



AMERICAN CHAMBER OF COMMERCE IN CAMEROON

OIL & GAS/ ENERGY TRADE MISSION

HOUSTON, TEXAS

APRIL 27-29, 2016

REPORT PREPARED BY CHARMIAN PENDA

EXECUTIVE DIRECTOR

AMCHAM CAMEROON

The American Chamber of Commerce in Cameroon (AmCham) attended the 9th Annual Oil and Gas Conference held on April 27-29, 2016 in Houston, Texas with a delegation of Cameroonian businesses.

The participating companies expressed an interest in opportunities offered by the American market in the Oil, Gas, and Energy sectors.

Accordingly, AmCham assisted its members and secured one-on-one meetings during and after the main conference event.

The objective of the Trade Mission was to provide our members an opportunity to discuss with their peers and gain knowledge on the following topics.

- Joint Venture and Subcontracting Exploration, Production Updates, and Investment Opportunities in the sub-Saharan African Region
- The U.S. Power Africa Initiative
- The Future of Oil and the Impact of the U.S. Big Oil Sector
- Innovative Technologies : Conventional and Unconventional
- Upcoming Licensing Rounds and Deals Hotspots
- The Impact of China's Economy on the sub-Saharan African Market
- Upstream and Downstream Optimization
- Offshore Dynamics and Future
- Vessels, Pipelines, and Storage Systems
- Reservoir Engineering
- Advancements in Geology and Geophysics
- Field and Market Development
- Gas Monetization
- Managing Diversity, Stakeholders' Local Content, and Corporate Social Responsibility (CSR)

DAY ONE: Conference

The sharp drop in Oil prices in 2014 affected many African countries whose economies are highly dependent on Oil and Gas revenues.

Sir Sunny Oputa, CEO of Energy and Corporate Africa, host of the 9th Annual Oil and Gas Conference, shed light on what he believes caused the drop in the industry. Namely, he cited fracking, oversupply from the American market, different market dynamics, the feud within OPEC, America's pursuit of Oil independence, and economic jingoism.

The focus was on attracting investments to the sub-Saharan region, taking into consideration the abundance of natural and human resources, the large market, and the low labor costs. It was agreed that the advantages of investing in Africa outweigh the oft-cited shortcomings of the region, such as poor infrastructures, relative insecurity, low purchasing power, and weak public institutions.

According to different experts, Africa is the future. With 90% of its revenues coming from Africa, Tullow Oil experienced prosperity before the dip.

DAY TWO: Conference

Mr. Bernard Noutsawa, AmCham member representing PWC Cameroon made a presentation about the Cameroon tax environment and recent developments in the Oil and Gas sectors.

Mr. Kirk Rovang, representing Noble Energy, another AmCham member, made a presentation on deepwater value creation.

The local content argument dominated the afternoon exchange. Here are some of the key notes:

- Local content regulations, which require Oil and Gas companies to procure a specified minimum percentage of goods and services from domestic suppliers remain controversial.
- There are misconceptions that Oil and Gas companies would rather bring foreign labor, from their home country to work because the industry is too complex.
- Margaret Nongo-Okojokwu, from Orient Energy, said that there is a level of expectations from Oil bearing communities, which want recognition as part owners.
- Operators can manage locals' expectations through sustained communications, job creation, and CSR.
- In Cameroon, there are no real laws addressing local content requirements. However, there is legislation that encourages the training of locals to enable them to assume the work of expats once the latter leave. Forty percent (40%) of the work force should be Cameroonian, according to Attorney Roland Abeng of Abeng Law Firm.
- Angola, Mozambique, Gabon, and Equatorial Guinea have strong local content requirements, with Mozambique topping the list at ninety-five percent (95%). In

furthering local content promotion, the latter countries also have talent programs and scholarships for local citizens to continue learning.

- The Oil and Gas industry would like to develop local talents, taking into consideration the level of sophistication, education, and economy of each country.
- Flexibility is key and locals should feel comfortable with businesses investing in Oil bearing communities.
- Petroleum Technology Association of Nigeria (PETAN) was able to demonstrate how a few Oil and Gas service companies with an imperative to optimize Nigeria's Oil sector through technology have grown into the largest local content association in Nigeria. They deliver technical services through more than 300 local companies.

On the topic of innovative technology, the highlight was electromagnetic differentiation, targeted CSEM, delineation, and overcoming challenges with 4D time lapse.

To round out the conference for those looking to advance their regulatory attainments, the Texas Southern School of Law offered two certificate courses. The first certificate was entitled Fundamentals of Joint Venture & Partnerships in the Petroleum Industry/Comparative Analysis of Petroleum Contracts. The second course was entitled, Value Added to Local Content through Transformation from a Local Partner to Original Equipment Manufacturer (OEM).

Recommendations:

1. African governments may be more open to listening to foreign companies that are making investments in the country that locals are not willing to make. But those governments need to explain the legislation in order to increase investment. Bigger concerns for operators in the host country are Foreign Exchange and Profit Repatriation. Even though governments cannot give guarantees about repatriation, given local commodity prices, they can include stabilization clauses in the contracts.
2. There is a need for deeper political and legal reforms to lessen the negative impact of government officials. To curb, the incidence of corruption, the Foreign Corrupt Practices Act and the UK Bribery Act need teeth.
3. Natural Gas is under exploited. There are 4.6 billion barrels of Oil per day that can't be refined according to Kurt Davis Jr. of Barclay's Bank. As a result, the creation of a Liquefied Natural Gas (LNG) facility within the central/ west African region would be advantageous for energy purposes.
4. The choice of a location for an LNG facility would depend on geological studies, even though countries are competing to be selected.
5. The world Offshore Technology Conference is the largest Oil and Gas/ Energy Conference that gives unparalleled exposure and access to the leading experts in the Oil and Gas/ Energy sectors. It would be a great investment for the Cameroonian delegation to attend the 2017 AmCham Oil and Gas/ Energy Trade Mission to the United States.

The 10th annual oil and gas/energy trade mission is no exception and promises more content, tailor made activities, top rated speakers, and more participations.

AmCham Delegation

- ❖ ***Charmian Penda, Executive Director***
- ❖ ***Anthony Kume, Board member***
- ❖ ***Roland Abeng, The Abeng Law Firm***
- ❖ ***Guy Honore Tchente, Conseils Fiscaux Associes***
- ❖ ***John Achu, Cafship***
- ❖ ***Bernard Noutsawa, PWC***
- ❖ ***Samuel Kouecheu, Tank oil***
- ❖ ***Dieudonne Bougne , Bocom Group***
- ❖ ***Eric Engantchou, Bocom Group***
- ❖ ***Demirel Youteh, Bocom Group***
- ❖ ***Jonathan Medi Nlebe, Red line***
- ❖ ***Ngu Chris Akong, Glomae***
- ❖ ***Neng Edwin Nsakse, Glomae***
- ❖ ***Michel Lobe Ewane, Forbes Afrique***
- ❖ ***James Epo, Epo Law Firm***

ANNEX LIST OF COMPANIES WHICH TOOK PART

- ❖ ***Explorco, Ghana National Petroleum***
- ❖ ***Petrosen, Senegal***
- ❖ ***Shell Nigeria E & P Company (SNEPCo)***
- ❖ ***Exxon Mobil***
- ❖ ***Noble Energy***
- ❖ ***Tullow Oil***
- ❖ ***Kosmos Energy***
- ❖ ***LADOL***
- ❖ ***Aiteo***
- ❖ ***Standard Bank***
- ❖ ***First Australian Resources (FAR)***
- ❖ ***EMGS***
- ❖ ***Allison Marine***
- ❖ ***Koval Petroleum***
- ❖ ***Petroleum Technology Association of Nigeria***
- ❖ ***Petroleum Commission Ghana***
- ❖ ***Energia Limited***
- ❖ ***Africa Fortesa***
- ❖ ***PetroMarker***
- ❖ ***TerraData Geosciences***
- ❖ ***Barclays Bank***
- ❖ ***Petroleum Africa***
- ❖ ***Orient Energy Review***
- ❖ ***Cokinos, Bosien & Young***
- ❖ ***Miranda Law Firm***
- ❖ ***Thurgood Marshall School of Law***
- ❖ ***Global Risk Insight***
- ❖ ***Radial Circle***
- ❖ ***Deltatek***
- ❖ ***CBG Geophysical***

ANNEX LIST OF SPEAKERS WHICH TOOK PART

- *Kyeretwie Opoku – Chairman, Explorco Ghana National Petroleum Co*
- *Michael Aryeteey - Chief Operating Officer, Explorco GNPC, Ghana*
- *Dr Amy Jadesimi – Managing Director, Lagos Deep Offshore Logistics*
- *Kirk Rovang- Exploration Manager, Africa , Noble Energy*
- *Tim O'Hanlon - Vice President African Business, Tullow Oil*
- *Joseph Medou - Exploration and Production Director, Petrosen, Senegal*
- *Fernando Docters - Head, Oil & Gas, Americas, Standard Bank*
- *Kwaku Boateng – Director Spec. Services, Petroleum Comm., Ghana*
- *Fafa Sanyang – Petroleum Commissioner, The Gambia*
- *Beall Rogers – Chairman/CEO, Fortesa International and Africa Drilling*
- *Bernard Noutsawa-PWC Tax & Legal Manager Cameroon*
- *Bank – Anthony Okoroafor – President, PETAN*
- *Dr Emeka Duruigbo – Oil & Gas Law Professor, Texas Southern University,*
- *Soraia Lacerda – Head, Miranda Law Firm, Houston*
- *Norman Nadorff – Special Counsel, Centurion Law Firm*
- *Margaret Nongo-Okojokuwu – Editor, Orient Energy Review*
- *....and others*