

Angola energy storage regulations

ICLG - Oil & Gas Laws and Regulations - Angola Chapter covers common issues in oil and gas laws and regulations - including development of oil and natural gas, import/export of natural gas, LNG, import/export of oil, transportation, transmission and distribution and foreign investment.

Angola has around 300 billion cubic metres of proven natural gas reserves (information available on the 2022 Annual Statistical Bulletin of the Organization of the Petroleum Exporting Countries (“2021 Annual Bulletin”)). Historically, most of the natural gas was re-injected into oil fields (“Jazigos Petrolíferos”) to help recovery, or simply flared off as a by-product of oil operations. The first exportation of LNG took place in June 2013. Some of the major players in the sector have announced their plans to start exporting non-associated natural gas in 2025.

Based on data gathered by the United Nations Development Programme, despite being the second-largest economy in Sub-Saharan Africa in terms of GDP, around 32% of Angolans live below the poverty line. Natural gas, nuclear and other renewable energies – except for hydropower – still occupy a small percentage of Angola’s primary energy consumption. Approximately 25% of Angola’s electricity is produced from LNG.

The development of the natural gas market is headed by Angolan LNG. To the best of our knowledge and based on informal research, there is no official Government information about natural gas imports. It is estimated that about 90% of natural gas used is produced by the Angola LNG Project.

According to the 2022 Annual Bulletin, Angola’s natural gas exports saw a big increase compared with 2021, from 627.6 to 5,084 million cubic metres. The official data for 2023 has not yet been revealed, however, due to the war between Russia and Ukraine, Angola’s exportation increased, and has allowed Angola to enter into new markets other than India. Further, in June 2024, Angola LNG reached a milestone of its 400th shipment. Further, the Minister clarified that in the fourth quarter of 2023, the exportation of gas was more than 1 million metric tonnes and 72.49% of the amount corresponded to LNG.

According to the 2022 Annual Bulletin, Angola produced approximately 1.124 million barrels per day of crude oil. The Government expects an annual average production of 1.18 million barrels per day in 2023. Only approximately 4.7% of power is produced from oil. However, to the best of our knowledge, there is no official data publicly available to answer this question.

Angola’s oil demands are of approximately 100,000 barrels per day. However, Angola continues to spend more than USD 2 billion annually on oil imports. Although Angola is a significant producer, it still imports a substantial portion of the petroleum it consumes, particularly refined products. The Angolan Government plans to reverse the deficit in domestic oil derivatives production, having projected the

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construction of three different refineries (located in Cabinda, Soyo and Lobito) with the accumulated refining capacity of 360,000 barrels of crude oil per day. The construction works of the Cabinda project have already begun; they are currently in the development stage and are planned to be in operation by the end of 2023.

The Secretary of State clarified that in the fourth quarter of 2023, the exportation of gas was more than 1 million metric tonnes and 72.49% of the amount corresponded to LNG.

The statutory framework for the exploration and production of oil and natural gas reserves is fundamentally provided in the Petroleum Law and the Petroleum Regulation. Other relevant statutes are, amongst others, the following:

Under the applicable law, i.e., the Petroleum Law, mineral rights are granted to the National Concessionaire. The National Concessionaire, in order to share its technical knowledge and financial capability, may associate with Angolan or foreign entities of recognised capacity. Such association may take the following forms:

Although the most common type of association with the National Concessionaire is the execution of Production Sharing Agreements, there is at least one example of a Risk Services Agreement entered into with the National Concessionaire.

As mentioned above, the mineral rights in Angola are owned by the State, the public ownership of all rights and benefits arising from the oil industry being noteworthy.

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