



Dugger Law

# UPDATES—JUNE 2016

## How will these changes affect your business?

The restructuring of Sonangol and the naming of a new board will likely have a ripple effect to many downstream service-providers. If you conduct business in Angola's oil sector or are seeking new business and would like to discuss how these changes may affect you, please contact us to schedule a consultation.

## Sonangol Names a New Board of Directors

In our May issue (Major Changes at Sonangol) we discussed the new institutional framework for Angola's national oil company, Sonangol E.P., that had been approved by the Council of Ministers in April. Here is a brief review of major items from that:

- Sonangol will continue to focus on exploration and production;
- Concession activities will be transferred to a new National Petroleum Agency;
- A new Superior Council of Oil Sector Monitoring will be formed to monitor the oil sector;

The items above were based on reports of what had been approved by the Council of Ministers. On May 26 Presidential Order No. 109/16 (Model for Adjusting the Organization of the Petroleum Sector) was published and now we have more details on the changes that will be implemented:

- Sonangol E.P. will remain the National Concessionaire of oil blocks in Angola. It will withdraw from all other activities currently performed—including exploration, production and operation of oil blocks.
- The newly-formed Petroleum Sector Agency will prepare and negotiate the allocation of oil blocks, and resolve conflicts that may emerge among sector authorities and different players in the oil and gas field.
- The Ministry of Petroleum (as well as the Ministries of Finance, Environment and Public Administration) will retain their current powers, working in coordination with the Petroleum Sector Agency.
- The Higher Council for Monitoring the Petroleum Sector (COSASP) will assume management of and work to transfer Sonangol E.P.'s stakes in various oil-sector companies in the value chain to other state-owned companies so that Sonangol E.P. can focus more exclusively on its duties as the National Concessionaire.
- The changes will be implemented in 4 major steps: (1) implementation of the legal framework; (2) reorganization and spin-off of companies from Sonangol E.P.; (3) starting the optimization process with industry companies; and (4) operational transformation and optimization of each industry player towards best practices.

On May 26 Presidential Order No. 110/16 was also published, changing the governance structure of the Sonangol E.P. Board of Directors: (1) the Board shall be comprised of 11 members (seven executives and 4 non-executives); (2) a Chairman of the Board and Chairman of the Executive Committee shall also be appointed; and (3) the Board will delegate the management of Sonangol E.P. to an Executive Committee.

A new Board of Directors has been named at Sonangol E.P. The most notable change is the appointment of Isabel dos Santos as Chairman of the Board. The full list of new Board members is attached.

Please feel free to contact our law office if you have any questions with regard to the above.

DUGGER & ASSOCIATES

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# MEMBERS OF THE BOARD OF SONANGOL E.P.

## CHAIRPERSON OF THE BOARD

- Department of Audit and Internal Control
- Sonangol Finance Ltd
- SONACI
- Social Fund



- Department of Legal Services
- Department of Quality, Safety and Environment
- Department of Central Logistics
- Department of Corporate Security
- Department of Management and Infrastructures
- Department of Risk Management
- Sonangol Vida



- Sonangol P&P
- Sonangol Hidrocarbonetos
- Internacional
- Sonangol Shipping
- Sonagás
- Sonaref
- Sonangol Logística
- Sonangol Distribuidora
- Luxerviza
- Núcleo de Petroquímica



- PMO Leadership and Implementation of Transformation
- Department of Human Resources
- Department for Communication and Image
- Recreation Centre Paz Flor
- Business Support Centre



- Department for Structuring Project Management
- Sonangol Holdings
- ESSA
- SIIND
- SONIP
- Co-operative Cajueiro

## Charman of the Executive Committee

- Department of Production
- Department of Central Laboratory
- Department of Negotiations
- China Sonangol International



- Department of Concessions Control Committee
- Department of Economics and Concessions
- Department of Exploration
- Department for File and Data Management
- SONILS
- Guicombo Suporte Logístico SA



- Coordination Committee of Social Projects in Soyo
- Department for Corporate Social Responsibility
- Girassol Clinic
- SonAir
- MSTelcom



- Finance Department
- Planning Department
- Department for Information Systems
- Department for Information Technology
- Office of State Relations and Taxation
- Process Management Unit
- Abandonment Fund

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