



Understanding the Namibian Upstream Sector A NAMCOR Perspective

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Table of content

1. Introduction to the Upstream Sector
2. Key Players
3. Challenges
4. Opportunities

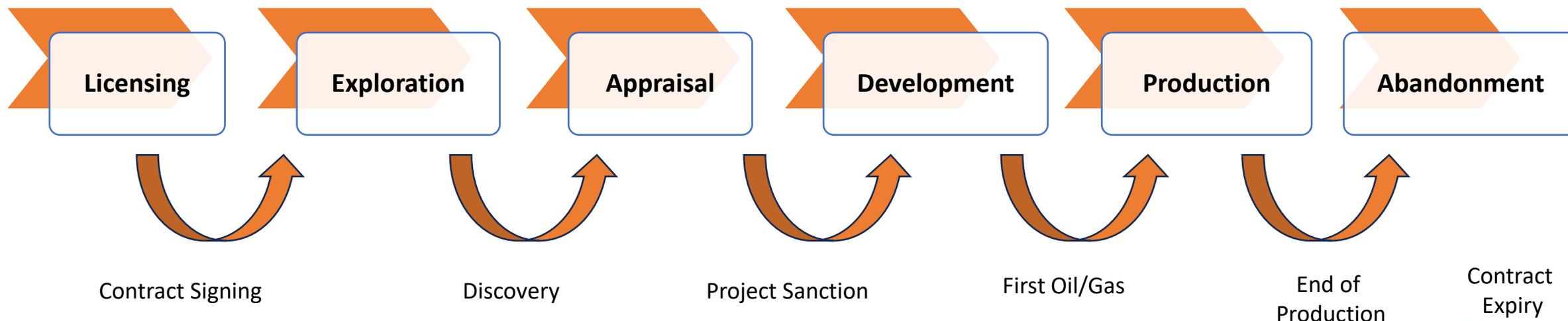


What is the Upstream Sector?



I. What is the Upstream Sector?

The oil and gas industry's first sector which includes licensing, exploration, appraisal, development, production, and abandonment.



What is the Upstream Sector?



Licensing



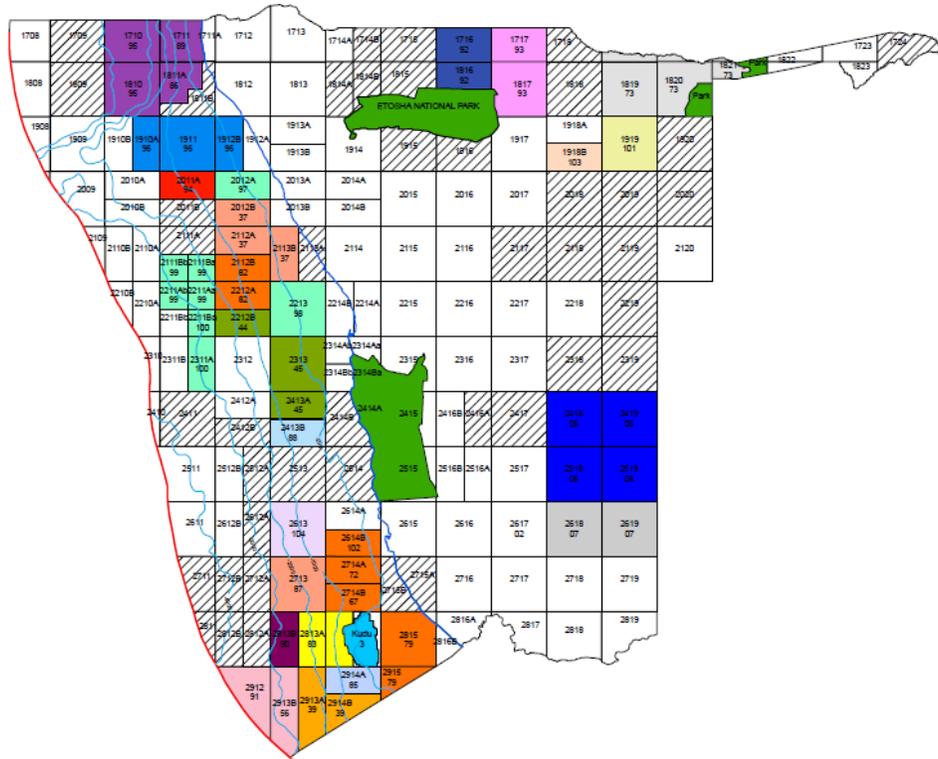
Activities to offer the right to manage an area (Block) that is expected to contain oil and gas deposits.



What is the Upstream Sector?



Licensing



Legend

- Limit Exclusive Economic Zone
- Isobath
- Shore line
- Parks/Heritage Zone



Production License

- (PPL 003) BW Kudu / Namcor

Exploration License

- | | |
|---|--|
| ■ (PEL 30) Shell Exploration & Production | ■ (PEL 02) Babeca Business Links |
| ■ (PELs 44, 45) Maurel & Prom Namibia | ■ (PEL 03) Mel Oil and Gas Exploration |
| ■ (PEL 56, 91) TotalEnergies | ■ (PEL 04) Global Petroleum |
| ■ (PEL 67, 72, 79, 82 & 102) NAMCOR | ■ (PEL 86, 89, 95) ExxonMobil E&P |
| ■ (PEL 73) Reconnaissance Energy | ■ (PEL 06) Tower Resources LTD |
| ■ (PEL 83) Galp Energia | ■ (PELs 97, 98, 99 & 100) Eco Oil & Gas |
| ■ (PEL 85) Rhino resources | ■ (PEL 101) Elephant Oil Ltd |
| ■ (PEL 37, 87) Pancontinental Orange | ■ (PEL 103) Apprentice Investment |
| ■ (PEL 88) Black Eagle E & P | ■ (PEL 104) Eight Offshore Investments |
| ■ (PEL 90) Harmattan Energy LTD | |
| ■ (PEL) Application In Progress | |

Reconnaissance License

- (08) Namibia E Source Petroleum
- (07) CGP Energy

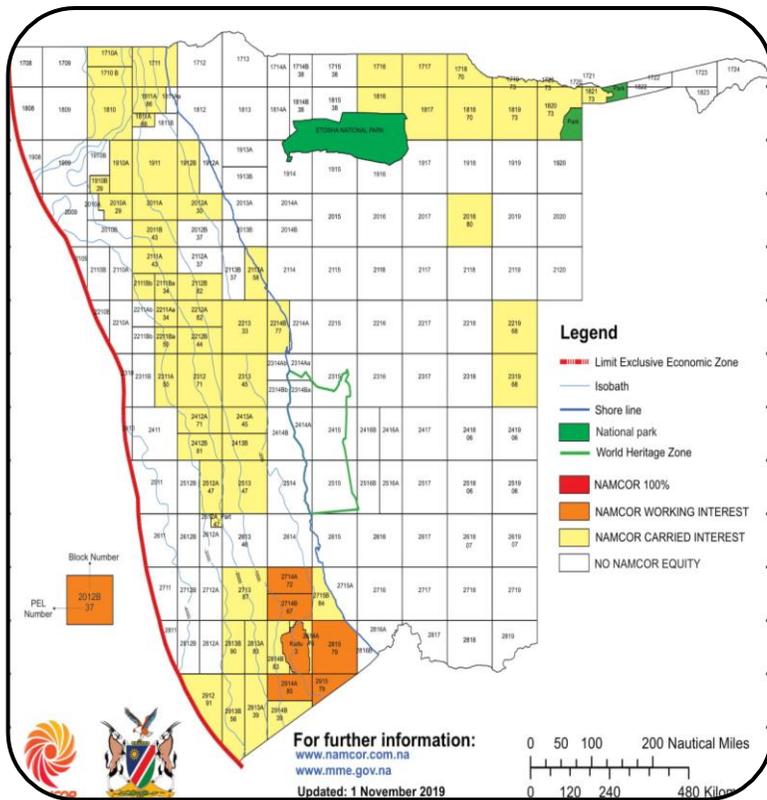


What is the Upstream Sector?



Licensing - NAMCOR's participation

An average of 10% carried interest in over 97% of the issued exploration licenses



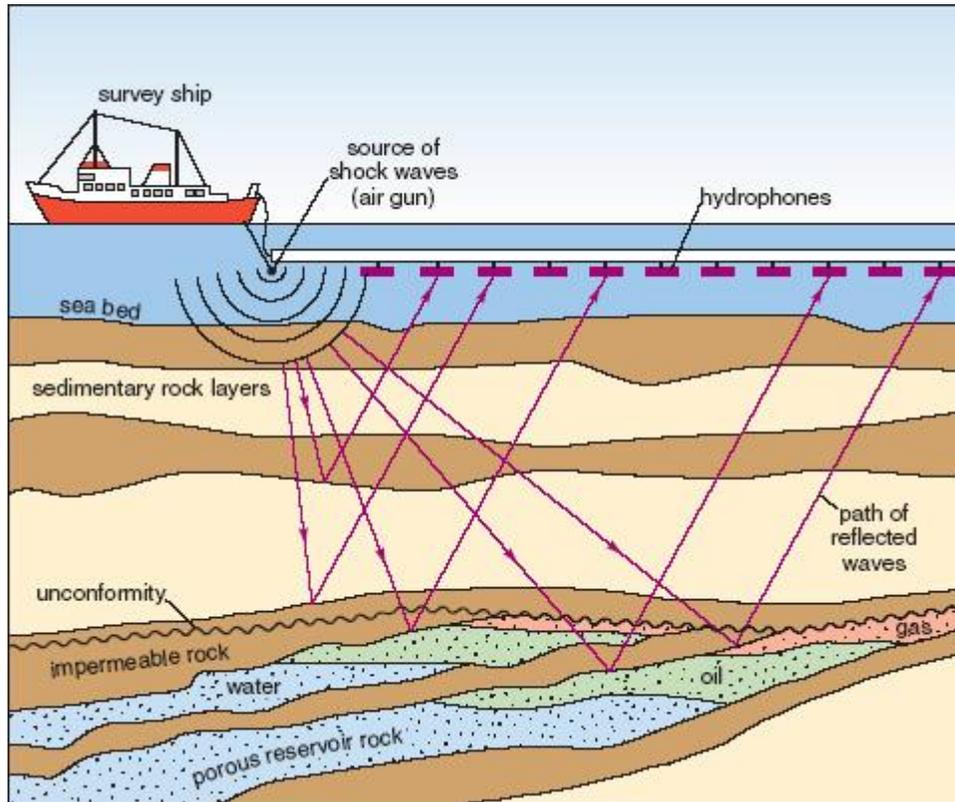
Block/PEL	Participation
2714A (PEL 67)	67%
2714B (PEL 72)	67%
2815&2915 (PEL 79)	67%
2914A (PEL 85)	30%



What is the Upstream Sector?



Exploration



Activities to search for oil and gas deposits in the reservoir beneath the earth's surface within the block's boundary.

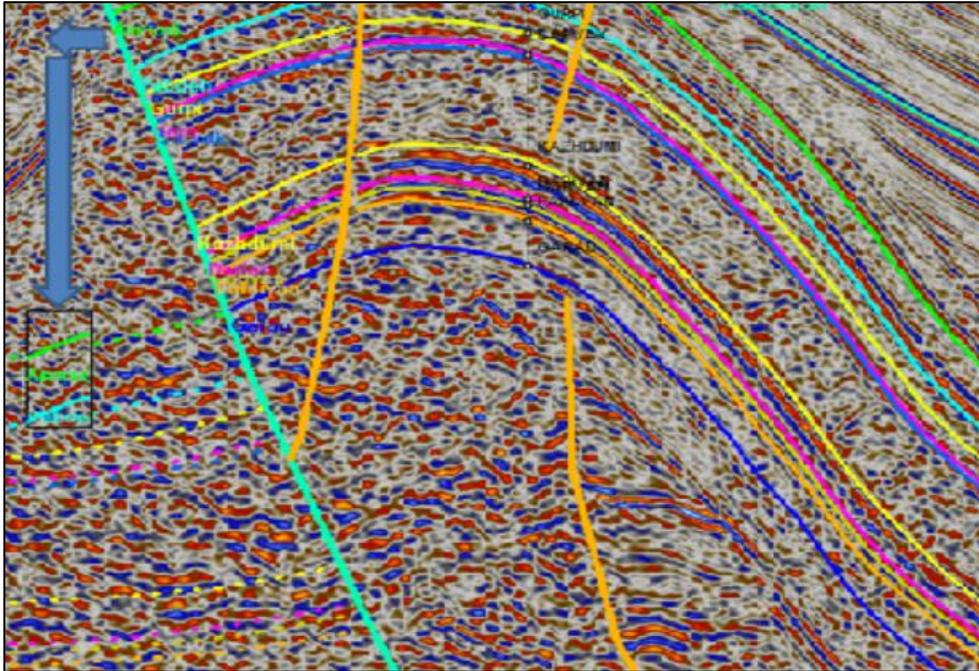


What is the Upstream Sector?

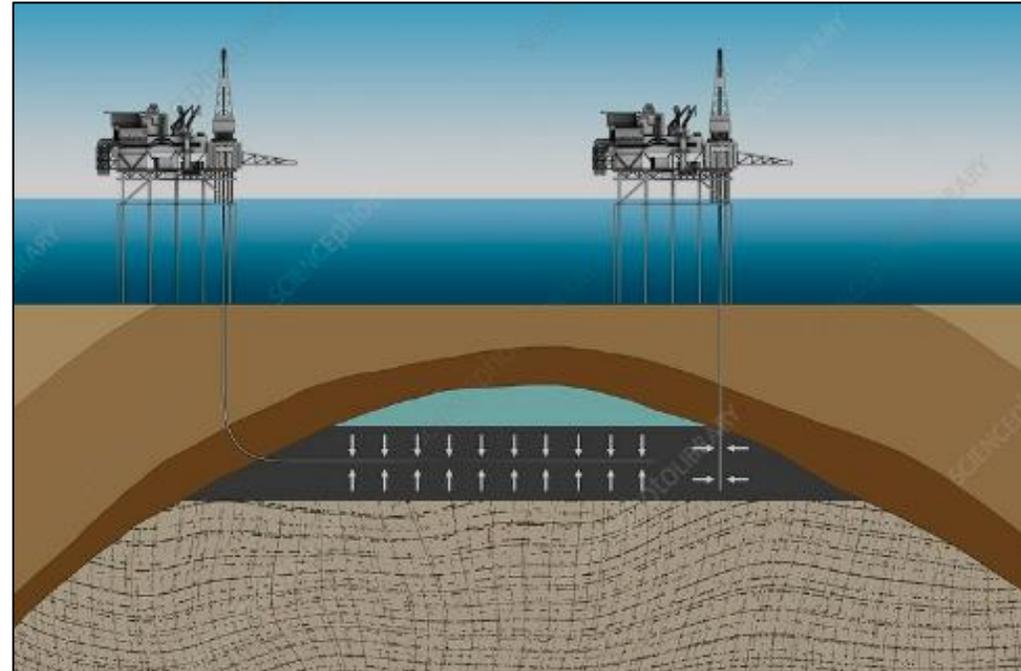


Exploration

Seismic section image



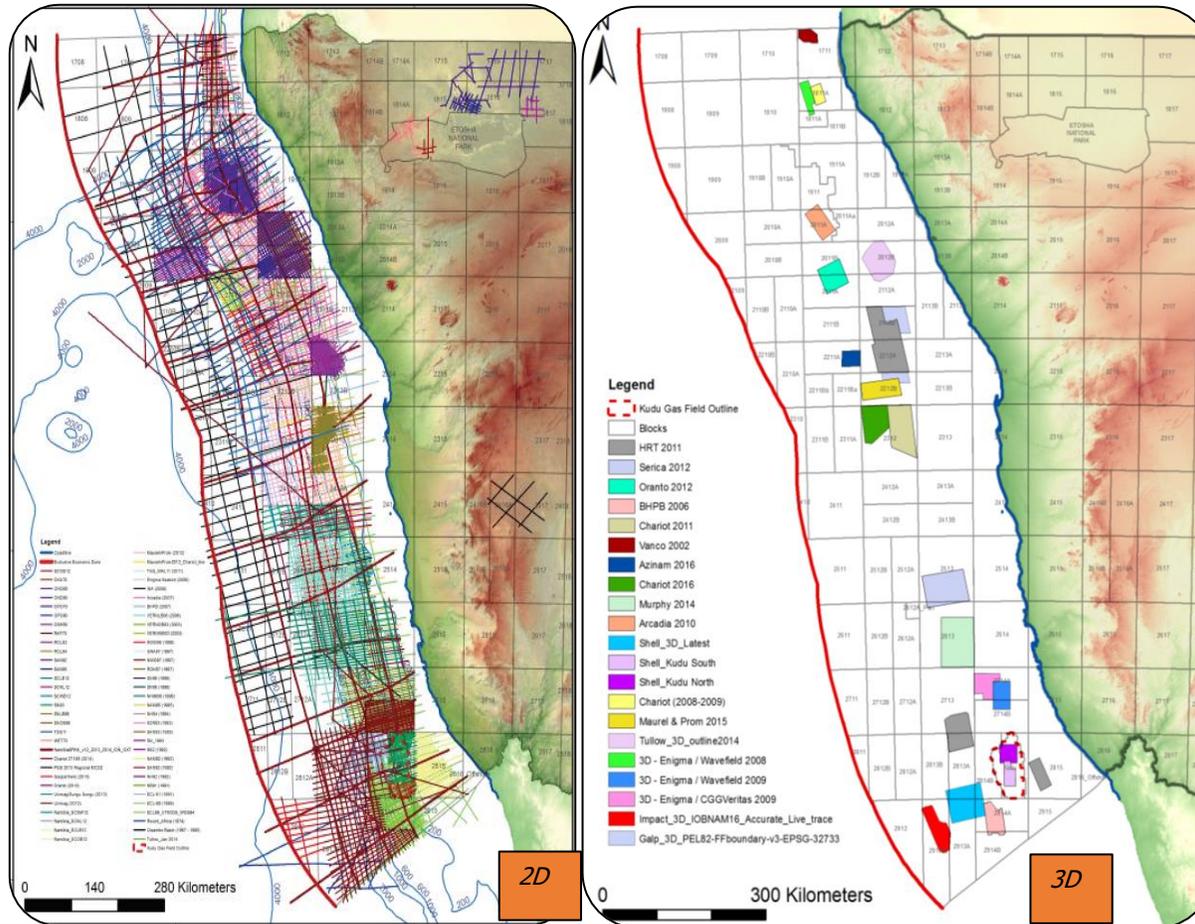
Offshore Drilling



What is the Upstream Sector?



Exploration



Type of Wells	Number
Exploration	26
Appraisal	11
Total	33



What is the Upstream Sector?



Appraisal



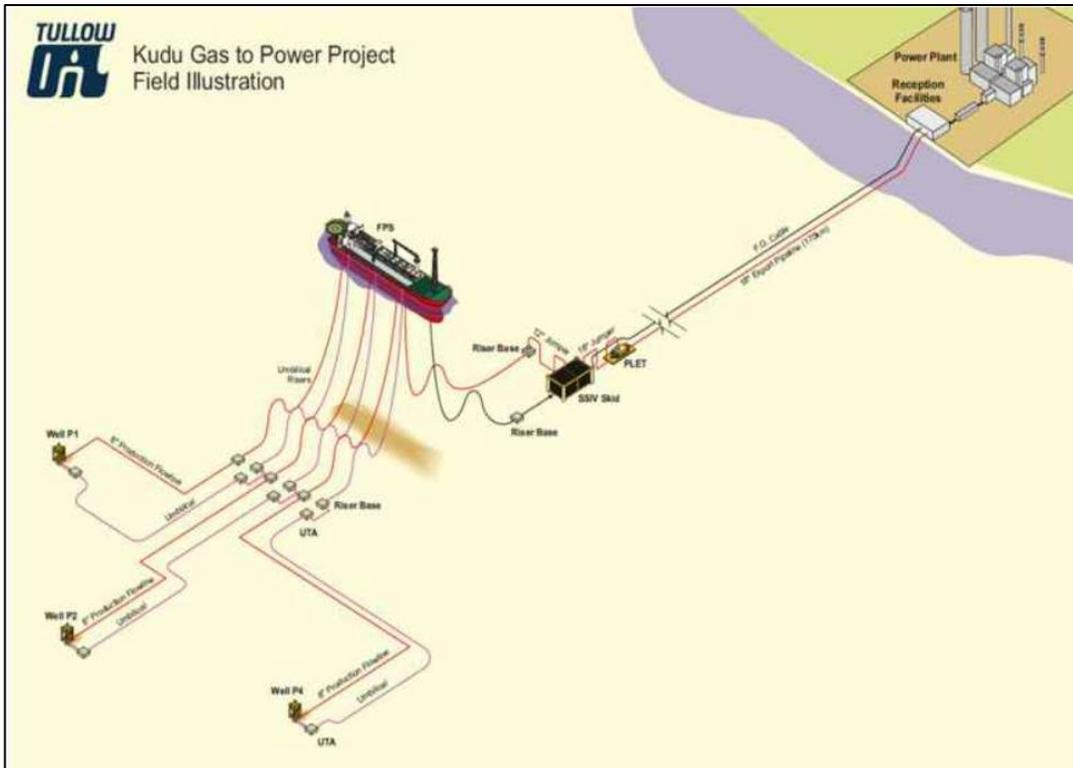
Activities to define the oil and gas volume more precisely after discovery.



What is the Upstream Sector?



Development



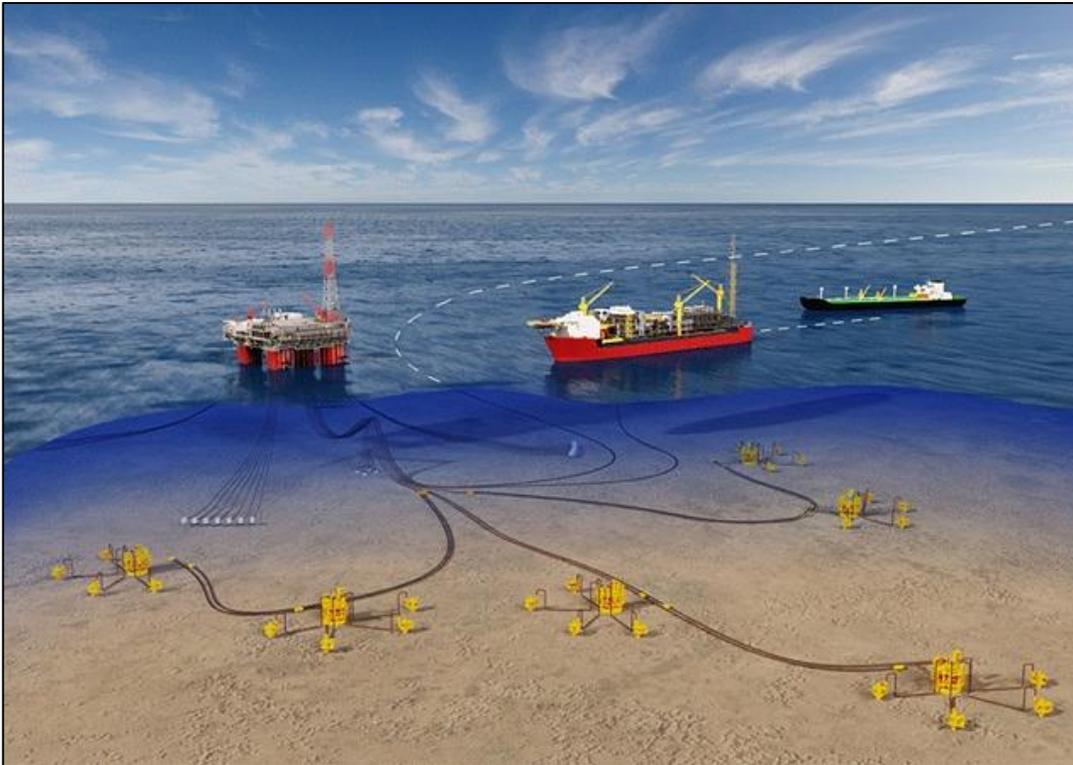
Activities to build the subsurface and surface facilities to produce oil and gas efficiently.



What is the Upstream Sector?



Production



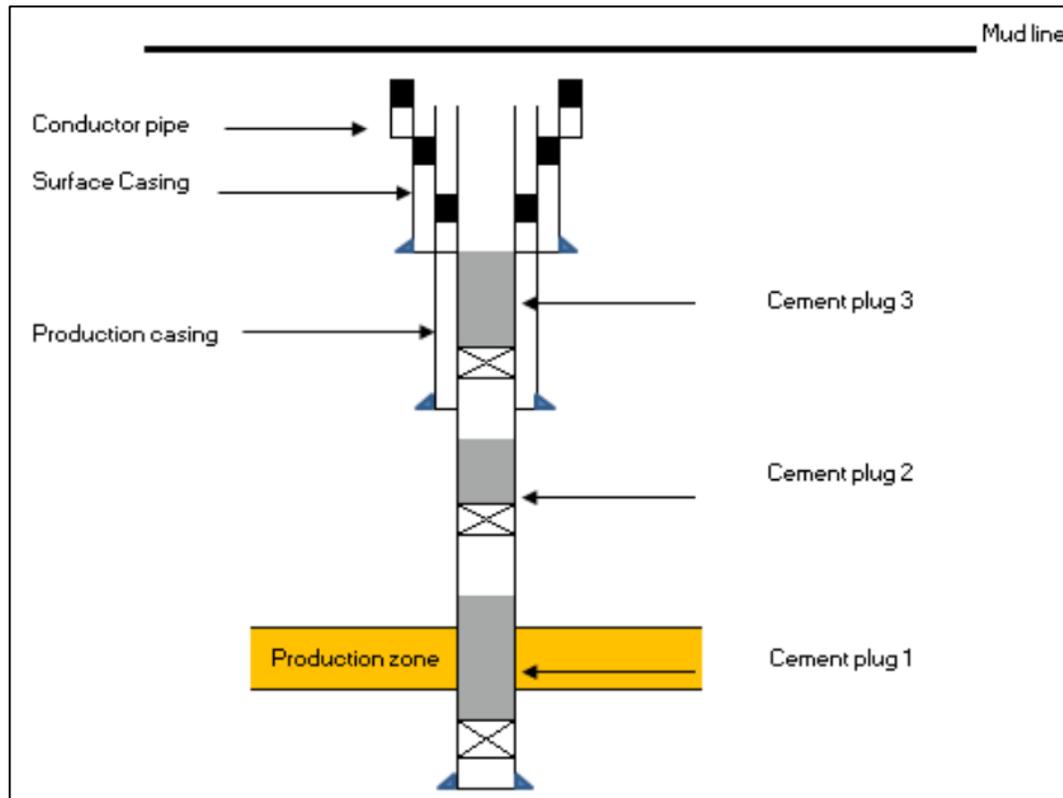
Activities to extract, process, and export oil and gas as per contract agreement.



What is the Upstream Sector?



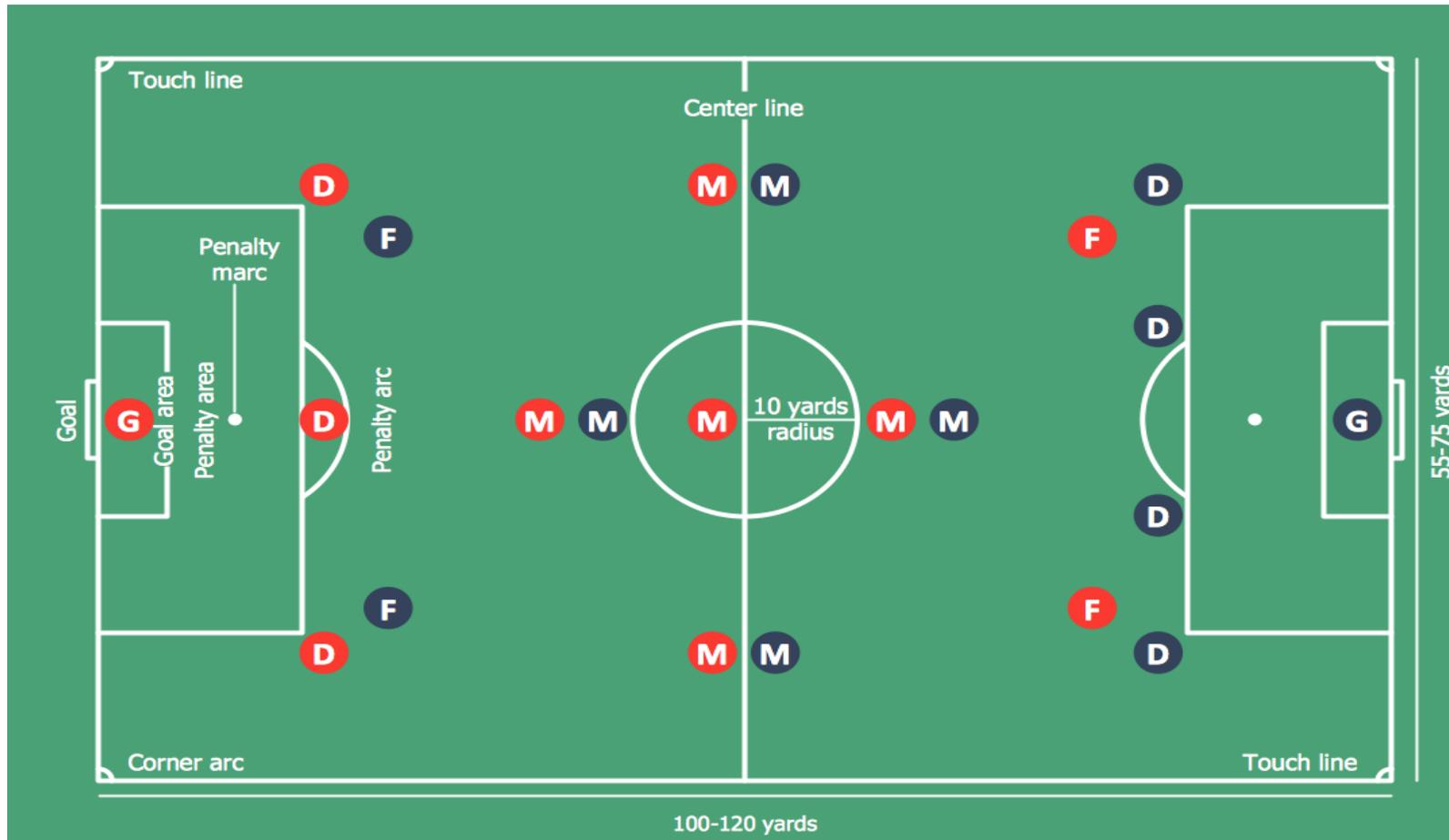
Abandonment



Activities to plug wells permanently, remove surface facilities when the well has reached its useful life.



2. Key players in the sector.



Who are key players in the sector?



GRN



To regulate the sector in the best interest of the country

National Oil Company



To participate in the sector activities on behalf of GRN

International Oil/Energy Companies



Operate the licenses by planning and executing the agreed work programs and budget.

International Service Companies



They offer various services, including data acquisition, drilling, etc. to the upstream oil and gas industry.

Local people and companies



They offer various services, including, recruitment, transportation, customs, etc. to the upstream oil and gas industry.



3. What challenges are faced by the Sector?



3. What challenges are faced by the Sector?



 **Market Volatility:** Fluctuations in oil prices can significantly impact the profitability of oil and gas projects.

 **Infrastructure Development:** Infrastructure such as pipelines, storage facilities, and port facilities, are capital-intensive and time-consuming.

 **Geopolitical and Security Risks:** Geopolitical instability in the region can pose security risks to oil and gas operations.

 **Local Content and Workforce Development:** Developing a skilled local workforce and promoting local content in the industry can be challenging.

 **Financing :** Securing financing for oil and gas projects can be challenging, especially for smaller exploration companies.



4. What opportunities exist in the sector?



4. What opportunities exist in the Sector?



Infrastructure Development: Examples such as pipelines, storage facilities, and port facilities etc.



Local Content and Service Providers: Examples such as logistics, catering, equipment rental, and manpower



Training and Skill Development: Training institutions and companies can offer programs to develop a skilled workforce for the sector.



Supply Chain and Logistics: To provide reliable and cost-effective logistics and supply chain solutions.





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THANK YOU