# Committed to Socio-Economic **Development**

We consider national content as key for the success of our operations. We will therefore promote national participation and local content development by developing the following mechanisms:

- Creation of sustainable industries and businesses.
- Ensuring that Ugandans and Tanzanians profit from existing valuable industries and businesses in both countries
- Reinforcing the use of local Ugandan and Tanzanian workforce and contractors through training programs and support to local companies.
- Incorporating national content programmes in project contracts to encourage and develop local procurement of aoods and services.
- Support supplier development by reducing the complexity of contracts as a way of making them accessible to the local contractors.
- Encourage and support the formation of joint ventures between international and local companies to facilitate transfers of competencies and most important of all, technologies.

We will assist with the establishment of local management and technical capabilities in Uganda and Tanzania including, but not limited to:

- Local supplier development programs aimed at building capacity at national and community level.
- Internships and attachment of Tanzanian and Ugandan citizens at national and community level in the oil & gas
- Support to the Industry Enhancement Centre including Health, Safety, Environment and Quality standards.
- Support of existing institutions in Tanzania and Uganda by providing knowledge, technology, mentorships and scholarships.

#### **Employment Creation**

During the construction phase, the EACOP will create possibilities and opportunities for short term (2-3 years) employment for both highly skilled professionals, semi-skilled and casual labourers.

It is expected that casual workers who are willing and able to be involved in the construction phase of the project will be sourced locally from each district and this will further promote the development of local capacity.



Local/National Content

#### Enhancement of the central trade corridor

The project will contribute towards the enhancement of the trade corridor between Uganda and Tanzania through the development of new infrastructure, logistics, technology transfer and the improvement of the livelihoods of East Africans and the rest of the world.

# **Commitment to Stakeholder Engagement**

The EACOP Project is committed to meaningful engagement with all of its stakeholders based on the principles of participation, respect for human rights, non-discrimination, empowerment, transparency and accountability. Stakeholder engagement will therefore be conducted in order to:

- Understand and respect all stakeholders.
- Establish lasting, positive relationships with stakeholders. Provide project information to enable stakeholders to
- contribute meaningfully all along the process.
- Work co-operatively with stakeholders to understand their concerns and seek solutions.
- Commit towards the addressing of stakeholder concerns in a fair and effective manner.
- Inform stakeholders about the Project Community Grievance Mechanism so that they can use it, if necessary, to raise any grievances they have about unplanned impacts of the project.

#### EACOP PROJECT IN UGANDA

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#### EACOP PROJECT IN TANZANIA

P.O. Box 23917, Kinondoni, Dar es Salaam, Tanzania Tel: 0800 780 068 (Toll free) or +255 (0) 222 296 742



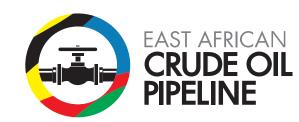






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# THE EAST AFRICAN CRUDE OIL The EACOP Project PIPELINE (EACOP) PROJECT

the Lake Albert basin in Uganda. The international oil companies in Uganda; TOTAL, CNOOC and TULLOW completed the exploration phase and are now headed into development, which will consequently lead to the production of Uganda's oil

Once produced, part of the crude oil will be refined in Uganda and part of the crude oil will be exported to the international market. The export to the international market will be through an export pipeline; The East African Crude Oil Pipeline (EACOP). This trans-border infrastructure shall be developed and operated as a private sector project on a single integrated basis by a special purpose company in which the Lake Albert Upstream Partners; TOTAL, CNOOC and TULLOW the Uganda National Oil Company (UNOC) and the Tanzania Petroleum Development Corporation (TPDC) will be the shareholders.

# Key Figures **L**



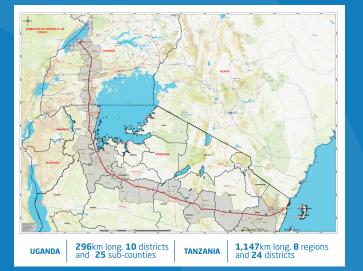
The 3.5 Billion USD investment capital associated with the construction and operation of the Pipeline will be directly injected into the economies of Uganda and Tanzania increasing their FDI by over 60 % during the

The EACOP is a 1,443km crude oil export pipeline that will transport Uganda's crude oil from Kabaale - Hoima in Uganda In 2006, commercial quantities of oil were confirmed to exist in to the Chongoleani peninsula near Tanga port in Tanzania for export to the international market. This major export system, (296km in Uganda and 1,147km in Tanzania), comprises of a 24 Inch, insulated, buried pipeline, six pumping stations (2 in Uganda and 4 in Tanzania) two pressure reduction stations and a marine export terminal.

> The viscous and waxy nature of Uganda's oil requires that the crude is shipped at a minimum temperature of 50 Degrees Celsius (50° C), the optimal viscosity for it to flow. To maintain this operating temperature, the pipeline will be electrically heated, making the EACOP the longest electrically heat traced pipeline in the world.

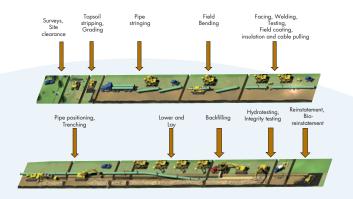
The pipeline will be buried to minimize impact on the environment, with some facilities above the ground, designed to ensure minimal environmental and social impact. The project will be compliant with the Ugandan and Tanzanian national legislations and international requirements.

# The Pipeline Route



## The Construction Phase

Once the Final Investment Decision (FID) is taken, pipeline construction will start and will last about 3 years.



## Construction will comprise of:

#### 1. Construction of the Pipeline

The pipeline and the associated permanent facilities (Pump Stations, Pressure Reduction Stations, Valve Stations etc) will be constructed and tested in sections before the final connections and commissioning of the complete system.

#### 2. Construction of the Temporary Facilities

Other facilities required to support the construction will be built such as; a Coating plant, Pipe storage yards, camps for the construction teams and access roads. These will be restored or handed over for other uses as appropriate at the end of the construction phase.

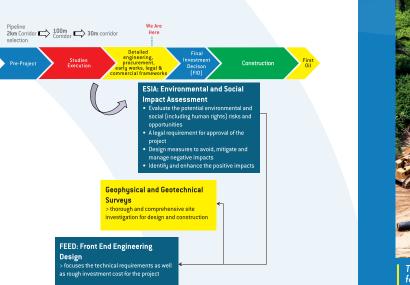
# 3. Construction of the Marine Terminal and the

The crude oil, transported by the pipeline will be stored in the Terminal located at Chongoleani in Tanga bay, before being shipped and sold to other countries. Vessels will be loaded with the crude oil out of a dedicated facility on a 2km long jetty that goes into the open seas.



The crude oil will be stored in the terminal located at Chongoleani, near Tanga Port before being shipped and sold on the international market.

# **EACOP Schedule**



## Land Access

Land will be required to construct and operate the East African Crude Oil Pipeline and related facilities.

In Uganda, land will be acquired permanently by the Uganda Land Commission and leased to the EACOP Project.

In Tanzania, land will be acquired permanently by the Tanzania Petroleum Development Corporation (TPDC) and leased to the **EACOP Project.** 

The land acquisition process will be undertaken according to national regulatory requirements and international standards In-kind and cash compensation will be provided to affected households including special safeguards for vulnerable groups.

The EACOP project is committed to ensuring that all landowners and users living along the pipeline corridor will be treated with respect and compensated fairly.



The Pipeline Company will need to secure access to land along its route for the construction and operation of the pipeline and its associated infrastructure.

# Committed to the protection of People and the Environment The EACOP project will ensure that health, safety and security of

communities, workers and the environment, are addressed and managed throughout the planning, construction and operational phases of the project.

The pipeline route has been selected to avoid the environmentally sensitive areas like nationally and internationally recognized protected areas.

Facilities will be carefully located and operated to reduce potential physical and ecological impacts.

We are committed to comply with national laws and international best practice, including International Finance Corporation (IFC) Performance Standards (PS).

As part of our commitment to Biodiversity Conservation and Sustainable Management of Living Resources, we have developed a biodiversity charter which sets the principles of our

According to the charter, we carry out all EACOP activities

- AVOIDING unnecessary impact to ecosystems, biodiversity and local communities.
- MINIMIZING any unavoidable impact to ecosystems, biodiversity and local communities.
- RESTORING and rehabilitating impacted areas.
- OFFSETTING significant residual impacts.



The Mitigation Hierarchy