



global witness

Press Statement:

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Government of Uganda announces seven bidders for new oil licences – Global Witness response

The Uganda government should be commended for publishing a list of seven bidders for its first round of oil licences, said Global Witness today. However, the organisation cited continued concerns about environmental risks posed by oil exploration to unique habitats including the Virunga World Heritage site, and the suitability of some of the oil companies under consideration.

“Oil contracts can last for 30 years or more, and oil exploration can do irreversible damage to both people and environment. So choosing the right companies is vital, especially with operations taking place in such sensitive areas,” said George Boden of Global Witness. “The government should carry out careful checks into the background of each company and publish the details of all of their real owners to ensure that they are suitable for the job and that there is no conflict of interest,” continued Boden.

All of the oil blocks in the current licencing round overlap with environmentally protected areas, but one, the *Ngaji* block, is of particular concern. This area covers half of Lake Edward and large part of Queen Elizabeth National Park, and forms part of the same ecosystem as Virunga – Africa’s oldest national park and a UNESCO World Heritage site. There is a major international campaign to protect this area, home to some of the world’s last remaining mountain gorillas, from oil extraction.

In August 2015, Global Witness published a [press release](#) raising questions about two companies that have now submitted bids, Oranto Petroleum and Glint Energy (1).

“The Virunga area is one of the most bio-diverse on earth. Oil drilling here would be a disaster for the people and animals that depend on it. Uganda and Congo should make a deal with UNESCO to protect Virunga from oil activities” said Boden.

The government should publish the final contracts so that people can see the deal the government has signed on their behalf and the social and environmental protections they contain.

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Notes to editors

1. In 2007, Oranto’s Chairman, Prince Arthur Eze, authorised a payment to Liberian Parliamentary officials, which was deemed by the Liberian Auditor General to be a bribe paid in order to secure an oil contract. In a letter received by us from Oranto’s lawyers they accept that Prince Arthur Eze did authorise a payment of US\$1,500

dollars to parliamentary officials but stated that the payment was not a bribe, that it was never intended to influence the awarding of contracts, and that it was in fact never made.

2. Glint Energy LLC from the USA was incorporated on the 29th of May 2009 but on the 13th of May 2011 the company was forfeited for failure to file a tax return and/or pay state franchise tax. It was only reinstated on the 16th of July 2015. It is unclear from its website whether Glint has any active oil licences and therefore whether the company has the expertise to explore for oil.
3. For more information on the campaign to prevent oil activities in the Virunga area see [here](#).
4. UNESCO wrote to the Ugandan government in August 2015 reminding it of its obligations under the UNESCO convention and stating that drilling in Lake Edward is incompatible with World Heritage status. The letter is available [here](#).
5. In December 2015, the European Parliament passed a resolution calling on member's states to help prevent drilling in the Virunga National Park and surrounding areas and citing the Ugandan oil licencing round as a significant risk. Read Global Witness response and the resolution itself [here](#).
6. In January 2016, over 60 NGOs and tourist bodies signed a joint statement calling for a deal between Uganda, the DRC and UNESCO to prevent drilling in the area. Read the statement [here](#).
7. In September 2014 Global Witness published two leaked Production Sharing Agreements alongside a detailed analysis and an economic modelling tool. Read them [here](#).