

Harnessing abundance, avoiding overreliance: Learnings for a diversified economy

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Irena Agalliu, Vice President, Energy and Climate Policy and Regulation

Roderick Bruce, Africa Lead, E&P Terms and Above-Ground Risk

Justin Cochran, Director, African Upstream Research

Ismini Katsimpardi, Africa Lead, Upstream Asset Valuation

Robert Matthee, Principal Economist, S&P Global Market Intelligence



Frontier and immature basins continue to deliver

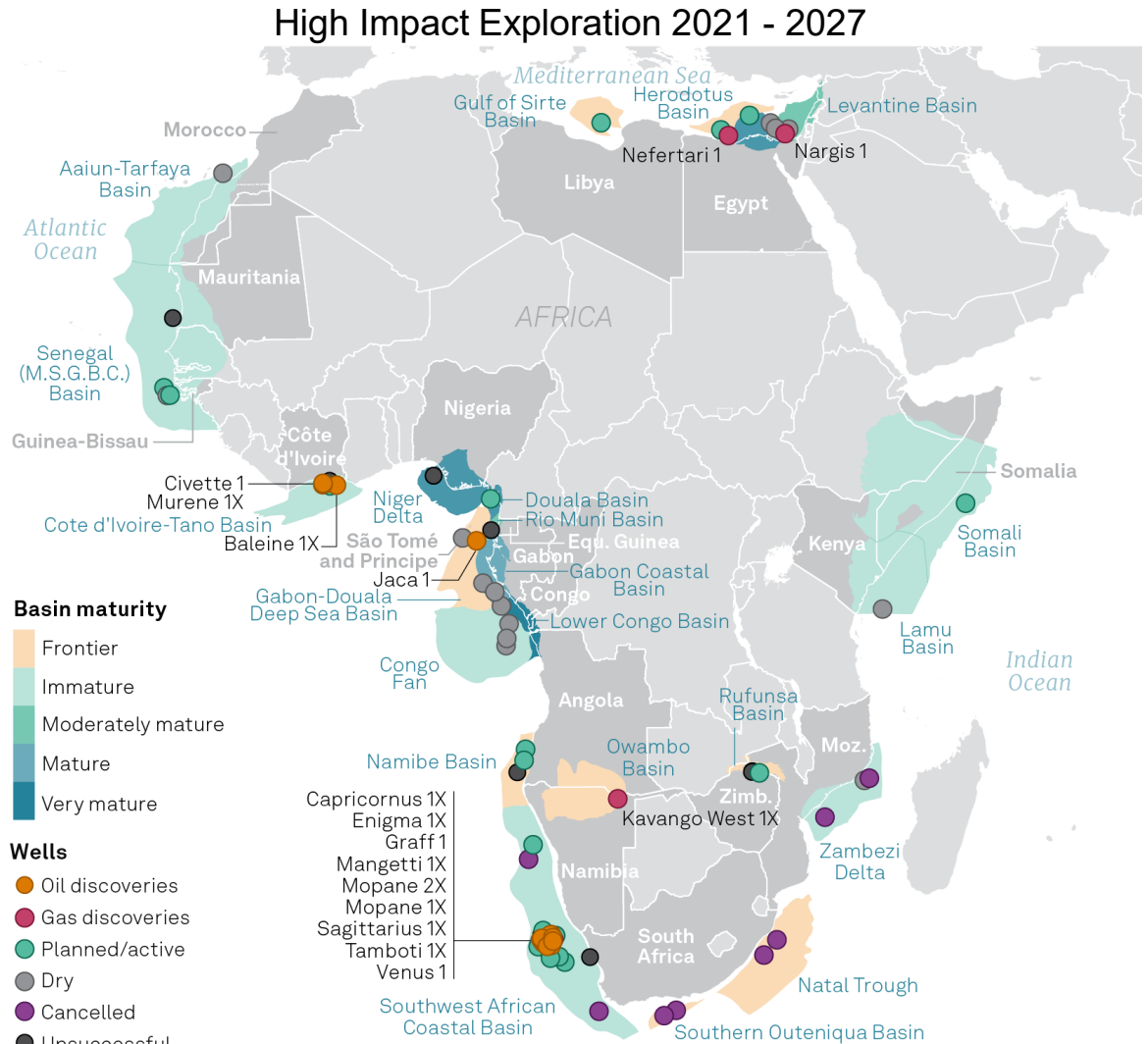
Namibia is leading the charge

Just over 10 Bboe discovered in Africa since the start of 2021.

- 80% from frontier/immature basins
- The largest contributions:
 - The Namibian portion of the Orange Sub-basin contributed over 60%.
 - The Côte d'Ivoire portion of the Tano Basin
 - The Egyptian portion of the Herodotus Basin.
- In terms of resource type from the frontier/immature basins:
 - 60% Liquids
 - 40% Gas

The exploration focus has been on Liquids with one notable exception.

- Explorers target the frontiers in the hope of making large or giant liquid discoveries that can be monetized relatively quickly
- The exception is when infrastructure is in place. If this is the case, explorers will target gas.

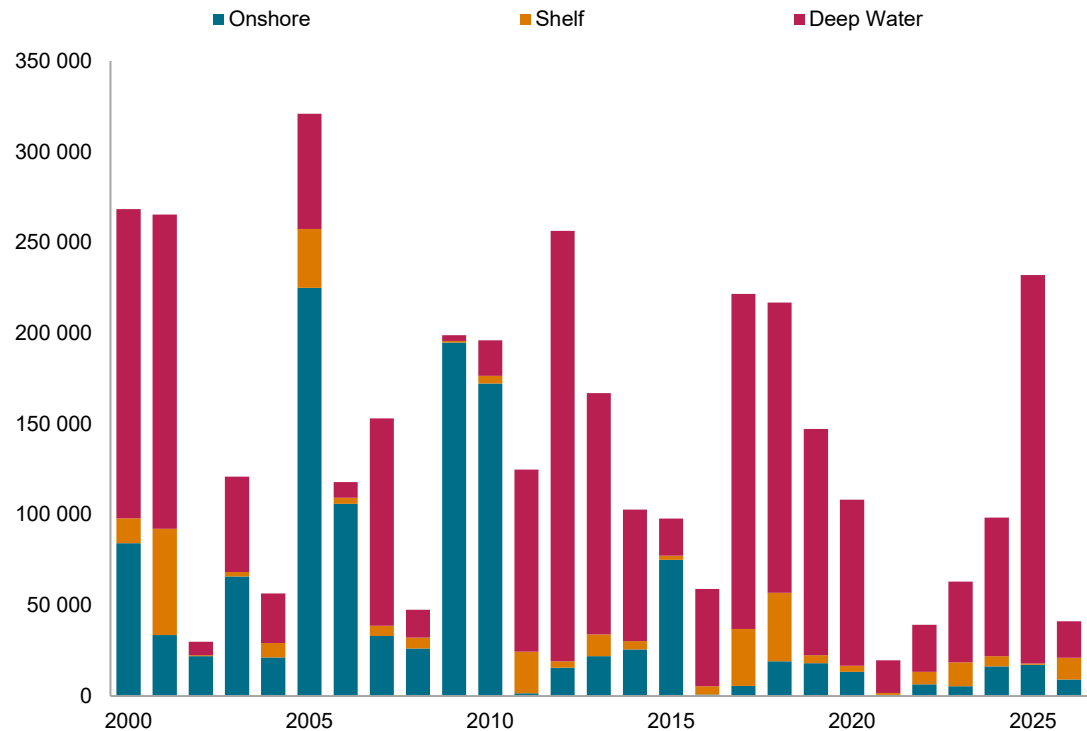


Data from CERA Upstream Solutions. Compiled Mar. 03, 2026.

IOCs are flooding back to West African frontier and immature basins

Acreage capture since 2020 reflects a shift in strategy

GIOC acreage capture in Africa in sq km



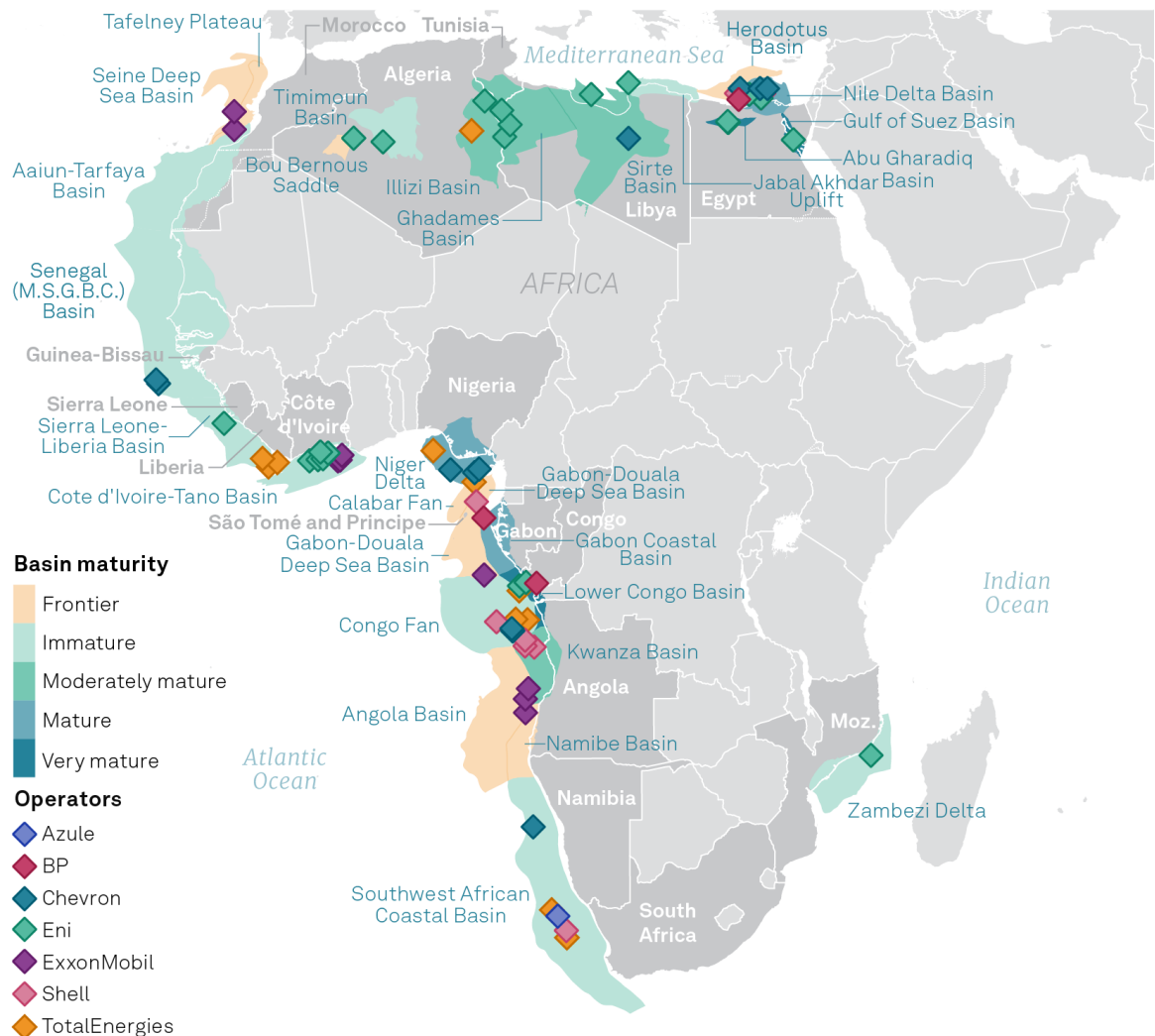
Data from CERA Upstream Solutions. Compiled March 16, 2026.

Source: S&P Global Energy.

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IOCs are stocking portfolios, particularly in West Africa and in deepwater. Nobody wants to miss the next Guyana or Namibia.

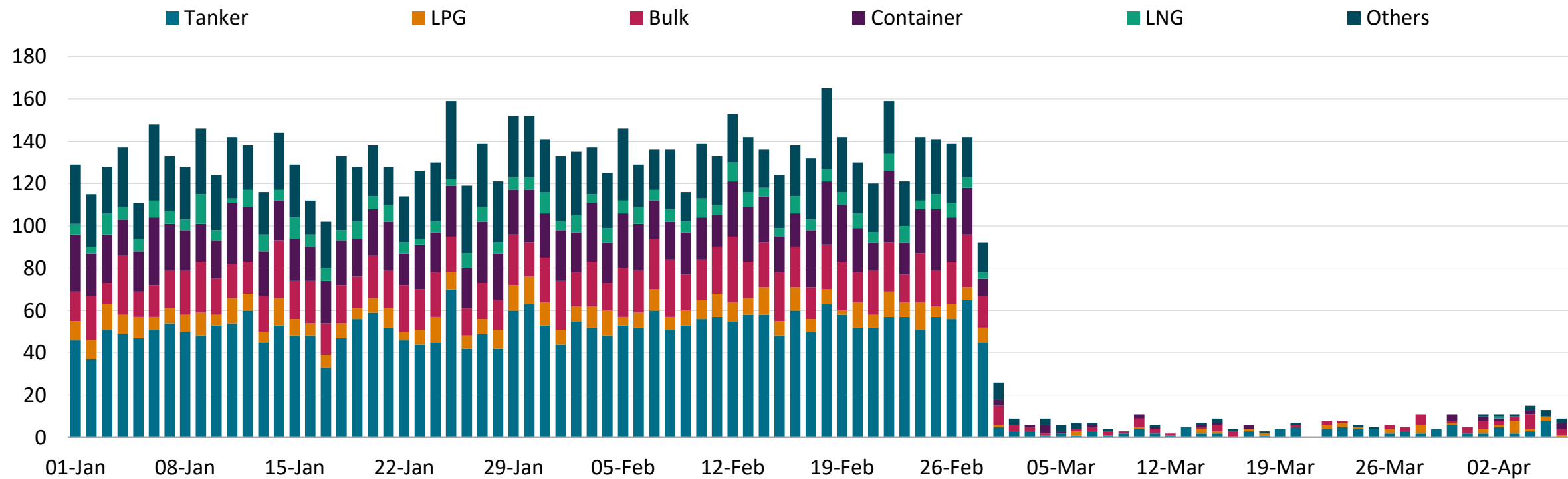
Upstream acreage entry by company 2024-2026



Data from CERA Upstream Solutions. Compiled Mar. 03, 2026.

Effectively Closed: 10 or less vessel crossings per day in March, compared to average of 135 in February 2026. March 28 saw uptick, with 10 vessel transits.

Vessels Crossing Strait of Hormuz, by Type, Unique Daily Count



Data compiled Apr. 06, 2026
Note that increased AIS signal jamming in the Strait of Hormuz is causing vessel position anomalies. Counts include transits in both directions through the Strait; each vessel is counted once per day
Source: S&P Global MINT, S&P Global Commodities at Sea
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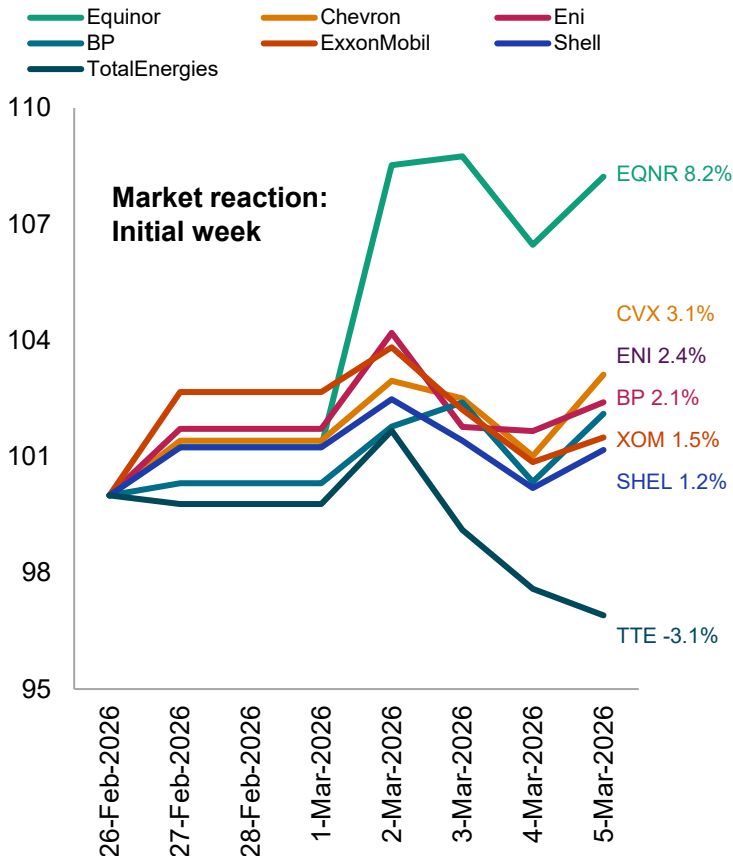
Middle East | GIOC's production exposure directly impacting share prices

Stronger commodity prices drove share-price gains; Equinor with no exposure recording the highest increase

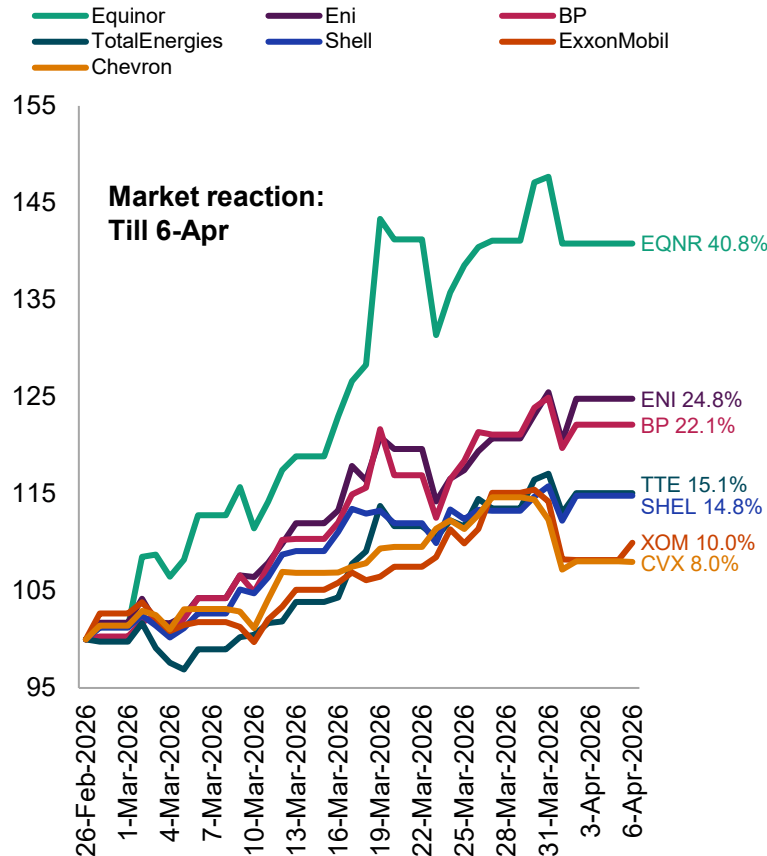
GIOCs: 2025 ME & Africa production



GIOCs: Impact of ME conflict on share price

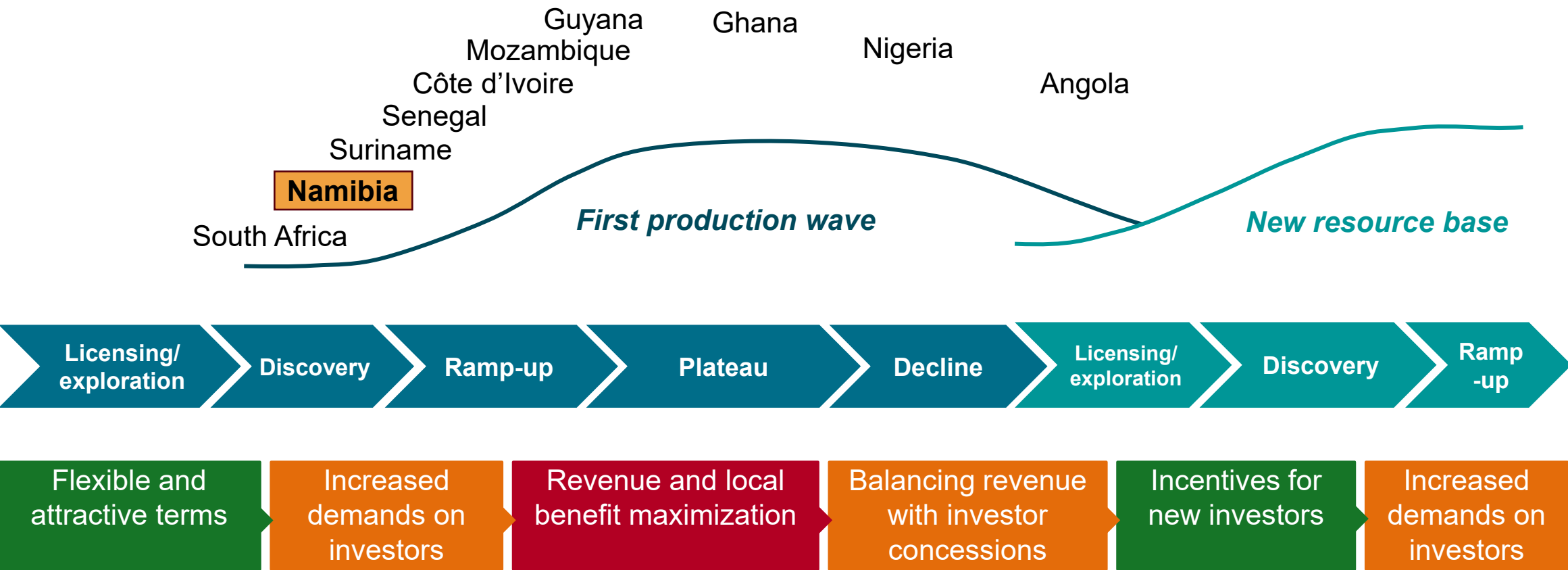


GIOCs: Impact of ME conflict on share price



GIOCs: Global International Oil Companies
Data compiled Apr. 6, 2026.
Source: S&P Global Energy.
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Resource life cycle: Emerging producers face intensifying policy pressures

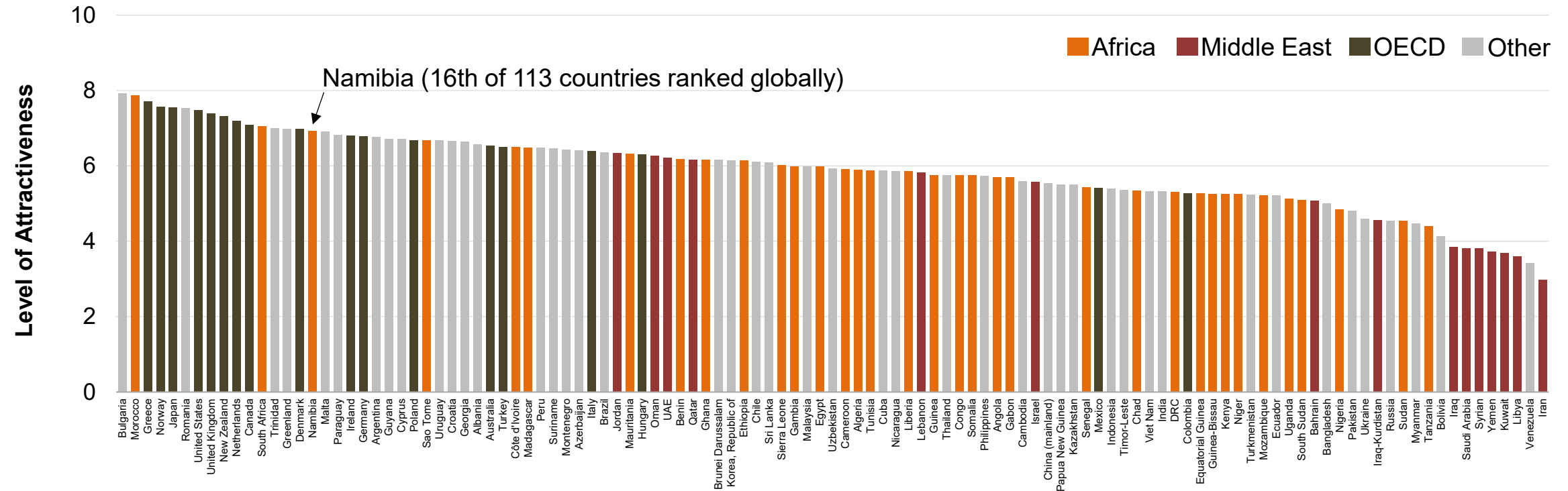


As of April 2026.
Source: S&P Global Energy.
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Can Namibia sustain its E&P attractiveness amid evolving global risks?

Above ground, Namibia currently leads many African, Middle Eastern and OECD peers

E&P above-ground attractiveness overall scores — legal, fiscal and risk (higher score = more attractive)



As of April 2026.

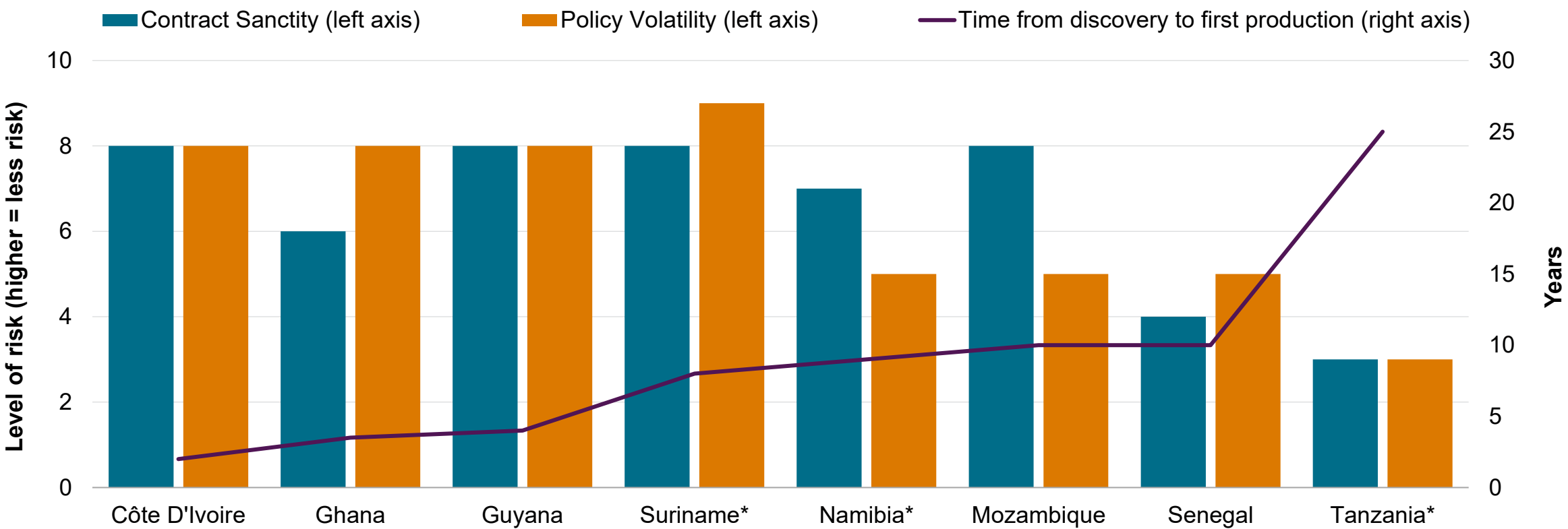
OECD = Organisation for Economic Cooperation and Development.

Source: S&P Global Energy.

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Policy instability and contractual uncertainty contribute to delayed first production

Selected risk scores for deepwater producers (higher score = less risk)



As of April 2026.
* Denotes use of currently assumed production start dates.
Source: S&P Global Energy.
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Pragmatic local content policies that prioritize value creation over ownership enable the expeditious development of oil and gas resources

Factors influencing local content

01

Scale
The size of the national oil and gas sector is a critical factor in development of a local oil and gas service industry

02

Local Technical Capabilities
Countries with strong technical capabilities have been able to build a local industry

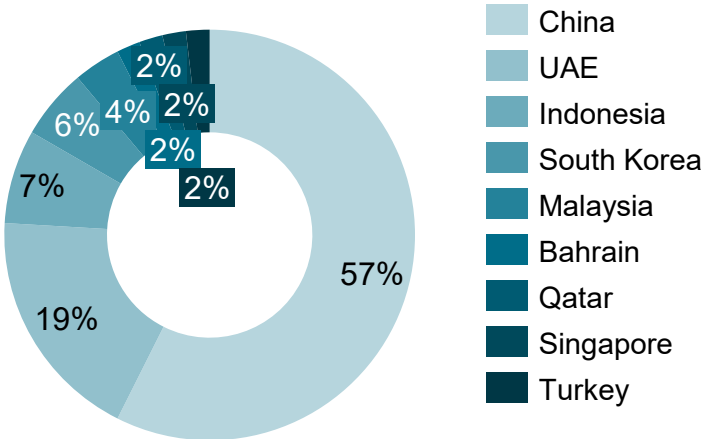
03

Education
Human capital is key – investment in high quality education

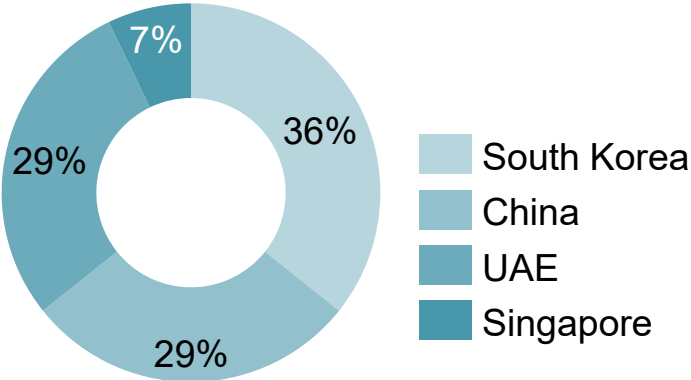
04

Governance
Institutional capital – the quality of institutions is critical in determining whether countries avoid the resource curse

Hul yard location for FPSOs Installed or under construction since 2020

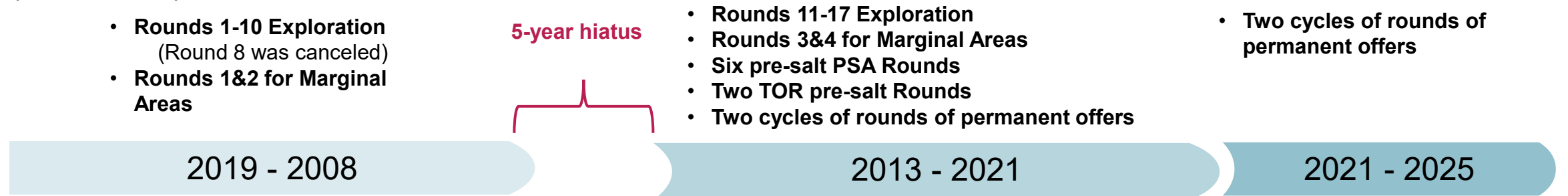


Hull yard location for location for FLNG contracts awarded since 2020



Brazil | Despite the strong industrial base Brazil's local content development could not meet the targets set initially

Local content and mandatory state participation contributed to a 5-year hiatus in licensing of acreage in Brazil (2008-2013)



Strict, high-percentage mandatory requirements (often 60–90% in early 2000s)

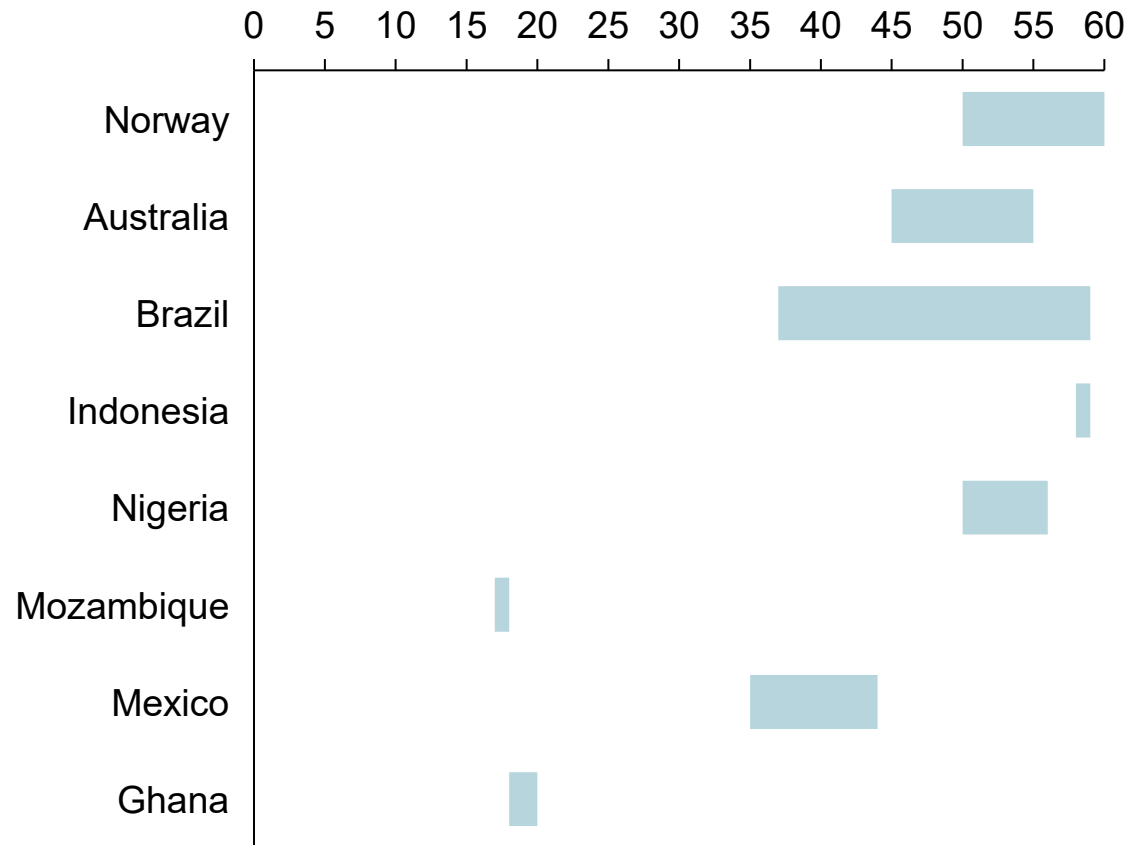
- Cost overruns (56% higher than in Asia)
- Delays and logistical bottlenecks
- Creation of local companies that thrived on the imperative of local content
 - A significant number went bankrupt in downcycles.
- Targets were never fully met: 35-40% was achieved

Relaxed local content rules introduced

- 2016 removed Petrobras mandatory participation in presalt
- Local content for offshore was lowered to 18-40%
- In 2018-2019 rules for certain fields such as Libra were relaxed
- 2024 – law allows transfer of local content surpluses between contracts

Setting local content expectations right — development of realistic plans and strategies is critical

Range of local content achieved (%)



The highest levels of local content achieved in recent decades hover around 50-60%



High targets set unrealistic expectations and create challenges and bottlenecks in implementation



High targets make the targeted industries uncompetitive and less innovative over time

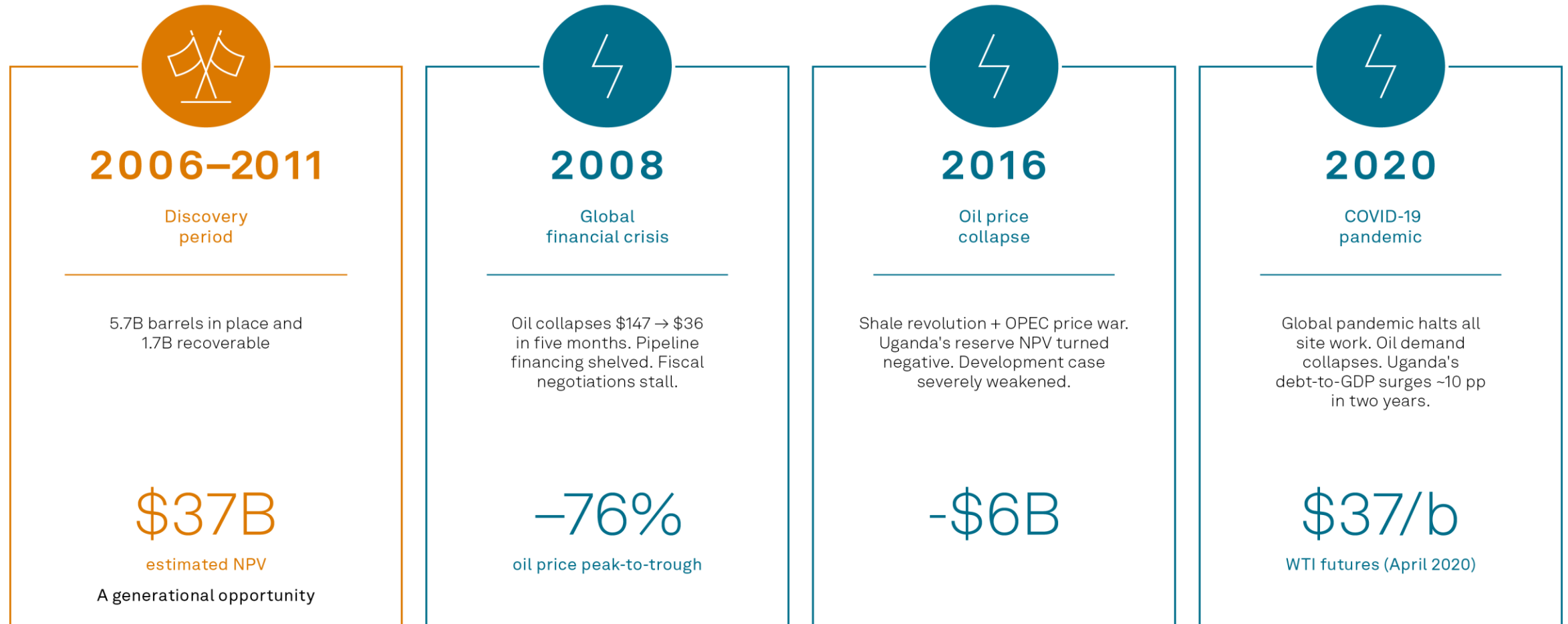


High LC targets tend to act as drain on the rest of the economy, increasing prices, reducing diversification, and competition

Uganda as a case study: What lessons can we learn?

Uganda oil

External shocks

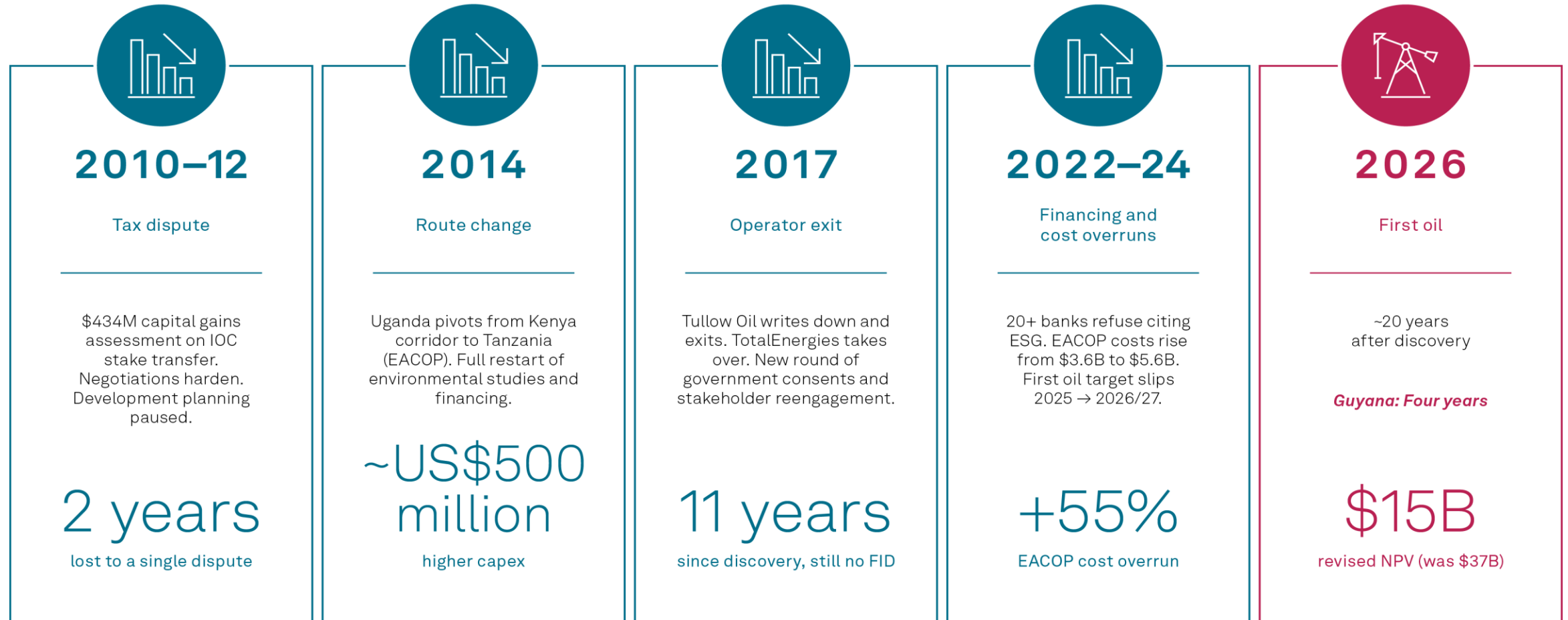


As of March 17, 2026.
Each shock hit at a moment when the project was already stalled — compounding lost time into lost value.
Source: S&P Global Market Intelligence.
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Uganda as a case study: What lesson can we learn?

Uganda oil

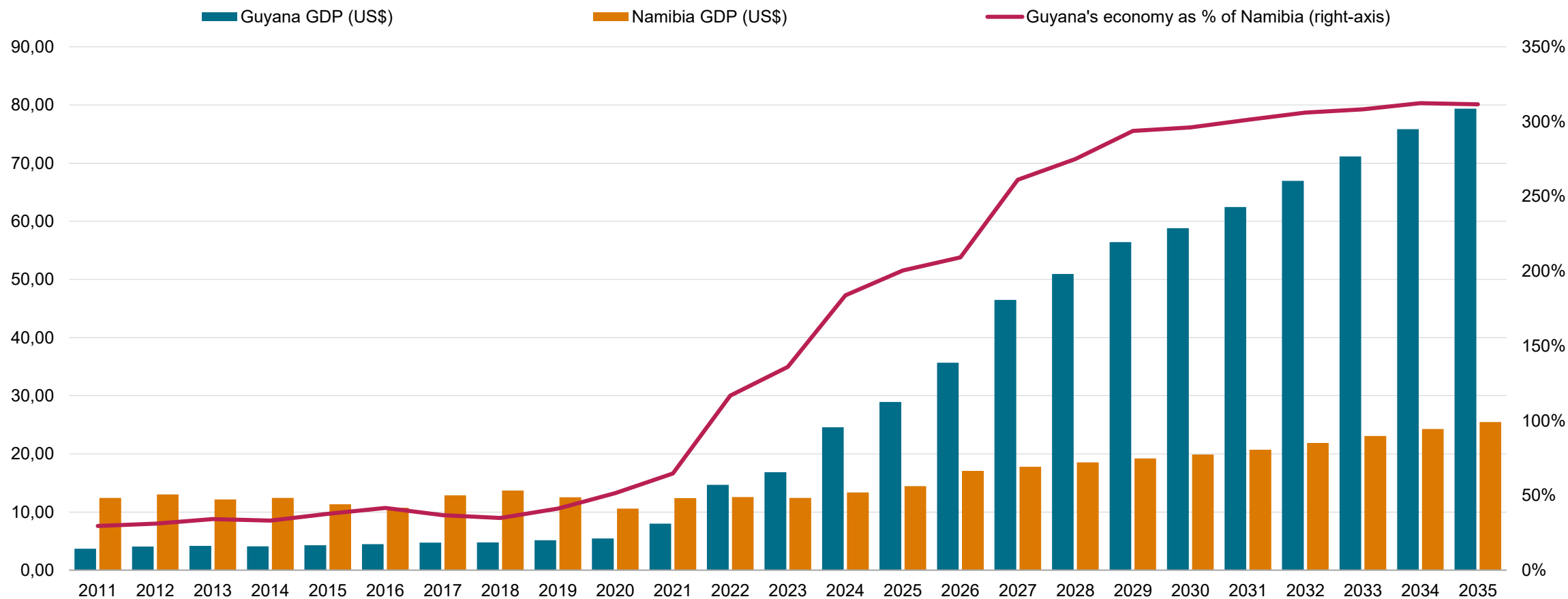
Own goals



As of March 17, 2026.
Every own goal extended the timeline — and every year of delay eroded the value that once made this a generational opportunity.
Source: S&P Global Market Intelligence.
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The sheer scale of Guyana's economic growth compared to Namibia

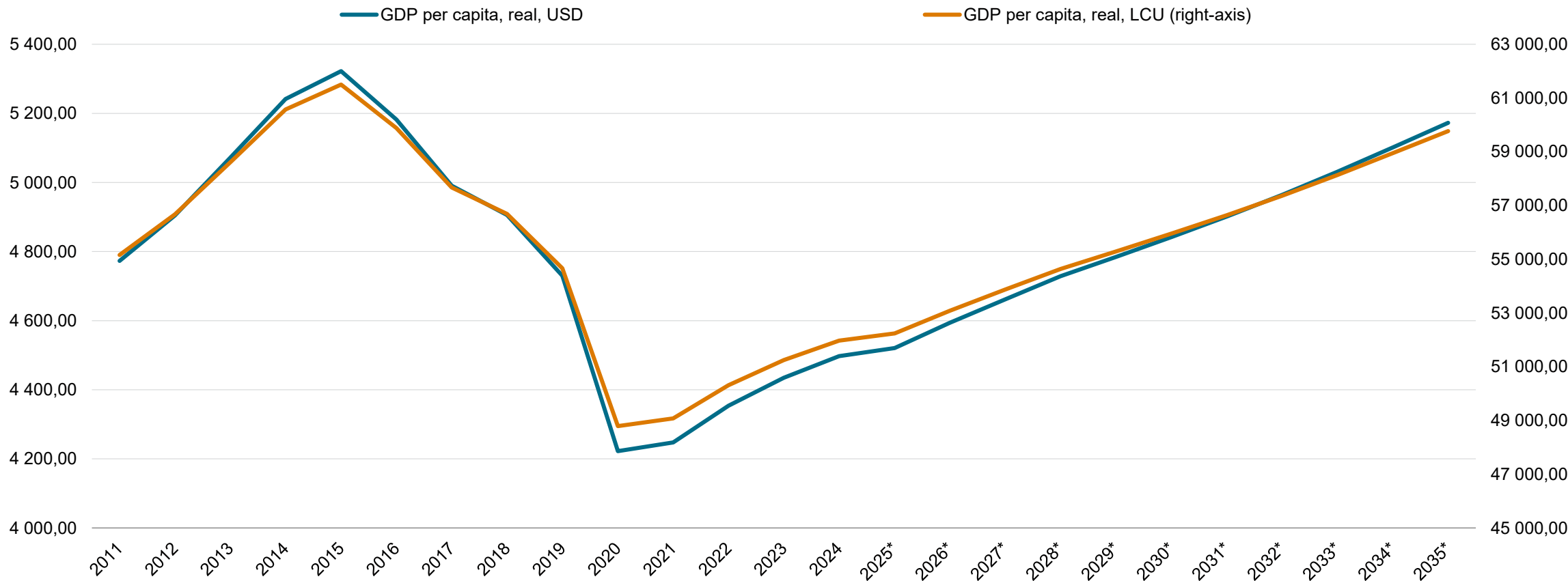
Guyana's significant economic expansion



As of March 18, 2026.
Figures are in nominal terms. 2025-2035 = forecast
Source: S&P Global Market Intelligence
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Namibia's current growth is not sufficient for meaningful poverty reduction

Real GDP per capita not expected to return to 2015 levels over the forecast period



As of Feb. 17, 2025.

* = forecast.

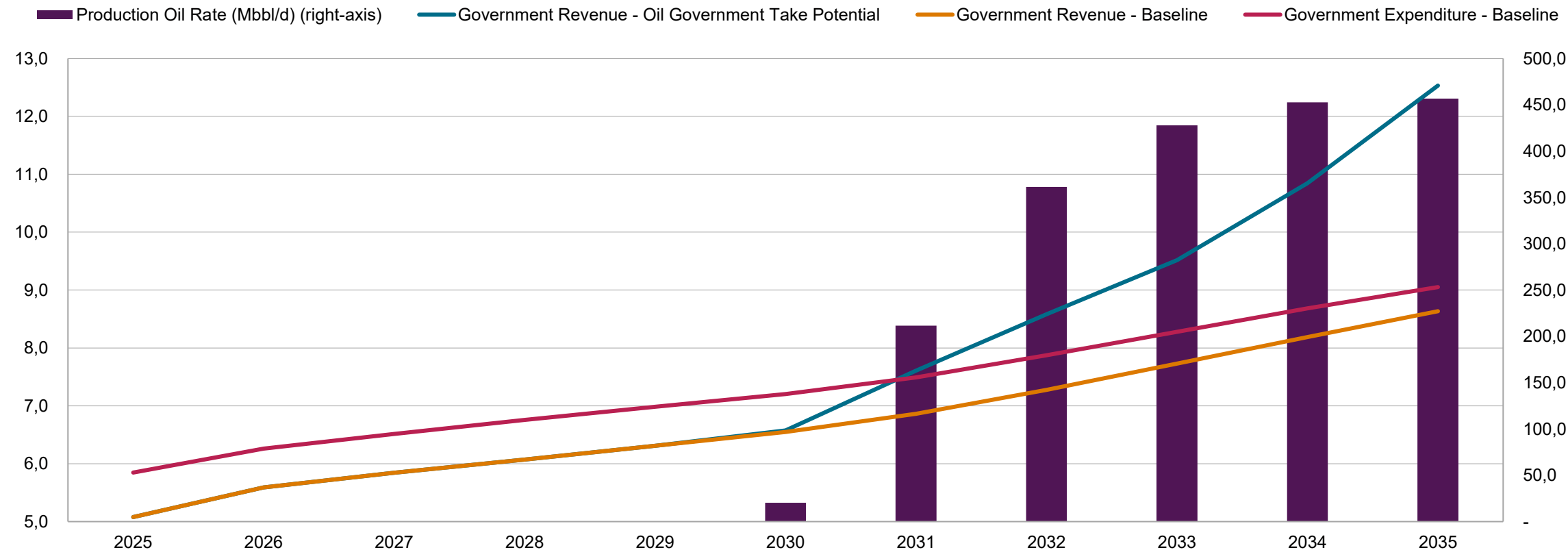
Source: S&P Global Market Intelligence.

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Oil production could be transformational for the fiscus

Potential impact of oil production on government finances, US\$ billions

First surplus since 2008



As of December 12, 2025.

Forecast based off an average oil production rate of 322 Mbbl/d between 2032 - 2032. Figures are in nominal terms.

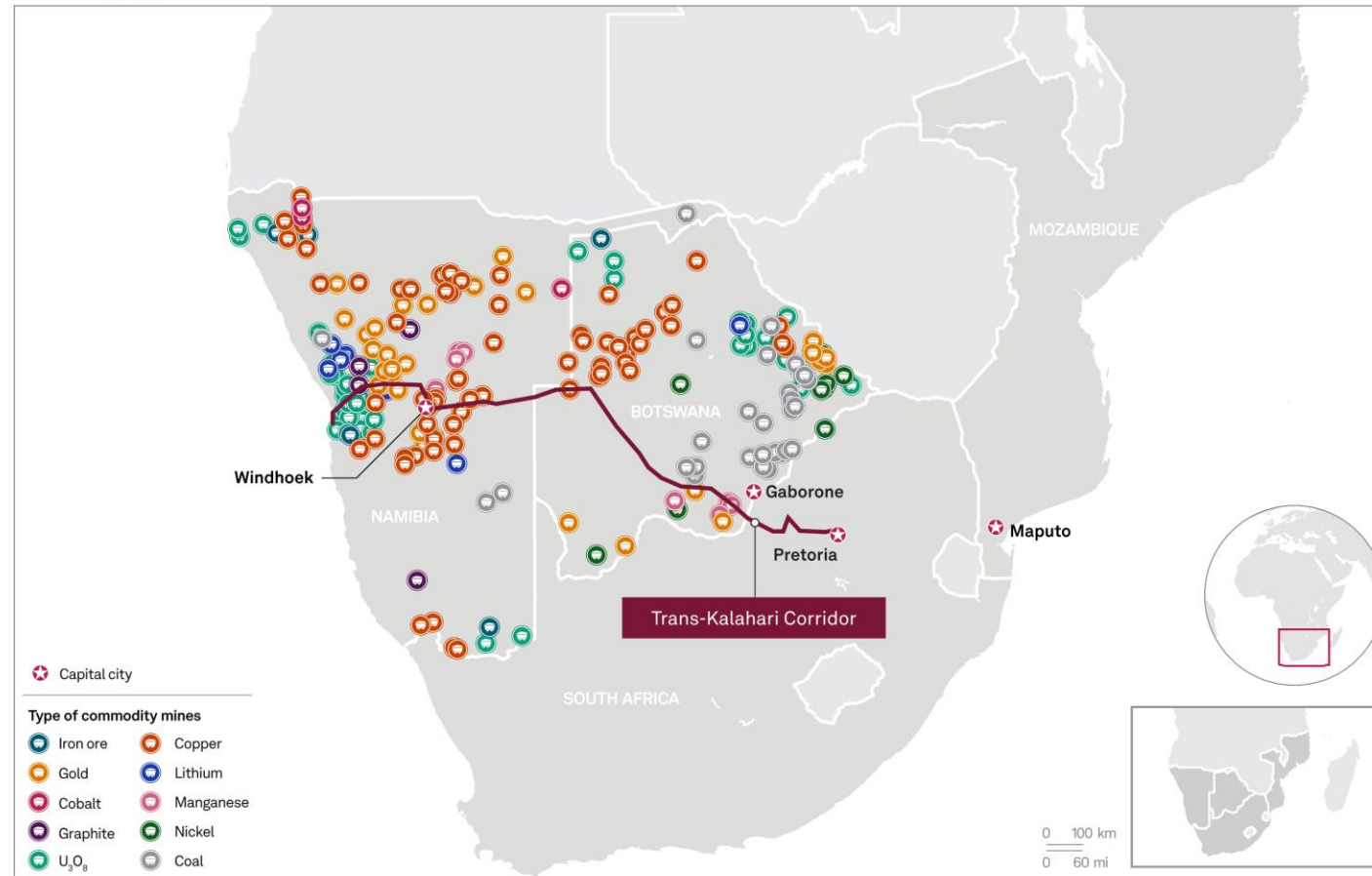
Source: Revenue and expenditure baseline figures sourced from S&P Global Market Intelligence. Government take and oil production figures sourced from S&P Global Energy.

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Oil as a catalyst for economic diversification

Investing surplus revenue into large infrastructure projects

Trans-Kalahari



Data compiled March 30, 2026.

Source: S&P Global Market Intelligence: 262979-03.

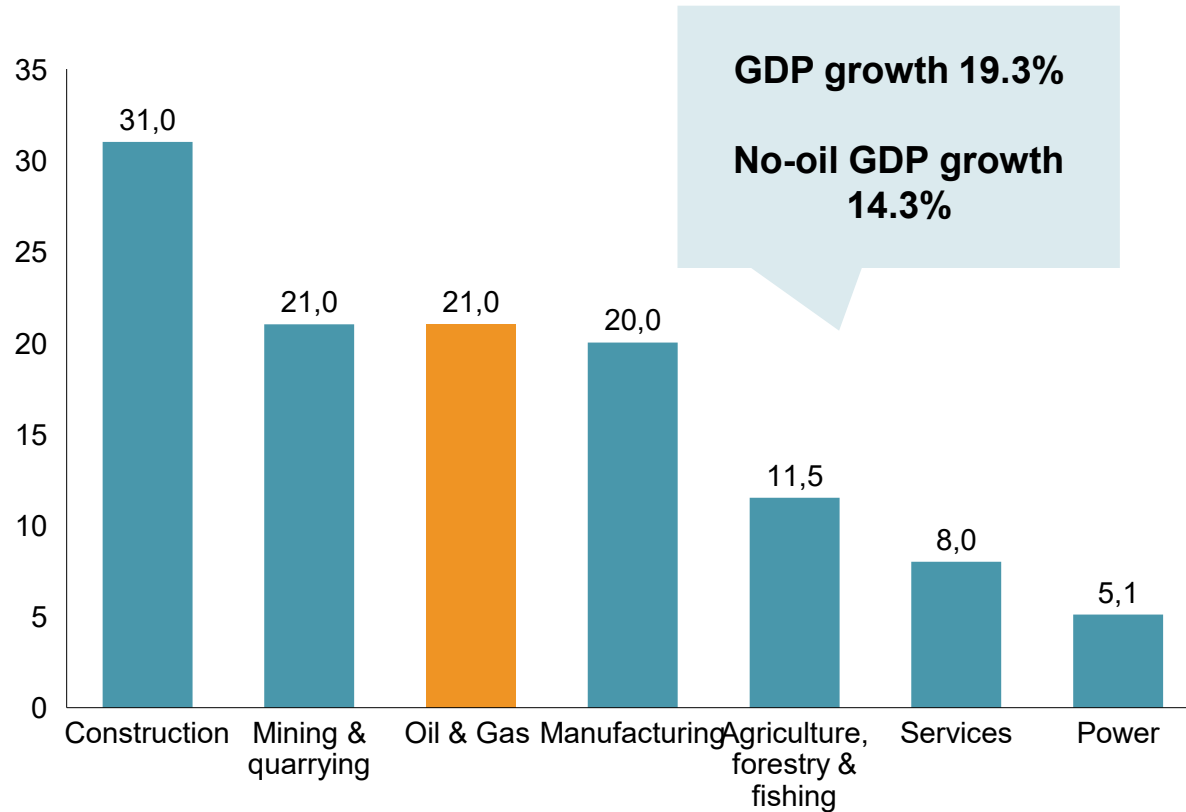
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- The Trans-Kalahari Corridor (TKC) connects Walvis Bay in Namibia to Johannesburg, South Africa, via Botswana - serving as a strategic trade route for Southern Africa.
- Namibia's emerging oil revenues present a unique opportunity to invest in the TKC, transforming it into a backbone for diversified economic activity.
- **Oil income can spark development beyond the energy sector, enabling infrastructure upgrades that support mineral exports, logistics services, and regional trade.**
- By strengthening the TKC, Namibia can leverage its oil windfall to build warehousing, transport, and customs services - laying the foundation for new industries and supply chains.
- Increased corridor activity generates jobs not only in transport, but also in logistics, maintenance, security, and business services, broadening employment opportunities.
- The TKC positions Namibia as a connector economy, facilitating trade and integration across Southern Africa, and reducing reliance on a single sector.
- **Oil revenue, when invested in corridor development, becomes a catalyst - driving economic diversification, regional competitiveness, and sustainable growth for Namibia's future.**

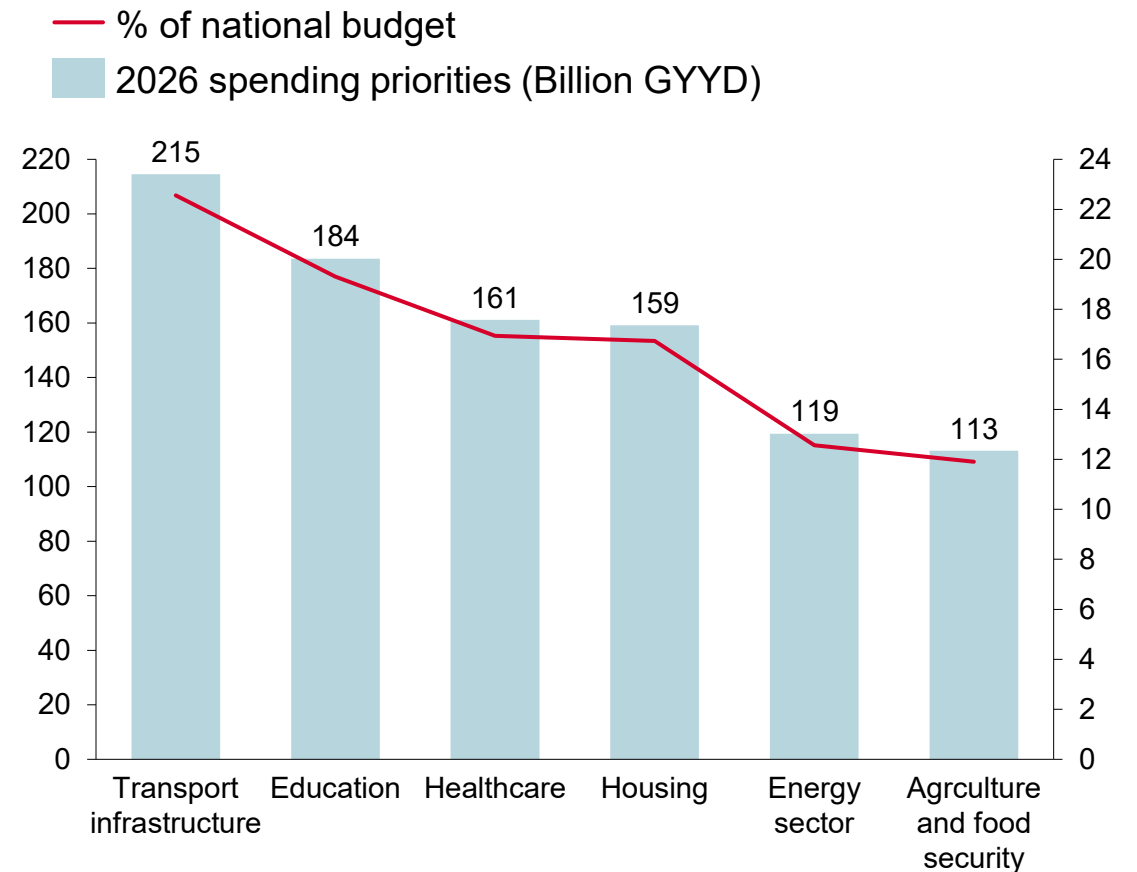
Guyana | Focusing on diversification and growth of non-oil economy from the start

Non-oil economy growth averaged 11% over a five-year period (2021-2025)

2025 Sectoral GDP growth



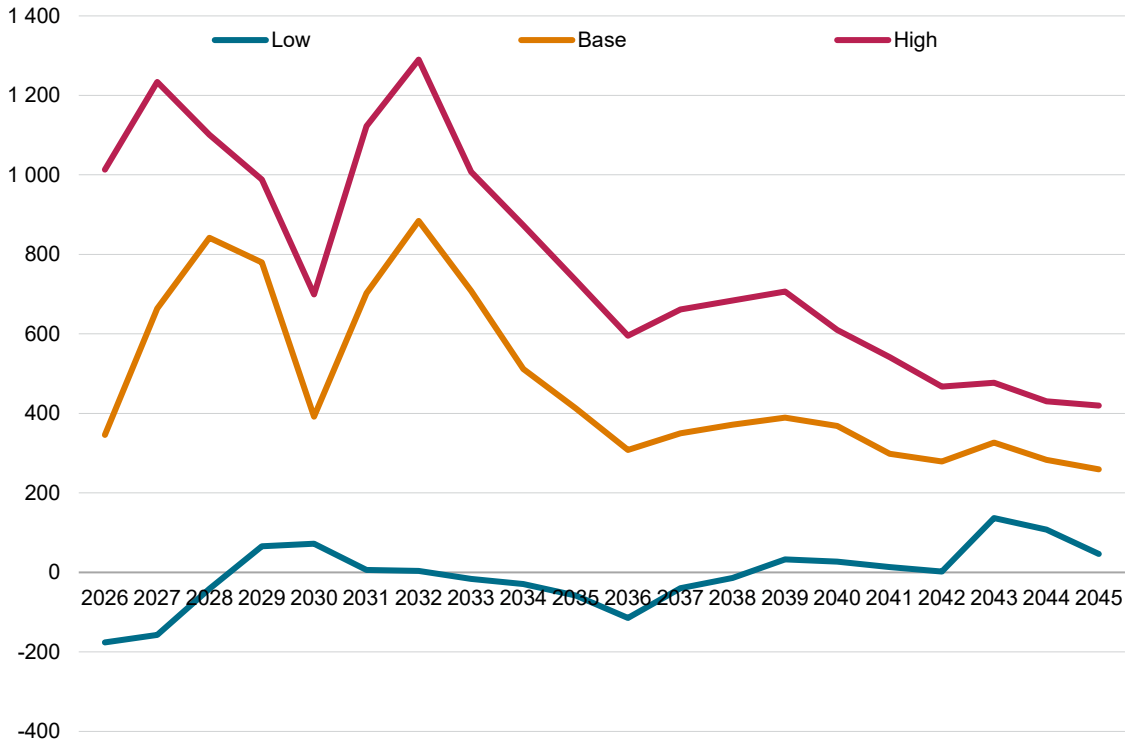
Projected spending priorities – 2026 Budget



Timing matters: Preserving Value through project sanction and first oil

Credible and execution ready projects are more attractive than big projects

Uganda - Upstream AT Cashflow (MMUSD)

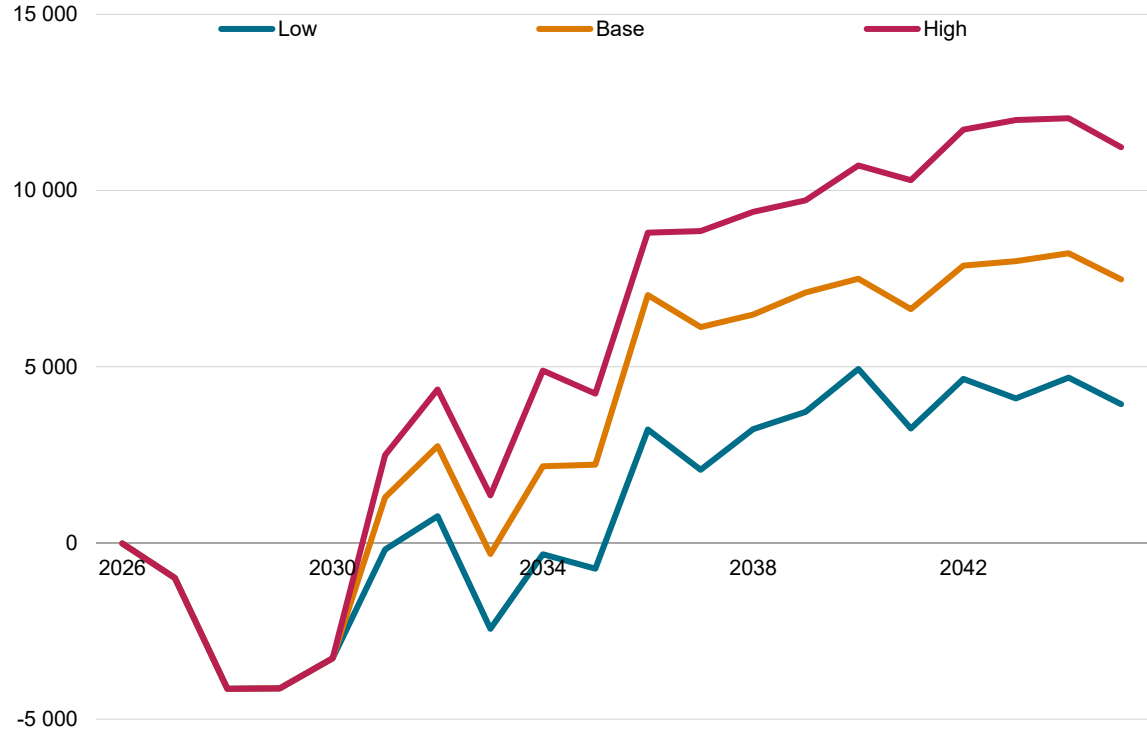


Data from CERA Upstream Solutions, Compiled April, 2026.

Source: S&P Global Energy.

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Namibia - Upstream AT Cashflow (MMUSD)



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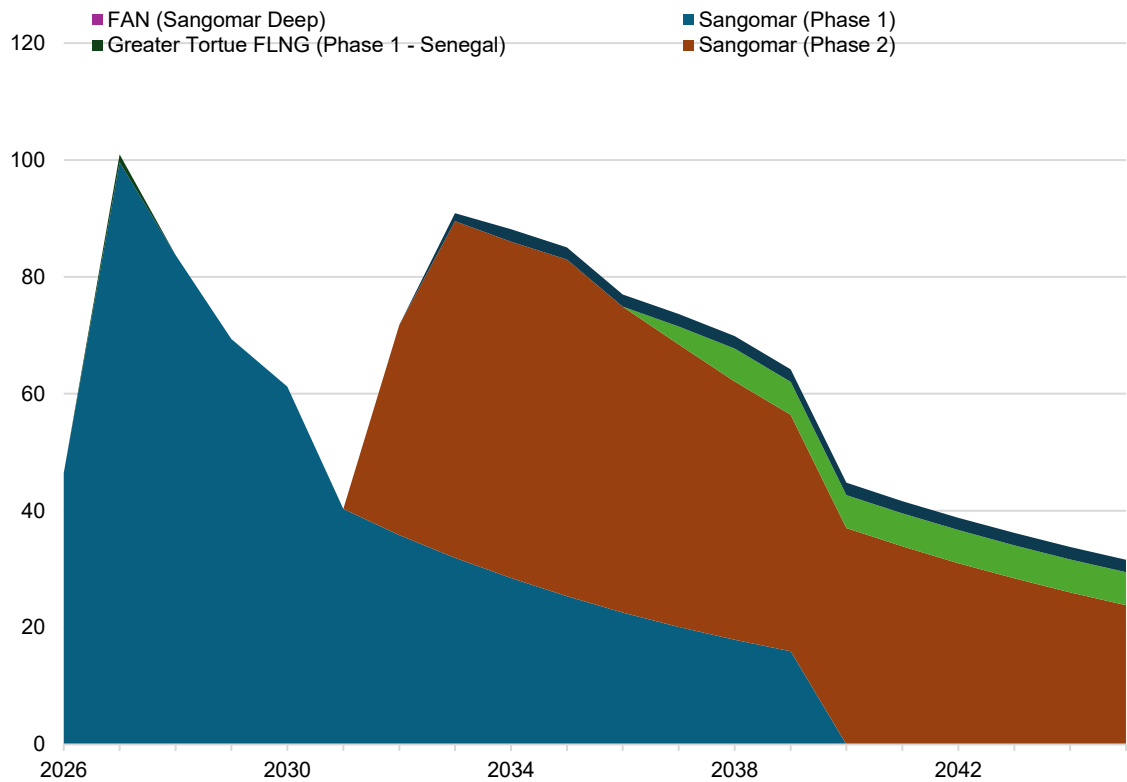
Source: S&P Global Energy.

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Timing matters: Preserving Value through project sanction and first oil

Credible and execution ready projects are more attractive than big projects

Senegal oil production outlook (Mbbbls/d)



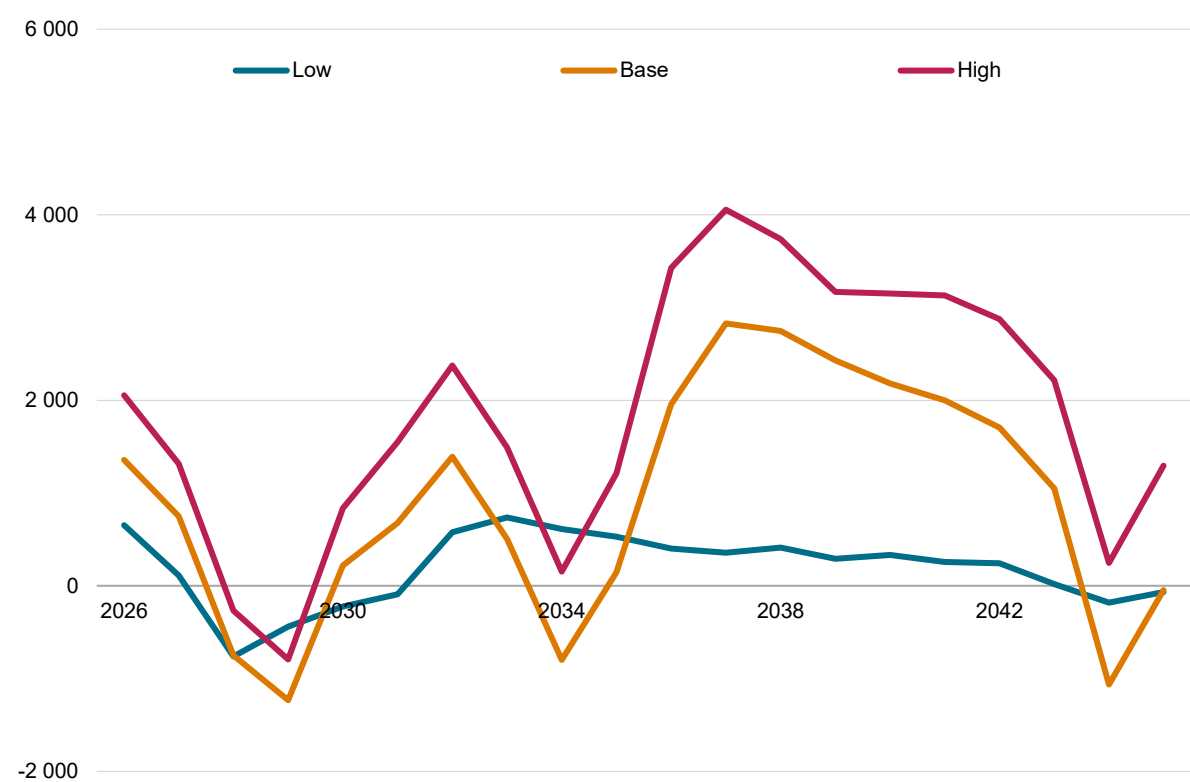
Data from CERA Upstream Solutions, Compiled April, 2026.

Source: S&P Global Energy.

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Senegal - Upstream AT Cashflow (MMUSD)



Data from CERA Upstream Solutions, Compiled April, 2026.

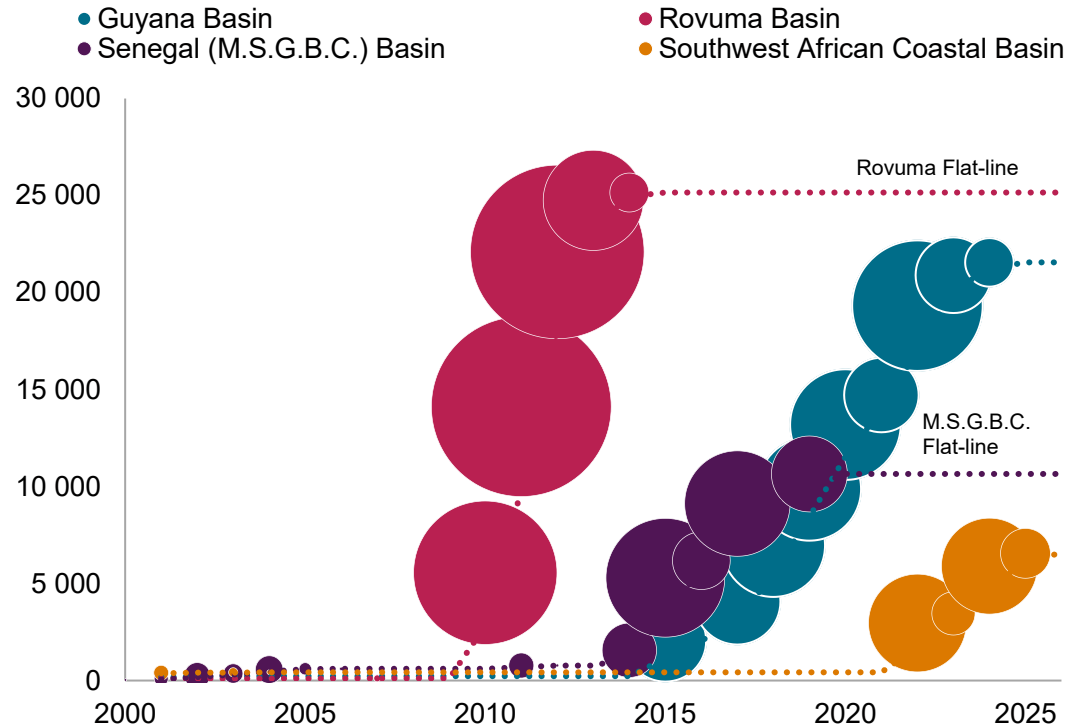
Source: S&P Global Energy.

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Liquids-rich basins are the preference, particularly in frontier markets

Gassy basins in frontier areas may start off well but can stall “flat-line”.

Total hydrocarbons discovered by basin in MMboe



Data from CERA Upstream Solutions. Compiled March 16, 2026.

Source: S&P Global Energy.

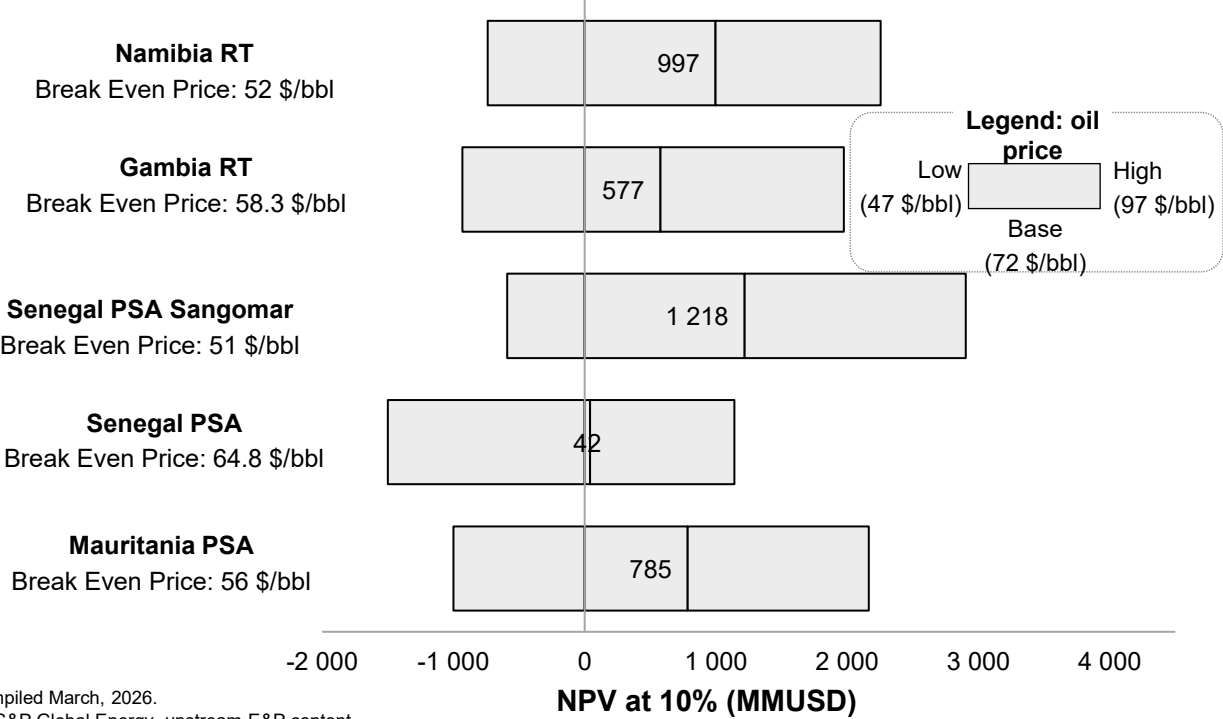
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- More resources were discovered in the Rovuma than in the Guyana basin. The issue is that it is gas.
- It hosts two of Africa's five supergiant fields, yet it still took 12 years from the first discovery to hydrocarbon production from a basin that holds more resources than the Guyana basin.
- The Lisa discovery in Guyana was developed in 4 years.
- The M.S.G.B.C. Basin took 10 years from the first major deepwater discovery to be put into production
- Both the Rovuma and M.S.G.B.C. basins flat-lined in exploration/resource addition after very successful starts.
- There were a few unsuccessful wells in the M.S.G.B.C., but the concern was not if there were hydrocarbons, but if the hydrocarbon type was gas.
- Resource addition in the M.S.G.B.C. Basin was almost as fast as in Guyana.
- West Africa is experiencing a revival in terms of IOC positioning; the prevailing view is that West Africa is liquids prone while east Africa is gassy.

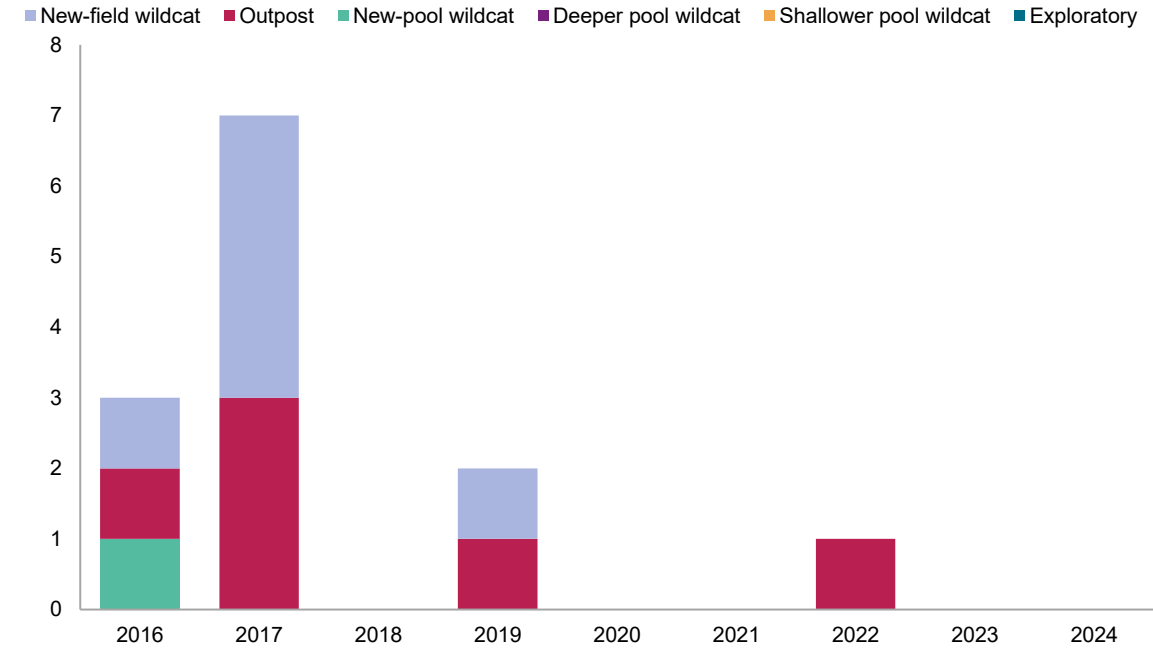
Building long term value through fiscal stability and resilience

Creating a fiscal environment that can commercialise current discoveries and stimulate continued exploration

NPV (10%) at different price scenarios



Senegal - exploratory wells 10-year

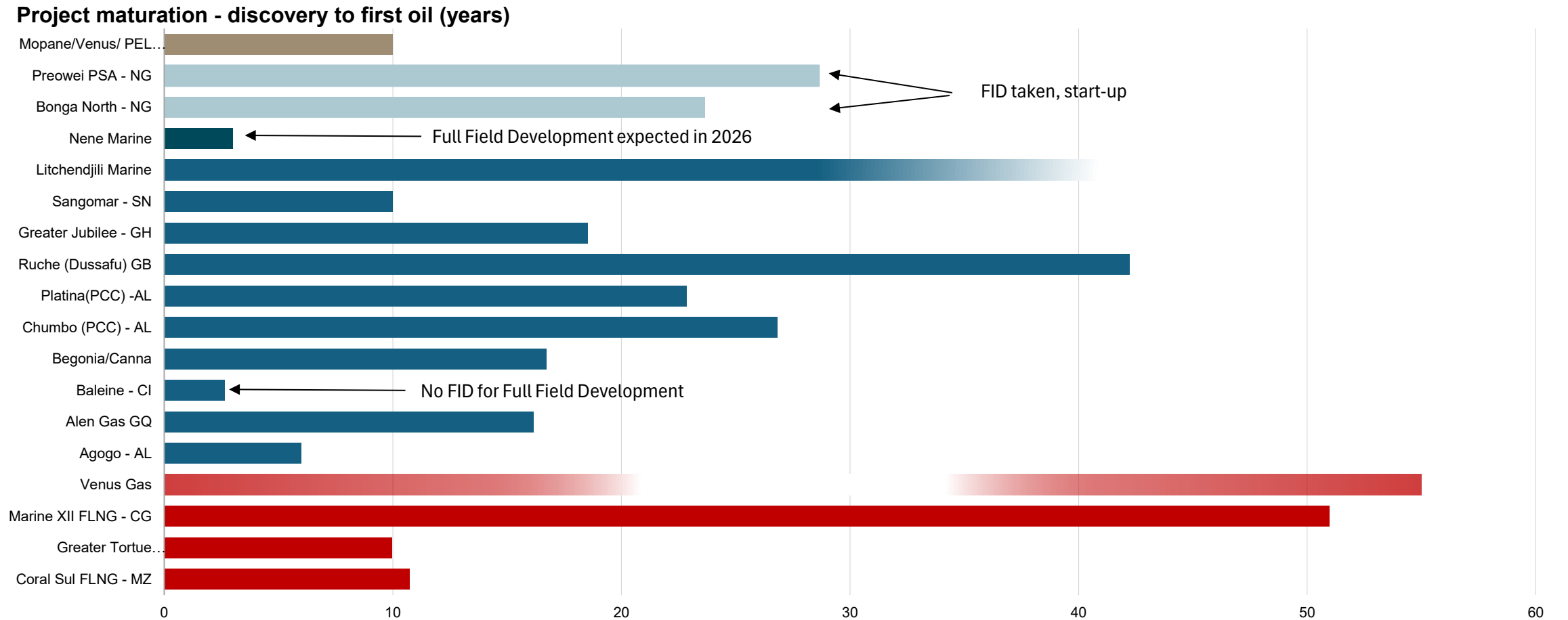


Data compiled March, 2026.
Source: S&P Global Energy, upstream E&P content
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Data compiled April 2026.
Source: Upstream Content, a product of S&P Global Commodity Insights.
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Timelines to first production differ notably across the continent

Oil developments typically progress more quickly, while gas projects often encounter delays due to limited infrastructure and the need to secure sales contracts, making commerciality more difficult to achieve.



As of March, 2026.
Source: S&P Global Commodity Insights.
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The predominant resource type discovered since 2010 has been gas

78 Billion barrels of oil equivalent discovered of which 57 Bboe is gas.

Gas

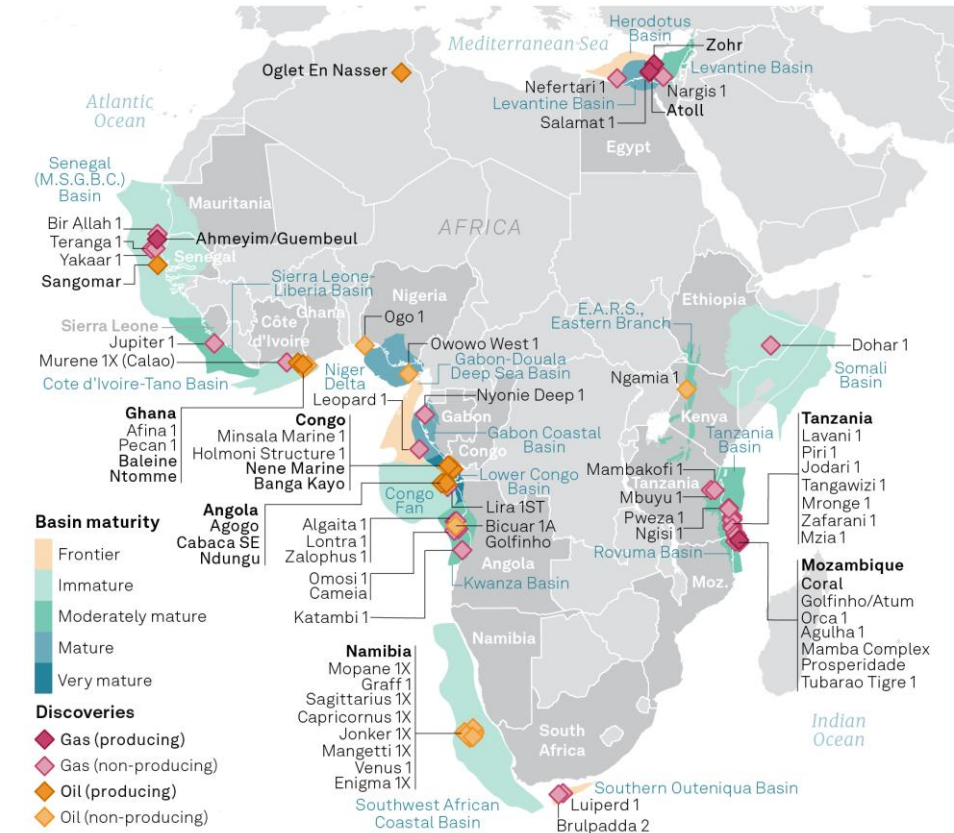
- Makes up 73% of the hydrocarbons discovered in Africa since 2010.
- Just under 10% of Gas discoveries are in production.
- Gas discovered within frontier areas where the target was liquids has proved difficult to monetize.
- Gas discovered in areas with a market has been developed quickly.
- Over the period, the largest gas contributions have come from Mozambique, Tanzania and Egypt

Liquids

Just under 21 Bbbl liquids discovered. Almost all in West Africa.

- 40% of liquid discoveries are in production.
- Over the period, the largest liquid contributions have come from Namibia, Angola and Nigeria

Africa - fields discovered since 2010 with >200 MMboe recov.



Data from CERA Upstream Solutions. Compiled Mar. 03, 2026.

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