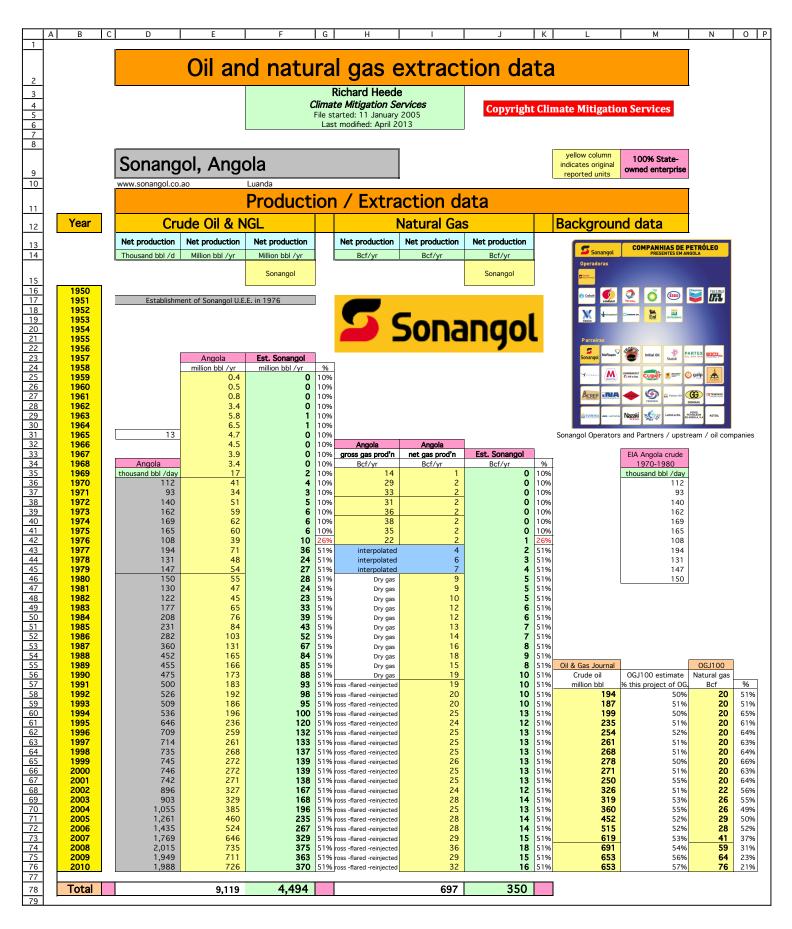
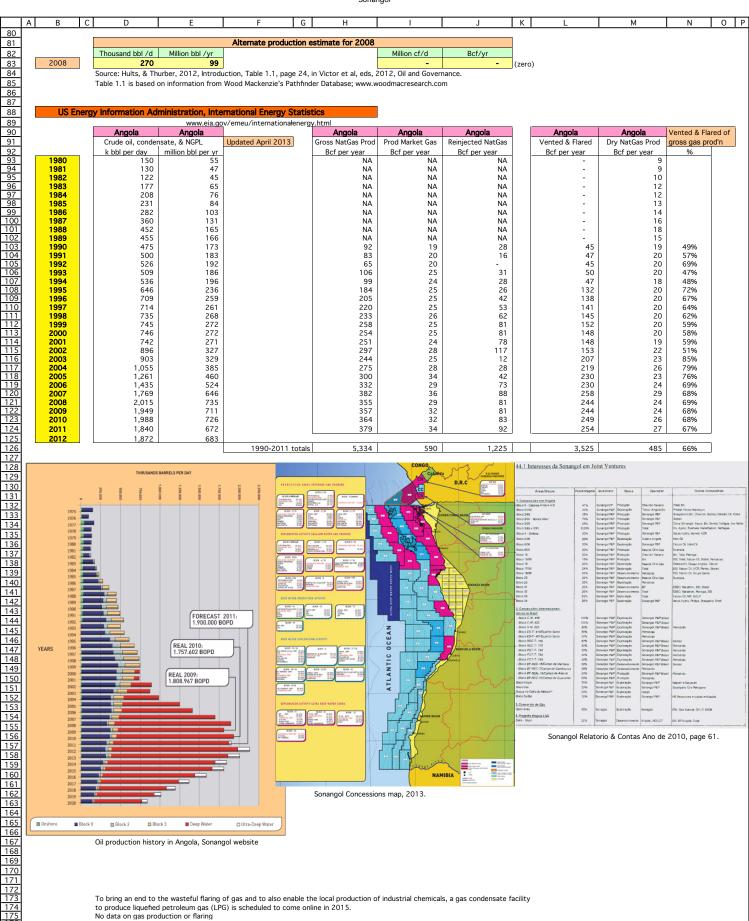
Sonangol



Sonangol



Cell: H9

Comment: Rick Heede:

www.sonangol.co.ao

1976: Establishment of Sonangol U.E.E.

1983: Institution of the first international subsidiary, Sonangol Limited in London, England.

1991: Attribution of the first oil concession in deep waters on block 16.

1992: Establishment of subsidiary Sonangol P&P as an oil company.

1999: Sonangol U.E.E. becomes Sonangol E.P.

2003: Sonangol begins operating as an oil company with the grant of offshore block 3.

On the threshold of Angola's Independence, a working group was set up in the oil industry both to support the industry and to mobilize Angolans working in the business. The main objective was the strategic preparation of the oil industry after the proclamation of independence.

From the nationalization of ANGOL in 1976, two companies were formed: Sonangol U.E.E. and Direcção Nacional de Petróleos. ANGOL Sociedade de Lubrificantes e Combustíveis Sarl, which was founded in 1953 as a subsidiary of the Portuguese company SACOR, marketed and distributed fuels, lubricants and liquefied gas in Angola.

Decree 52/76 instituted Sonangol as a state owned company whose mission was the management of hydrocarbon resource exploration in Angola. Despite having the government as the sole shareholder. Sonangol has always been governed as a private company and is under strict performance standards to ensure efficiency and productivity.

After the incorporation of Sonangol, a management committee was established to create the necessary infrastructures for the company to start developing its business activities. The management committee was later converted into a board of directors.

In the aftermath of the independence several oil companies abandoned Angola for one reason or another, leaving behind its infrastructures and former employees. To this end, Sonangol bought the premises of Texaco, Fina and Shell and through an agreement acquired those of Mobil. In this process Sonangol also absorbed former employees of oil companies that once operated in Angola. Focusing on diversifying its business activities, Sonangol has developed joint-ventures and established companies that promote both the social development of Angola and the expansion of Sonangol. Prioritizing the management of hydrocarbons, environmental protection and industrial safety, Sonangol has created a diversified business that is centered around oil. More than 30 subsidiaries and joint venture companies are now part of Sonangol Group

hrough its acquired experience, hard work and sustained development, Sonangol has gained prestige and built a solid reputation in the oil industry both in Angola and abroad. This is a direct result of great relationships with the oil companies which operate, or which have interests and investments, in Angola

Over the past three decades Sonangol has expanded into a group of integrated companies and in the process became Angola's leading distributor of refined products and promoter of social and human resources development.

Also see: Heller, Patrick R. P. (2012) "Angola's Sonangol: dexterous right hand of the state," in Victor et al, eds, Oil and Governance, pp. 836-886.

Soares de Oliveira, Ricardo (2007) Business Success, Angola-Style: Postcolonial Politics and the Rise of Sonangol, Journal of Modern African Studies, vol. 45, Issue 04, December 2007, pp 595-619.

Cell: M9

Comment: Rick Heede:

World Bank, 2008b, page 607: "Despite having the government as the sole shareholder, Sonangol has always been governed as a private company. 100% of Shares Controlled by Government." World Bank (2008b) A Citizen's Guide to National Oil Companies, Part B: Data Directory, World Bank, Washington, & Center for Energy Economics, Bureau of Economic Geology Jackson School of Geosciences University of Texas, Austin, 764 pp.

Also see: Heller, Patrick R. P. (2012) "Angola's Sonangol: dexterous right hand of the state," in Victor et al, eds, Oil and Governance, pp. 836-886.

Cell: F23

Comment: Rick Heede:

Soares de Oliveira: "The Marxist period of the MPLA that would last until the end of the Cold War was not one of mere salvaging of the oil sector from the nadir of the 1975–76 conflict. In addition to creating the legal framework for oil investment in Angola – including the state's ownership of all hydro-carbon resources – Sonangol and its foreign partners managed to re- establish and, by 1983, surpass late colonial oil production levels. In order to eliminate 'possible agents and intermediaries in the marketing process', Sonangol created Sonangol Limited, a London office responsible for the direct trading of Angola's share of the oil (an estimated 40% of the total) and the first of several Sonangol subsidiaries to span the globe." At page 601.

In 1996 Elf made Angola's first ultra-deep water discovery, the Girassol field, and many followed soon afterwards. Angola quickly became the hotspot for companies from all over the world, including British Petroleum, Royal Dutch/Shell, ExxonMobil, Statoil, Norsk Hydro, Petrobras, Marathon, the Chinese companies CNOOC and Sinopec, and a myriad of other firms of all shapes and sizes purposely drawn into the Angolan 'chessboard' by Sonangol. At page 603.

Soares de Oliveira, Ricardo (2007) "Business Success, Angola-Style: Postcolonial Politics and the Rise of Sonangol," Journal of Modern African Studies, vol. 45:595-619.

Heller, 2012, page 846, mentions that ANGOL, the Portuguese oil company and predecessor to Sonangol, was nationalized by the newly independent Angola. Sonangol is a joint venture partner in the most important production projects, and in Block 0 "Sonangol owned 51 percent or the entity as of 1978, and its exploration and production subsidiary has controlled 41 percent stake (the largest of any of the equity partners) since the concession was renewed in the 2000s." Sonangol also has several production-sharing agreements (PSAs) in most deep offshore areas. Also, Heller, page 878, fn 8: "renegotiations with CABGOC and a broad reform of the country's petroleum regime gave Sonangol a 51 percent ownership stake in the operating fields, [and] vested it with the role of concessionaire in charge of the granting of rights over new acreage." Heller, Patrick R. P. (2012) "Angola's Sonangol: dexterous right hand of the state," in Victor et al, eds, Oil and Governance, pp. 836-886. At pages 857-858.

World Bank has no production data attributed to Sonagol. World Bank (2008b) A Citizen's Guide to National Oil Companies, Part B: Data Directory, World Bank, Washington, & Center for Energy Economics, Bureau of Economic Geology Jackson School of Geosciences University of Texas, Austin, 764 pp. At page 719.

Insofar as we do not have the required details of Sonagol's overall equity production totals from royalty concessions, joint ventures, and PSAs, CMS assumes a 51 percent interest in Angola's total oil production since June 1976. This fraction of oil production may be revised if Sonagol (or other sources) makes more detailed equity production data available.

Cell: E25 Comment: Rick Heede:

US Bureau of Mines (1971) International Petroleum Annual 1969, p. 37, shows Angolan oil production for 1959-1969. Data for 1970-2004 converts EIA daily prod'n data to million bbl per year. Note: we use OGJ data for 1992-2004.

Cell: 132

Comment: Rick Heede:

Data for 1969-1976 from US Bureau of Mines, Minerals Yearbook. No Angolan data prior to 1969. Energy Information Administration International Energy Statistics Dry Natural Gas Production, 1980-1989, and Marketed Natural Gas Production, 1990-2010.

Cell: J33

Comment: Rick Heede:

We attribute 51 percent of total dry or marketed Angolan natural gas production (as done for crude oil; see cell note at F23 for details) to Sonangol. Note that the Oil & Gas Journal OGJ100 estimates for Sonangol 1992-2010 are significantly higher (see column N, and compare EIA data on page 2) -- indeed higher than total Angolan production of dry and/or marketed gas production -- and we consider the OGJ estimates possibly in error. A very high proportion of Angolan gas is vented or flared (47 to 85 percent of gross gas production, according to EIA data) or re-injected. This 51 percent may underestimate Sonangol's equity, royalty, or equity production and may be revised if comprehensive data on Sonangol's share of Angolan production becomes available.

Cell: D34

Comment: Rick Heede:

Energy Information Administration International Energy Annual 2003, Table G.1 World Production of Crude Oil, NGPL, and Other Liquids, 1980-2003. Sonangol website states production of 172,000 bpd, down to ~100,000 bpd in 1976.

Cell: 138

Comment: Rick Heede:

U.S. Bureau of Mines Minerals Yearbook 1974, page 887, reports both gross and marketed production for 1972-1973.

OilGasSaudi_Yukos.xls

Sonangol

Cell: B40

Comment: Rick Heede:

By 1974 the production reached 172,000 bpd which was the maximum output for the colonial period. www.sonangol.co.ao / HISTORY OF THE OIL INDUSTRY IN ANGOLA

Cell: 140

Comment: Rick Heede:

U.S. Bureau of Mines Minerals Yearbook 1976, page 887, reports both gross and marketed production for 1974-1976.

Cell: B42

Comment: Rick Heede:

www.sonangol.co.ao / HISTORY OF THE OIL INDUSTRY IN ANGOLA.

In 1976, total production was around 100,000 bpd from three areas: Cabinda's Offshore, Kwanza's Onshore and Congo's Onshore.

The Gulf Oil Company had created the Cabinda Gulf Oil Company (CABGOC); Gulf Oil left Angola in November 1975 as the civil war raged but returned in March 1976, in part through the pressure from General Obasanjo of Nigeria (who hinted at retaliation against Gulf in Niger Delta). Texaco and Petrofina were also encouraged to return.

Sonangol was created in June 1976 "as the Angolan oil concessionaire, sector regulator, and tax gathering agent." Soares de Oliveira, Ricardo (2007) "Business Success, Angola-Style: Postcolonial Politics and the Rise of Sonangol," Journal of Modern African Studies, vol. 45:595-619. At page 600.

Note: Soarees de Oliveira also reports that "CABGOC, the Chevron-led main oil producer in Angola since the 1960s until being recently overtaken by Exxon, is incorporated in Bermuda and does not publish an annual report." At page 615, fn #6.

Cell: G42

Comment: Rick Heede:

We assume a 51 percent equity share in Angola's oil production from June 1976 through 2010. See cell note at F23 for details.

Cell: K42

Comment: Rick Heede:

51 percent of Angolan dry or marketed natural gas is attributed to Sonangol. See cell notes at J33 and F23 for details.

Cell: D46

Comment: Rick Heede (Jan10):

Energy Information Administration, International Energy Annual 2006 Table 2.2 World Crude Oil including Lease Condensate Production, 1980-2010 (Thousand Barrels per Day), for Angolan liquids production.

Cell: 146

Comment: Rick Heede (Jan10):

Energy Information Administration, International Energy Statistics, Dry Natural Gas Production 1980-1989 and production of marketed natural gas 1990-2010 for Angola.

Cell: N58

Comment: Rick Heede:

Oil &Gas Journal, OGJ100, various years.

Cell: B65

Comment: Rick Heede:

The first FPSO (Floating Production, Storage & Offloading) rig in Angola's offshore came on stream on December 1999, and was used for project Kuito on Block 14. Since August 2003, the world's largest FPSO came on stream on project Kizomba A on Block 15. Projects in Blocks 17 and 18 also required the use of an FPSO. www.sonangol.co.ao / HISTORY OF THE OIL INDUSTRY IN ANGOLA

Cell: B74

Comment: Rick Heede:

To bring an end to the wasteful flaring of gas and to also enable the local production of industrial chemicals, a gas condensate facility to produce liquefied petroleum gas (LPG) is scheduled to come online in 2008.

www.sonangol.co.ao / HISTORY OF THE OIL INDUSTRY IN ANGOLA

Cell: L74

Comment: Rick Heede:

OGJ100 6Sep10 pg 69; updated 2008 reported value; OGJ 3Oct2011 pg 49; "estimated."

Cell: N74

Comment: Rick Heede: OGJ100 6Sep10 pg 69; OGJ 3 Oct 2011 pg 49; "estimated"

Cell: E83

Comment: Rick Heede:

Sonangol "working interest liquids production in 2008" at 270 thousand bbl per day. Victor, Hults, & Thurber, 2012, Introduction, Table 1.1, page 24, in Victor et al, eds, 2012, Oil and Governance. Table 1.1 is based on information from Wood Mackenzie's Pathfinder Database; www.woodmacresearch.com

Cell: J83

Comment: Rick Heede:

Sonangol "working interest natural gas production in 2008" at 0 (zero) thousand cf per day. Victor, Hults, & Thurber, 2012.