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ANGOLA

PETROLEUM REGULATORY AGENCY

The new organization model of the Angolan petroleum oil industry calls for the establishment of a Regulatory Agency (the “Petroleum, Gas and Biofuels National Agency” or “ANPG”). The ANPG has just been created by way of Presidential Legislative Decree 49/19, of 6 February 2019.

What is the ANPG?

It is a governmental agency responsible for regulating, supervising and promoting the petroleum and gas activities in Angola. It will take up the role of National Concessionaire.

What are the ANPG responsibilities?

They are far reaching and include the following:

- Implement and execute national policies for the petroleum sector;
- Establish rules and programs for the exploration of oil & gas and evaluation/planning of reserves;
- Delineate concession/license blocks;
- Organize licensing rounds;
- Negotiate and conclude contracts with oil companies;
- Carry out technical and financial/tax audits of operators;
- Monitor and supervise petroleum operations/contracts;
- Issue an opinion on proposed transfer of participating interests;
- Maintain a database of technical & geological information/data;
- Acquire and market seismic/geological data;
- Promote training of local staff;
- Prepare legislative proposals for the petroleum sector.

Who will the ANPG replace?

Essentially, Sonangol, E.P. who is no longer National Concessionaire.

How is the ANPG staffed?

With Sonangol, E.P. staff who will be transferred to the ANPG. It is planned the ANPG will have up to 655 employees.

The ANPG Board of Directors is made of 5 Executive Directors who will serve five-year renewable terms.

How is the ANPG funded?

- By keeping a percentage (to be defined annually in the State Budget) of the National Concessionaire profit-oil share (and other State entitlements) under petroleum contracts;
- State Budget allocations;
- Proceeds of technical data and information sales;
- Statutory and contract fees;
- Other occasional revenues.

What will happen to the existing Sonangol, E.P. contracts?

As regards the oil-backed financing agreements, same are expressly safeguarded and protected and the rights and obligations thereof are “recognized” by DP 49/19. To that effect, it is provided that Sonangol, E.P. shall continue to make the oil liftings relating to the Concessionaire profit-oil share as long as necessary to service such loans.

Stability of the petroleum contracts (Production Sharing Contracts, Risk Service Contracts, Joint Venture Contracts, etc.) is not addressed in DP 49/19. This will be, presumably, covered in separate legislation.