

## Heritage discovers the largest oil well

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Before the latest discovery, officials from Tullow Oil had early this month told a local daily that the oil reserves discovered so far on the Ugandan side of the Lake Albert rift basin were estimated at 1 billion barrels.

Heritage pioneered active exploration for oil in the Albertine Graben in Western Uganda in 1997 but suffered initial setbacks when they discovered modest and commercially unviable deposits of oil with lots of carbon dioxide. The company later struck good oil at Kingfisher near the shoreline of Lake Albert and followed that with a string of viable discoveries.

Mr Buckingham said they now had reserves way above the "commercial threshold" for development. He said 2009 will be very active as the developmental phase starts to take shape in the Albert Basin, alongside continuing well appraisal and exploration of the basin. Several other prospects and leads have already been mapped within Block 1 from over 600 kilometers of seismic data acquired over the past 18 months.

In an interview, the acting Commissioner for Petroleum Production and Exploration Department in Entebbe, Mr Ernest Rubondo said, "as the company has noted, the reservoir quality is excellent with porosities of up to 30 per cent which simply means that there is more oil down there and which flows easily thus making it to get it to the surface." Giraffe-1 and Buffalo are located in Amuru district which is north of Buliisa.

Mr Rubondo said it was remarkable that more oil was being discovered towards West Nile, where exploration started recently, confirming suggestions that Uganda's oil deposits might be far more extensive than originally thought. Much of the exploration activity had been concentrated around Hoima and Buliisa. "We are really delighted that the success in exploration that we have already had in Hoima is being replicated towards Northwest," he said.

Uganda is expected to produce 40,000 barrels of oil per day when production by Tullow Oil commences in the fourth quarter of 2009. The company is expected to put up a mini refinery, from where it will process crude oil into HFO to be used by thermal power plants and modest diesel for market. President Yoweri Museveni has said proceeds from the oil, if invested well, will pave the way for the next phase of Uganda's development.

Mr Museveni says Uganda has a good deal, which could earn it up to 70 per cent of the proceeds. The government has however refused to disclose the production sharing agreements that it has signed with the oil companies, saying there are confidentiality clauses barring parties from disclosing it.