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THE UNITED REPUBLIC OF TANZANIA

Assistance to Tanzania Petroleum  
Development Corporation  
DP/JRT/74/028

Summary Report of the Special  
UNDP/UNIDO Mission to Tanzania

May 1985

by

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<sup>1/</sup> The views and opinions expressed in this report are those of the expert, and do not necessarily reflect the views of the United Nations Secretariat. This document has been reproduced without formal editing.

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1. SYNOPSIS OF THE MISSION

Drawing upon the experience and results of the UNDP/UNIDO project (1974-84) now completed and its positive effect on the capability of TPDC, the main purpose of the mission, in the light of the expressed wish of the Government for additional external assistance in the exploration, development and utilization of its hydrocarbon resources, was to ascertain the needs of the Government and the additional support which the Government would like the UN system to provide in the foreseeable future.

To facilitate the work of the Mission, the following studies were made available to it:

1. "The Financial and Management Structure of the Tanzania Petroleum Development Corporation" by the Technical Assistance Group of the Commonwealth Secretariat in collaboration with Peat, Marwick, Mitchell and Company.
2. Extracts from the Joint UNDP/World Bank Report No. 4969 - TANZANIA - "Issues and Options in the Energy Sector" - dated November 1984.
3. "Opportunities for Natural Gas Utilization" by the International Gas Development Corporation (IGDC).

After briefing in Vienna and by the Resident Representative, the Mission embarked upon a series of meetings with the Minister of Water, Energy and Minerals, the Energy Unit attached to the Ministry, the World Bank Resident Representative, the TPDC authorities, NORAD and the private sector in Dar es Salaam.

The Mission was accompanied throughout by Mr. P.V. Irengo, Director Gasco/Kilamco Unit, TPDC, on behalf of the Government.

The Mission discussed the needs of the Government for external assistance and determined that these were extensive. To meet the major proportion of the assistance required, the Government has made and is making arrangements with other Governments, Institutions and Agencies. The Mission has therefore addressed the outstanding needs of the Government with a view to further realistic assistance from the UN system aimed at supplementing the aid arrangements.

2. RECOMMENDATIONS

2.1. As TPDC is assuming greater responsibilities, the Corporation needs strong effective leadership and direction coupled with staff motivation and initiative to run an efficient, cost-effective and profitable organization.

To assist in achieving these aims, the Mission recommends that:

- (a) implementation of the reorganization of TPDC structure recommended by the CFTC\* Study and adopted by the Government, should be expedited.
- (b) the opportunity of reorganization should be taken to review the appointments of all top management staff in the light of new responsibilities envisaged by the CFTC Study.
- (c) centralization of the TPDC Directorates in a new Headquarters building in Dar es Salaam should be expedited as a matter of urgency.

2.2. The training programme of TPDC should be reviewed and oriented more towards on-the-job training. In this connection, the Mission commends the Norad/Statoil initiative in establishing seismic data processing facilities in Dar es Salaam thus affording valuable on-the-job training.

The training aid programmes afforded by partners under the PSAs should be fully utilized to assist in strengthening TPDC further. The World Bank and Norad also have training aid programmes which should be fully utilized.

The Mission also recommends that in case of exceptional needs UNDP/UNIDO should provide supplementary assistance.

2.3. The Mission recommends that details of the steps taken by the Government in collaboration with Agip for the rehabilitation of the TIPER refinery should be made available to the World Bank for their proposed study on the refinery rehabilitation.

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\* CFTC - Commonwealth Fund for Technical Co-operation

- 2.4. Legal advice and assistance as required should be obtained by TPDC from the UN Centre on Transnational Corporation, New York, to supplement the legal assistance already provided for under the Commonwealth Secretariat aid arrangements.
- 2.5. As TPDC does not have the capability to develop and operate gas or oil fields, the Mission recommends that TPDC obtains assistance from the private sector to develop and operate the Songo Songo gas field.  
The Mission also recommends that TPDC obtains an integrated reservoir study by independent petroleum engineering consultants for the formulation of an optimum development and production plan for the Songo Songo gas field.
- 2.6. The Mission recommends that TPDC should expedite the acquisition of an exploration expenditure accountant and a marketing expert under the Nora Country Programme to meet the urgent requirements.
- 2.7. Regarding the Ministry helicopter, the Mission recommends that a private helicopter service company should be encouraged to establish a helicopter service in Tanzania to serve the needs to the public and private sectors.
- 2.8. As discussed in this Report, the acquisition of a landing craft is justified. In view of the high acquisition cost of this item of equipment and having regard to UN funding constraints, the Mission recommends that approaches should be made to the following institutions:  
the World Bank, NORAD, CIDA and OPEC
- 2.9. TPDC should construct a store for the safe keeping of drilling cuttings and cores derived from all drilling operations.
- 2.10. In view of the size and complexity of the ammonia/urea project (Kilamco), the Mission recommends that UNDP/UNIDO provide an expert in this field for a maximum period of three years to assist TPDC in monitoring all activities and reports relating to this project. The expert should also assist TPDC in similar monitoring activities relating to the bitumen and lube oil blending plants, and oil storage tanks.

2.11. Having considered funding of various needs of TPDC by a miscellany of individual donor agencies, the Mission wishes to make a final recommendation:

Experience elsewhere indicates that joint donor agency funding to share the aid burden by two or more agencies for the same project has been successfully implemented and this expedient should therefore be explored in Tanzania.

### 3. MAIN FINDINGS AND CONCLUSIONS

#### 3.1. Introduction

The key problem in Tanzania in common with other developing countries is lack of foreign exchange and technical expertise required to explore, prove and develop hydrocarbon resources in a high risk and capital intensive industry. No agreement has been concluded with the International Monetary Fund as a temporary expedient.

It is clear that without foreign investment in energy, the Tanzanian economy will weaken further. To promote such investment, the Government is seeking the support of other Governments, Institutions, Agencies and the private sector.

The total prospective area for hydrocarbons in Tanzania is considerable both on-shore and off-shore and while exploration has been undertaken over several decades, the volume of completed work is low and in particular the density of drilling is very low, only 23 wells having been drilled to date.

To accelerate exploration by encouraging private sector investment, the Government enacted the Petroleum (Exploration and Production) Act 1980, adopted the Joint Venture Production Sharing type of Agreement (PSA) and authorised TPDC to undertake geological and geophysical surveys the results of which would stimulate oil industry interest and also place the Government in a better negotiating position with prospective PSA partners.

This Government initiative supported by the Commonwealth Secretariat regarding legislation and agreements and on the other hand by the UNDP/UNIDO project in respect of TPDC exploration activities, has resulted in a gratifying response by the private sector which both the Government and the Mission regard as a significant success of the project.

#### 3.2. The Role of the Private Sector

Since 1969, more than half the total exploration expenditure (US\$ 370 million) has been borne by the private sector.

Production Sharing Agreements have been concluded with Shell and International Energy Development Corporation (IEDC) covering 72,000 sq. kms. and 12,000 sq. kms. respectively. A noteworthy development has been the



farming in of ESSO to the Shell PSA and Kuwait Development Foreign Petroleum Exploration Company and Elf Aquitaine farming in to the IEDC PSA.

The PSAs have committed work programmes including the important drilling commitment and relinquishment provisions. The Mission noted that the companies are performing satisfactorily in their obligations although no oil has yet been discovered. Two more wells are scheduled to be drilled this year.

The current agreement with Agip expires in September 1985 and the Government is awaiting proposals from Agip on their intentions. Gas was discovered by Agip at Mnazi Bay.

A new PSA has been signed with AMOCO covering an area of 29,000 sq.km following completion of aeromagnetic and gravity surveys and and geological surface reconnaissance.

The Mission noted that able legal and economic advice was provided by the Technical Assistance Group of the Commonwealth Secretariat in the formulation of The Petroleum (Exploration and Production) Act of 1980 and the PSAs which conform with recent trends in the petroleum industry.

Further legal assistance can be obtained from the Centre on Transnational Corporations of the UN system (which inter alia, advises developing countries and Governments as part of UN assistance to the Third World) to supplement that offered by the Commonwealth Secretariat.

### 3.3. The Role of TPDC and its Capabilities

TPDC in common with state oil companies of many other countries was created in 1969 for reasons other than to meet a direct need. Its original limited purpose was to assume the passive role of holder of the licence granted by the government to enable the PSA partner to function in the country.

TPDC now has the authority to carry out any of the normal functions of an integrated oil company. It is therefore involved in exploration, production, refining, marketing and distribution and petrochemical ventures. TPDC also has additional roles as an adviser to the Government and as a

monitoring authority of the activities of PSA partners. Since commencing active operations in 1973, TPDC has developed on an ad hoc basis to serve the needs of the Government in difficult situations in the petroleum sector. After a survey of its achievements, the Mission concluded that TPDC has done a remarkable job on this respect.

Among the support provided to TPDC by other Governments Institutions and International Agencies during this period of its evolution, the Mission noted that the contribution of the results of the UNDP/UNIDO project DP/URT/74/028 - Assistance to TPDC - has been very successful and appreciated and that the current capability of TPDC largely derives from these efforts.

After studying the current organization and staffing of TPDC, the Mission is of the opinion that TPDC has built up considerable expertise and resources for the Government to draw upon. As at March, 1985 the total payroll was 220 including 47 senior and professional staff.

However, notwithstanding the acknowledged capabilities of TPDC in the fields of geological and geophysical surveys, crude oil procurement for refinery operations, limited marketing and distribution activities and monitoring of PSA partners, TPDC does not have the staff and operational organization to develop and produce a natural gas field. In this respect, the Mission concluded that TPDC interests would best be served through long-term collaboration with another oil company which would act as operator in the partnership.

### 3.4. Requirements of TPDC

#### 3.4.1. General

(1) One issue the Mission was requested by the UNDP Representative to examine concerns the strengths and weaknesses of the TPDC established structure for the task ahead for further development of the petroleum industry and the utilization of natural gas resources. On this question, the Mission had the benefit of a recent study carried out by the Technical Assistance Group (TAG) of the Commonwealth Secretariat and contained in a Report dated March 1982 entitled "The Financial and Management Structure of the Tanzanian Petroleum Development Corporation". In that Report, the issue was fully investigated and a new Management Structure was recommended. The Mission was informed that the recommendation for the new structure has been accepted and is being implemented by the Government. There is therefore no present need to review the TPDC structure further. The Mission concluded that the

new structure ought to be given a trial for a reasonable period for an assessment to be made of its effectiveness. The situation noted by the Mission is one in which a number of Directors are in an acting capacity and that TPDC has started the staff selection interview and selection process. The Mission concluded that this work should be expedited to fill the vacant senior staff posts.

(ii) Some TPDC functions are currently being performed in buildings scattered over long distances throughout the City. The Mission observed that this high degree of decentralization is adversely affecting the efficient conduct of the affairs of the Corporation. To remedy this situation, the Mission noted that plans exist to establish a Corporate Headquarters in a new airconditioned building in Dar es Salaam.

#### 3.4.2. Exploration -

(a) From a technical and managerial viewpoint, TPDC needs an experienced Exploration Adviser to coordinate all exploration activities undertaken by the PSAs Statoil, TPDC and its contractors and to lead and direct TPDC's own efforts in exploration. The UNDP/UNIDO project provided such an expert (Mr. K. Narayanan) for several years to guide the TPDC own exploration efforts. Since he left the project in 1982, the overall exploration activity has much increased and therefore needs proper coordination and direction. At present, the Exploration Adviser attached to the Energy Unit in the Ministry under Norad arrangements provides occasional services to TPDC and the Mission noted that Norad will provide an additional expert to fulfill this requirement.

(b) The Mission was advised that under the Norad/Statoil arrangement, Statoil will undertake a six month study of available exploration data relating to the whole coastal area of Tanzania, which could result in Statoil applying for an exploration licence in its own right. The study will be conducted in Dar es Salaam and TPDC exploration staff will be associated with the work at all stages thereby deriving valuable on the job training. The Mission emphasizes the importance of on the job training which is lacking.

(c) The Mission was advised that Statoil is arranging for a seismic data processing service by GECO in Dar es Salaam. Norad has advised the

Mission that GECO will be capable of providing similar services to other users including TPDC as the computer system has more than adequate capacity. In this event, TPDC needs no longer perform this type of work overseas and thereby save foreign exchange.

(d) Meanwhile, TPDC has requested the services of a consultant in seismic data interpretation to work with two TPDC geophysicists attached to GECO. This requirement will be covered by the three Statoil professional staff associated with GECO in (c) above.

(e) A great deal of exploration data is thus being generated and needs to be properly stored and cared for e.g. geological samples, seismic data, well drilling cuttings and cores and well test samples etc. The Mission noted that no core store exists in the country and that steps should be taken by TPDC to acquire a store to secure these valuable assets.

(f) For logistic support of seismic operations, TPDC has requested a landing craft for operation in shallow waters and radio communications equipment. At present a landing craft is being hired externally at high cost in foreign exchange. The Mission concluded that this request is justified.

(g) On the question of geological laboratory, TPDC has limited access to existing rather inadequate facilities at the University of Dar es Salaam and therefore TPDC requested UNDP to provide additional equipment to meet their needs. The Mission learned from Norad that they are arranging to equip a replacement laboratory in a new building on the University premises and an expert to oversee its operation and on the job training of Tanzanians. Norad will also provide training for three TPDC technicians in Europe.

The Mission concluded that TPDC's needs will be better met by these arrangements under which TPDC will obtain improved access to the new facility.

(h) TPDC needs to monitor exploration expenditure being incurred by PSA partners as such costs will be diminished if oil is discovered and produced. The Mission determined that under the 1983 Norad Five-Year Country Programme (44 million Kroners for the petroleum sector) Norad will provide an expert for this purpose.

(i) The Mission discovered with concern that wells SS3 and SS4 in the Songo Songo gas field have non-standard completions and one of them is leaking gas at the wellhead. These wells therefore require costly workovers and the Mission understood that remedial measures are being urgently planned by the World Bank under a proposed well rehabilitation and protection programme.

(j) The Minister is keen to have financial and technical assistance in the rehabilitation of the Ministry helicopter donated by the German Government. At present, helicopters are being hired externally at high dollar cost.

To solve this problem, the Mission considered the following options:

- (i) Renew approaches to the original donor of the helicopter for a programme of rehabilitation.
- (ii) Approach the Army to provide a service from their helicopter unit for the same purpose of rehabilitation.
- (iii) Encourage a private helicopter service company to establish a helicopter service in Tanzania to serve the needs of the public and private sectors. An advantage of this arrangement is the possibility of the service company taking over the helicopter and its Tanzanian crew.

The Mission concluded that the most attractive is (iii) above which has long-term benefits for the economy of the country.

#### 3.4.3. Downstream Projects

##### (a) General

The UNDP/UNIDO project provided the service of an expert in the fields of refinery operations, bitumen plant, lube oil blending plant, ammonia/urea, storage tanks marketing etc. who assisted during feasibility analysis and planning stages. As this report indicates, most of these projects have reached the implementation stage.

##### (b) TIPER Refinery

(i) The Mission noted that TIPER is obtaining financial assistance totalling US\$ 4.5 million from the Italian Government for the rehabilitation of the refinery. In this connection, the Mission also noted that the

World Bank considered the same problem and is currently arranging financial aid. The Mission concluded that details of the steps being taken by the Government in collaboration with Agip for the refinery rehabilitation should be made available to the World Bank.

(ii) The Mission concluded that the hydrocracker proposal studied under the UNDP/UNIDO project is not economically attractive and should therefore be discarded.

(c) Bitumen Plant

The Mission observed during discussions with Agip that the Italian Government has agreed to finance this project. The original Wilkinson Study arranged under EEC auspices has been reviewed by Snamprogetti and resubmitted to the Italian and Tanzanian authorities. 60 to 70 per cent of the output of bitumen will be consumed in Tanzania resulting in foreign exchange savings to the economy. Furthermore, additional foreign exchange will be generated by exporting the balance.

The Mission concluded that there appears to be no obstacle to the realisation of this project and is satisfied with the progress achieved so far and the present position with this project.

(d) Lube Oil Blending Plant

The Mission noted that the Italian Government is also granting a loan for the construction of the proposed lube oil blending plant under the auspices of Agip and the project is proceeding satisfactorily. The Lube Oil Plant Agreement was signed in 1983 and construction commenced in January of this year. The target date for completion is April/June 1986. The Mission regarded this industrial development as a positive contribution to the Tanzanian economy.

(e) Marketing

Regarding the request from the Ministry for a marketing expert for TPDC's operations, the Mission was advised by Norad that they are providing such an expert under their Country Programme.

(f) Kilamco/Gasco Unit

(1) Gasco

Proved reserves of natural gas at the Songo Songo gas field have been estimated (conservatively) at 0.725 trillion cubic feet TCF). The necessary wells to prove these reserves were drilled during the execution of the UNDP/UNIDO project and the support and assistance

provided to TPDC regarding selection of the well locations is regarded as a major success of the project.

The appraisal drilling to prove the reserves was undertaken by TPDC with external assistance as the original licence holder (Agip) relinquished the area after drilling the first discovery well.

Having regard to the possible gas utilization projects studied by TPDC and the UNDP/UNIDO project, the decision by Agip to relinquish the Songo Songo areas was premature and has since been regretted.

There is now a need to study, develop and produce the Songo Songo gas field and in the absence of TPDC capability in these disciplines, the Mission concluded that TPDC's interests would best be served by obtaining assistance from the private sector to develop and operate the Songo Songo gas field.

However, TPDC should do its own independent integrated reservoir study by independent petroleum engineering consultants to formulate an optimum development and production plan for the Songo Songo gas field.

TPDC needs legal advice on gas utilization projects, particularly the guarantee provisions in agreements and advice on the social and environmental implications of utilizing natural gas in the domestic area. On the proposed natural gas gathering and delivery system designed by Snamprogetti, mobilization to survey optional pipeline routes is taking place. The Mission advised that legal assistance can be obtained from the Commonwealth Secretariat (TAG) and the UN Centre on Transnational Corporations in New York.

(ii) Kilamco

TPDC has signed Participation and Marketing Agreements with Agrico and the design package of the proposed world scale ammonia/urea export plant by Agrico is expected to be received soon. Meanwhile the Italian Government is granting a loan of US\$ 40 million for the gas sealine from the Songo Songo gas field.

The Kilamco Project is again another demonstration of what has emerged as a benefit derived from the UNDP/UNIDO project. The Mission regarded this project as another positive development for utilizing natural gas resources. What is more important is the generation of much needed foreign exchange from the marketing of the products, 95% of which will be exported.

Based on the discussions held by the Mission with those connected with this project, the Mission concluded that the project is moving forward into the next phases of project negotiation, implementation

and construction. During this period, TPDC requires the advice and assistance of an expert and the Mission concluded that this request is reasonable and should be met. The period of assignment should not exceed three years.

(g) Other Gas Utilisation Projects

Other projects involving methanol production, synthetic gasoline, compressed natural gas (CNG), all of which received preliminary study under the UNDP/UNIDO project, are somewhat nebulous at the time of the Mission. The Mission concluded that these projects are impracticable at present.

3.4.4. Training Requirements

The Mission noted with satisfaction that all TPDC staff trained under the UNDP/UNIDO project except one have been retained by the Corporation and many occupy senior posts. Training was arranged by the UNDP/UNIDO project both externally and on the job during assignments of the international project staff.

With the existing trained cadre of senior and professional staff, the Mission is of the opinion that the priority of TPDC in further staff development should be directed more towards practical on the job training to stimulate indigenous capabilities, staff motivation and foster a spirit of self-reliance. Further external training should be of short duration of a few weeks up to a maximum of six months designed to equip staff to deal more effectively with current industry concerns in their field. Staff would thus obtain up to date knowledge of technical and business developments in a particular field while minimising absence from the job.

The Mission has reviewed the training provisions of the PSAs which oblige the PSA partner to train their Tanzanian and TPDC employees. The Mission concluded that these provisions should be utilized fully in order to satisfy the foregoing training programme.

The Mission also noted that the World Bank and Norad are allocating funds for training geared towards institutional strengthening of TPDC specifically and the petroleum industry in general. The Mission advised that TPDC should take full advantage of these facilities.



The mission concluded that the TPDC training programme should be reviewed in the above light. In case of exceptional needs not provided for under the above arrangements, UNDP/UNIDO can be approached for supplementary assistance.

3.4.5. Office Equipment

With regard to certain items of office equipment, the Mission determined that under the Norad Country and World Bank Programmes, adequate provision is made to cater for these needs.

ANNEXES

## ANNEX I

### TERMS OF REFERENCE OF THE MISSION

At the request of the UNDP Resident Representative and on the approval of the Government of Tanzania UNIDO nominated Mr.T.W. Russell (Consultant) and UNDP nominated Mr.M.R. Atadika (Consultant) to participate with a Government representative in a special mission to Tanzania following completion of the Project DP/URT/74/028 - Assistance to Tanzania Petroleum Development Corporation, governed by the following terms of reference:

1. Assess the role of TPDC in the development of hydrocarbon resources in Tanzania in the light of the Government's short and long term economic policies, strategies and priorities.
2. Evaluate the achievements of UNIDO executed projects of assistance to TPDC and the problems of their implementation in relation to the projects' stated objectives and to their overall contribution to the development of the sector in particular and the national economy in general.
3. Evaluate the strengths and weaknesses of the established structure of TPDC as it exists today, in relation to the task that lies ahead for further development of the petroleum industry and the utilization of natural gas resources.
4. Make specific realistic suggestions for further improvement of indigenous capabilities and modalities of actions for the short and long term, to be undertaken by the Government's authorities, TPDC management and the International donor community.

List of contacts in Dar-es-SalaamUNDP Office

The Resident Representative  
Deputy Resident Representative  
Programme Officer - Mr. Erling Skjonsberg

The Ministry of Water, Energy and Minerals

The Minister - Al Noor Kassum M.P.  
Petroleum Adviser (Economics) - Roger M. Nellist (CFTC)  
Petroleum Exporation Adviser - Knut Solberg (Norad)

The World Bank Resident Mission

Resident Representative - R.H.S. Fennell

Tanzania Petroleum Development Corporation

Managing Director - S. Barongo  
Acting Director, Exporation and Production - Kajato Kejo  
Acting Director, Marketing - Naftali K.J. Adhero  
Acting Director, Corporate Services - Mrs. A.A. Msuya  
Director, Gasco/Kilamco Units - P.V. Irengo

NORAD - Norwegian Agency for International Development

Assistant Resident Representative - Gisle Mjaugedal

AGIP (Tanzania) Ltd.

Managing Director - Giovanni Carbone  
Lube Oil Blending - Gastone Pagnanelli  
Plant Co-ordinator

Informal Discussion Paper tabled by the  
Ministry of Water, Energy and Minerals

Further Petroleum Sector Assistance Required from UNDP/UNIDO

Following the highly successful project DP/URT/74/028 led by Dr. K. Narayanan, the Ministry of Water, Energy and Minerals is anxious to attract further assistance from UNDP/UNIDO for the petroleum sector in Tanzania. The requirements listed below reflect the fact that Tanzania has moved into a gas development stage at the same time as oil exploration continues:

1. Advice and assistance to TPDC on its downstream projects - gas gathering/pipeline system, ammonia/urea, lube plant, bitumen plant, storage tanks, etc.. (NB. The services of an expert like Mr. Mourad Yostos are required).
2. Advice and assistance with the management of the Songo Songo gas field and pipeline system - depletion considerations, day-to-day operations, further investment to maintain productive capacity, etc..
3. Assistance to TPDC in monitoring the quantity, quality and expenditure implications of exploration activities undertaken by foreign oil companies in Tanzania under Production Sharing Agreements with Government and TPDC.
4. Funding for possible assistance in major negotiations for oil exploration contracts (e.g. services of Roland Brown, to supplement those offered by the Commonwealth Secretariat).
5. Possible assistance to TPDC in the oil importation, refining, marketing areas (this is a very important area and STATOIL/NORAD are likely to provide one long term expert).
5. Financial (and perhaps technical) assistance to the Ministry in rehabilitating its Bolkow 105 MB helicopter. Particular emphasis needs to be put on completion of training and experience for the existing crew (3 pilots, 5 engineers). The helicopter is an asset (only 1,450 hours flying time) which could be used extensively by the Ministry's petroleum electricity, mining and water parastatals (especially TPDC which, during the Songo Songo exploration phase, was hiring overseas helicopters at rates around US\$500 per hour).
7. Funding for courses (introductory, refresher, advanced; short and long) in all areas of petroleum activity, e.g. at the Oxford College of Petroleum Studies).
8. Provision of certain items of office equipment to supplement that provided by NORAD and World Bank.

## TANZANIA PETROLEUM DEVELOPMENT CORPORATION

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### CORPORATE PROFILE

Tanzania Petroleum Development Corporation is a government parastatal under the Ministry of Water and Energy. It was established under Public Corporation Act 1969, through Government Notice No. 140 of 30.5.1969. The Corporation did not commence active operations until 1972.

The objectives of the Corporation as laid down in the Government Notice include:

- to develop an adequate industrial base for the oil industry

- to explore and produce petroleum

- to carry out standard activities of an Oil Company including procurement of supplies, refining, distribution and storage facilities

- to acquire interests in projects or enterprises associated with exploration and production of petroleum

- to hold exploration and production rights

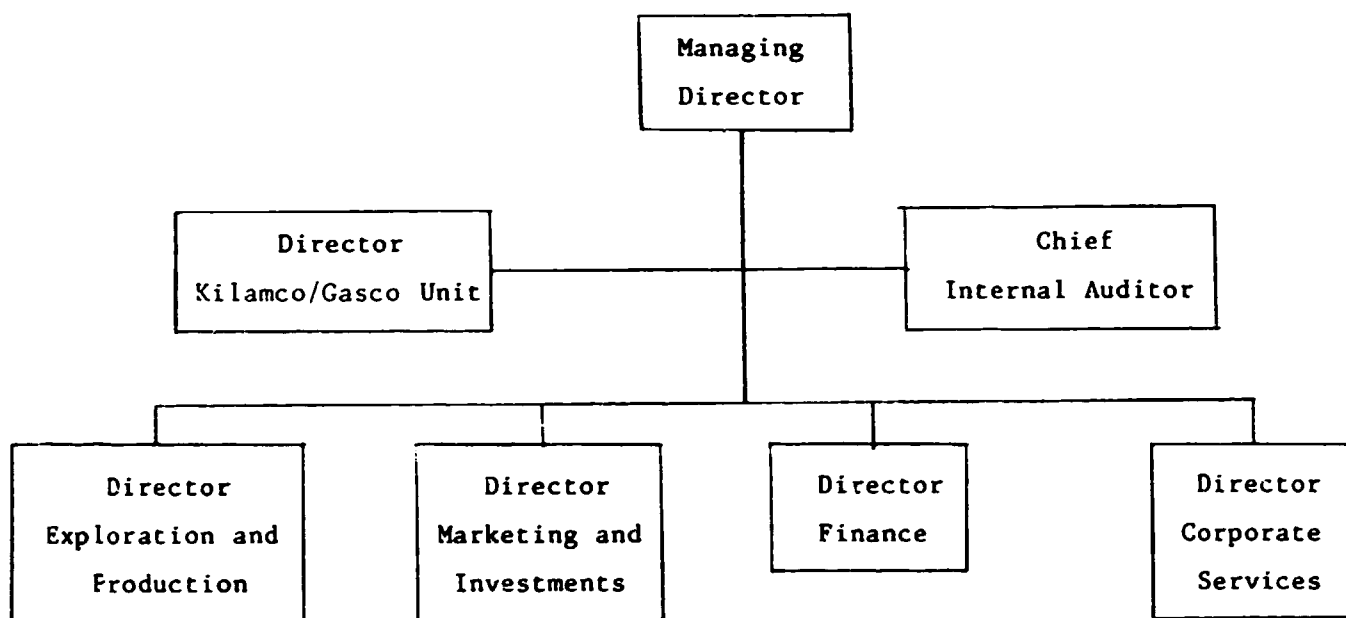
- to contract, hold equity or participate in oil concessions, franchises and licences

- to manage parastatal, or other legal entities transferred to the Corporation

Tanzania Petroleum Development Corporation is the sole importer of crude oil for the country while the marketing companies are responsible for importing white products and distribution of refined products.

Tanzania Petroleum Development Corporation

Top Management Structure



Petroleum Exploration Wells Drilled in Tanzania

<u>Well</u>	<u>Company</u>	<u>Date</u>	<u>Depth (feet)</u> <u>(approximate)</u>	<u>Comments</u>
Pemba	BP/Snell	1950's	12,750	
Zanzibar	"	"	14,282	
Mafia	"	1954/5	11,051	
Mandawa	"	1950's	13,336	
Ras Machuisi	AGIP/AMOCO	1973/4	11,056	
Songo Songo-1	"	1974	14,521	WD (G)
Kisangire	"	1975/6	10,815	
Kisarawe	"	1976	13,310	
Kizimbani	"	1979	8,815	
Songo Songo-2	TPDC	1976	2,850	blow out
Songo Songo-3	"	1977	7,486	producer (G)
Songo Songo-4	"	1978	6,600	producer (G)
Songo Songo-5	"	1981	9,770	producer (G)
Songo Songo-6	"	1981	6,718	abandoned
Songo Songo-7	"	1981/2	11,081	producer (G)
Songo Songo-8	"	1982	10,721	
Songo Songo-9	"	1982/3	6,750	producer (G)
Mnazi Bay-1	AGIP/AMOCO	1982	11,447	WD (G)
Kimbiji East-1	TPDC	1982	11,752	WD (G)?
Kimbiji Main-1	"	1983	14,459	
TANCAN-1	PCIAC	1982/3	15,371	
Ruaruke	Shell/Esso	1984	6,560	
Makarawe	IEDC	1984	11,480	

Key

G - Gas

WD - Wildcat Discovery

Blank denotes dry hole or non-commercial gas shows

April 1985



