

## Chapter XX

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# MOZAMBIQUE

*Pedro Couto, Telmo Ferreira, Paulo Ferreira, Márcio Paulo and Gisela Graça<sup>1</sup>*

### I INTRODUCTION

The Strategic Plan for the Concession of Areas for Petroleum Operations published on 8 June 2009 states that the sedimentary basins in Mozambique have areas with great potential for the occurrence of oil. The Mozambique Basin, which is 300,000km<sup>2</sup>, has a density of around one well per 8,000km<sup>2</sup> onshore and one well per 17,000km<sup>2</sup> offshore, while the Rovuma Basin, which is 60,000km<sup>2</sup>, has a density of one well per 17,000km<sup>2</sup> onshore and none offshore.

In 2004 Sasol Petroleum International acquired the rights to explore gas in Pande-Temane, southern Mozambique.

The project includes a pipeline which runs from the gas fields in Pande-Temane to the Secunda plant in South Africa. The gas fields presently produce 147 million gigajoules of natural gas per year, with only 3 million gigajoules being consumed by Mozambique.

Furthermore, in 2012, Mozambique emerged as a new giant in natural gas with the discoveries of more than 100 trillion cubic feet in the Areas 1 and 4 of the offshore Rovuma Basin.

The main players in the Areas 1 and 4 of the Rovuma Basin include, among others, Anadarko, ENI, Total, Wentworth, Mitsui, Galp Energia, PTTEP, Bharat Petroleum, Videocon and Kogas. Control of the country's upstream oil industry rests with the state-owned upstream oil company Empresa Nacional de Hidrocarbonetos de Mocambique (ENH), which has exclusive rights to explore for and develop petroleum in Mozambique, and is permitted to exercise these rights in association with foreign investors.

Due to these major discoveries the two operators leading the exploration in the Rovuma Basin Areas 1 and 4 (Anadarko and ENI) indicated that the volume of proven gas reserves justifies construction of a liquefied natural gas (LNG) facility on the northern coast

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<sup>1</sup> Pedro Couto is the chairman, Telmo Ferreira is the managing partner, and Paulo Ferreira, Márcio Paulo and Gisela Graça are senior associates at CGA – Couto, Graça & Associados.

of Mozambique, which also allowed in December 2015 the achievement of a unitisation agreement. The two companies are already making efforts to develop an LNG project that will receive gas from the offshore fields and pre-treat and process it in preparation for storage and export. Anadarko, ENI and their respective partners hope to make a final investment decision by the end of 2016 or early 2017 on whether to proceed with the construction of the LNG facility. Simultaneously, ENI is also exploring the possibility of developing a Floating LNG Facility, which already has the approval of its respective plan of development granted by the government of Mozambique, in which is considered to be a step progress toward the final investment decision of what could be the first floating LNG facility in Africa.

## II LEGAL AND REGULATORY FRAMEWORK

Mozambique has a codified legal system. There are two main regulatory bodies: the parliament (which approves laws) and the Council of Ministers (which approves decree-laws).

### i Domestic oil and gas legislation

The main legislation relating to the oil and gas sector in Mozambique is as follows:

- a* the Constitution of the Republic of Mozambique;
- b* Law 21/2014 of 18 August, which approves the Petroleum Law;
- c* Decree 34/2015 of 31 December, which approves the Petroleum Law Regulations;
- d* Decree-Law 2/2014 of 2 December, which establishes a special legal and contractual regime applicable to the LNG Project of Areas 1 and 4 of the Rovuma Basin;
- e* Law 27/2014 of 23 September, which establishes the Specific Regime of Taxation and Fiscal Benefits for Petroleum Operations;
- f* Decree 32/2015 of 31 December, which approves the Regulations on the Specific Regime of Taxation and Fiscal Benefits for Petroleum Operations;
- g* Decree 56/2010 of 22 of November, which approves the Environmental Regulation for Petroleum Operations;
- h* Decree 63/2011 of 7 December, which provides the legal regime and mechanisms and procedures for the employment of foreign citizens under the Petroleum Law and Mining Law;
- i* Ministerial Diploma 272/2009 of 30 December, which approves the Regulations on the Licensing of Petroleum Installations and Activities;
- j* Law 15/2011 of 10 August, which establishes the legal framework of public-private partnerships, large-scale projects and business concessions; and
- k* Decree 16/2012 of 4 June, which approves the Regulation of the Law of Public-Private Partnerships, Large-Scale Projects and Business Concessions.

The most important legislation is the Petroleum Law, which was approved by the Mozambican parliament on 14 August 2014 and entered into force on the date of its publication in the government's Official Gazette (i.e., 18 August 2014).

The main objectives of the Petroleum Law are as follows:

- a* the need to convert matters related with the policies and objectives of the Mozambican government, included in concession contracts, in rights and obligations regulated by law and ensure that the scope of the law covers all stages of petroleum operations, in accordance with the applicable principles of public international law;

- b* the need to follow up the development of legal and fiscal regimes worldwide and to follow the principles of social and economic policies, notably protection of national interest, promotion of local development, protection of environment and the rational use of petroleum resources;
- c* the need to have a more transparent and predictable legal framework for the petroleum industry and make Mozambique an attractive destination for investments in the petroleum industry; and
- d* the need to include in the legal framework certain branches of the petroleum industry (LNG), as well as certain resources (methane gas present in coal layers), avoiding the approval of contracts for these resources outside the procedures established in the relevant legislation.

The Petroleum Law expressly provides that the rights arising under concession agreements entered under the old Petroleum Law are qualified as ‘acquired rights’ and as such shall remain valid and unaffected by the Petroleum Law.

## **ii Regulation**

The oil and gas legal framework in Mozambique entails interaction and cooperation among different governmental institutions. The following governmental bodies are relevant and have a direct bearing on oil and gas operations in Mozambique.

The Council of Ministers is the body competent to approve concession contracts.

The Ministry of Mineral Resources and Energy is the governmental body that directs and executes the policies within the ambit of geological investigation and exploration of the mineral resources including the coal and hydrocarbons. It also has custody over the petroleum operations and over the National Institute of Petroleum (upstream).

The National Institute of Petroleum (INP) was created to manage the petroleum resources of Mozambique and administer the related operations for the benefit of the society, and in compliance with the existing laws, government policies and contractual commitments.

The INP is also the Mozambican oil and gas regulator and has the following duties and competences:

- a* regulation and control of the activity of research, exploration, production and transport of petroleum, as well as proposing policies of development and rules respecting the petroleum operations;
- b* organisation, maintenance and consolidation of the information and technical data relating to the activities of the petroleum industry, of the national petroleum reserves and the related information;
- c* conduct of the process of attribution of exploration, production, development and the transport of petroleum;
- d* normalisation, approval and homologation of the equipment to be used in the operations relating to the petroleum sector;
- e* proposal and provision of the legal diplomas necessary for the functioning of the petroleum sector and the provision of opinions on such draft laws;
- f* regulation of activities relating to petroleum operations;
- g* promotion of free competition and the prevention of abuse of dominant positions and unfair competition;
- h* preparation and launch of public tenders for concessions and entering into other contracts;

- i* issue of opinions on the attribution, renewal and change of concessions;
- j* control of compliance by the contracting parties to the terms of the concession contracts and the law;
- k* promotion and development of the prospecting and exploration of petroleum;
- l* participation in the definition of contract areas, minimum work requirements and of expenses to be defined with the concession contracts; and
- m* supervision of prospecting and exploration and of compliance with the work programme by concessionaires.

The Petroleum Law provides that an authority – the High Authority for the Extractive Industry – would be created to oversee extracting industries, nevertheless, it is silent as to what the powers of such authority shall be. In particular, it is uncertain whether it will be a regulatory authority or just an ombudsman, and to what extent its role and powers will not conflict or overlap with those of the National Petroleum Institute.

### iii Treaties

Mozambique has entered into bilateral investment treaties with the following countries: Algeria, Belgium, China, Cuba, Denmark, Egypt, Finland, France, Germany, India, Indonesia, Italy, Mauritius, Netherlands, Portugal, South Africa, Spain, Sweden, Switzerland, the United Kingdom, the United States, Vietnam and Zimbabwe.

In addition, it has double taxation treaties in place with the following countries: Botswana, India, Italy, Macau, Mauritius, Portugal, South Africa, the United Arab Emirates and Vietnam.

## III LICENSING

The types of concession contracts prescribed in the Petroleum Law are the following:

- a* Reconnaissance concession contract – reconnaissance concession contracts entered into under the Petroleum Law:
  - can only be entered into on a non-exclusivity basis;
  - shall be for a non-renewable two-year term; and
  - may not give rise to a right of first refusal in the granting of prospecting and production concession.
- b* Prospecting and production concession contract – under the Petroleum Law these concession contracts grant an exclusive right to conduct petroleum operations and a non-exclusive right to build and operate the infrastructures used in the production and transportation of petroleum. Also:
  - the approval of the government shall be required for joint-bidding or joint-operation agreements;
  - the right to carry prospecting activities cannot arguably be extended beyond eight years even if necessary to complete the works;
  - there is no specified term for the extension of prospecting activities in case a discovery is made; and
  - there is no specified term for the extension of the contract for the purpose of production.
- c* Oil or gas pipeline system concession contract – An oil pipeline or a gas pipeline system concession contract grants the right to construct and operate oil pipeline

or gas pipeline systems for the purpose of transporting crude oil or natural gas, in those cases that such operations are not covered by an exploration and production concession contract. An oil pipeline or a gas pipeline system concession contract shall be accompanied by the relevant development plan, which is an integral part of the concession contract.

- d* Infrastructure concession contract – the Petroleum Law foresees concession contracts for the construction and operation of infrastructures. Such concessions shall grant the right to build and operate infrastructures for petroleum production, including liquefaction. Such concessions shall only be required if the relevant infrastructure is not covered by an approved plan of development for prospection and production.

In addition to the types of concession contracts mentioned above, the Petroleum Law also contains a provision in respect to gas liquefaction, providing that the government may authorise concessionaires that have discovered deposits of oil and non-associated gas to develop projects for the design, construction, installation, ownership, financing, operation, maintenance, use of wells, installations and ancillary equipment, either onshore or offshore, for the production, processing, liquefaction, delivery and sale of gas in the domestic or foreign markets. It is therefore clear that liquefaction activities, either onshore or offshore, can be undertaken under EPCCs, subject to government approval but without the need of a separate agreement.

All concession contracts for exploration and production activities must be granted by way of public tender, while concession contracts for other petroleum activities (e.g., an infrastructure concession contract) may result from public tender, simultaneous or direct negotiation.

#### **IV ASSIGNMENTS OF INTERESTS**

Any direct transfer of rights and obligations granted under the concession contract, to an affiliate or to a third party, shall be made in accordance with Mozambican law and is subject to the government's approval. The Petroleum Law expressly provides that indirect transfer of participating interests, notably by way of change of control of the concessionaires, shall be considered as a transfer of rights and obligations under an EPCC, hence requiring government approval.

The above-mentioned assignments may also be subject to the payment of capital gains tax, since capital gains derived from the sale of shares of a resident company by a non-resident without a permanent establishment in Mozambique are fully taxed. The tax relief previously available depending on the holding period of the shares has also been revoked, and gains resulting from a direct or indirect transfer between non-residents of capital shares or other interests and participatory rights involving assets located in Mozambique are deemed to be obtained in Mozambique (regardless of where the sale takes place and regardless of whether the transfer is gratuitous or for consideration).

#### **V TAX**

The Petroleum Law expressly provides that the holders shall pay, along with specific taxes on petroleum operations:

- a* income tax;

- b* value added tax;
- c* municipal tax, when applicable; and
- d* other taxes legally established.

Furthermore, the Specific Regime of Taxation for Petroleum Operations aims to comprise, in a single law, the specific regimes of taxation and fiscal benefits applicable to petroleum operations and to adopt specific rules in terms of income taxes for petroleum operations, notably those referring to restrictions on the transfer of costs and income between different petroleum titles.

This legislation also includes amortisation rates applicable to assets used in this sector of activity, the regime applicable to capital gains emerging from transactions undertaken in respect to this sector of activity, the requirement to submit annual balance sheets and profit and loss accounts certified by an independent and authorised auditor and to proceed to the update of the list of goods that may be imported by petroleum undertakings, which are exempted from customs duties.

This Specific Regime of Taxation for Petroleum Operations is applicable to legal persons incorporated and registered in Mozambican territory, as well as to natural persons, national and foreign, who undertake petroleum operations under a concession contract subject to Mozambican jurisdiction, and aims to align the legislation with international practices applicable to the petroleum sector, comprising all tax matters relevant to the industry, allowing for easy consultation and interpretation of the legislation and ensuring the improvement of the business environment through the mobilisation of additional revenues.

## **VI ENVIRONMENTAL IMPACT AND DECOMMISSIONING**

In recognition of the specifics of petroleum operations, special environmental regulations for petroleum operations have been approved through Decree 56/2010 of 22 November (the Environmental Regulation for Petroleum Operations).

This Regulations defines the procedures and mechanisms for environmental impact assessment for petroleum operations and the measures of prevention, control, mitigation and rehabilitation of the environment, and apply to petroleum operations of public and private initiative.

For the purposes of the categorisation of the petroleum operations, activities are classified as:

- a* Category A: activities subject to the conduct of an environmental impact study;
- b* Category B: activities subject to the conduct of a simplified environment study, except in the cases foreseen in the Regulations; and
- c* Category C: activities subject to compliance with the standards of good environmental management.

The execution of an environmental impact study is mandatory prior to the commencement of Category A activities, constituting an obligation of the proponent of the activity that shall submit it to the Ministry of Environmental Affairs.

The environmental impact study also comprises decommissioning and rehabilitation plans.

The execution of a simplified environmental study is mandatory for Category B activities, constituting an obligation of the proponent of the activity to perform it and submit the respective report to the Ministry of Environmental Affairs.

Category C activities are those that by their nature do not entail damage to the environment.

The Ministry of Environmental Affairs issues a declaration of exemption for the activities foreseen under Category C.

The environmental impact study and the simplified environmental study shall be subject to public participation, consisting in public consultation of the natural and legal persons, public or private, directly or indirectly interested and affected by the execution of Petroleum Operations, being mandatory for Category A Activities and Category B Activities.

After approval, as applicable, the Ministry of Environmental Affairs shall issue the respective Environmental License for Category A and Category B activities, within eight days after the payment of the fees due.

The environmental license is valid for a period of five years. It is renewable for another five years upon request, which shall be submitted by the proponent to the Ministry of Environmental Affairs 180 days before the end of its validity.

Moreover, and with regards to decommissioning, the Ministerial Diploma 272/2009 of 30 December, which approves the Regulations on the Licensing of Petroleum Installations and Activities, contains certain provisions on the decommissioning phase that are applicable to concessionaires, operators, contractors and subcontractors and other entities involved in petroleum operations or petroleum activities within Mozambican territory.

An authorisation granted by INP (a decommissioning licence) is required that allows the holder to commence the closure of the petroleum facilities and the restoration of the sites affected by the petroleum activities.

## **VII FOREIGN INVESTMENT CONSIDERATIONS**

### **i Establishment**

The Petroleum Law requires that:

- a* any entity that directly or indirectly own or control entities with rights under concession agreements must be established in, registered in and managed from a transparent jurisdiction (i.e., a jurisdiction where the government is able to independently verify their ownership, management and control and tax status); and
- b* companies that apply for concessions deposit a document evidencing their incorporation and identifying their shareholders and providing information on their respective shareholdings.

According to the Mozambican Commercial Code, if a foreign company intends to carry out any activity in Mozambique for more than one year, it has to set up a permanent establishment in Mozambique and appoint a representative who shall be resident in the country. The foreign company will have to allocate capital for the purposes of the implementation its activity in Mozambique, and register any resolution adopted in relation to such representation with the Legal Entities Registration Office. The representation and the foreign company's representative also have to be duly registered with the Registration Office.

Moreover, if the foreign company carries on business in Mozambique (without having incorporated a Mozambican subsidiary or established a branch), for a period of more than

180 days, the Mozambican tax authorities may consider that the foreign company has a permanent establishment in Mozambique and it shall be subject to taxation as if it were a resident entity.

Bearing in mind the above, it is advisable that a foreign company intending to develop business activities in Mozambique either incorporates a Mozambican subsidiary, governed by the laws of Mozambique, or establishes a branch that will develop and conduct the business of the foreign company in Mozambique.

It is recommended to incorporate a subsidiary in order to limit the liability for the subsidiary's debts to the assets of such subsidiary since, in case of a branch, the parent company will be fully liable for the debts resulting from the activity of the branch, which has no legal personality under the Mozambican legal system.

There are two main forms of companies in Mozambique: company limited by quotas (LDA) and company limited by shares (SA). The LDA is the simplest and most commonly used form of limited liability company in Mozambique, while the SA has a more sophisticated corporate governance structure than the LDA and is typically used in connection with large-scale projects.

In terms of procedures, a company incorporation procedure starts with the submission of a name reservation application, followed by the issuance of a name reservation certificate, opening of a bank account to deposit the company's share capital, signature before a public notary of the deed of incorporation, publication of the articles of association in the Official Gazette and application for commercial registration in the government's Official Gazette. This process takes on average one month.

## ii Capital, labour and content restrictions

### *Mozambique exchange control policies*

A company is generally required to comply with the procedures and formalities relating to foreign exchange transactions that are or may come to be in force in the Republic of Mozambique. The Exchange Control Law provides under Article 28(f) of Law 11/2009 of 11 March 2010, which in any concession contract, the concessionaires and subcontractors shall be considered special cases, and that the decree that approves this contract shall be considered special legislation. Subject to the minimal restrictions indicated, the company is generally permitted:

- a* to open, keep and operate one or more accounts denominated in Mozambican currency with any bank in the Republic of Mozambique and to dispose freely of the sums deposited therein without restriction;
- b* to open, keep and operate one or more foreign currency accounts with any bank in the Republic of Mozambique authorised for the purpose by the Bank of Mozambique in order to freely import and deposit into such account funds required for the conduct of petroleum operations; to convert to Mozambican currency the foreign convertible currencies accepted by banks in the Republic of Mozambique at rates of exchange quoted by commercial banks operating in the Republic of Mozambique;
- c* upon request addressed to the Bank of Mozambique and in accordance with the procedures in force that grant the company the right to a special authorisation, to open and operate bank accounts with banks abroad that are correspondents of licensed banks in Mozambique, for purposes of depositing the proceeds of sale, other funds from any other lawful source and payments made abroad under the EPCC;

- d* (in addition and without prejudice to the flat tax due) to freely declare and pay dividends to its shareholders and to transfer them abroad in the terms of the foreign exchange regulations in force; and
- e* (subject to approval by the Bank of Mozambique and in the terms of the legislation in force) to contract external loans, pay interest, capital and other expenses.

The generally permissible exchange control regime applicable in Mozambique is nonetheless subject to a number of obligations incumbent upon a company. These include:

- a* the obligation to report periodically on the banking transactions involving the accounts referred to above. A company is also obligated to inform its banker to provide the Bank of Mozambique with quarterly copies of extracts of such accounts, whereby the Bank of Mozambique has also the right to order audits on such accounts. Moreover, a company is also required to waive its rights to banking secrecy for the benefit of the Bank of Mozambique in relation to the accounts mentioned above so as to facilitate such audits; and
- b* the obligation to submit to the Bank of Mozambique a summary of all currency received, imported, remitted and maintained in accounts abroad during the relevant reporting period, within 30 days from the end of each quarter.

#### *Employment of foreign citizens in the petroleum and mining industry in Mozambique*

The Petroleum Law introduces a new requirement in respect of the hiring of a work force for petroleum exploitation companies, which shall be published in newspapers with wider readership in the country, or through radio, television and the internet, indicating the place of application, conditions required and publication of results. This requirement does not seem to apply to subcontractors.

Decree 63/2011 of 7 December provides the legal regime and mechanisms and procedures for the employment of foreign citizens under the Petroleum Law and Mining Law. This legal regime is applicable to all employers, domestic and foreign, and all foreign employees working in these sectors, and provides a regime of quotas for the employment of foreign citizens, where employers may employ foreign citizens by simply giving notice of the employment to the Ministry of Labour or an entity to whom the minister has delegated this competency, in the period of 15 days after the admission of the employee, subject to the following quotas:

- a* 5 per cent of the total number of employees, in large enterprises (an enterprise employing more than 100 employees);
- b* 8 per cent of the total number of employees, in medium-sized enterprises (an enterprise employing more than 10 but not more than 100 employees); and
- c* 10 per cent of the total number of employees, in small enterprises (an enterprise employing up to 10 employees).

If the enterprise has already fulfilled the quotas, it is possible to employ foreign citizens by means of requesting a work authorisation, addressed to the Ministry of Labour. In these cases, the admission of the foreign citizen shall only proceed if the employee has the required academic and professional qualifications, and it is proved that there are no nationals with such qualifications.

In petroleum or mining investment projects approved by the government (through the Investment Promotion Centre) that contemplate the employment of foreign citizens in

a smaller or greater percentage than foreseen above, work permits shall not be required, and it shall be sufficient for notice to be given to the Ministry of Labour within 15 days after the foreign citizen enters into Mozambique.

Finally, the law also provides for short-term work, which is considered to be work performed by a foreign citizen that does not exceed 180 days per year, followed or interrupted. This short-term work does not require any work authorisation, it only being necessary to remit, within 15 days following the arrival of the foreign citizen to the country, a communication to the Ministry of Labour mentioning the identity of the employee, qualifications, reason for their hiring and activities that will be performed, dates when the employee will be in the country, etc.

### **iii Anti-corruption**

Law 6/2004 of 17 June, which introduces complementary mechanisms to fight corruption, provides that within all contracts in which the state, municipalities or other public bodies are parties, it is mandatory to include an anti-corruption clause through which the parties commit to avoid offering, directly or indirectly, advantages to third parties, and not request, promise or accept offers with the purpose of obtaining a more favourable judgment on the services to be provided.

If the contract does not include the above-mentioned clause, it will be deemed null and ineffective.

Moreover, on 11 May 2012 the Mozambican parliament approved a law on ethics and conflicts of interest, presented as the Public Probity Law. This law establishes the basis and the legal regime related to public morality and respect for public assets, by public servants.

This law is applicable to all public servants, as well as to private entities circumstantially vested with public powers. A public servant is defined as a person who carries out a mandate, assignment, job or tasks in a public entity, in virtue of election, appointment, hiring or any other form of relationship, regardless of being temporary or without remuneration.

### **iv Forms of investment**

The Petroleum Law expressly regulates the forms under which direct investment in petroleum activities shall take place. In particular, the Petroleum Law foresees that the investment by the state can be made through the appreciation of existing resources and also through other forms of investment that shall be defined by the government.

## **VIII CURRENT DEVELOPMENTS**

### **i LNG project**

A project for the construction of LNG facilities in the northern Mozambican province of Cabo Delgado is currently being discussed.

The US company Anadarko heads the consortium that has discovered large quantities of gas in Area 1 of the Rovuma Basin, off the Cabo Delgado coast. Similar discoveries have been made in the adjacent Area 4 by a consortium headed by the Italian energy company ENI. Anadarko and ENI are working together to develop the processing facilities and eventually to export the gas. The main markets are expected to be Japan and other consumers in the Far East.

As mentioned above, the concessionaires of Areas 1 and 4, respectively, of the Rovuma Basin expect to make a final investment decision by the end of 2016/early 2017 on whether to proceed with the construction of the LNG facility.

To facilitate the implementation of this project, the government of Mozambique approved the Decree-Law 2/2014 of 2 December, which was passed to establish a special legal and contractual regime to be applied to any project developed in Areas 1 and 4 of the Rovuma Basin, including the exploration, extraction and production of natural gas and associated LNG liquefaction activities (each a Rovuma Basin Project).

Simultaneously, ENI is also exploring the possibility of developing a floating LNG facility, which already has the approval of its respective plan of development granted by the government of Mozambique, in which is considered to be a step progress toward the final investment decision of what could be the first floating LNG facility in Africa.

## **ii African Renaissance**

A joint venture agreement between Mozambican, South African and Chinese partners (notably Empresa Nacional de Hidrocarbonetos (ENH), Profin Consulting Sociedade Anonima (Profin), China Petroleum Pipeline Bureau (CPP), China Petroleum & Technology Development Corporation (CPTDC) and Progas Investment Group (Pty) Limited) has been signed for the building of a gas pipeline from the northern Mozambican district of Palma to the South African province of Gauteng (the 'African Renaissance').

The project is presently going through viability studies which is estimated to cost US\$45 million.

The total cost of the 2,600-kilometre pipeline is put at US\$6 billion and it is expected that China will provide credit for 70 per cent of this (US\$4.2 billion).

## **iii ENI's potential farm down**

There have been strong rumours by the press that Exxon Mobil Corp is in advanced negotiations with Eni SpA over acquiring a minority stake in natural-gas discoveries off Mozambique Area 4 Rovuma Offshore and also in talks with Anadarko Petroleum Corp over acquiring a stake in the adjacent Area 1 in Mozambique's offshore Rovuma Basin.

## **iv Blocks auction**

Mozambique launched on 23 October 2014 its fifth oil and gas bidding round, with a total of 15 blocks comprising the offshore Rovuma, offshore Angoche, offshore Zambezi and onshore Pande-Temane and onshore Palmeira areas (the area on offer covered approximately 74,402km<sup>2</sup>).

After evaluation of the bids, the following operator lead groups have been invited to commence negotiations for an exploration production concession contract:

- a* Angoche Area A5-A ENI Mozambique S.p.A;
- b* Angoche Area A5-B ExxonMobil E&P Mozambique Offshore Ltd;
- c* Zambezi Area A5-C ExxonMobil E&P Mozambique Offshore Ltd;
- d* Zambezi Area A5-D ExxonMobil E&P Mozambique Offshore Ltd;
- e* Pande/Temane Area PT5-C Sasol Petroleum Mozambique Exploration Ltd; and
- f* Palmeira Area P5-A Delonex Energy Ltd.

## **PEDRO COUTO**

*CGA – Couto, Graça & Associados*

With 19 years of experience providing legal and regulatory advice to private companies, government agencies and state-owned corporations throughout Mozambique, Pedro Couto is involved in initiatives such as BOT, BOOT, corporate restructuring, foreign investment, project financing, privatisation and public tenders in areas of transport, mining, aviation, energy, oil and gas, port, rail and commercial infrastructure. He has a solid understanding of financial, exchange control and tax legislation in Mozambique and has worked both at the municipal and national levels providing input into legislation and regulatory frameworks.

He has further worked for several governmental agencies, including: the Ministry of Environmental Affairs assisting with the establishment of toxic waste sites, the Ministry of Tourism for the preparation of the concession tender process of the National Park of Limpopo, and the National Roads Administration in its major public works contracts.

In the private sector, Pedro Couto has been involved in the negotiations of several PPPs, namely with the concession of the Port of Maputo; the concession of the Railway and the Port of the Nacala Corridor; and the concession for the Ressano Garcia Power Project.

## **TELMO FERREIRA**

*CGA – Couto, Graça & Associados*

Telmo Ferreira has 18 years of experience in the corporate world and is currently CGA's managing partner, also in charge of mergers, acquisitions, capital markets and tax. His expertise has been crucial for the legal viability and success of some of the major transactions involving companies operating in key economic sectors. That includes, among others, advising mergers and acquisitions on the banking and industrial sectors, listing of companies, IPOs, corporate governance and commercial, financing and concession contracts in various sectors. Recently he has been involved in some of the most relevant concessions in Mozambique in the mining and oil and gas sectors.

## **PAULO FERREIRA**

*CGA – Couto, Graça & Associados*

Paulo Ferreira has six years of litigation experience in civil, commercial, labour, administrative and arbitration fields. He joined the energy, natural resources and infrastructure department in June 2011 and has been active in the areas of oil and gas, energy, infrastructure, mines and natural resources.

## **MÁRCIO PAULO**

*CGA – Couto, Graça & Associados*

Márcio Paulo has six years of experience in the corporate and banking practice. He joined the energy, natural resources and infrastructure department in December 2011 and has been active in the areas of oil and gas, energy, infrastructure, mines and natural resources.

## **GISELA GRAÇA**

*CGA – Couto, Graça & Associados*

Gisela Graça has some years of experience in civil, commercial, labour, administrative matters, and academic research. She joined the energy, natural resources and infrastructure practice in August 2013 and has been advising in the areas of infrastructure, energy, mining and natural resources.

**CGA – COUTO, GRAÇA & ASSOCIADOS**

Av. 24 de Julho, 7, 7th Floor

Maputo

Mozambique

Tel: +258 21 486 438 / 40

Fax: +258 21 496 802

[pcouto@cga.co.mz](mailto:pcouto@cga.co.mz)

[pferreira@cga.co.mz](mailto:pferreira@cga.co.mz)

[mpaulo@cga.co.mz](mailto:mpaulo@cga.co.mz)

[ggraca@cga.co.mz](mailto:ggraca@cga.co.mz)

[www.cga.co.mz](http://www.cga.co.mz)