

## Angolan Hydrocarbon Exploration Strategy 2020-2025

The Angolan Hydrocarbon Exploration Strategy for 2020-2025 (the “**Strategy**”) was approved and has just been published in Presidential Decree 282/20, of 27 October. The main goal of the Strategy is to incentivise the replacement of reserves and mitigate the decline of oil and gas production in Angola.

The strategy is based on the following 4 fundamental pillars:

- a) **Pillar 1:** Availability of and accessibility to the areas of the Sedimentary Basins in Angola for exploration purposes.

**Objective:** carrying out of geochemical and cartographic survey of all Basins (onshore and offshore) to assess the area available and accessible for exploration.

**Estimated cost:** USD 37,500,000.00.

- b) **Pillar 2:** Expansion of geological knowledge and access to oil and natural gas resources.

**Objective:** this action will be implemented in 3 ways:

- i. Unconventional resources: assessing the potential of the 21 onshore blocks to be auctioned between 2020 and 2023 and the possibility of introducing hydraulic fractionation techniques (fracking);
- ii. Ultra ultra-deep zones: Negotiation of the 4 available blocks in the Baixo Congo Basin by 2022 as well as division of an area of 61.380km<sup>2</sup> of the Kwanza and Benguela Basins by 2024 into 12 blocks to be auctioned in 2025;
- iii. Natural Gas: Assessing the potential of 33 blocks in the Baixo Congo, Kwanza and Benguela Basins and Onshore Basins by 2025.

**Estimated total cost:** USD 19,800,000.00.

*The main goal is to incentivise the replacement of reserves and mitigate the decline of oil and gas production in Angola.*

*There is a clear investment on unconventional resources.*

- c) **Pillar 3:** Ensuring the successful execution of the general strategy for the allocation of oil concessions in Angola.

**Objective:** Evaluation of the 45 blocks included in the National Concession Allocation Strategy that was approved in 2019 to be auctioned, as well as evaluation and division into Blocks of the Interior Basins, ensuring that 20% of these Blocks are available for bidding by 2025.

**Estimated cost:** USD 1,225,000.00.

- d) **Pillar 4:** intensification of research and evaluation in all Concessions and Free Areas

**Objective:** this action will be implemented in 2 ways:

- i. Incentivise the exploration within the Development Areas, to maximize the exploration of oil resources in the Concessions, through the evaluation and drilling of 51 opportunities in the development areas, with estimated resources of 13.831 MMBO by 2025.

**Estimated cost:** USD 17,475,000.00.

- ii. Promote Drilling Opportunities in Concessions, Free Areas and New Exploration Zones. Particularly regarding the Free Areas, 33 blocks are expected to be evaluated by 2024, 10 of which in the Baixo Congo Basin and 19 in the Kwanza Basin and 4 in the Benguela Basin. Concerning the New Exploration Zones, the plan is to divide the Interior Basins into Blocks by 2022 and to divide an area of 61.380 km<sup>2</sup> of the Ultra Ultra-Deep areas of the Kwanza and Benguela Basins in 61 Blocks by 2024 for bidding from 2025.

**Estimated cost:** USD 112,523,000.00

The Strategy foresees the creation of conditions for the discovery of approximately 40 to 57 BBO (STOOIP) as well as between 17.5 and 27 TCF (GIIP) of natural gas, totalling additional resources in the region of 43.06 - 61.6 BBOE, in order to keep national production above one million bpd barrels per

*The Strategy foresees the creation of conditions for the discovery of approximately 43.06 - 61.6 BBOE, to keep national production above one million bpd barrels per day until 2040.*

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A total investment of USD 867.000.000 is estimated, comprising USD 679.000.000 for the “Multi-Client” acquisition of geological data, which is expected to attract foreign investments and about USD 188.000.000 for studies to be carried out using ANPG’s own appropriation budget.

***A total investment of USD 867,000,000 is estimated, to be performed by both the Angolan Government and IOCs***

With regard to investment sources, the Strategy foresees the following 3 business models:

- a) State Investment: to be used in the Interior Basins for the acquisition of data and the evaluation of the Petroleum System;
- b) “Multi-Client”: to be used in studies to be carried out in the areas of Ultra Ultra-Deep waters of the Baixo Congo, Kwanza and Namibe Basins, including an area of 50.00km<sup>2</sup> of 3D seismic (estimated investment amount of USD 626.250.000,00) and 21.475km<sup>2</sup> of 2D seismic in the Namibe Basin (estimated investment amount of USD 53.687.500,00);
- c) Joint Investment: to be used in the evaluation of the oil potential in the areas of the Baixo Congo, Kwanza, Benguela and Namibe Basins.

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