

## PROGRAM

### DAY 1 – 24 APRIL 2017

08:30 Registration and early morning refreshments

10:00 – 11:30

Official Conference Opening Ceremony and Exhibition

Opening remarks by the MC:

Welcome Message: Mayor of Poto-Poto

Address of the Official Principal National sponsor

Private Sponsors speech

Message from the Minister of Hydrocarbons

Opening speech: Prime Minister, Head of Government

Official visit of the stands

11:30 – 12:30 – Session 1

The New Petroleum Code – Expanding  
Congo's Oil Industry

Sponsored by:



12:30 – 13:30 Networking Lunch

Sponsored by:



13:30 – 14:30 – Session 2

Bid rounds and Opportunities

14:30 – 15:30 – Session 3

Major Activities, Updates and Future Expansion  
Plans

15:30 – 16:00 Networking Coffee Break

Sponsored by:



16:00 – 17:00 – Session 4

Mature Fields and Opportunities to Integrate  
New Contract Groups

17:00 – Close of Day 1

18:00 – Official Cocktail Reception

Sponsored by:



### DAY 2 – 25 APRIL 2017

08:00 Morning Coffee

08:30 – 09:30

Establishing a Solid Gas Industry

09:30 – 10:30 – Session 6

The Development of Oil and Gas Technology

10:30 – 11:00 Networking Coffee Break

Sponsored by:



11:00 – 12:00 – Session 7

Infrastructure and Aligned  
Opportunities

Sponsored by:



12:00 – 13:30 – Session 8

Downstream Activities

13:30 – 14:30 Networking Lunch

Sponsored by:



14:30 – 15:30 – Session 9

Financing Hydrocarbon Development  
in the Republic of Congo

15:30 – 16:30 – Session 10

Creating Wealth Locally across the Energy  
Value Chain

16:30 – 18:00 – Session 11

Environmental and Social Impact Management  
for the Petroleum Industry

18:00 - Final communication and closing of the event

18:30 – 19:30 Cocktails

Sponsored by:



20:00 – 23:00 Official Gala and Presentation  
of Certificates of Gratification by The Prime  
Minister, Head of Government  
ELBO Hotel

Sponsored by:



### DAY 3 – 26 APRIL 2017

08:00 -13:30 WORKSHOP 1

Challenges in organising and regulating  
a distribution network in the downstream Sector

08:00 - 11:00 WORKSHOP 2

Relations with the communities- project management  
and arbitration

11:00 - 14:00 WORKSHOP 3

Adequacy of skills and hr availability in  
the congo-golfian petroleum industry

09:00 – 14:00 Exhibition

## CIEHC REPORT 2017

From 24 to 25 April 2017, the 3rd edition of the International Conference and Exhibition on Hydrocarbons in the Congo (CIEHC) was held in the auditorium of the Palais des Congrès in Brazzaville.

The opening and closing ceremonies were held under the patronage of His Excellency Mr. Denis SASSOU NGUESSO, President of the Republic of Congo, and inaugurated by Mr. Clément MOUAMBA, Prime Minister of the Republic of Congo.

The opening ceremony comprised of four speeches were delivered by:

- the Administrator-Mayor of Borough 3 Poto-Poto, representing the Deputy Mayor of the city of Brazzaville;
- Jérôme KOKO, Managing Director, Chairman of the SNPC Management Board
- Pierre JESSUA, Managing Director of TOTAL E & P Congo;
- The Honourable Jean Marc THYSTERE TCHICAYA, Minister for Hydrocarbons and
- His Excellency Clément MOUAMBA, Prime Minister, Head of Government.

There was a tone of optimism in the speeches of SNPC and Total E&P Congo, who centered their remarks on the economic climate created by current oil barrel prices. Both speakers carried the belief that, through a constructive dialogue between all stakeholders in Congo's petroleum industry, the sector can continue to grow and contribute to the sustainable development of the country.

In his speech, the Minister of Hydrocarbons highlighted the importance of this 3rd edition of the Conference, being one of the major events on oil and gas in Central Africa and, for the country, as part of the major national strategies included in the government's program by His Excellency SASSOU NGUESSO, President of the Republic of Congo. The Minister went on to say that: "Despite the difficult economic context, and the many challenges that the national industry must still overcome, the prospects are good and numerous. This is indicated by the upward trend in production, expected to be over 232,000 bpd for 2016, 282,000 bpd in 2017 and exceeding 350,000 bpd in 2018."

After discussing the difficult international context for the oil industry, the Prime Minister highlighted the role of hydrocarbons in the national economy, its impact on public revenues and exports, as well as on direct and indirect employment. The Prime Minister emphasized that one of the priorities of the country is the diversification of the national economy, and that the oil & gas sector would be the key to unlocking Congo's potential.

The Prime Minister stated that some of the challenges facing the Congolese petroleum sector, included:

- Adapting to the current international market conditions, especially low prices
- Increasing local processing and reducing raw product exports
- Optimizing management of environmental impact

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- upgrading and transformation of gas for the industrialisation and diversification of the national economy
- Establishing measurable criteria for assessing the impact of Local Content and Social Responsibility activities

The Prime Minister praised the fact that the theme of the conference focused on the Challenges and Perspectives for Congo's petroleum industry, and called on the representatives of the industry to engage with the government and face these challenges head on, confident that they would be overcome.

The 3rd edition of the International Conference and Exhibitions on hydrocarbons in the Congo was officially opened at the end of the Prime Minister's intervention.

The visit to the stands closed the opening ceremony. Forty-eight (48) companies, including seven (7) not located in Congo, participated in the exhibition.

Eleven (11) sub-themes arising from the central theme were addressed:

### **Session 1: The new petroleum code – Expanding Congo's oil industry**

The first session of the program served to introduce the audience to the specifics of the New Petroleum Code. Representing both public and private sector institutions, the speakers outlined the specifics of the new code, the advantages it offers to operators, environment and local content provisions.

### **Session 2: Bid rounds and Opportunities;**

The Republic of Congo is currently promoting eight open blocks in the deep and ultra-deep offshore of the Coastal Basin together with five blocks contained in the onshore Congolese Cuvette Basin. The results of the current bid round are expected to be announced in the first half of 2017, with a new bid round for the promotion of open blocks in the shallow offshore (5 blocks) and onshore areas of the Coastal Basin (4 blocks), to start still this year. Session 2 focused on the opportunities that were present on the areas being promoted, as well as offering insights into the processes of the bids.

### **Session 3: Major Activities, Updates and Future Expansion Plans**

Congo's current production is expected to go over 232,000 bpd in 2016 and for 2017 to exceed 282,000 bpd and by 2018 a production of 350,000 bpd. This session looked on how these production goals will be met and how new projects are going to contribute to this.

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A key highlight of the presentations was Total's Moho Nord offshore project, located 75 kilometers offshore Pointe-Noire, the project has a production capacity of 100,000 bpd, making it one of the biggest developments to date in Congo.

We also saw the updates on the Mengo-Kundji-Bindi project, which marks SNPC's first experience as an operator, and its synergies with the Banga-Kayo project. Perenco presented on the redevelopment of the mature field of Likouala, which first started production in 1980, citing it as a good example of a mature field that will be redeveloped to profitability despite the adverse market conditions.

Eni presented on recent developments, including Litchendjili Gas, the electrical power station CEC and highlighting the progress of Marine XII project; overall the presentation linked how the development of these projects are contributing to the sustainable development of the country.

### **Session 4: Mature fields and opportunities to integrate new contract groups**

The currently 14 mature fields, located onshore and offshore in the Congo Sedimentary Basin make for the bulk of Congo's current production.

Hemla E&P Congo, a relatively new player in Congo, is looking forward to utilizing its experience in redeveloping mature fields, they are partnering up with SNPC, Perenco, AOGC, Kontinent and Petro Congo on the development of the PNGF Sector Sud fields; the presentation focused on their previous experience, their partnership in Congo and an evaluation of pre-Salt opportunities.

Total's presentation focused on the works being done in existing fields to "fight back the decline", noting the Enhanced Oil Recovery pilot that will verify the feasibility of soluble gas injection, in order to lower viscosity of the oil and therefore increase production.

AOGC presented on their project in Pointe Indienne, an area that has seen production since 1960, and the challenges and plans in place to increase oil production and applications of the gas that exists in the area.

The session's last case study looked at Perenco's reactivation of the Emeraude Nord field, a field in production since 1972 and operatorship given to Perenco in 2001, touted as excellent example of an ultra-mature field.

The session overall made a very good case for operatorship of mature fields, highlighting the need to understand thoroughly the challenges in place and to leverage new technologies can maintain profitable levels of production.

### **Session 5: Establishing a solid gas sector;**

The Republic of Congo has reduced the percentage of associated gas flared from 60% in 2008 to 16% in 2015. This trend has continued beyond 2015 enabling Congo to meet its commitments to

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reduce the emission of greenhouse gases under COP21 agreement. The Ministry of Hydrocarbons opened the session showing the multiple opportunities that gas can bring to the national economy, from Gas to Power, Gas for new industries, LNG exporting and conversion to fertilizers, among other usages. The CEC project, a gas power plant with an installed capacity of 300 MW, was on focus during this session, namely how it can meet the demands of some of the industrial consumers of power in the country and contribute to transforming Congo into an exporter of Gas. Finally, we heard from New Age Energy who claimed that true valorisation of gas laid in exporting which will not only bring increased revenues to the country, but also the creation of specialised employment opportunities. The CBLNG project is expected to be completed by the 3rd quarter of 2021.

### **Session 6: The development of oil and gas technology;**

The technology is evolving rapidly in the oil and gas fields as well as in the processing of hydrocarbons. Presenters agreed that, with the current economic climate and with the prices of oil so low, now is the time to really leverage technology to ensure the sustainability of oil and gas projects.

### **Session 7: Infrastructure and aligned opportunities;**

Developing and monetizing oil and gas resources requires efficient and well-maintained infrastructure, including access to electricity, transit corridors, storage facilities, etc. The development of these infrastructures also leads to investment opportunities. During the session, we heard from CPS-ILOGS, who showcased the advantages that the logistics base brings to the industry and future plans for development. The development of the pipeline Point-Noire-Yie-Oyo-Ouessou was presented by SNPC, allowing affordable products to be available and in sufficient quantity throughout the country. Bollore contributed with a more global perspective and the need for partners with international experience.

### **Session 8: Downstream Activities;**

Developing downstream activities such as i.e. petroleum refineries, petroleum product distribution, retail outlets and natural gas distribution companies can further increase revenue from the hydrocarbon sector for both private and public players. The Ministry of Hydrocarbons opened the session listing the opportunities that the national downstream sector has available, while SCLOG took the opportunity to look at the challenges of the downstream industry and where we can see it grow. CORAF spoke about the project to expand and remodelling the facilities of Congolaise de Raffinage, believing that it will be the only way to meet the national demand of the next 10 years. SNPC D seemed to share the sentiment of growing demand for the next 10 years, saying that its distribution network still has many years ahead of profitable business. With the largest distribution network, Total's presentation highlighted the impact that the economic and social benefit their distribution network has brought Congo, by the creation of jobs or through social campaigns.

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### **Session 9: Financing hydrocarbon development in the Republic of Congo ;**

Financial investment and long-term commitment are vital to the development of the hydrocarbon sector. Given the current instability of oil prices, there are many challenges associated to attracting financing for projects in Africa. Centurion Law Firm noted the need for governments in Africa developing clearer legislative and fiscal frameworks, standardising power purchase agreement models and more effective rating systems, in order to make their countries more attractive for investors. APPO put forward that cooperation between African petroleum producing countries would be essential in order to optimize efforts in the developing an effective hydrocarbons industry to creates a self-sufficient energy industry in Africa. DMWA offered the perspective of a commodity trader, breaking down the different stages of downstream financing, while showcasing the benefits that commodity financing can offer companies in production or going into production soon. API Congo, the Investment Promotion Agency of Congo, highlighted areas outside of the Hydrocarbons industry that are lacking in investment that can create profitable ventures while at the same time creating the infrastructure necessary for a more sustainable hydrocarbons industry.

### **Session 10: Creating Wealth across the entire energy value chain;**

Local content is defined in the Hydrocarbons Code as the "range of activities geared towards the development of local capacity, the utilization of local human resources and materials, local skill training and competence development, technology transfer, the utilization of local goods and services, and the creation of measurable initiatives that increase and improve the local economy". The Ministry of Hydrocarbons and SNPC presented on the specifics of local content, in terms of implementation and the legal definitions in the current Oil code. Total presented on some of the initiatives that have been in place that match with the definition of local content defined.

### **Session 11: Environmental and social impact management for the petroleum industry**

Meeting the challenges of environmental conservation and social impact is essential for any company operating in the oil and gas industry. The Ministry of Hydrocarbons's Directorate of Anti-pollution spoke about the legal requirements for operating companies, how environmental impact is measured as well as some of the challenges faced in ensuring environmental standards. SOCO presented the case study of the drilling at Baobab-1, including an overview of SOCO's policy on environmental and social impact management, while Total presented on the environmental issues facing producing assets. SBV consulting took it a step further, tying the subject of the session with the principles of Corporate Social Responsibility. Engineering, Petroleum & Industries, argued for the need of an open dialogue with the main companies engaging in environmental and social impact studies(ESIS), in order to create and implement standardized methods for ESIS.

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These sub-themes allowed participants to have information on:

- the legal and fiscal framework of the Congolese oil sector,
- the existence of the free mining estate and in promotion,
- Development projects for companies operating in Congo,
- the opportunity for new companies to integrate the Congolese oil sector,
- the existence of investment opportunities in the gas sector.

Information on oil downstream, environmental and social impact management was also provided.

The discussions after the presentations enabled the participants to better understand the hydrocarbon sector and the possibilities for investment.

All the presentations as presented by the speakers of the Conference are available on the website at: <http://ametrade.org/ciehc/presentations/>

If you do not receive the access password for the presentations during the event, or if you did not participate at the event at all, kindly contact [ciehc@ametrade.org](mailto:ciehc@ametrade.org)

In closing:

Mr Clément MOUAMBA reiterated the importance of this conference for the Republic of Congo to attract investors and present them with business opportunities generated by the Hydrocarbon Sector, "We are responsible for the future compliance with these challenges. With regard to the resources overflowing our country." The Government, as it always is, shall be open to any discussion aimed at promoting possible Investment in this important sector of the national economy.

**Done at Brazzaville, 25 April 2017**