Gradually (within 10 years) some of these blocks will be sold for newcomers specialized in mature fields

Where does the oil future lie?



- **In lower Congo Basin:**
 1. Block 2/05 (Somoil is slow/Espadarte)
 2. Block 32 (since 2018 with Koambo/ 2 wells in 2021 by Total)
 3. Block 16 (Total)

- **Ultra deep water**
 1. 48/49 (Total – one key well in 2021)

- **Kwanza basin future development**
 1. 20/11-20/09 (Total ex Cobalt)

- **Namibe banin**
 1. (ExxonMobil – 30, 44, 45). Under negotiation with ANPG: Total-Equinor-BP (29), Eni (28)

How Lourenço shaped oil sector since 2017

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- Lourenço's administration is very open to negotiation (Local content, fiscal terms - Chevron on block 0 - , better work program) – dramatic situation forced a change of mindset
- The new oil sector organization allows better sharing power between actors
 - Creation of a regulatory body (ANPG) – to tame Sonangol
 - Technocrats at the helm of institutions and not only party men (they are however)
 - A minister of oil in charge of the sector and not only someone below Sonangol chairman (like during Joaquim David, Manuel Vicente or Isabel Dos Santos eras)
 - Projects of refineries in Cabinda and Lobito (not financed). Although Luanda is just supplying 1/3 of needs, is it a good idea ?
 - The storage of petroleum products in Barro do Dande terminal : white elephant to get rid of Trafigura ?

What is the future for oil sector in Angola?

- It seems highly unlikely Sonangol will ever reach its peak of 2015 (1.8 million barrels per day).
- 800 000 b/d is expected in few years if no MAJOR discoveries are made soon
- BP ? ExxonMobil ? – what do they want in post covid-era ?
- It seems the main role of the minister will be to find ways to limit the free fall of production and not to expand current output
- There is not very much hope on gas side with Soyo plant (5,2 million tons)
- **ANGOLAN GOVERNMENT SHOULDN'T BET TOO MUCH ON HYDROCARBONS**
- The DRC/Angola maritime border can become a problem for Angola if Tshisekedi becomes strong – very hypothetical at this stage -. An arbitrage cannot be favorable to Luanda if DRC decides to go for international court (Hamburg or ICJ)

