

THE OIL AND GAS
LAW REVIEW

FIFTH EDITION

Editor
Christopher B Strong

THE LAWREVIEWS

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PREFACE

2017 has been a transitional period for the international oil and gas industry.

With the industry enduring a third straight year of low oil prices, and with no prospects for a significant increase in sight, participants in the industry have been forced to adapt. Oil companies must continue to be disciplined, allocating scarce capital only to their best prospects, and shelving less promising projects for future years. Some in the industry have already started to worry that by reducing capital expenditures the seeds of a future price shock are being sown.

Oil-producing countries have been in a similar pinch. Having become accustomed to triple-digit oil prices, the 'new normal' of US\$50 oil has produced a grim budgetary reality. Producing countries that had only recently tightened fiscal terms in response to high oil prices must now considering loosening them again in order to attract investment. In Saudi Arabia, the world's largest producer, plans are afoot to sell a minority stake in the company to foreign investors in order to raise cash to diversify the country's economy, a move that would have been unthinkable a few years ago.

Yet amid the ongoing turbulence there are opportunities. The necessity for existing companies (many of which are over-leveraged and cash strapped) to offload parts of their portfolios will create opportunities for new, leaner competitors to arise. US shale producers, whom many were prepared to write off in the low oil price environment, have made dramatic improvements in efficiency and learned to calibrate their acreage to different oil price environments, focusing on their richest prospects when prices are low and adding lower-value opportunities as prices escalate. Among the major oil exporting countries, low oil prices have provided the impetus for long-needed structural reforms to diversify their economies beyond the extraction of petroleum.

The international oil and gas industry has always been cyclical. Although the last three years have been eventful, they are by no means the first downturn the industry has faced, nor the last. I have no doubt that the years ahead will continue to present challenges and opportunities for practitioners in this most dynamic of industries.

As always, I would like to thank our contributing authors for their outstanding contributions to this year's edition of *The Oil and Gas Law Review* and also the publishers at Law Business Research for their tireless work in bringing this all together.

Christopher B Strong

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ANGOLA

Rui Amendoeira and Miguel Soares Branco¹

I INTRODUCTION

According to OPEC's latest data, in the first two quarters of 2017 Angola was Africa's top oil producer, surpassing Nigeria.² Revenues from oil production represent around 45 per cent of the country's GDP and crude oil accounts for 97 per cent of Angola's exports. Taking into account the country's dependence on the oil industry, it is not surprising that Angola has been hindered by the continuous low oil prices. Despite Angola's efforts to diversify its economy and foster other industrial sectors, slowdown in foreign investment alongside with rising inflation levels, lack of foreign currency and the 'informal' depreciation of the Angolan kwanza have brought challenging times to both the government and the national oil company Sociedade Nacional de Combustíveis de Angola, Empresa Pública (Sonangol). However, the country still sits on top of 9.52 billion barrels of remaining proven crude³ that has the potential to foster its economy. Conservative estimates attribute to Angola some 0.8 per cent of OPEC proven reserves and 0.65 per cent of global proven reserves.

From a political standpoint, Angola has been committed to create conditions for stability and good governance. Recent measures introduced by the Angolan Executive indicate that the country is well aware of the challenges ahead. In an attempt to revamp the petroleum sector, the government has begun the process of restructuring the petroleum regulatory system. The Decree 109/16 of 26 May 2016 approved the Model for Readjustment of the Petroleum Sector's Organisation and is expected to increase transparency and attractiveness for local and international investors. It is now reasonable to say that Angola is stepping up its game by offering desirable and stable investment in its oil and gas sector.

II LEGAL AND REGULATORY FRAMEWORK

Angola's oil production grew steadily at double-digit rates nearly every year from 2002 to 2008, following the end of the armed conflict in 2002. The flow of new investments in the petroleum sector required the consolidation of the existing legislation. In 2004 Angola

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2 OPEC Monthly Oil Market Report – August 2017, page 54. Available at [http://www.opec.org/opec_web/static_files_project/media/downloads/publications/OPEC per cent20MOMR per cent20August per cent202017.pdf](http://www.opec.org/opec_web/static_files_project/media/downloads/publications/OPEC%20per%20MOMR%20August%202017.pdf). [accessed on 10 September 2017]

3 OPEC's Annual Statistical Bulletin 2017, page 26. Available at http://www.opec.org/opec_web/static_files_project/media/downloads/publications/ASB2017_13062017.pdf. [accessed on 10 September 2017].

enacted the Petroleum Activities Law (Law No. 10/04 of 12 November 2004), the Petroleum Activities Tax Law (Law No. 13/04 of 24 December 2004) and the Petroleum Activities Custom Law (Law No. 11/04 of 12 November of 2004).

In recent years, Angola has approved new legislation in an effort to tackle the negative impact of low oil prices in the development of new and existing projects. Presidential Decree 2/16 of 13 July 2016, Presidential Decree 211/15 of 2 December 2015 and Presidential Decree 3/12 of 16 March 2012 are good examples of the new legal framework that Angola enacted to enhance the development of marginal fields and the strategic development areas while also granting incentives to national entities operating in the oil sector. In May 2016 Angola approved the guidelines to the new organisation model for the petroleum sector, which is expected to increase efficiency and transparency.

i Domestic oil and gas legislation

The legal framework applicable to the oil and gas industry in Angola includes:

- a* the Constitution of the Republic of Angola (2010);
- b* the Petroleum Activities Law (Law No. 10/04 of 12 November 2004);
- c* the Petroleum Activities Tax Law (Law No. 13/04 of 24 December 2004);
- d* the Petroleum Activities Customs Law (Law No. 11/04 of 12 November 2004);
- e* the Law on Public Tender Procedures for the Petroleum Sector (Decree 48/06 of 1 September 2006); and
- f* the Regulation on the Petroleum Activities (Decree 1/09 of 27 January 2009).

The Petroleum Activities Law introduced important changes to Angola's regime, despite maintaining some fundamental aspects of the previously existing petroleum law. The principle of state ownership of petroleum resources enshrined in the Constitution and the mandatory association with the national concessionaire for petroleum operations are the cornerstones of the petroleum regime in Angola. The Petroleum Activities Law appoints Sonangol as National Concessionaire. As National Concessionaire, Sonangol is granted exclusive mining rights for the exploration and production of petroleum resources. Association with Sonangol may take the form of a corporation, consortium and production sharing agreement (PSA). Oil companies are also permitted to carry out petroleum operations via a risk service agreement (RSA). Although Sonangol has entered into RSAs for blocks 9 and 21 offshore Angola,⁴ PSAs are overwhelmingly the most common form of association with Sonangol. The Regulation on the Petroleum Activities introduced in 2009 (Decree No. 1/09 of 27 January) complements the Petroleum Activities Law.

The Petroleum Activities Tax Law sets out the fiscal regime and the taxes levied to companies performing exploration and production activities in Angola. A tax on petroleum production is levied at a rate of 20 per cent on the value of oil production (lowered to 10 per cent if production derives from either marginal fields, deep-water reservoirs or in areas of difficult access as defined by the government). Upstream companies in Angola are also taxed on their oil profits at a rate of 50 per cent (in PSAs) or 65.75 per cent for the other contract types.

The Petroleum Activities Customs Law addresses the technical specificities of the industry, exempting from duties and general customs service fee the import of equipment

⁴ <http://www.cobaltintl.com/newsroom/cobalt-international-energy-inc.-announces-execution-of-risk-services-agree> [accessed on 10 September 2017].

and materials required for upstream activities, provided that such goods do not exist or are not available in Angola at a price that does not exceed more than 10 per cent of the cost of the imported item.

The Law on Public Tender Procedures for the Petroleum Sector aims at bringing transparency and efficiency to the public tender procedures of the concessions, by providing strict but clear qualification rules and deadlines.

ii Regulation

Upstream operations in Angola fall under the responsibility of the Ministry of Petroleum. This Ministry is responsible for setting the policies applicable to the oil industry and for supervising and coordinating the Angolan oil sector. Other Ministries, such as the Ministry of Finance, the Ministry of Labour and the Ministry of Environment also have regulatory powers and oversight on the activities carried out by operators and contractors.

Among others tasks, the Ministry of Petroleum is responsible for releasing new bidding rounds for upstream activities, approving pre-qualification requests from foreign companies before public tender procedures, applying fines and other penalties under existing regulations and proposing prices for crude oil.

According to Decree-Law No. 17/09 of 26 June 2009, the Ministry of Petroleum must also oversee the process of 'Angolanisation' of the upstream industry. This involves adopting policies towards the progressive integration of Angolan nationals in all levels of operation, the granting of fiscal benefits to companies owned by Angolan nationals and the mandatory contracting of national companies by operators (under certain requirements).

Sonangol is primarily responsible for entering into PSAs, following operations and, under the terms of each PSA as a member of the operating committee, approving any of the contract's annual work plan and budget. Sonangol's model PSA is publicly available and adopted in all new bidding rounds. Article 13 of the Petroleum Activities Law imposes mandatory association with Sonangol for any oil company wishing to carry out petroleum activities in Angola. The National Concessionaire (Sonangol) may also take part in the Consortium Group by means of association with Sonangol P&P, a fully owned subsidiary of the National Concessionaire dedicated to exploration and production activities.

iii Treaties

Angola is a signatory of several treaties and international conventions. In August 2016, by way of Resolution 38/16 of 12 August 2016, the parliament resolved on the country's accession to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the NY Convention), a key international arbitration instrument. Angola acceded to the NY Convention on 6 March 2017, which entered into force on 4 June 2017. The recognition and enforcement of foreign awards apply to those made in the territory of another contracting state and to the extent that differences arise out of legal commercial relationships, whether contractual or not, under the national law of the state making the declaration. Since the applicable arbitration rules in Angola are in accordance with the NY Convention, no changes to civil or procedural rules are to be expected.

Angola is also a signatory to the United Nations Convention against corruption (UNCAC) and the International Convention on Oil Pollution, Preparedness, Response and Co-operation (OPRC). These conventions are relevant considering that most petroleum operations are carried out offshore of Angola.

Although Angola has not concluded any double taxation agreements (DTAs), it has signed bilateral investment treaties (BITs) with Brazil, the United Kingdom, Cabo Verde, France, Germany, Italy, Portugal, Russia, South Africa and Spain.

III LICENSING

As previously mentioned in Section II, companies may only perform exploration and production activities in Angola by association with the National Concessionaire, usually through the form of a PSA.

The licensing round for a given block and association with Sonangol starts with the release of the relevant data of a given acreage or block by the Ministry of Petroleum. In order to be an associate of Sonangol, a company must comply with the requirements set out in Decree 48/06 of 1 September 2006. A public tender procedure should precede the awarding of the concession and execution of the relevant PSA. Any oil company, whether international or national, is required to pre-qualify with the Ministry of Petroleum so it can be eligible to form a consortium for petroleum operations. The requirements for qualifying with the Ministry of Petroleum may vary according to the specifications of the block on offer and the criteria set out in the bidding procedure. National companies fully owned by Angolan citizens are subject to fewer qualifying requirements.

Companies bid either alone or in a consortium group, which may, depending on the tender requirements determined by the Ministry of Petroleum, include Sonangol P&P. Bidding proposals are presented in Portuguese and assessed by a jury in up to 30 days. The jury may decide to accept solely one company as operator for the concession area. If this is the case, the remaining candidates are invited for proposals in a second tender procedure, where they may be chosen to also participate as associates of the National Concessionaire. The operator is typically the member of the consortium group with the higher participating interest.

In the end of the public tender, companies are qualified as associates of the National Concessionaire, thus becoming eligible to enter into a PSA with Sonangol.

IV PRODUCTION RESTRICTIONS

Bearing in mind that PSAs are the most common form of association with Sonangol for petroleum operations, ownership of petroleum produced is transferred to the associates of Sonangol outside or beyond the wellhead (Article 82 of the Petroleum Activities Law). Each associated company is entitled to freely dispose of its share of production in accordance with its participating interest in the PSA. Restriction to this entitlement can only be imposed by a mandatory requirement from the state and for the purpose of satisfaction of domestic consumption or by the government's right of acquisition in the event of a national emergency.

The participation of Sonangol or any of its associates in the satisfaction of domestic consumption requirements shall not exceed the proportion between the annual output derived from the concession area and the total annual output of petroleum in Angola nor exceed 40 per cent of the total output from the relevant concession area.

In a national emergency the restriction to production may involve not just part or all of a concession's output but also the use of the petroleum installations and equipment deemed necessary.

Under the current PSA model, Sonangol is entitled to purchase the contractors group's crude oil in value equivalent to the petroleum income tax due by the contractors group to the

Ministry of Finance, i.e., 50 per cent of its share of development area profit oil. This purchase shall be made at market price, meaning the price determined for the valuation of the crude oil is produced in accordance with Article 6 of the Petroleum Activities Tax Law.

As to price setting, Angola has set out a process of price liberalisation and ended the petroleum-derived subventions that in the past have played a relevant role in the Angolan economy, representing 3 per cent of the country's GDP in 2014. Executive Decree 706/15 of 30 December 2015 established the end of state subventions for petroleum products.

V ASSIGNMENT OF INTERESTS

At the outset, associates of the National Concessionaire may only transfer their interests to entities that fulfil the prerequisites for association, as set forward in Decree 48/06 of 1 September 2006. Transferees must be of financial and legal soundness and have the necessary technical expertise and financial means to respectively participate and fund exploration and production activities.

Article 16 of the Petroleum Activities Law equates the transfer of interests with the transfer of more than 50 per cent of the capital shares of an associate of the National Concessionaire to another entity (due to the effective change of control that will take place in the company holding participating interests in the PSA). Both the transfer of participation interest and the selling or acquisition of capital shares must be approved by the Ministry of Petroleum and Sonangol. These authorisations are only required if the assignment was made to a third party, not to an affiliate company of the assignor.

Moreover, Sonanagol has a preferential right on the transfer of participating interests, which it may exercise at any time before the sale. The structure of the transfer bears no significance in the current applicable regulations.

Under Article 20 of the Petroleum Activities Taxation Law, any profit derived from a transfer of interests is considered 'oil profit'. Oil profits are subject to a tax of 50 per cent or 65.75 per cent per cent, respectively, if the transfer occurs within a PSA or any other form of association with the National Concessionaire.

VI TAX

The Petroleum Activities Law (Law No. 13/04 of 24 December 2004) sets out the applicable tax regime to the upstream petroleum industry. A number of different taxes may apply.

A tax on petroleum production is levied at a rate of 20 per cent on the value of oil production. This tax is lowered to 10 per cent in the following situations:

- a* if due in relation to marginal reservoirs;
- b* if due in relation to operations in maritime depths of more than 750 metres; or
- c* if due in relation to operations in areas of difficult access, as defined by the government.

There is also a tax on oil profits. This tax is normally 65.75 per cent of oil profits. However, in operations within the scope of a PSA, this tax is lowered to 50 per cent.

Finally, there is a third tax, on petroleum transactions, which is 70 per cent. This tax is not applicable to PSA contracts, though. In addition, the petroleum transaction tax can be taken as a deduction against profit oil tax.

Of outmost relevance to foreign oil companies, Decree-Law No. 17/09 of 26 June 2009 provides for a contribution towards vocational training of Angolan workers. The exact applicable tax depends on the phase of ongoing operations.

Under Presidential Legislative Decree 3/12 of 16 March 2012, Angolan companies fully owned by Angolan citizens are exempted from payment of these specific taxes. Rather, these companies pay the standard VAT rate and other taxes applicable to internal commerce.

It is also worth noting that Law No. 14/15 of 18 August 2015 (the Foreign Investment Law) grants tax incentives to the service sector, namely in foreign investments that are either globally valued above 50 million kwanzas or to specific investment operations valued at over US\$1 million if they fulfil certain prerequisites.

The tax incentives may be granted in the following cases:

- a* if the foreign investment creates positions for Angolan workers, the investment may obtain an incentive ranging from 5 per cent to 12.5 per cent;
- b* depending on the global value of the investment, it may be granted an incentive ranging from 5 per cent to 12.5 per cent;
- c* if the investment is set up in developing areas of the country, as designated by the government, it may be granted an incentive ranging from 7.5 per cent to 15 per cent;
- d* if the investment is made in agricultural or fishing industries in the aforementioned areas, it may be granted an additional incentive ranging from 7.5 per cent to 15 per cent;
- e* depending on the volume of production destined to exports, the investment may be granted an incentive ranging from 7.5 per cent to 15 per cent;
- f* depending on the proportion of Angolan shareholders in the boards of the investing companies, it may also obtain an incentive ranging from 7.5 per cent to 15 per cent; and
- g* if the investment is estimated to create a significant impact on Angolan GDP, it may be granted an incentive ranging from 7.5 per cent to 15 per cent.

These tax incentives are granted as a reduction of taxable amounts.

VII ENVIRONMENTAL IMPACT AND DECOMMISSIONING

Petroleum-related activities in Angola are subject to specific environmental legislation and regulation. Nevertheless, the general provisions of the Environmental Law (Law No. 5/98 of 19 June 1998), and applicable regulation also apply to companies performing these activities.

As to the petroleum sector in particular, the Petroleum Activities Law refers that operators must take necessary precautions towards environmental protection. Article 75 provides for the existence of decommissioning plans, prepared by operators and the National Concessionaire to mitigate future environmental risk associated with the dismantling, abandonment and decommissioning of offshore facilities. Article 76 provides for the possible suspension of works in a concession area in case of an event that could possibly lead to environmental pollution. The Ministry of Petroleum is also entitled to visit and audit any concession area that may be non-compliant with the environmental legal requirements and, therefore, can pose a threat to the environment.

Decree 39/00, of 10 October 2000, applicable to petroleum operations, is in line with these preliminary environmental measures. Operators must present to the Ministry of Petroleum specific measures relating to environmental protection in individual exploration and production activities, such as environmental impact assessment studies or landscaping

recovery plans. They must also prepare waste management programmes and oil spill prevention and management plans. Article 19 of this Decree provides that operators that do not abide by these rules or any other environmental regulations may be forced to pay fines of up to US\$500,000.

As to decommissioning, one year prior to the end of the production period the National Concessionaire must, in collaboration with the operator, present the Ministry of Petroleum with a decommissioning plan for each operation. The model PSA states that associates of Sonangol are usually required to contribute, during operations, to a decommissioning fund.

Mostly due to the importance of offshore (and extensive deep-water) exploration and production activities, Angola approved specific regulations pertaining to oil spills and other environmental incidents, including Executive Decree 11/05 of 12 January 2005 and Resolution 87-A/08 of 22 December 2008. Whereas the former regulates the communication of oil spills, the latter approves the National Plan for Contingencies Relating to Maritime Oil Spills.

It should be noted that Angola is also signatory to several international conventions on oil spill and pollution at sea. Among others, Angola is a party to: (1) the 1969 International Convention Relating to Intervention on the High Seas in Cases of Oil Pollution Casualties; (2) the 1990 International Convention on Oil Pollution Preparedness, Response and Cooperation; and (3) the 1996 International Convention on Liability and Compensation for Damages in Connection with the Carriage of Hazardous and Noxious Substances by Sea.

VIII FOREIGN INVESTMENT CONSIDERATIONS

i Establishment

Article 9 of the Foreign Investment Law states that certain sectors, such as energy, telecommunications or tourism may only be invested in by foreign companies if it is in association with Angolan companies. Articles 12 to 16 state that a number of wide-ranging investment operations valued above US\$1 million are subject to approval by the Angolan National Bank.

Whether in theory investors are not required to incorporate a local Angolan vehicle for exploration and production activities in the country, in practice, most international oil companies (IOCs) will operate through an Angolan-registered subsidiary.

Investment benefits are granted to foreign investments globally valued at more than 50 million kwanzas or to specific foreign investment operations – only those allowed by the Foreign Investment Law – valued above US\$1 million. Namely, companies using foreign capital will be granted the status of an Angolan company, which may help with common taxes. Any private investment under these amounts may not resort to foreign or domestic credit, and may not repatriate funds to foreign parties without prior authorisation from the Angolan National Bank.

Additionally, as mentioned in Section VI, above, the Foreign Investment Law grants high fiscal benefits to service providers that fulfil certain prerequisites. These benefits, granted as a reduction of taxable amounts, are a good example of the government's recent measures to attract foreign investment and maintain global competitiveness.

Nevertheless, note should be given to possible practical limitations that investors may encounter when setting up a company in Angola. For example, investors may not be able to open bank accounts with Angolan banks – which are required for those seeking to become an associate of the National Concessionaire – if they do not operate through a local Angolan vehicle.

ii Capital, labour and content restrictions

As to capital restrictions, Law No. 2/12 of 13 January 2012 sets out the foreign exchange regime applicable to the petroleum sector.

Under Law No. 2/12, capital exchange operations comprise the purchase and sale of foreign currency and the use of bank accounts in Angolan or foreign currency. Transactions with foreign countries must be made with bank accounts registered with Angolan banks. Generally, all funds used in upstream operations are required to be deposited in accounts held by Angolan Banks. As a general principle, all transactions related to the acquisition of goods and services by operators must be notified to the Angolan National Bank.

As to labour restrictions, Decree-Law 17/09 of 26 June 2009, applies to the petroleum industry in Angola and follows a principle of progressive ‘Angolanisation’ of the industry. Applicable specifically to petroleum operations, this decree-law requires operators to hire Angolan workers to pursue all tasks that do not require a high level of know-how – and added value workers whenever that specific knowledge can be found in the Angolan workers’ market. Nevertheless, the hiring of foreign personnel must always be approved by the Ministry of Petroleum on a case-by-case basis. No discrimination of any kind is allowed between Angolan and foreign workers. Furthermore, operators must also enter into a ‘programme contract’ with the Ministry of Petroleum, setting goals in vocational training for Angolan staff. Operators must also contribute to a fund for the training of Angolan workers.

As a final remark on labour restrictions, the Foreign Investment Law determines foreign investors to mandatorily hire, whenever possible, Angolan employees.

Order 127/03 of 25 November 2003, applicable to the contracting of services by the oil industry, requires that, for all services that do not depend on a high level of know-how – in practice, everything that is not directly for exploration and production activities – operators must contract with Angolan companies whenever possible. The only exception is if the service is not found in Angola or the prices charged by Angolan companies are more than 10 per cent higher than the prices charged by their foreign counterparts. In some situations – to be analysed by the Ministry of Petroleum on a case-by-case basis – joint ventures between Angolan and foreign enterprises may be allowed. The same rules are generally applicable to the purchase of equipment and materials.

iii Anti-corruption

Angola’s main anti-corruption legal statute is Law No. 34/11 of 12 December 2011, the Law Against Money Laundering and Financing of Terrorism. The competent regulatory agency is the Ministry of Finance in association with the Angolan National Bank.

The state is also a party to a number of international and regional treaties and conventions relating to anti-corruption measures. Of special note are the African Convention on Preventing and Fighting Corruption, the Protocol Against Corruption of the Southern African Development Community, and the United Nations Convention Against Corruption.

IX CURRENT DEVELOPMENTS

On 26 May 2016, the Angolan Executive enacted the Model for Readjustment of the Petroleum Sector’s Organisation (Decree 109/16 of 26 May 2016). On the same date, Sonangol’s by-laws were amended by Decree 110/16 to include the appointment of an Executive Committee within the Board of Directors. These changes were made in order

to increase the level of efficiency of the oil sector, maximising the petroleum resources, eliminating unnecessary costs, increasing tax revenues and improving the stability of financial flows to the state.

Decree 109/16 of 26 May (the Reorganisation Model) was designed to take into account three main principles: (1) efficiency, as it purports to implement a tighter and more sustainable management of the state-controlled entities; (2) transparency, since it aims to bring specialisation and to prevent conflicts of interests between state-controlled entities; and (3) stability, as it does not affect the existing petroleum contracts and rights of investors, both national and foreign.

The Reorganisation Model brings some innovative aspects to the industry. It entails, *inter alia*, the creation of an Agency for the Petroleum Sector (the Agency), that will mainly function as a regulatory body, being responsible for the coordination, evaluation and regulation of the sector, preparing and negotiating the public tenders for granting the oil blocks, and resolving potential conflicts between the various industry stakeholders. It also creates the High Council for Motoring the Petroleum Sector (High Council) responsible for assisting Angola to exercise its shareholders rights in different companies and issuing opinions, defining strategies, multi-annual plans for the oil sector, and supervising the execution of investment plans. The Agency is an inter-ministerial body and the High Council is under the authority of the Head of State. The Reorganisation Model maintains the status quo of Sonangol as the exclusive national concessionaire – thus responsible for managing and monitoring petroleum contracts – and the regulatory powers and responsibilities of the Ministry of Petroleum and other Ministries with a relevant role in the sector, except as necessary to create and accommodate the Agency and the High Council. This restructure of the sector is an ongoing reform and is expected to be implemented in four phases.

The introduction of two new public players is in line with most recommended international practices. It is a clear sign of maturity that should be taken into account by all local and foreign investors. As stated previously, transparency was one of the main objectives of this reform, and it reflects the willingness of the Angolan government to increase the attractiveness of the oil sector.

Other changes and reforms to the legal framework may be expected, although there is no clear indication of when they will happen and what their content will be. It is, however, fair to say that Angola is taking advantage of the current harsher environment in the petroleum sector to pave the road for an economic growth based not only on petroleum revenues but also on the diversification of the economy. This can be consistently and successfully implemented in Angola, mainly due to the political, economic and social stability of the country.

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