Iniciativa de Transparência na Indústria Extractiva

EITI Report

Angola 2022

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MINISTÉRIO DOS RECURSOS MINERAIS, PETRÓLEO E GÁS

Message from the EITI NCC

Message from the Chairman of the EITI National Coordination Committee

Dear EITI CNC members,

On September 30, 2024, the Republic of Angola launched the Second Report on the Extractive Industry of Angola, which is an important milestone for our country in general and in particular for the extractive industry, fundamentally for the following reasons:

i). Transparency: Because the report demonstrates Angola's commitment to the transparent management of its resources, a fundamental prerequisite for guaranteeing the confidence of investors and the general public in the country's extractive industry.

ii). Detailed Information: Because the report presents detailed information on our extractive industry, it has been prepared with a focus and depth of data analysis, which will ensure a better understanding of this industry.

iii). International Commitment: The fact that the report is produced within the framework of the EITI, which is a global standard that promotes the transparent and responsible management of mineral, oil and gas resources, demonstrates the country's commitment to international best practices, given that the EITI Standard remains the world's leading governance standard in the extractive sector.

iv). Improving the Business Environment: Because the report will improve the business environment of the mining and oil sectors and consequently attract more investment to these sectors and promote the country's economic growth.

From the outset, the President of the Republic, João Manuel Gonçalves Lourenço, sought with this move to send a signal to the market that Angola is serious about continually seeking solutions to improve the reputation of its institutions and companies, and to give greater comfort to investors, to oblige those involved in the extractive industry to be more rigorous in their compliance with legislation and to be more thoughtful when making decisions, as well as to implement in the country the dissemination of a plan for transparency and joint work on improving the image of the extractive industry, promoting better governance of oil and gas mineral resources and reducing the risk of embezzlement or misappropriation of funds generated by the extractive industry.

By joining the EITI, the aim is to improve transparency, based on instruments created to facilitate the disclosure of the industry's relationship with tax payments to government institutions, which in turn must disclose the amounts received.

The Extractive Industry Transparency Initiative is one of the best platforms in its field today cooperation between governments, companies and civil society organizations.

Twenty-seven (27) months after the Republic of Angola joined the Extractive Industry Transparency Initiative (EITI), we have praised the efforts made by everyone to reach this milestone and, on behalf of the National Coordination Committee for the Implementation of the Extractive Industry Transparency Initiative, I would like to reiterate our deepest gratitude and reaffirm our growing commitment to ensuring the implementation of the EITI Good Governance Standard.

Always together, we make it happen. TUANPANDULA

NTONDELE

NGASSAKIDILA THANK

YOU VERY MUCH .

List of abbreviations

ACEPA	Association of Exploration and Production Companies of Angola
AGT	General Tax Administration
AI	Independent Director
EIA	Environmental Impact Assessment
ANPG	National Oil, Gas and Biofuels Agency
ANRM	National Agency for Mineral Resources
BC	Money Laundering
BC/FT	Money Laundering / Terrorist Financing
BDC	China Development Bank
BIC	International Credit Bank
BNA	National Bank of Angola
BO	Beneficial Ownership
BOE	Barrels of Oil Equivalent
BRCIP	Benefit resulting from the transfer of participatory interest
CA	Board of Directors
CABGOC	Cabinda Gulf Oil Company Ltd.
CAPEX	Capital Expenditure
CBC/FT	Combating money laundering and terrorist financing
CESME	Special Security Corps for Strategic Minerals
CGE	General State Account
CM	Mining Code (Law no. 31/11, of September 23)
CMA	Angola's Digital Mining Cadastre
CN	National Dealership
EITI CNC	EITI National Coordination Committee
CPP	Production Sharing Contract
CSR	Service Contract with Risk
CUT	Single Treasury Account
DL	Decree-Law
DP	Presidential Decree
EAS	Simplified Environmental Study
EIA	Environmental Impact Assessment
ENAPREC	National Strategy for the Prevention and Repression of Corruption
ENDIAMA - E.P.	Angola's National Diamond Prospecting, Exploration, Cutting and Marketing Company
EPDA	Environmental Pre-Feasibility Study and Scoping
ESAAMLG	Eastern and Southern Africa Anti-Money Laundering Group
IMF	International Monetary Fund
FATF	Financial Action Task Force
GE	Contractor Group
GNACC	Office Standardization, Auditing, Compliance and Quality Control
IAC	Capital Gains Tax
IGAPE	Institute for the Management of State Assets and Holdings
IGEO	Geological Institute of Angola

INE	National Institute of Statistics
IPC	Consumer Price Index
IPP	Oil Production Tax
IRP	Petroleum Income Tax
IRT	Employment Income Tax
IS	Stamp Duty
ISO	International Organization for Standardization
EITI	Extractive Industries Transparency Initiative
ITP	Oil Transaction Tax
VAT	Value Added Tax
LAP	Petroleum Activities Law (Law no. 10/04, of November 12)
LNG	Liquified Natural Gas
MFA	Flexible Price Adjustment Mechanism
MINAMB	Ministry of the Environment
MINFIN	Ministry of Finance
MIREMPET	Ministry Mineral Resources, Oil and Gas
MMSCFD	Million Standard Cubic Feet per Day
MPLA	Popular Movement for the Liberation of Angola
NORM	Naturally occurring radioactive material
OGE	General State Budget
OPEX	Operating Expenditure
PDN	National Development Plan
PEP	Politically Exposed Person
GDP	Gross Domestic Product
PNUH	National Urban Planning and Housing Program
pp	Percentage Points
PRF	Oil Fiscal Reference Price
PROPRIV	Privatization Program
PRR	Recapitalization and Restructuring Plan
PUG	Gas Pipeline Network Utilization Plan
P&G	Oil & Gas
Qlts	Kilograms
RCN	Receipts from the National Concessionaire
RPCM	Mining Concession Application Registration
SIA	Integrated Environmental System
SIGFE	Integrated State Financial Management System
SODIAM, E.P.	Sociedade de Comercialização de Diamantes de Angola
Sonangol, E.P.	Sociedade Nacional de Combustíveis de Angola, E.P.
ToR	Terms of Reference
IRR	Internal Rate of Return
TM	Metric tons
UIF	Financial Information Unit

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1. Executive Summary

1. Executive Summary

Key Indicators	
2.º	Angola EITI report.
46%	The state collected AKZ 9 101 262 million in direct oil revenues, which corresponds to 46% of the state's total revenue (+7.8pp compared 2021).
0,35%	The state collected AKZ 69.177 billion from diamond revenues, which corresponds to 0.35% of the state's total revenue (+0.03pp compared to 2021).
26%	The contribution of the extractive industry in 2022 represented around 26% of Angola's GDP at current prices (-5pp compared 2021).
87%	In 2022, the extractive industry accounted for around 87% of the country's total exports (+3pp compared to 2021).
4	The ANPG's crude oil royalties (CN sales) and the ITP, IPP and IRP taxes stand out as the 4 types of revenue with the greatest expression in the sector.
2	There are two regulatory bodies, ANPG and ANRM, associated with the oil and gas sector and other mineral resources, respectively.
3	There are three state-owned companies in the country that are significant in the sector, namely Sonangol, E.P., ENDIAMA - E.P. and SODIAM, E.P..
2	Within the scope of the 2nd EITI Report, we highlight the process of collecting bilateral financial information for 2 entities, TotalEnergies and Catoca, reflecting an evolution towards greater transparency in the sectors oil and mining, respectively.
7	Of particular note is the unilateral disclosure of financial information on payments made to the government by TotalEnergies EP Angola, Azule Energy, Equinor, Galp, NIS-NAFTGAS, Maurel&Prom Angola and INA, based on public and audited reports.

The EITI, created in 2003, promotes and supports the implementation of better governance and transparency in countries rich in mineral resources, through full disclosure of payments made by companies and government revenues from the extractive industry. In this sense, the Initiative is defined as a voluntary commitment by a group of entities, including national and international extractive companies, civil society, investors, partners and, at national level, ministerial departments, regulators, associations, among other entities indirectly involved.

In June 2022, Angola joined the EITI, with the appointment of His Excellency, the Minister of Mineral Resources, Oil and Gas, as Chairman of the EITI NCC. As a result of Angola joining the EITI in 2023, the country presented its 1st EITI Report, with reference to the 2021 fiscal year. This document corresponds to Angola's 2nd EITI Report, with reference to fiscal year 2022. By joining the EITI, Angola has demonstrated its commitment to boosting transparent disclosure in the sector and stimulating the country's economic development, through reforms associated with the extractive industry, as well as boosting efforts with regard to anti-corruption policy, in order to support its strategy for preventing and combating corruption, presented during 2023.

As part of the limitations arising from the legislation in force in the country, previously identified in the 1st EITI Report, namely article 86 of Law no. 21/14, of October 22 - Approves the General Tax Code, article 6(4) of Law no. 13/04, of December 24 - Tax regime applicable to the oil sector and article 11 of Law no. 3/11, of January 14 - National Statistical System Law.º 3/11, de 14 de Janeiro - Lei do Sistema Estatístico Nacional de Angola, which prevent the disclosure of tax and non-tax information, broken down by taxpayer, the EITI CNC presented the 1st EITI Report without reconciliation. In addition, the concession contracts also include specific confidentiality clauses that limit the availability of financial and operational information.

To this end, and in accordance with the proposed work plans, sessions were held with the Angolan EITI CNC and the other entities involved, with the aim of approving a methodology and approach that would make it possible to demonstrate the country's commitment to the Initiative, while the work on legislative reform is being carried out. In this way, AGT/MINFIN selected two entities (TotalEnergies and Catoca) and their respective taxes for the disclosure of disaggregated financial information, which made it possible to make bilateral disclosures for the aforementioned entities, without reconciliation. Furthermore, in accordance with the action plan for the 2nd EITI Report, alternative materiality was delimited on basis of production data and various entities were selected within the scope for the disclosure of non-confidential information, using *templates*, in accordance with the requirements of the Standard.

Entities selected under	
Sonangol, E.P.	SSI
Sonangol P&P	Maurel & Prom Angola
TotalEnergies EP Angola	SOMOIL[2]
Azule Energy[1]	NIS-NAFTGAS
ESSO	INA
Equinor	Acrep, S.A.
Chevron	PRODOIL
GALP	Cockatoo
Chitotolo	Cuango
Endiama Mining	
19	

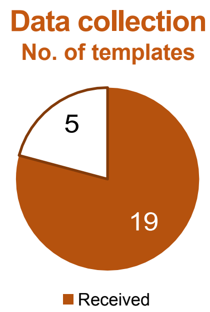
[1]In March 2022, an agreement was signed between BP and ENI to up an independent joint venture in Angola, called Azule Energy. https://anpg.co.ao/noticias/bp-e-eni-criam-azule-energy-para-operar-em-angola/#:~:text=15%20of%20March%20of%202022%20%7C%20Agency,joint%20venture%20independent%20in%20Angola%2C%20denominated%20Azule%20Energy.

[2]In April 2023, it was announced that SOMOIL would change its name to Etu Energias. https://etuenergias.co.ao/noticias/somoil-e-agora-etu-energias/44

Government entities
MIREMPET
MINFIN
MINAMB
ANPG
ANRM
5

The data collection process, using *templates*, was essential for the development of the 2nd EITI Report and for the disclosure of non-confidential information required by the EITI Standard. As shown in the tables above, 24 entities were selected, of which 19 shared information in the *templates*.

With regard to the provision of payment data by companies in the extractive industry, for the legal reasons widely referred to in the report, it was not possible to publish data directly from companies with the exception of TotalEnergies and Catoca.



In this context, in order to complement the report with regard to requirement 4.1 of the EITI Standard, publicly available reports on payments to the government were identified for companies in the extractive sector in Angola. The general data presented below corresponds information made publicly available on the respective websites of the extractive entities mentioned, when it was available, which was generally possible for companies with a parent company resident in Europe and the United Kingdom, taking into account legislation that requires this disclosure in these countries.

It should be noted that, given the lack of a uniform structure in the information reported by the various entities, it has not been possible to completely standardize or reconcile the respective data, which is why they are reported as presented in the report. However, with regard to requirement 4.9, it should be noted that most of the reports are accompanied by an independent limited audit, with the exception of the information available from BP on its website.

The table below summarizes the payments to the Government/State Entities according to these reports (see details in chapter 8.2.1):

Entity	Currency	Amount
TotalEnergies EP Angola	USD	3 382 220 000
BP	USD	1 896 200 000
Eni	EUR	1 404 534 000
Equinor	USD	2 045 000 000
Galp	EUR	30 087 000
NIS-NAFTGAS	RSD	159 977 000
Maurel & Prom Angola	USD	39 814 000
INA	HRK	10 000 000

For the purposes of the EITI Report and considering that there is a strong variation in the price of the Angolan currency (AKZ) in relation to the US dollar (USD), and that the latter is taken into account in transactions and information reports in the extractive industry, the strategy used to disclose information in this Report was based on the main assumption of presenting the data considering the average annual AKZ/USD rate applicable to the respective period.

In this sense, according to the public information made available, Angola's government revenues in 2022 totaled around 19.66 billion euros.
AKZ (43 184 million USD), corresponding to an increase of 29% in AKZ or 77% in USD compared to the same period last year. The divergence

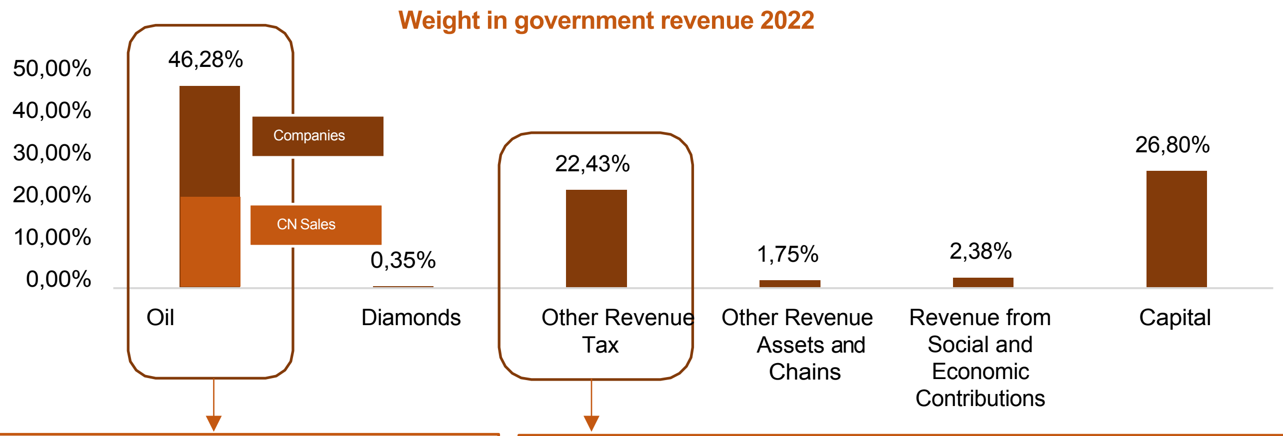
Taxa de câmbio USD/AKZ	2022	2021
Média anual	455,361	623,706

the year-on-year variation between the two currencies, caused by the exchange rate effect, corresponds to the appreciation of the Angolan currency against the US dollar, a fundamental issue in the country's economy and crucial in understanding and interpreting the data published in the EITI Report.

Government revenue	2022 (Millions of AKZ)	2021 (Millions of AKZ)	Year-on-year change
Chains	**14 394 336**	**10 098 991**	**43%**
Oil	**9 101 262**	**5 862 496**	**55%**
Dealership	5 005 984	4 113 507	22%
Companies	4 095 278	1 748 989	134%
Diamond*	69 177*	48 478*	43%*
Other Tax Revenue	4 411 191	3 859 276	14%
Other Property and Current Income	344 056	122 296	181%
Revenue from Social and Economic Contributions	468 651	206 445	127%
Capital	**5 270 093**	**5 121 756**	**3%**
Total	**19 664 429**	**15 220 747**	**29%**
Total (Millions of USD)	**43 184**	**24 404**	**77%**

*Due to the work to standardize the budget classifiers, which took place between 2022-2024, in the reporting period, diamond revenues include the amount of *royalties* and industrial tax relating to diamond revenues. In 2021, the amount presented corresponded only to the amount of *royalties*.

According to the CGE, in 2022, oil revenues correspond to 46% of total government revenues, while revenues related to the diamond sector amount to 0.35% of the total, which shows the strong dependence on the oil sector in Angola's accounts. , it should be noted that, compared to 2021, oil revenues increased by 55%, essentially due to the increase in the price of oil in 2022 (see section 10.3.). With regard to diamond revenues, the increase shown in the table above corresponds to the process of standardizing budget classifications, as explained below. It should also be noted that revenue from the sector is not limited to the amounts presented, considering the existence of taxes under the general tax regime, also applicable to entities in the extractive industry, which are associated with the "Other tax revenue" classifier (see chapter 8 for further clarification).

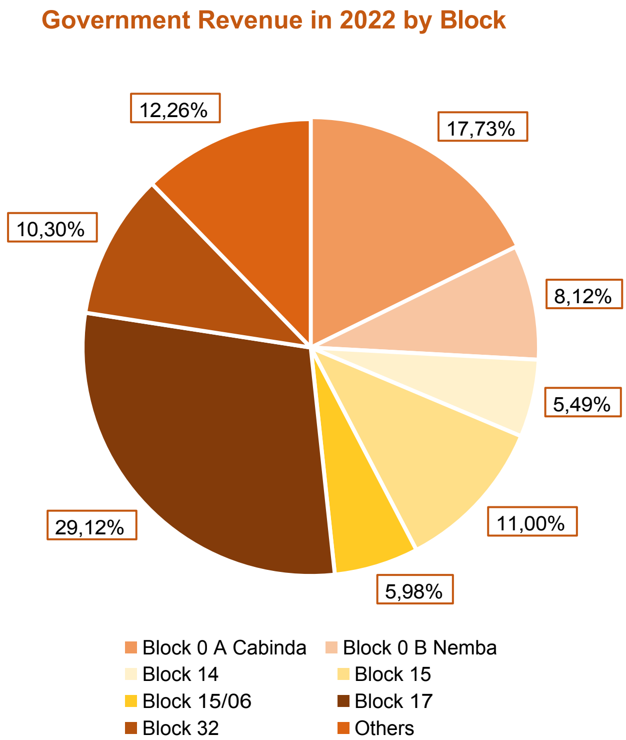


Direct oil revenue in the CGE corresponds to CN sales and taxes directly associated with the oil sector's Special Taxation Regime (IRP, ITP and IPP).

It should be noted that "Other tax revenue" includes other taxes (VAT, IRT, IAC IS, among others), provided for in the General Taxation Regime, payable by entities operating in the extractive industry. However, it was not possible to obtain details of this breakdown.

The revenue associated with the taxes collected through the companies corresponds to 20.83% of total government revenue, broken down by: 85% associated with IRP, 8% and 7%, relating to IPP and ITP, respectively (see section 8.2.1 for more information).

Furthermore, the main blocks that contributed to the collection of government revenue were specifically Block 17, Block 0, Block 15 and Block 32, totaling around 68% of the total oil revenue received by the state. In addition to direct oil revenues, revenues associated with ALNG were also identified, with a gas reception and processing plant in Angola, with the aim of producing and marketing this resource. Revenue from ALNG in 2022 totaled AKZ 945.751 billion (USD 2.077 billion). As far as diamond revenue is concerned, according to what has been explained above and as in the table and figure above, it has a substantially lower weight in total government revenue when compared to the oil sector.



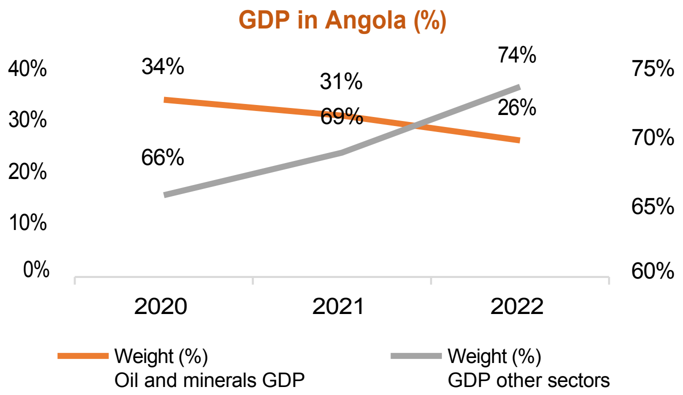
In 2022, diamond revenue totaled AKZ 69 177 million (USD 152 million). It is important to note that, as a result of the standardization of budget classifiers implemented between 2022-2024, diamond revenue for 2022 now includes not only the amounts collected as *royalties*, but also the industrial tax associated with diamond revenue. Given this change in the composition of revenues, it is not possible to make a direct year-on-year comparison between the periods mentioned, due to the divergence in the types of taxes recognized in each period.

For other mineral resources, it was not possible to obtain a breakdown, as their share of total government revenue is significantly lower when compared to the oil and diamond sectors. For more information on sectoral data, see chapter 7.

With regard to the provision of payment data by companies in the extractive industry, due to the legal constraints mentioned throughout the report, it was not possible to obtain data directly from companies, with the exception of the two companies selected for reconciliation, as mentioned above (TotalEnergies and Catoca). In this sense, the data reported by both entities and MINFIN is detailed in section 8.2.3.

In accordance with section 10.3, in 2022 Angola was considered to be the 67th [a] economy in terms of GDP (USD current prices). According to the analysis carried out and the data presented, it is generally perceived that the country's GDP is directly interlinked with fluctuations in the price of a barrel of oil and consequently in oil revenues, as these are directly related.

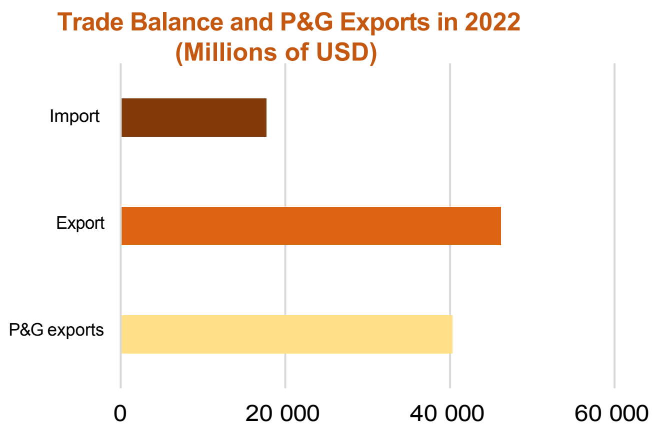
During the reporting period, oil GDP accounted for around 26% of the country's total GDP, showing, as previously mentioned, its strong dependence on the oil sector. However, in line with efforts to diversify government revenue, it is possible to see a decrease of around



5% in oil GDP, compared to 2021.

The analysis of the amounts associated with Angola's Trade Balance is highly

This is important as it provides a correct understanding of the Angolan GDP data, as well as a real understanding of its impact and correlation with the extractive industry. Thus, the country's total exports in 2022 will be considerably higher than imports, but when we look at the effect of the extractive industry on the total weight of exports, we see the oil sector accounts for around 87%. In this sense, it is important to



highlight that Angola's trade balance, excluding the extractive industry sector, will be negative, which reinforces the importance of industry in the country.

During the 2022 period, oil exports totaled 40.301 billion USD, which corresponds to 395.992.334 barrels exported, of which around 25% are associated with CN exports. Gas exports in 2022 are valued at USD 6.306 billion (AKZ 2871.486 billion) and for other mineral resources, namely diamonds, ornamental rocks and gold, exports totaled around USD 2.053 billion. Production for the year 2022, made available through the data shared by EITI CNC members, is broken down into the following mineral resources:

Mineral Resources	Production	Unit	Exports (Millions of USD)
Oil	414 899 447	Barrels	40 301
Gas	2 687	MMSCFD	6 306
P&G			**46 607**
Diamonds	8 763 309	Qlts	1 977
Ornamental stones	156,77	Thousand m^3	71
Gold	2,68	Thousands of fine jaguars	5
Other mineral resources			**2 053**

Compared to the same period last year, there was a slight increase in production of around 1%. Considering the total amount produced, around 25% (105,748,970 barrels) corresponded to CN's crude oil entitlement, followed by TotalEnergies EP Angola and Sonangol, E.P., which are the entities with the largest production volume in 2022. Based on oil exports, it should also be noted that 95% of Angola's oil production is exported, mostly to China (54%), India (9%), France and the Netherlands (6% and 5% respectively).

Diamond production in 2022 totaled around 9 million carats, with 99% being industrial production and 1% semi-industrial production (see chapter 7 for more information on production).

In addition, this report includes information on the contribution of the extractive industry in terms of environmental and social expenditure, totaling around 26.73 million USD for the P&G sector and 56.97 million USD for the mining sector for the 2022 period. , with regard to employment figures in 2022, according to the MIREMPET Sector Report, the P&G sector had a total of 32,024 workers and the mining sector a total of 27,997 workers (see chapter 10 for more information).

As mentioned above and in the context of transparency, Angola is also reviewing its legislative framework for combating corruption, terrorist financing and money laundering. As part of the EITI, the CNC has defined an action plan, with the support of the EITI International Secretariat, to map and publicize BOs in the extractive industry.

In addition, in accordance with the collection of information through *templates*, the BOs of the entities selected for the 2nd EITI Report are disclosed in section 6.6. Furthermore, it should be noted that Angola continues to work on the relevant issues concerning ML/TF, having published Law no. 11/24, of 4 July 2024, which updates the previous Law no. 5/20, of 27 February, with the aim of optimizing the mechanisms for identifying, assessing and mitigating the factors associated with the inherent risks (money laundering, terrorist financing and proliferation of weapons of mass destruction).

In addition, Angola is developing an assessment of the risk of CBB in the oil sector (*upstream)*. In April 2023, the Strategy for the Prevention and Repression of Corruption was approved, which includes some measures for the prevention, detection and response to fraud and corruption, changes to the asset declaration regime and limitations on direct award contracts.

Finally, and in accordance with requirement 7.3 of the EITI Standard, the IA identified a set of recommendations for improving the disclosure of information, within the scope of the EITI Standard. The recommendations per requirement have been broken down into 2 groups, structural and complementary, with the structural ones being geared towards the requirements in which it is understood that there is a structural departure from the provisions of the aforementioned requirement, despite the developments in this report, namely:

Requirements 4.1, 4.7 and 4.9 - The need to prioritize progress on legislative reform to provide a mechanism for reversing/mitigating the limitations identified in the disclosure of disaggregated bilateral payments data, underpinning the disclosure of data, a more robust definition of materiality and the possibility of full reconciliation.

Requirements 2.4 - Move forward with development and roadmap to identify solutions for disclosing contracts and their terms for contracts/licenses issued after 2020.

Requirement 2.5 - BE - It is important to promote the development of the action plan defined in this report and the monitoring of the entities involved in the legislative reform associated with the CB/TF.

2. EITI in Angola

2. EITI in Angola

2.1 Extractive Industries Transparency Initiative

The Extractive Industries Transparency Initiative (EITI) is an international standard that aims to promote transparency and good governance of the resources generated by extractive industries such as oil, gas, diamonds and other minerals.

Created in June 2003, the EITI currently has more than 50 implementing countries subject to compliance with the EITI Standard[1]. The 2019 EITI Standard requires implementing countries to disclose financial and non-financial information on the value chain related to their extractive industry, promoting the fight against corruption and transparency in the country. Angola's reporting on the transparency of its extractive industry aims to promote and strengthen economic transparency, attract foreign investment and support decision-making[2]. , with the publication of the 2nd EITI Report for 2022, Angola aims to demonstrate the progress and commitment inherent in the transparency of the information published. This report aims to highlight the various efforts and work being carried out to address the recommendations identified in the 1st EITI Report. At the same time, it was also proposed to disclose certain information collected through *templates* distributed to government entities and companies in the extractive industry within the scope, which can be consulted throughout the Report.

2.2 Angola's membership of the EITI

Angola formalized its intention to join the EITI in September 2020. On that date, a letter was sent to the Chair of the EITI Board, formalizing the request through a public statement announcing the government's commitment to the initiative, appointing His Excellency, the Minister of Mineral Resources, Oil and Gas to the role of Chair of the EITI NCC.

Angola applied to join the EITI in June 2022 and published its 1st EITI Report on December 16, 2023. The 1st Report was not subject to a validation process, however, during the month of February 2024, a self-assessment exercise on the implementation of the EITI in Angola took place, which was attended by the National Secretariat of the EITI CNC, the members of EITI CNC, the IA and the EITI International Secretariat. The main aim of this exercise was to carry out a preliminary study on the implementation of the 2019 EITI Standard, to promote various action plans, as well as specific training, by requirement, associated with the recommendations of 1st Angola EITI Report. To this , the first validation process in Angola is scheduled to begin on October 1, 2024. The main focus of this validation will be the analysis of the last complete report to date, referring to the 2022 fiscal year.[3]

[1] On June 12, 2023, EITI International launched the 2023 EITI Standard, which corresponds to the 4thª edition of the standard for transparency and good governance in the extractive industry sector. The update of the Standard aims to strengthen EITI disclosures and governance requirements to improve understanding of the impact of the energy transition, address corruption risks promote gender equality and strengthen revenue collection. EITI implementing countries will be validated against the 2023 EITI Standard from 01.01.2025. In this sense, Angola's first Validation, which will begin on October 1, 2024, will be under the 2019 Standard, while the second Validation will be under the new 2023 Standard.

[2] https://eiti.org/countries/angola

[3] https://eiti.org/news/angola-formalises-its-intention-join-eiti & https://eiti.org/news/angola-submits-application-join-eiti

3. Contextual framework in Angola

3. Angola's Contextual Framework

3.1 Economic context

Angola is Africa's 3rd largest oil producer, but the Angolan economy has a significant economic dependence on oil and gas production, which accounts for around a third (1/3) of the country's GDP, far ahead of diamonds. In addition, Angola is also the 3rd largest producer (equal position in 2021) in terms of value and the 5th largest exporter of diamonds in the world (in terms of value) [4)].

In 2022, the reference year for this report, the country exported around 395.99 million barrels of crude oil, sold at an average price of 101.77 USD per barrel, which resulted in gross revenue of 40.3 billion USD. For the same period, Angola earned 1.99 USD through the diamond subsector, which corresponded to the total sale of approximately 9 million carats.[5] In addition, at various stages of development, there are still projects underway in the country associated with other mineral resources, such as ornamental rocks, gold, iron, among others. Angola is currently home to 36 of the 51 minerals considered most critical worldwide, some of which are about to go into production. The country has enormous mining potential for clean energy technologies which, among others, includes chromium, cobalt, copper, graphite, iron ore, lead, lithium, manganese, neodymium, praseodymium, nickel, silver, titanium and zinc, all of which are at different stages in the mineral development value chain. Given the need to develop Angola's critical minerals, initial efforts are focused on the following minerals: lithium, iron ore, nickel, lead, cobalt, copper and rare earth elements, targeting the entire value chain. In this regard, the Minister said that in the next few years, production of neodymium and praseodymium, used in the manufacture of batteries for electric cars, as well as copper and niobium, is expected to begin. However, as mentioned by the World Bank, dependence on oil demand and prices has resulted in volatile growth and, consequently, undesirable levels of poverty and inequality.

In the recent macroeconomic framework, inflation rates and the fluctuation of the local currency (Kwanza) have affected companies' cost structures and profit margins, which may partly reduce the attractiveness of investing in the country. These variables are generally perceived to be dependent on oil demand and price, given their correlation with the inflow of foreign currency into the country. However, according to the World Bank, economic growth in 2023 stood at 0.8%, which shows a decrease compared to the last two years (growth of 1.2% and 3% in 2021 and 2022, respectively), due to a major halt in oil production in the first half of the year, for maintenance, followed by the impact of rising costs in the main factors of production and the adjustment of gasoline prices, there was a slowdown in the non-oil sector. These factors reinforced inflationary pressures, causing the annual inflation rate to rise to 24% in February 2024, compared to 11.5% in February 2023. In an attempt to mitigate these pressures, the BNA raised the key interest rate to 18% in November 2023. Exchange rate depreciation increased the debt-to-GDP ratio from 69% in 2022 to 87% in 2023, considering that approximately 80% of the debt is denominated in foreign currency. The inflation rate is expected to decrease to 12.4% in 2025, driven largely by the currency devaluation in 2023. The basic interest rate was increased to 19% in March 2024. The government is managing this situation by strengthening fiscal policy (the 2024 budget takes into account lower oil production and prices) and by implementing measures

[4] https://kimberleyprocessstatistics.org/static/pdfs/public_statistics/2022/2022GlobalSummary.pdf & https://kimberleyprocessstatistics.org/static/pdfs/public_statistics/2022/2022Charts.pdf
[5] MIREMPET Sector Report 2022

fiscal consolidation (including the reduction of fuel subsidies), demonstrating greater resilience.

Furthermore, during 2021, Law No. 24/21, of October 18 - the BNA Law - was approved, which strengthened the independence of the BNA, providing better conditions for preserving the stability of the currency and ensuring price equilibrium, a measure implemented to convey greater confidence to the markets. In addition, in order to mitigate the loss of household purchasing power, aggravated by the depreciation of the kwanza in previous years, at the end of 2021 the VAT rate was reduced from 14% to 7% on essential goods, with the aim of relieving pressure on consumers and stimulating the domestic economy.

At the same time, the country has faced significant challenges in the labor market, having been ranked 148th on the Human Development Index in 2021. In Angola, employment predominates in the informal sector, accounting for 79.9% of the total. The unemployment rate in the country has reached around 30%, driven by youth unemployment and also unemployment in rural areas (38%).

However, it should be noted that economic growth is expected to return in 2024, boosted by the non-oil sectors. For four years in a row, the agricultural sector has grown more than the economy as a whole. What's , several national private sector companies, previously focused on oil and construction services, have expanded their activities to include agro-processing, thus diversifying their service portfolios.

However, the structural transformation must be intensified and consolidated, with the need to open up more sectors to foreign direct investment. The government has identified agribusiness and agriculture as the drivers of industrialization and job creation over the next five years. Additional support will come from investment in infrastructure, especially through integrated development corridors such as the Lobito corridor, the country's first public-private partnership.

In addition, it is expected that the inflation rate will decrease during the 2nd half of 2024, through a more flexible exchange rate regime, a sounder monetary policy, fiscal consolidation and the creation laws that allow greater private sector participation in the economy, increasing the stability of the financial sector.[6]

To this end, in the NDP for the five-year period 2023-2027, Angola has defined the following main social and economic development priorities: (i) Progress in reforming and modernizing the state; (ii) Human Capital Development (education, health, employment, entrepreneurship and vocational training), (iii) Reducing social inequalities, including the promotion of gender equality;
(iv) Modernizing and Expanding the country's Infrastructure (mobility, roads, railways, housing, energy and water) and (v) Diversifying the Economy (improving the business environment).

Furthermore, it should be noted that the priorities set out in the 2023-2027 NDP are aligned with the terms of the requirements of the 2023 EITI Standard, as follows:

(i) Progress in reforming and modernizing the state

With regard to Axis 1, Programme 5, dedicated to strengthening the fight against economic and financial crime and corruption, it emphasizes transparency in financial and operational transactions, accountability on the part of the entities involved and the implementation of robust practices to prevent and combat corruption. In this sense, as mentioned above, there is an alignment with Requirement 2.5 of the EITI Standard, with the common objective of strengthening the

[6] https://www.worldbank.org/pt/country/angola/overview#1

governance, ensure responsible resource management and promote sustainable development, reflecting a shared commitment to integrity and accountability in the extractive sector and economic administration.

(iii) Reducing social inequalities, including the promotion of gender equality

By Axis 3 of the 2023-2027 NDP, through Program 21 and Program 24, which promote sustainable local development, using resources responsibly to boost the progress of communities, as well as emphasizing inclusion and equality, with targeted efforts to promote gender equality and reduce social inequalities. Alongside the 2023 EITI Standard, specifically Requirement 6, they are thus aligned in their objectives of creating equitable opportunities and improving the quality of life, ensuring that development is inclusive and benefits all members of society.

(iv) Modernizing and expanding the country's infrastructure

With regard to Axis 5 of the 2023-2027 NDP, Program 26 and Program 28 seek to align with the 2023 EITI Standard by prioritizing the efficient and transparent management of natural resources, specifically related to the oil and gas sector. In addition, the need to develop robust infrastructure to support this sector, as well as the transport and logistics sector, is also highlighted. This approach aims not only to optimize the exploitation of resources, but also to strengthen transport and logistics systems, which are vital elements for consolidating economic growth and effectively integrating the country into the global market.

(v) **Diversifying the Economy**

Represented by Programme 37, corresponding to Axis 6 of the 2023-2027 NDP, which focuses on the development and modernization of geological and mining activities, it is also in harmony with the 2023 EITI Standard, as it emphasizes the importance of transparency in the disclosure of information and operations in the sector, as well as the promotion of sustainable practices. This alignment aims to ensure that the development of the mining sector is conducted in a responsible manner, minimizing environmental and social impacts and contributing to sustainable, long-term economic growth.

In short, the alignments between the 2023 EITI Standard and the 2023-2027 NDP show a clear convergence on issues of transparency, accountability, sustainability and inclusive development. Both the terms of the Plan (NDP) and the Initiative (EITI) highlight the importance efficient and transparent practices in the management of natural resources, as well as the need promote social inclusion and gender equality.

3.2 Political Context

From a political point of view, Angola held its fifth elections on August 24, 2022 (following the achievement of peace and national reconciliation on April 4, 2002), with the MPLA party winning with 51% of the vote. These results confirmed the election of the incumbent President, João Manuel Gonçalves Lourenço, for a second term. In his inaugural speech, President João Manuel Gonçalves Lourenço stressed the importance of economic diversification and social issues. Within the scope of this governance, recent years have seen the implementation of new fiscal and monetary policies, increased regulation of foreign investment and the creation of more jobs in various sectors of activity.

At the international level, Angola, as mentioned by the World Bank, continues to be assertive and to demonstrate a firm commitment to peace and stability in Africa, particularly in the

Democratic Republic of Congo, where he has led regional efforts to end the instability that threatens the entire Great Lakes Region.

It is also worth mentioning that in terms of high-profile events with a political impact, the Luanda Leaks case, triggered in 2020, reignited the discussion about the levels of corruption in the country, namely the alleged lack of transparency in some institutions, which can affect the ease of doing business and consequently obtaining foreign investment.

As a result, the Angolan state has defined the fight against corruption as a major national priority, and in April 2023 the Strategy to Prevent and Combat Corruption was presented, including measures such as salary increases, changes to the asset declaration regime and limits on direct award contracts.

Whats more, the process of institutionalizing municipalities in Angola has been a central issue on the country's political scene, reflecting both society's expectations and the challenges faced by the government. The conclusion of the package, which is fundamental to establishing the legal and operational bases of the municipalities, has been progressing, well as facing disagreements between the parties involved, impacting on society's expectations.

Despite the uncertainties, there are expectations that the first local elections will be held in the near future, especially once proposal has been approved in parliament. In response to domestic and international pressure, a technical commission was set up to speed up the institutionalization of municipalities, reflecting an effort to meet the timetable.

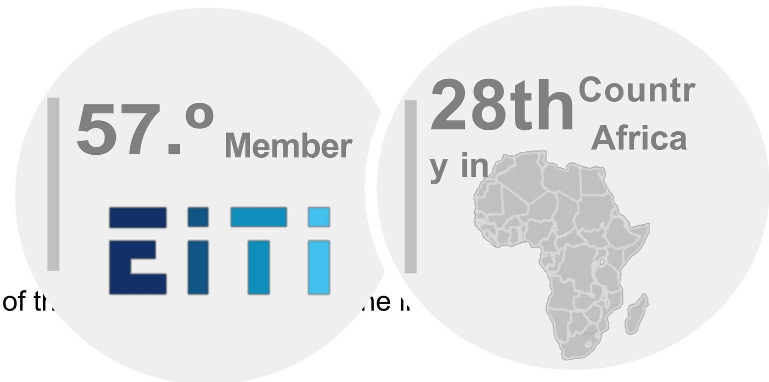
3.3 Development Challenges and EITI Report

Considering the economic and political context, a central challenge for the Angolan economy remains the lack of economic diversification, which is seen as the main way to reduce inequalities and the perception of poverty the country, in a context in which oil production is expected to fall and global decarbonization is approaching in the medium term.

Also noteworthy are the climate challenges, more precisely their exposure to extreme weather events, which could result in water shortages, rising temperatures and longer dry seasons, which could harm agricultural productivity. [7]

In order to reduce social and economic imbalances, the Angolan government has carried out a set of economic reforms in which one of the main goals is economic diversification, reducing dependence on oil and exploiting other sectors to boost economic growth, measures which, according to the IMF, have had a positive effect on macroeconomic stabilization in a context of adversity, but still fall far short of the country's development needs.[8] Among the measures to strengthen transparency are the decision by the Angolan government to promote membership of th… …he i…

Figure 1: Angola's accession to the EITI



[7] https://www.worldbank.org/pt/country/angola/overview
[8] IMF Country Reports

transparency in the extractive industry sector as a central element in maintaining a sustained process of economic development in the country.

Angola was the 57th member to join the EITI and the 28th country in Africa. The accession took place at a time global vulnerability, in the context following the COVID-19 pandemic, marked by significant challenges such as the persistent volatility of oil prices and issues related to the energy transition.

In this scenario, it has become imperative to emphasize transparency as a fundamental and unifying pillar in the formulation of national energy policy.

Considering the weight of the extractive industries in Angola, it is becoming increasingly critical for the country to embrace this initiative and disclose information about the sector in a more transparent way. The publication of the Angola EITI Report provides an economic and financial framework for the extractive industry in the country and gives greater visibility to its contribution to the economy.[9]

By joining the EITI, Angola commits itself to intensifying its efforts associated with the anti-corruption policy, to strengthening the institutions of the mineral resources, oil and gas sector, namely ANPG, ENDIAMA - E.P., SODIAM, E.P. and ANRM, to consolidating the reforms of the Sonangol Group and also to ensuring that the extractive sector contributes to the mobilization of domestic resources, which will benefit Angolan citizens.

To achieve these objectives, the Angolan EITI Work Plan includes a program with specific activities, such as the disclosure of contracts, the disclosure of BO data and the systematic disclosure of revenue data. The Angolan government has recently carried out several regulatory and institutional reforms related to the extractive sector, including the restructuring of the national oil company Sonangol, E.P., ENDIAMA - E.P., SODIAM, E.P. and the creation of new regulatory institutions in 2019 and 2020, namely ANPG and ANRM, to oversee the allocation of rights in the extractive industry, as well as the creation of the Petroleum Derivatives Regulatory Institute (IRDP), with the functions of regulatingcontrolling and supervising all activities related to the petroleum derivatives sector carried out in Angola.

Both institutions (ANPG and ANRM) presented a promising outlook for the sector, in terms of improving it and making it more attractive. However, due to their recent creation, there is naturally room for improvement in terms of their databases, specifically in terms of historical information, which is a substantial challenge, and in terms of analysis and strategic planning. In this context, there is a commitment to overcome these limitations, in order to provide continuous development of the databases created, providing pertinent information on the sector for the growth of structuring and dissemination of information.

By joining the EITI, Angola not only increases transparency in the country, but also provides a vote of confidence for domestic and foreign investors, boosting the sector's revenues and promoting social and economic harmonization in the country.

Background to Angola's 1st EITI Report

The EITI Report aims to be the transparency document that aggregates available information on the extractive industry sector, taking into account the requirements associated with the 2019 EITI Standard.

Preliminary interactions between the EITI CNC and the IA were essential for aligning the methodology process and approach to the 1st EITI Report. However, as described in the 1st Angola EITI Report, due to legal constraints there was a need to discuss alternative approaches to the most common conventional methodologies for preparing EITI reports,

9 https://eiti.org/news/angola-joins-eiti

particularly with regard to the definition of materiality, the collection of data from extractive industry entities and their reconciliation.

The EITI Report requires disclosure of the country's government revenues, based on requirements 4.1 (Comprehensive disclosure of taxes and revenues) and 4.7 (Level of disaggregation) of the 2019 EITI Standard. In this regard, the scope of the Report includes the collection of information on tax and non-tax payments per taxpayer from state entities and other companies in the extractive industry, which will be subject to a reconciliation process for the disclosure of financial information associated with the sector as a guarantee of the reliability of the data.

However, according to Angola's legislative framework, information on tax and non-tax payments/receipts, broken down by taxpayer, is confidential and this prevents it from being made public or shared with other entities, as long as this is not provided for in the law itself. In order to mitigate the country's legal restrictions, the EITI National Secretariat and International Secretariat, accompanied by the IA, discussed and evaluated a set of alternative measures in order to adopt an action plan consistent with the legal impediments identified. Following the sessions held and after approval by all the entities involved, at the 7thª meeting of the EITI NCC, held on November 1, 2023, the EITI NCC opted to release the 1st EITI Report, for the 2021 financial year, without reconciliation. In this sense, the 1st Report exclusively included the disclosure of general public financial data available (tax and non-tax payments/receipts not broken down by taxpayer) reported by public entities for the extractive industry sectors.

As a result of the constraints identified, it was essential to develop an action plan for the presentation of financial information in future reports, with an immediate impact on this Report, corresponding to the 2022 financial year. The EITI CNC therefore presented the hypothesis of a unilateral disclosure approach by extractive industry entities for the 2022 report.

Developments in the 2nd EITI Report and Validation Process

As mentioned above, Angola's first validation is scheduled to begin in October 2024, with reference to the report for 2022. It should be noted that the respective validation will be under the 2019 EITI Standard, which is still applicable for that period. This validation process represents a significant step for the country, which is seeking to demonstrate its performance and ongoing commitment to transparency and good governance in the extractive sector. In addition, the validation process is an opportunity for Angola to demonstrate the progress made and the practices adopted in line with the 2019 EITI Standard.

In order to strengthen its position, the EITI NCC*,* taking into account the legal constraints mentioned above, considered the strategic decision to publish the ***2nd EITI Report*** with ***unilateral disclosure by the extractive industry,*** with materiality based on production data given the lack of granular payment information. This initiative would aim to provide a more detailed view of the sector's activities, as well as the efforts of the entities involved, to ensure transparency in extractive operations.

However, as a result of an in-depth legal analysis by MINFIN, it has been concluded that the unilateral disclosure of data on payments to the state in the oil sector is also prevented, in accordance with the confidentiality terms laid down in the law, which means that the terms laid down apply to both MINFIN and the extractive entities. As stated in Annex C, point II, the limitations on the disclosure of data are primarily:

1) under the terms of Article 6(4) of Law 13/04 24 December on Taxation of Petroleum Activities (LTAP), all the reports prepared, as well as the data and

The information contained therein must be considered confidential and belongs to the State. Applicable to all participants in exploration contracts, including state and private parties;

2) Pursuant to Article 3(h) and (i) of Law no. 3/11 of January 14 - On the National Statistical System (LSEN), which guides the main objective of the National Statistical System, to protect and preserve in an accessible manner the official statistics produced, as well as to protect and preserve individual statistical information.

In this sense, and in order not to compromise Angola's commitment to adhering to the EITI, in order to demonstrate its commitment to progress in relation to the 1st report, it presented an alternative option for the disclosure of part of the financial information, as per Annex C, approved by the CNC, in the following terms:

- Selection of two entities from the extractive industry, namely 1 entity from the oil sector and 1 entity from the mining sector (for more information see chapter 4) to be subject to bilateral data provision;
- Execution of a reconciliation exercise for the entities.

With the above context in , this EITI Report for the 2022 reporting period includes data from the following sources:

✓ General financial data (tax and non-tax payments/receipts not broken down by taxpayer) reported by public bodies or available from public information sources;

✓ General, non-confidential data collected through the circularization process to private entities in the sector, namely BO, number of employees and social and environmental expenditure;

✓ Disaggregated financial data for the entities selected by MINFIN (TotalEnergies EP Angola and Catoca), entities selected under the previous paragraph.

On the basis of the above, despite maintaining some of the limitations mentioned, the CNC undertook to include a series of improvements in the preparation of the 2nd Angola EITI Report, aimed at addressing the recommendations identified in the 1st Report and promoting information collection procedures approved by the EITI CNC.

The following table reflects the dynamics of data collection in the methodology and approach adopted by the EITI CNC in preparing the 2nd Angola EITI Report, based on the limitations identified.

Table 1: Stages developed in the 2nd EITI Report

Steps taken in the 2nd EITI Report	
1	Delimitation of materiality based on production;
2	Determination of income within the scope;
3	Selection of entities and collection of non-confidential information;
4	Qualitative analysis of the information disclosed;
5	Reconciliation process for two selected extractive entities and calculation of results.

The subsequent chapter of this report is dedicated to an explanation of the methodological considerations, highlighting the development and work of the members of EITI NCC and their respective Working Groups carried out within the scope of the report.

4. Methodology and approach

4. Methodology and approach

4.1 Scope and IA

In the context of the EITI, the role of the IA is fundamental in ensuring that the information disclosed in the Report is accurate and reliable, contributing to the credibility and transparency of the process.

Considering that the IA's role is to administer and collaborate with the EITI CNC in the production of Angola's 2nd EITI Report for the 2022 reporting period, part of its role concerns the reconciliation of government revenue.

However, within the limitations identified, the reconciliation process did not follow conventional practices in EITI reports, as mentioned in section 3.3.

The approach and methodology of the 2nd EITI Report for Angola was adapted to take into account these legal limitations, while taking into account the established action plan, following an approach and methodological line approved by the EITI CNC, refocused on the following stages:

Stage 1. Preliminary Report and Scoping Study

- Definition of methodology and main vectors in the approach to the 2nd Report with reference to the economic year 2022;
- Data collection by government entities, within the regulatory delimitations identified;
- Updating the institutional framework in the Extractive Industry from the last report;
- Initial characterization/analysis of the types of revenue and payment flows in the sector;
- Submission of the Scoping Study to the EITI CNC.

Stage 2. Financial/non-financial data collection and analysis

- Data collection, using the *templates* developed, according to the assumptions of the 2019 EITI Standard;
- Analysis and review of financial/non-financial data shared by entities in the extractive industry sector;
  - ✓ Carrying out *high-level* validation exercises to ensure the consistency of the data disclosed in the various publicly available reports;
  - ✓ Full reconciliation for two entities identified by MINFIN (TotalEnergies EP Angola and Catoca).

Stage 3. EITI Report

- Drafting the report and submitting it to the EITI CNC for analysis;
- Collection of contributions/comments by the CNC and their incorporation.

Due to legal constraints, the EITI CNC and the IA have maintained an open channel of interaction, holding various meetings and sharing information on the different points the process, with the aim of promoting the correct development and understanding of all the entities involved in the aforementioned issues.

In this way, the Report provides information on the extractive sector, complying with the country's legislation and the assumptions associated with the disclosure of data, previously outlined with the EITI's CNC.

, with regard to the limitations encountered, certain procedures initially proposed in the methodology could not be carried out, as a result of what was said in the previous section, of which we highlight the impossibility of collecting granular information about the substantial payments that companies in the extractive industry made to the state, in accordance with requirement 4.1 (c) of the 2019 EITI Standard, due to the impact it has on the definition of materiality.

Nevertheless, in accordance with the action plan for the 2nd Report, the EITI NCC approved an alternative methodology consisting of the following steps:

- Identification of the blocks and entities in the oil sector and diamond subsector with the highest production volume, considering an analysis perimeter of at least 90% of total production.
- Development of *templates* for collecting information from extractive industry entities (see *template* content in Annex B);
- Identification of revenues within the scope of the 2nd EITI Report, of which it is partly possible to carry out a *high-level* analysis by checking the consistency of the data, considering the public availability of aggregated information by government entities.
- Reconciliation between the data reported by MINFIN and the entities selected to disclose disaggregated financial information (TotalEnergies EP Angola and Catoca) due to the limitations already mentioned.

4.2 Materiality

The 2019 EITI Standard defines materiality as:

Requirement 4.1 b) of the 2019 EITI Standard: "Payments and revenues are considered material if their omission or inaccuracy could significantly affect the comprehensiveness of the information disclosed."

In accordance with good practice, the determination of the report's materiality is based on primarily quantitative factors, such as the volume of payments per entity, complemented by qualitative factors, such as the relevance of the entities to the extractive sector.

With regard to the definition of materiality and considering the proposed structure for the 2nd EITI Report for Angola, approved by the EITI NCC, the process of quantifying the materiality threshold for selecting entities and taxes was adjusted in accordance with the information available and alternative analytical methods using payment data, in order to obtain a selection of entities consistent with the size of the extractive industry in the country.

In this regard, and taking into account the lack of detailed figures on payments to the state, the EITI CNC opted to use production data, considering its expected representativeness in the payments it generates to the state. Therefore, in order to demonstrate Angola's commitment to implementing the EITI and resolving the current limitations, without prejudice to other entities in the sector reporting information voluntarily, materiality was delimited using the following assumptions:

" Selection of licenses and/or contracts and their member entities, whose cumulative production reaches at least 90% of total production, in descending order of contribution;

" Selection of all state entities, considering their role within the EITI;

Extractive industry companies

P&G sector

It should be noted that in the case of the oil sector, the choice was made to select the volume of production per contract/block because information at this level of granularity was available from the ANPG and AGT.

The information aggregated at block level, as shown in Table 2, made it possible to carry out a high-level reconciliation exercise using this approach, which would not have been possible if the selection had been made primarily at entity level, since certain relevant entities in the respective block would not have been selected.

Table 2: Production Volume by Block - 2022[10]

P&G production	2022 (Barris)	Weight
Onshore	**1 609 233**	**0,39%**
FS	78 038	0,02%
FST	1 370 637	0,33%
Cabinda South	160 558	0,04%
Offshore	**413 290 214**	**99,61%**
Block 0	54 049 417	13,03%
Block 2/05	2 602 533	0,63%
Block 3/05	6 798 111	1,64%
Block 4/05	1 053 994	0,25%
Block 14	17 078 696	4,12%
14K block	393 539	0,09%
Block 15	50 921 357	12,27%
Block 15/06	38 077 610	9,18%
Block 17	140 860 298	33,95%
Block 18	22 881 893	5,52%
Block 31	22 835 144	5,50%
Block 32	55 737 622	13,43%
Total	**414 899 447**	**100,00%**

To ensure the comprehensiveness of the report and the data reported unilaterally, as mentioned above, the CNC considers that the perimeter of analysis should include at least 90% of total production for the 2022 period. In line with assumption, the blocks selected within the scope of Angola's 2nd EITI Report, which cover around 97% of production, are highlighted in the table below.

[10] Management Report 2022

Table 3: Blocks selected in the scope and their operators

P&G production	Operator in the field	2022	Weight
Offshore			
Block 0	CABGOC 39.20%	54 049 417	13,03%
Block 15	ESSO 36%	50 921 357	12,27%
Block 15/06	Azule Energy 36.84%	38 077 610	9,18%
Block 17	TotalEnergies EP Angola 33%	140 860 298	33,95%
Block 18	Azule Energy 36.34%	22 881 893	5,52%
Block 31	Azule Energy 26.67%	22 835 144	5,50%
Block 32	TotalEnergies E&P Angola 30%	55 737 622	13,43%
Block 14	Chevron 31%	17 078 696	4,12%
Total		**402 442 037**	**97,00%**

In this sense, and in accordance with the participatory interests identified at the time, the sector entities selected according to the criterion of materiality, production, are those listed in the following table.

Table 4: Petroleum Sector Entities within the scope of

Entities in the field (oil sector)	
Sonangol, E.P.	SSI
Sonangol P&P[11]	Maurel & Prom Angola
TotalEnergies EP Angola	SOMOIL[2]
Azule Energy[1]	NIS-NAFTGAS
ESSO	INA
Equinor	Acrep, S.A.
Chevron	PRODOIL
GALP	
Total number of entities	**15**

[1]In March 2022, an agreement was signed between BP and ENI to up an independent joint venture in Angola, called Azule Energy. https://anpg.co.ao/noticias/bp-e-eni-criam-azule-energy-para-operar-em-angola/#:~:text=15%20of%20March%20of%202022%20%7C%20Agency,joint%20venture%20independent%20in%20Angola%2C%20denominated%20Azule%20Energy.

[2]In April 2023, it was announced that SOMOIL would change its name to Etu Energias. https://etuenergias.co.ao/noticias/somoil-e-agora-etu-energias/44

The above selection already covers a 2nd qualitative materiality criterion relating to the selection of all public companies with a stake in the blocks, namely Sonangol, E.P. and Sonangol P&P.

In addition, the EITI CNC agreed to share the *templates* with the non-selected entities so that they could disclose their non-confidential information on a voluntary basis, demonstrating their contribution to transparency in the sector.

Other Mineral Resources Sector

With regard to other mineral resources, the EITI CNC chose to make the selection directly at the level of volume per entity, as shown in the table, and specifically for the diamond subsector, since the other minerals still make a much smaller contribution to state revenue. Nevertheless, aggregate data available from the ANRM will continue to be published for these minerals.

[11]Sonangol E.P.'s corporate model was reorganized, with Sonangol P&P S.A. becoming the business unit of Sonangol Exploração & Produção, S.A. (see section 6.7.1 for more information).

Table 5: Production Volume by Entity - 2022[12]

Companies	Volume (Qlts)	Value (USD)	Weight
Calonda	46 910,11	19 011 424	0,51%
Cockatoo	5 787 898,41	867 447 728	63,15%
Chitotolo	203 904,25	182 087 813	2,22%
Cuango	264 651,72	130 842 209	2,89%
ENDIAMA Mining	2 190 209,83	260 532 344	23,90%
Furi	116 616,39	40 845 413	1,27%
Kaixepa	69 290,40	117 024 455	0,76%
Luachimo	39 625,03	14 417 961	0,43%
Luembe	12 978,97	2 852 785	0,14%
Lulo	32 488,58	79 579 348	0,35%
Luminas	40 215,06	24 522 556	0,44%
Lunhinga	113 985,51	26 877 815	1,24%
Mucuanza	6 693,95	8 307 903	0,07%
Somiluana	125 132,66	85 301 316	1,37%
Tchegi	888,72	720 066	0,01%
Uari	113 967,45	94 299 467	1,24%
P. Industrial	**9 165 457,04**	**1 954 670 603**	**100,00%**

In accordance with the above assumption, the diamond entities selected within the scope of the 2nd EITI Report for Angola stand out as shown in the table below.

Table 6: Selected Entities in the Diamond Subsector within the scope of

Companies	Volume (Qlts)	Value (USD)	Weight
Cockatoo	5 787 898	867 447 728	63,15%
Chitotolo	203 904	182 087 813	2,22%
Cuango	264 652	130 842 209	2,89%
ENDIAMA Mining	2 190 210	260 532 344	23,90%
P. Industrial	**8 446 664**	**1 440 910 094**	**92,16%**

Limitations on the disclosure/collection of operational and payment data

Without prejudice to sending and collecting information from the templates to the entities identified above, following the impossibility of unilateral disclosure of disaggregated information on payments to the State and other operational data by industry entities, MINFIN proposed the adoption of an alternative strategy, approved by the CNC.

This approach involved 2 entities for the reconciliation process, in order to demonstrate the country's commitment, without compromising legal reform, as shown in Annex C.

In this regard, MINFIN considered the following assumptions for the respective selection of entities to be reconciled:

" Materiality of the revenue collected;

" The size of the companies' operations in the industry, from a strategic point of view and their relevance in the country.

In this way, two entities were selected for the process of reconciling the disaggregated financial information, as shown in Table 7.

[12] MIREMPET 2022 Sector Report

Table 7: Entities selected for reconciliation

Entities	Sector	Additional notes
TotalEnergies EP Angola	Oil and Gas	Operator on 7 licenses for the period 2022
Cockatoo	Diamond Subsector	Most representative entity in the diamond subsector

As a result of MINFIN's analysis, the taxes selected the reconciliation process are detailed in the following table.

Table 8: Taxes selected for reconciliation

Associated with the P&G sector	Associated with the mining sector	Associated with the General Taxation System
IRP	Surface rate	IRT - Group A
IPP	Industrial Tax	IAC
ITP	*Royalties*	
Surface rate		
Industrial Tax		

In addition, the Angola EITI CNC has been discussing action plan to comply with the 2019 EITI Standard (requirements 4.1 and 4.7), in order to outline a strategy to overcome legislative impediments and give visibility to the work and efforts being made to make data available in future reports, as will be shown in chapter 5 of the Report.

4.3 Data Collection and Quality

Government Entities

In accordance with the action plan and the approach and methodology established for the 2nd EITI Report, data collection *templates* were developed to be sent to the extractive entities selected within the scope and made available for collection from the various relevant CNC members.

However, accordance with the previously mentioned legal limitations, the information the extractive industry sector, with the exception of the two companies selected for reconciliation, has been made available in an aggregated format in line with the information from the *templates of* public organizations, or publicly available information from extractive companies.

In this context, the information collected was primarily provided by the following entities when available:

Table 9: Government Entities

Government Entities
MINFIN
MIREMPET
ANPG
ANRM

In addition, and in line with the assumptions of the 2019 EITI Standard, it was necessary to gather additional information or clarification through the support of the other EITI CNC members mentioned in Table 10.

Table 10: EITI Angola NCC members

EITI CNC members from Angola
Representatives of the Association of Exploration and Production Companies of Angola (ACEPA)
Ministry of the Environment (MINAMB)
Civil Society Organizations
Sonangol, E.P. - Sociedade Nacional de Combustíveis de Angola, E.P.
ENDIAMA - E.P. - Empresa Nacional de Prospecção, Exploração, Lapidação e Comercialização de Diamantes de Angola E.P.
SODIAM, E.P. - Empresa Nacional de Comercialização de Diamantes de Angola E.P.

Data collection

Following the identification of the entities and based on the alternative route established for the disclosure of information on payments/receipts in the sector, the data to be incorporated into the 2022 EITI Report comprised the following main sources:

Gathering information from government bodies

1) Aggregated financial and non-financial information, public or likely to be made available by participants in the EITI CNC, such as:

- CGE/INE Publications;
- ANPG's Management Report and Annual Report and/or other information provided by the regulator;
- ANRM's Management Report and Annual Report and/or other information provided by the regulator;
- Annual reports of Public Companies such as ENDIAMA - E.P., SODIAM, E.P. and Sonangol E.P.;
- Other MINFIN and AGT publications;
- Contributions from other *stakeholders* deemed relevant.

Gathering information from entities in the extractive industry sector

2) Data made available through the collection of information, via *templates*, for the selected entities, namely data on BO, number of employees and social and environmental expenditure.

3) Extractive industry data collected from publicly disclosed reports on payments to governments in accordance with specific legislation in the European Union and the United Kingdom.

Collection of disaggregated financial information

4) Financial data disaggregated by collecting information, using *templates*, from MINFIN and selected extractive entities (TotalEnergies EP Angola and Catoca).

Furthermore, after the *template* had been developed, a training session was held on June 3, 2024, how fill in the *templates,* with the aim of presenting the documents to the members of the EITI CNC and other interested parties, in order to correctly fill in and align the information requested in each .

It should also be noted that the data collection templates were prepared not only to collect information in accordance with the 2019 EITI Standard, but also taking into account the main owners of the information. Thus, the documents shared included the following:

1) Instructions for filling in *the templates;*

2) Data collection *templates*, broken down by stakeholder

MIREMPET
MINFIN
ANPG
ANRM
Extractive companies

Following the incorporation of *templates* into the methodology of the 2nd EITI Report, and in accordance with the publicly available information, sessions were also held with CNC members to discuss the collection and applicability of the 2019 EITI Standard requirements in Angola.

Payment data quality assurance

With regard to Requirement 4.9 a) of the 2019 EITI Standard, the audit of financial statements by an independent entity and the reconciliation of payment data disclosed by the IA are adequate procedures to ensure compliance with the respective requirement.

As discussed in the previous sections of this report, a substantial part of the information provided refers to publicly available data/information.

Taking the above into account, the proposed methodology does not take into account a full reconciliation process of payments between extractive industry entities and government entities, with the exception of the reconciliation of two entities for which revenue data is reported. According to Requirement 4.9, this reconciliation plays a central role in ensuring data quality for the EITI Report, given the possibility of cross-referencing information from independent entities.

Thus, the procedures for ensuring the reliability of possible data have essentially focused on implementing reliability mechanisms based on subjecting the information bases to independent audits. Thus, in this context, it is important to note that Angolan legislation, through its market regulation mechanisms, presents various methods of guaranteeing the reliability of the financial information of public companies and public domain companies, in addition to the information presented by public bodies.

Examples of these facts are:

- **Decree no. 38/00, of October 6**, states in its paragraph 1 that public or mixed entities under any legal form, those incorporated under the legal form of public limited companies, private limited companies with a supervisory board, or all those that exceed the limits established by law, are obliged to submit annual financial statements audited by an expert accountant registered with the Representative Body of Accountants and Accounting Experts;
- **Law no. 13/10, of July 9,** "Organic Law on the Process of Court of Auditors" and Law no. 19/19, of August 14, "Law amending the Organic Law and the Process of the Court of Auditors", determined that the regulatory entities of the extractive industry, ANPG and ANRM, are subject to the jurisdiction of the Court of Auditors;

- **Decree no. 13/22, of January 18**, "Roadmap for the reform of the public business sector", states that the entities that make up the public business sector will be encouraged to adopt high standards of transparency, through, among other things, an annual external audit carried out by an independent external entity, based on international standards; and

- **Law no. 11/13, of September 3,** establishes that the activities of public companies and companies in the public domain and their respective accounts must be subject to an annual external audit, to be carried out by a legal person of recognized repute and established in Angola.

As part of our analysis, we were able to confirm that the annual reports of ANPG, SODIAM, E.P., ENDIAMA - E.P. and Sonangol, E.P. were audited by independent auditors, as described above.[13] These entities are subject to auditing procedures in line with the *International Standards on Auditing*, which have essentially been transposed into local auditing standards.

With regard to the data on payments to the government disclosed by extractive industry companies based in European Union countries or the United Kingdom, most of them are accompanied by a limited assurance of reliability in accordance with international auditing standards.

In addition, as a result of the action plan for the 2nd EITI Report, the information collected through the *templates* shared by the entities was also disseminated, as described above.

The reliability of the data provided in the *template* was supported by the following methods:

- All the forms received were analyzed and verified. The signature has been verified in order to obtain the entity's commitment that the information complies with the quality and guarantee procedures;

- Obtaining audit opinions on the financial statements of the entities covered by the report.

These *templates* also include a statement from the management confirming and approving the data disclosed: "We confirm the veracity and completeness of the information provided in this document and that it is an integral part of financial information audited by an independent entity".

In summary, the reliability of the data was checked by obtaining audit reports on the Reports and Accounts of most of the entities, and this information was obtained for most of the public companies, the ANPG and the 2 entities with reported data.

In addition, the reports on payments to the International Government were checked to see if they were audited in accordance with international auditing standards and, for the CGE, the approval of the Court of Auditors and Parliament for the CGE was checked.

However, it is clear that Requirement 4.9 is not met to its full extent, namely in the IA's inability to carry out an extended payment reconciliation exercise as referred to in the requirement, which allows data from different sources to be compared. This exercise will only be possible once the legal limitations that make it impossible to obtain disaggregated payment data have been fully resolved.

[13] https://igape.minfin.gov.ao/PortalIGAPE/#!/sector-empresarial-publico/relatorios-do-sep & https://anpg.co.ao/noticias/anpg-divulga- relatório-de-gestao-e-relatorio-e contas-2022/)

Exchange Rate used for the purposes of the 2022 EITI Report

For the purposes of the 2022 EITI Report, considering that there is a strong variation in the price of the Angolan currency (AKZ) in relation to the US Dollar (USD) and Euro (EUR) and that, worldwide, the USD is commonly used in transactions and information reporting in the extractive industry, the strategy used to disclose information in this Report contemplated the following principles:

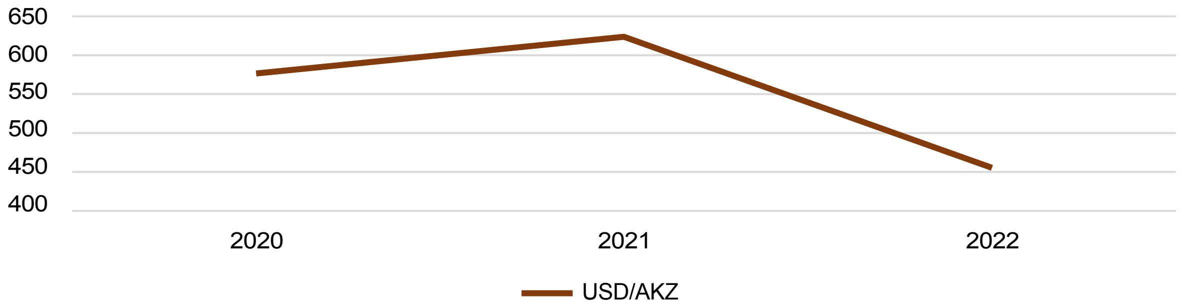
- Disclosure of data in the monetary unit in which the information was made available;
- Conversion of the total data from USD/AKZ and in accordance with the previous point, considering the average annual rate applicable to the reporting period;
- Conversion of the data presented for periods (prior to 2022) other than the reporting period (2022), considering the average annual rate applicable to the respective year;
- Presentation of data with reference to AKZ and USD;

Table 11: Exchange Rates

USD/AKZ exchange rate	2022	2021	2020
Maximum	554,204	652,502	661,875
Minimum	398,778	550,590	477,356
Annual average	**455,361**	**623,706**	**576,367**

The need to take into account the variability in exchange rates when interpreting data on the evolution of revenue in relation to comparative periods is reinforced, due to the influence this can have on the interpretation of some revenue data in the sector.

Figure 2: Exchange Rate Evolution 2020-2022



Reporting Period

For the 2nd EITI Report and considering the year of its release (2024), the EITI NCC considered reporting data with reference to the period 2022. The EITI NCC's decision took account the time interval needed to access the public reports made available and which served as support for certain data disclosed in the EITI Report with reference to the 2022 economic year, as well as compliance with Requirement 4.8 b) of the 2019 EITI Standard, where the data reported should not be prior to the penultimate complete accounting period.[14]

As mentioned above, the incorporation of information collection *templates* into the methodology and approach to the 2nd EITI Report was an essential milestone in demonstrating the country's commitment. Nevertheless, the Technical Working Group, led by MINFIN, continues to work on the action plan for the disclosure of disaggregated financial information, as explained in the next chapter.

[14] https://www.bna.ao/#/pt/mercados/mercado-cambial/taxas-cambio

5. Action Plan for Future Reports

5. Action Plan for Future Reports

Following the approach and methodology defined for the 2nd Angola EITI Report and as mentioned above, a limited data reconciliation process was carried out, following the legal limitations identified, as discussed in section 3.3.

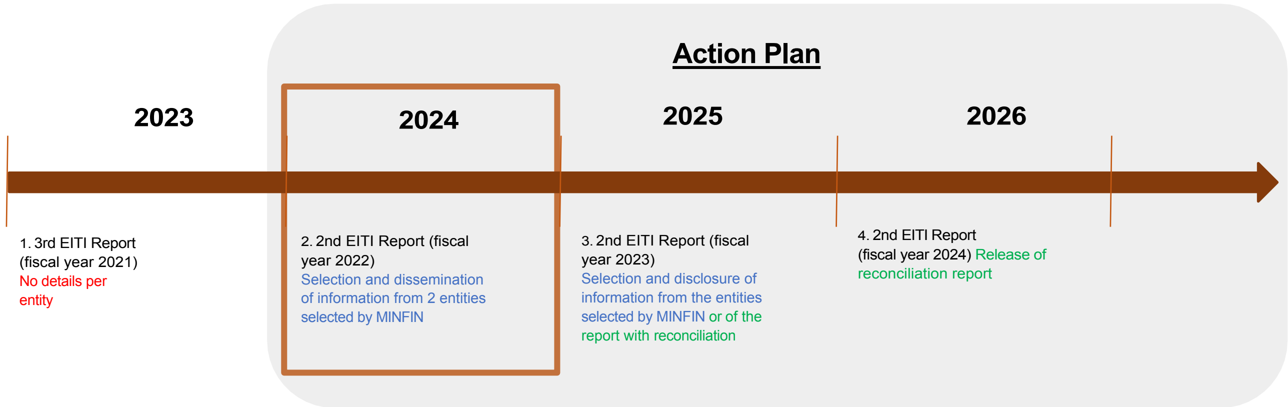
Furthermore, in accordance with the EITI in Angola Report dissemination cycle (see timeline below), the 1st EITI in Angola Report approved, at a meeting of the EITI CNC, the proposal of the Technical Working Group, led by MINFIN, which found that the most technically feasible route is legislative change, which should definitively remedy the legal limitations. In addition, MINFIN clarified that considering the specificities of Angolan legislation, any legal change and/or addition to the laws must be approved by the National Assembly, and clarified that the legal reform is not expected to be approved until 2025.

Following the action plan defined in Angola's 1st EITI Report, which included the possibility of unilateral disclosure for the years until legislative reform, after several sessions with the members of the EITI NCC, MINFIN clarified that the legislative impediments previously identified apply to both parties, i.e. both MINFIN/AGT and the companies in the oil sector. In this way, the alternative for the 2nd EITI Report was presented, in accordance with chapters 3 and 4 of this report.

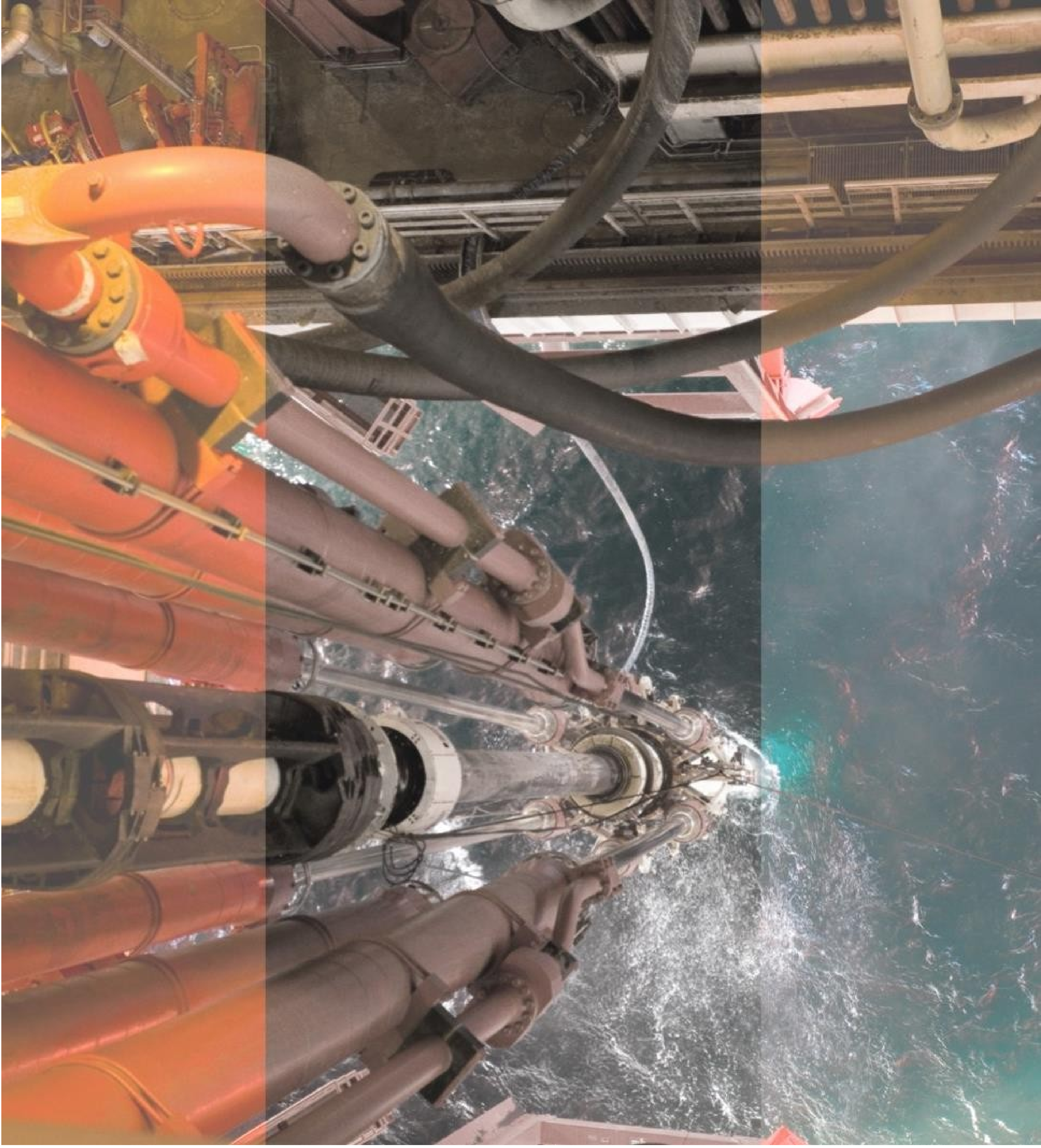
As a development in the 2nd Report, MINFIN is currently evaluating the possibility of speeding up the process of reversing legal limitations through the State Budget Law (See Annex C), since it is approved annually, and could act as a faster vehicle while the laws limiting access to information are not fully adjusted, which if possible could be considered for the 3rd Report. This possibility is under analysis at the time of publication of the report and the proposed approach is pending on this topic.

The figure below represents the action plan under analysis by the EITI NCC for 2023-2026.

Figure 3: Action plan 2023-2026



The CNC undertakes to continue working on the development of a plan to speed up and sustainably improve the conditions of access to the information to be included in the report.



6. Legal and fiscal overview

6. Legal and fiscal overview

The investment context with regard to the legal, institutional and regulatory aspects of the extractive sector in Angola has been gaining some momentum in the recent past, as a result of the Angolan government's intentional optimization of the oil and mining sectors. It is therefore important to put the extractive industry into context in terms of aspects.

This chapter of the Report aims to present a comprehensive overview of the business context for the extractive industry in Angola, establishing the basis for a correct understanding of sector information through an overview of industry institutions, contracting responsibility, the tax and customs landscape and the contextualization of other topics perceived as critical to an adequate view of the Report, such as environmental legislation and disclosure of contracts and licenses.

This chapter 6 is structured in such a way as to first present all the relevant entities involved in the extractive industry, with the aim of disclosing the institutional framework associated with the following sectors:

1) Oil and gas sector; and

2) Other mineral resources sector.

Following on from the disclosure of the entities, we proceeded to clarify the legal framework for the extractive industry in the country, with the aim of identifying the main applicable laws and regulations and contextualizing the government entities associated with the industry, namely the ANPG and ANRM, the central regulatory bodies for the extractive industry, under the tutelage of MIREMPET. It should also be noted that financial and asset management is subject to the financial supervision of the Ministerial Department responsible for the finance sector.

In order to demonstrate an overview of the main transactions taking place in the industry, we highlight a brief summary of the flow of payments in the oil and gas and other mineral resources sector, as required by requirement 2.1 of the 2019 EITI Standard. The payment flow identifies, among other contributions, a set of taxes associated with the industry within the scope of the EITI. In this regard, it is important to recognize the tax regimes associated with the above-mentioned sectors.

It should be noted that the Angolan tax system is made up of a complex system of fees and taxes, on which, in accordance with the scope of the EITI, the tax burdens that are considered most significant for understanding the tax regime of the extractive industry in the country have been disclosed.

6.1 P&G sector (Requirement 2.1)

6.1.1 The Sector's Institutional Framework

The Angolan government, as described in DP no. 49/19, of February 6, which creates the ANPG and approves its Organic Statute, considers that the reorganization of the hydrocarbon sector in Angola is essential in order to develop a sustained management of oil and gas resources that make it possible to generate the revenue needed to contribute significantly the diversification of the economy, as well as the socio-economic development of the country.

Thus, in 2019, the Executive adjusted the "organization of the country's oil sector, in order to ensure greater political coordination and eliminate conflicts of interest, increase the transparency and efficiency of processes, as well create the right conditions for domestic and foreign investment". It was with this in mind that the ANPG was created, which now has the function of CN (National Oil Commission).

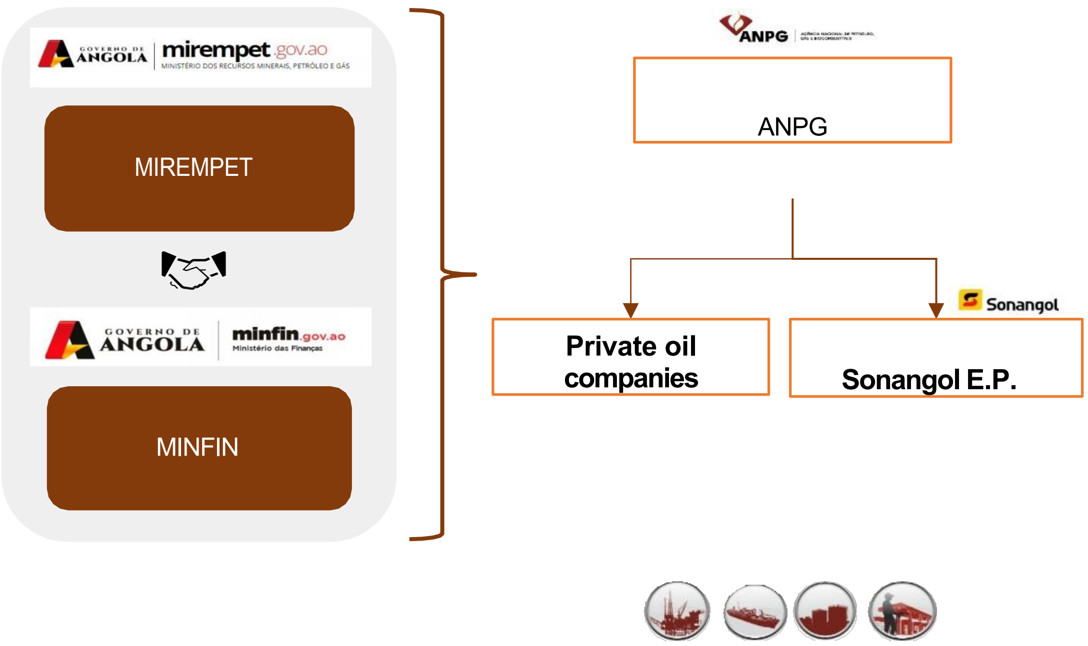
previously held by Sonangol, E.P.) with the purpose of regulating, supervising and promoting the execution of petroleum activities, namely operations and contracting in the field of oil, gas and biofuels.

As previously mentioned, it is important to note that, despite the significant regulatory and institutional transformations that have taken place in the national oil sector, triggered by the creation of a regulatory body in 2019 and the subsequent restructuring of Sonangol, E.P., there are no additional reforms planned or underway as of the date of this report. Currently, the predominant focus is on consolidating the current legal framework applicable to the oil sector.

According to the legal framework in the P&G sector, the following government entities stand out as the most important in the sector's institutional framework:

- MIREMPET - responsible for formulating, conducting, executing, controlling and monitoring the Executive's policy on geological and mineral activities, oil, gas and biofuels (under the terms of DP no. 159/20, of July 4 - which approves MIREMPET's Organic Statute);
- MINFIN - responsible for proposing, conducting, executing and evaluating public finance policy, promoting the rational management of public financial and property resources and balancing public accounts (PD no. 92/24, of April 16 - Approving the Organic Statute of MINFIN);
- ANPG - the sector's regulatory authority (see section 6.1.2) created regulate, supervise and promote the execution of petroleum activities, namely operations and contracting in the field of oil, gas and biofuels (according to DP no. 49/19, of February 6 - which creates the ANPG and approves its Organic Statute);
- Sonangol, E.P. - National oil company representing the State in the management of participation and operation of oil blocks in Angola (see section 6.7) (as provided for in DP no. 15/19, of January 9).

Figure 4: Institutional Framework of the Oil and Gas Sector



6.1.2 Legal Framework

In accordance with Requirement 2.1 of the 2019 EITI Standard, the laws and regulations associated with the sector must be disclosed in this Report, the aim of achieving transparency of the legal framework in the sector by providing legislative understanding of it, through a structured and public format specifically geared towards the extractive industry.

To this end, the IA collected from the EITI's CNC *stakeholders* a set of legislative documents in force and most critical to understanding the sector.

In order to properly disseminate and structure the information, it was essential to categorize the Laws, Decree-Laws and other legislation into the following three categories:

Fundamental Principles	P&G sector regulators	Other relevant legislation
Fundamental documents that establish the main rules associated with petroleum operations	Information on the creation of regulatory bodies in the sector	Relevant complementary legislation associated with Oil and Gas operations

Fundamental Principles:

- **Law no. 10/04**, of November 12 - LAP, partially amended by Law no. 5/19, of April 18;
- **Decree no. 1/09**, of January 27 - Regulation on Petroleum Operations (ROP).

Regulators of the P&G sector:

- **PD no. 49/19**, of February 6 - Creation of the ANPG and Approves its Organic Statute, amended by Presidential Legislative Decree no. 1/20, of January 6, which amended PD no. 49/19, of February 6.

Other Diplomas Highlighted by the EITI CNC:

- **Decree no. 120/08**, of December 22 - Establishes the rules for access to Land Areas and the Acquisition of Land Rights with a view to carrying out oil operations in the territory of the Republic of Angola;
- **DP no. 297/10,** of December 2 - Establishes the Rules and Procedures for Limited Public Tenders for the Acquisition of CN Membership;
- **DP no. 58/11**, of March 30 - Approves the Regulation on the Petroleum Information System and creates a working group made up of representatives to be appointed by the respective heads of the Ministries of Petroleum, Finance and Sonangol, E.P.;
- **Law** no**. 26/12**, of August 22 - Crude Oil and Natural Gas Transportation and Storage Law;
- **PD no. 132/13**, of September 5 - Establishes the legal regimes applicable to crude oil refining activities, storage, transportation of petroleum products by pipeline, the Logistics Superintendence of the Oil Derivatives System and the operation of the wholesale and retail markets, as well as the procedures and rules applicable to public service obligations, planning and licensing of the facilities of the Oil Derivatives System of the Republic of Angola, revoked by **PD no. 208/19**, of July 1;

- **DP no. 86/18**, of April 2 - Establishes the rules and procedures for tenders to acquire CN membership and to contract goods and services in the Oil Sector;
- **Presidential Legislative Decree no. 5/18**, of May 18 - Establishes the Legal Framework for Additional Exploration Activities in Petroleum Concession Development Areas;
- **DP no. 91/18**, of April 10 - Rules and Procedures Well Abandonment Activities and Decommissioning of oil and gas installations on national territory;
- **PD no. 52/19**, of February 18 - Approves the General Strategy for the Award of Petroleum Concessions for the period 2019-2025;
- **PD no. 289/19**, of 9 October - Procedure for the Operationalization of the ANPG's Right to Receipts from the CN;
- **DP no. 271/20**, of October 20 - Legal Framework for Local Content (see Annex D);
- **DP no. 283/20**, of October 27 - Model for Defining the Prices of Products Derived from Crude Oil and Natural Gas;
- **DP no. 307/20**, of December 2 - Approves the Terms of the Regulation for the Investment of the Funds for the Abandonment of Petroleum Concessions in Angolan Sovereign Debt;
- **DP no. 249/21**, of October 5 - Establishes the Rules and Procedures for the Allocation of Petroleum Concessions under the Permanent Supply Regime.

Fundamental Principles

Law no. 10/04, of November 12, Petroleum Activities Law, partially amended by Law no. 5/19, of April 18 ("LAP")

The LAP aims to establish the rules for accessing and carrying out petroleum operations in the available surface and submerged areas of national territory.

The LAP defines the fundamental principle of state ownership of oil resources, as well as the regimes of exclusive concessionaire and mandatory association with CN, within the scope of oil concessions.

In addition, it aims to safeguard, among other things, the national interest, promote the development of the labor market, protect the environment and increase the country's competitiveness in the international market. The following articles stand out:

Article 3	All oil fields in national territory, whether on the surface or submerged, are owned by the state.
Article 6/7	Petroleum operations may only be carried out through a prospecting license or a petroleum concession, and must be conducted prudently and taking into account the safety of people and installations, as well environmental protection and nature conservation.
Amendment Law no. 5/19 - Article 4	CN is the ANPG, as the holder of the mining rights.

In addition, the LAP provides that any national or foreign company with proven technical and financial suitability and capacity may apply to the Minister of Finance for a prospecting license to assess the oil potential of a given area, who must assess the application after receiving an opinion from the CN.

Prospecting, research and evaluation work must be included in an annual plan, duly detailed and budgeted, drawn up by CN and its associates, which must be submitted for approval. CN is also responsible for informing the Ministry of Transport (MIREMPET) of discovery of any oil field, as well as the studies it will carry out in the future to evaluate the field and report the results of this evaluation.

CN must also measure and record all oil extracted and recovered on a daily basis, informing the Ministry on a weekly basis of the volumes produced by each development area.

According to article 75 of the LAP, within one year of the end of the concession or the date of abandonment of any integrated area, CN and its associates must prepare and submit to the Ministry of Supervision a Plan for the abandonment of wells, installations and equipment, as well as mentioning how landscape recovery and the continuation of petroleum operations will be carried out (see section 6.1.2 - Other regulations, DP no. 91/18, of April 10 - Rules and Procedures for Well Abandonment Activities and Decommissioning of oil and gas installations in national territory).

At the same time, the LAP also makes it compulsory to use the natural gas produced in any oil field, prohibiting its flaring, except for a short period and when necessary for testing or other operational reasons. In these cases, a fee set by the Ministry of Finance is applied depending on the quantity and quality of gas flared and its location (Article 73 of the LAP).

General Principles

- Public domain of oil fields;
- CN's exclusivity with regard to mining rights;
- Mandatory membership;
- Association Mechanisms: Commercial Company, Consortium Contract and CPP;
- CSR, which allows oil operations to be carried out;
- Mandatory risk for members;
- Conditions for carrying out petroleum operations: prospecting license (granted from the date of entry into force of the respective award decree), or concession (granted the moment of association and respective contract, or from the date of entry into force of the concession decree) - see section 6.3.1 for information on licensing.

On the other hand, for the purposes of the transparency process, it is important to note that the LAP states that data arising from oil operations must respect the terms of confidentiality, as set out in article 77 of law, so the disclosure of information, under the terms required by the EITI standards, also finds limits in this standard. This poses challenges in terms of disclosing contractual terms and operational data, as discussed in sections 3 and 4 of this report.

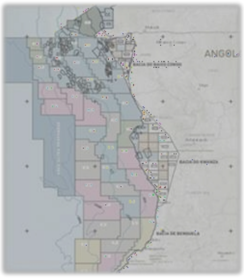
Decree no. 1/09, of January 27 - Regulation on Petroleum Operations

This law defines and establishes the conditions and modalities to be observed in petroleum operations, under the terms of the LAP mentioned above.

The LAP defines petroleum operations as prospecting, exploration, appraisal, development and production of oil. However, in order to regulate the other activities, at sea and on land, as well as the other natural resources exploited in the areas available, it was necessary to establish additional standards and procedures to ensure that these activities were carried out in accordance with the fundamental principles and standards defined in the LAP, under the terms of Decree No. 1/09 of January 27.

The assumptions legislated by the Decree cover various concepts, such as prospecting license, oil concession, oil operations, crude oil lifting, among others.

Decree 1/09 of January 27 also contains central definitions for the sector, such as the concept of "concession areas" (see below). The concession periods and different periods and phases are set out in the concession decree, in accordance with Article 48(2)(c) of the LAP, but Decree 1/09 of January 27 sets the deadline for the Ministry of Supervision (MIREMPET) to issue the notification, which establishes the start of the production period.



Concession areas

For the purposes of petroleum operations, the areas available within limits of national territory, both on land and at sea, are divided into blocks delimited by geographical coordinates.
The concession area may consist of one or more blocks or parts of blocks, the dimensions of which must be defined in the concession decree.

Note: See Annex E for a map of concessions.

PD no. 49/19, of February 6 - Creation of the ANPG, amended by Presidential Legislative Decree no. 1/20, of January 6, amending PD no. 49/19, of February 6

DP no. 49/19, of 6 February, approved the creation of the ANPG as a result of the program to reorganize Angola's oil sector. The purpose of the ANPG is to regulate oil and gas exploration in the Angolan market.

The ANPG became the NC and the promoter of the execution of oil activities automatically with the approval of the Organic Statute and by Law no. 5/19, of April 18, which amended the LAP, and the function of Concessionaire of Sonangol, E.P., was transferred to the ANPG,
In addition to its competencies, it also has the specific powers to regulate and supervise operations and contracting in the oil, gas and biofuels sector.

By means of **PD no. 61/19***, of February 18, the ANPG's Board of Directors was appointed and the responsibilities of each director were distributed.

DP no. 1/20*, of January 6, subsequently amended articles 3 "Human Resources and Assets", 5 "Relations with Creditors" and 18 "Chairman of the Board of Directors", in order to clarify the process of transferring contracts signed with the former CN (Sonangol, E.P.).

On October 20, 2020, **PD No. 271/20*** (see Annex D) was published, approving the Legal Regime for Local Content in the Oil Sector, with the aim of promoting and developing national activity in the sector, fostering and boosting the supply chain for goods and services, increasing the participation of national companies and fostering employment and training of Angolan staff.

On the basis of DP 271/20 of October 20, the ANPG, as a CN, publishes annually on its website the lists of goods and services that must be contracted by its operators and by the

CN members on an exclusive and preferential basis, which is an important contribution to transparency.[15]

*These laws can be consulted on the ANPG website (https://anpg.co.ao/licitacao2023-quadrolegal/) or on the MIREMPET Portal (https://mirempet.gov.ao/ao/documentos/legislacao/).

MISSION

Maximize the creation of value for the State through efficient and responsible management of Oil and Gas resources.

Other Relevant Regulations

Decree no. 120/08, of December 22 - Establishes the rules for access to Land Areas and the Acquisition of Land Rights with a view to carrying out oil operations in the territory of the Republic of Angola

Decree 120/08, of December 22, was issued with the aim of safeguarding access land and the acquisition of land rights in favor of private individuals for the purpose of carrying out oil operations in the respective area. In this way, Decree 120/08 of December 22 allows for the preservation of national, public and private interests.

DP no. 297/10, of December 2 - Establishes the Rules and Procedures of the Limited Public Tenders for the Acquisition of CN Membership

DP no. 297/10, of December 2, establishes that the restricted public tender can be used in the following identified situations, namely:

- Areas of lower risk and investment, limiting it to small and medium-sized oil companies;
- In order to promote Angolan business investment in the oil sector, partially limiting it to Angolan entities;
- In oil concessions that intend to exploit geological objects in the pre-salt, limiting it to selected companies that have great technical and financial capacity;
- In strategic areas, limiting it to the companies that will be selected under the terms of article 6 of Decree no. 48/06, of September 1st;
- In the event that, in the direct negotiation process, there are other entities that have shown interest in the same concession, limiting it to the interested entities.

Strategic areas: regions of interest for national development, defined by Executive acts, characterized by low exploration risk and known potential for crude oil and/or natural gas production.

In accordance with articles 10 and 11 of the aforementioned law, the process for submitting proposals and opening them is defined, and they are evaluated by a jury. The decision on the winners and associates of the CN is then made by the CN, on a proposal from the jury.

[15] https://anpg.co.ao/sobre-nos/

DP no. 58/11, of March 30 - Approves the Regulation on the Information System and creates a working group made up of representatives to be appointed by the respective heads of the Ministries of Petroleum, Finance and Sonangol, E.P.

DP 58/11, of March 30, applies to all procedures for collecting, processing, delivering and publishing all information related to oil production and exports. For the purposes of this Report, we believe it is important to highlight the information that must be provided by entities in the extractive sector in accordance with DP 58/11 of March 30.

Information to be provided (Article 3):

- Oil production;
- Average export price;
- Tax charges paid, under the terms of the Petroleum Activities Tax Law;
- Exports;
- Crude oil dedicated to servicing the state's foreign debt;
- Oil resources allocated to the Basic Infrastructure Fund;
- Quasi-Fiscal Expenses supported by CN Revenue, under the terms of Decree no. 24/10, of March 24.

Article 8 (Accountability)

A working group shall be set up, made up of representatives, to be appointed by their respective heads, of the Ministries of Petroleum and Finance, and the CN, which shall be responsible for verifying, reconciling and evaluating the performance and evolution of the data referred to in articles 3 and 4, which shall be submitted to the President of the Republic on a monthly basis.

Law no. 26/12, of August 22 - Crude Oil and Natural Gas Transportation and Storage Law

The main purpose of the Crude Oil and Natural Gas Transportation and Storage Law is to define the rules and procedures for accessing and carrying out crude oil and natural gas transportation and storage activities. Under Law no. 26/12, of August 22, MIREMPET is responsible for:

i. Approve the construction or extension of oil or gas pipelines, supervise the work, authorize and license operations;

ii. Maintain a database on the construction and management of oil or gas pipelines;

iii. To define the rules for granting licenses for the construction and operation of oil and gas pipelines and the storage of crude oil and natural gas, without prejudice to other authorizations required by the competent authorities;

iv. To set the deadlines for licenses and establish the mechanisms and procedures for renewing them;

v. Define the rules for contracting transport capacity;

vi. Promote studies on the construction and expansion of the network of oil or gas pipelines in the country and submit them to the Executive for approval;

vii. To propose to the Executive the expropriation of land necessary the transportation and storage of crude oil and natural gas.

DP no. 132/13, of September 5 - Establishes the legal regimes applicable to the activities of crude oil refining, storage, transportation of petroleum products by pipeline, the Logistics Superintendence of the Oil Derivatives System and the operation of the wholesale and retail markets, as well as the procedures and rules applicable to public service obligations, planning and licensing of the facilities of the Oil Derivatives System of the Republic of Angola, revoked by DP no. 208/19, of July 1

DP no. 132/13, of September 5, establishes the legal framework applicable to the refining of crude oil, storage and transportation petroleum products by pipeline.

It also determines the logistical oversight of the oil derivatives system, the operation of the wholesale and retail markets and the procedures and rules applicable to public service obligations, planning and licensing of the facilities of the Oil Derivatives System of the Republic of Angola.

In 2019, in order to adapt the legislation to the current reality, PD no. 208/19 of July 1 was published, which repealed PD no. 132/13 of September 5. This law established the legal framework applicable to the activities of refining crude oil, importing, receiving, supplying, storing, transporting, distributing, marketing and exporting petroleum products, as well as the procedures and rules applicable public service obligations, planning and licensing of system facilities in the petroleum products sector.

According to Article 1(2) DP 208/19 of July 1, the legal regime applies to all natural and legal persons, well as public and private institutions. , the law establishes terms for regulation in the wholesale and retail market, reserves of oil derivatives, regulation and standardization, prices, tariffs and fees, as well as terms associated transactions on oil installations and equipment.

DP no. 86/18, of April 2 - Establishes the rules and procedures for tenders to acquire CN membership and to contract goods services in the Petroleum Sector

DP no. 86/18, of April 2, applies to CN and all national or foreign entities proven repute, technical and financial capacity that wish to associate with CN for the execution of petroleum activities, as well as to entities that contract services or acquire goods for the execution of these same activities.

In this regard, the are some of the rules and procedures laid down in the law:

Public Tender for CN Membership

- Whenever CN intends to partner with third parties to carry out oil operations, in accordance with the Republic of Angola's General Tendering Strategy, it must launch a public tender and, to this end, obtain the appropriate authorization from the Ministry (Article 6);
- With a view to diversifying foreign investment in the sector into areas of lower risk and level of investment, the public tender may be limited to small or medium-sized oil entities, as indicated in the notice launching the tender (Article 6);
- Once the deadline submitting the documentation requested in the call for tenders (qualification requirements and tenders) has expired, the tenders must be opened on the first following working day (Article 7);
- The jury must verify the procedural conformity of the documentation submitted by the bidders with the requirements set out in the notice and evaluate the bids deemed valid (article 7);
- If only the operator is selected in the tender, CN must launch a second tender select its other members. What's more, the entities that competed in the tender for operator and were not selected should be invited to participate, as well as other entities of proven repute and financial capacity that have shown interest and have been qualified (article 10).

Call for Tenders for the Procurement of Services and Goods

- The operator must put the contracting of services and the acquisition of goods necessary for the execution of petroleum operations out to public tender, except in the case provided for in Article 15(2) of the aforementioned Diploma (Article 13);
- Up to the amount of 1,000,000 USD or an equivalent amount in national currency, the operator may sign contracts without a call for tenders and without the approval of the CN (it must inform the CN on a quarterly basis of the contracts signed, as well as the entities involved in them) (Article 15);
- For contracts with a value of more than 1,000,000 USD and up to 5,000,000 USD or equivalent in national currency, over a time horizon of up to 5 years, the operator must carry out a public tender, without the approval of the CN, and is free to award the contracts, without the approval of the CN (it must inform the CN on a quarterly basis of the contracts concluded, as well as the entities involved in them) (article 15);
- In the call for , the operator must ask bidders to present the technical and financial aspects in their bids (Article 15);
- In the event that the value exceeds USD 5,000,000 or an equivalent amount in national currency, the operator must proceed with a public tender, complying with a set of obligations as defined in Article 15(5) of PD 86/18 of April 2 (Article 15).

Presidential Legislative Decree no. 5/18, of May 18 - Establishes the Legal Framework for Additional Exploration Activities in Petroleum Concession Development Areas

In order to maximize the geological potential of the development areas of the existing blocks in Angola, an exceptional regime was established that makes it possible to carry out additional research activities in concessions that are in production.

Presidential Legislative Decree 5/18 of May 18 was issued with the aim of promoting the development of natural resources and speeding up the country's national hydrocarbon production.

DP no. 91/18, of April 10 - Rules and Procedures for Well Abandonment and Decommissioning Activities at Oil and Gas Facilities in Portugal

DP no. 91/18, of April 10, was created with the aim of establishing rules and procedures that ensure the activity related to abandoning wells and guaranteeing the protection of the surrounding environment.

The aforementioned PD implemented a predictive abandonment plan, which will have to be submitted to the CN, which must include the funds needed to carry out the abandonment activities, including the cost associated with the process of abandoning the wells and dismantling the facilities. The law also stipulates that liabilities will be financed via *escrow accounts*, ensuring that the abandonment and dismantling processes are carried out in accordance with international best practice.

Article 4

Main Principles:

a) Ensure the end of operations in accordance with standards and procedures, the aim of guaranteeing the integrity of abandoned wells;

b) Reconstitution of the environment and landscape restoration;

c) Ensuring the safety of the local community;

d) Ensure and make the entities under the contract responsible for financing the amount needed for the abandonment activities;

e) Encourage the development and use of new technologies for abandoning wells and dismantling facilities;

f) Ensure the proper removal, reuse, recycling and deposit of the result of the dismantling of installations;

g) Ensure the correct handling and transportation of the waste produced.

Article 11: The injection of NORM into national territory is prohibited and any handling of NORM must comply with the provisions of the applicable legislation.

PD no. 52/19, of February 18 - Approves the General Strategy for the Award of Petroleum Concessions for the period 2019-2025

In order to guarantee the continued expansion of Angola's oil potential, a general strategy for awarding oil concessions was created. This distinguishes the guiding principles for bidding, promoting transparency and ensuring that various factors are mitigated or corrected in the face of the volatility of hydrocarbon prices on the international market.

The most significant factors in the creation of the general oil allocation strategy stem from the need to strengthen the attractiveness of the market and define the periodicity of the process.

PD no. 289/19, of October 9 - Procedure for the Operationalization of the ANPG's Right to Receipts from the CN

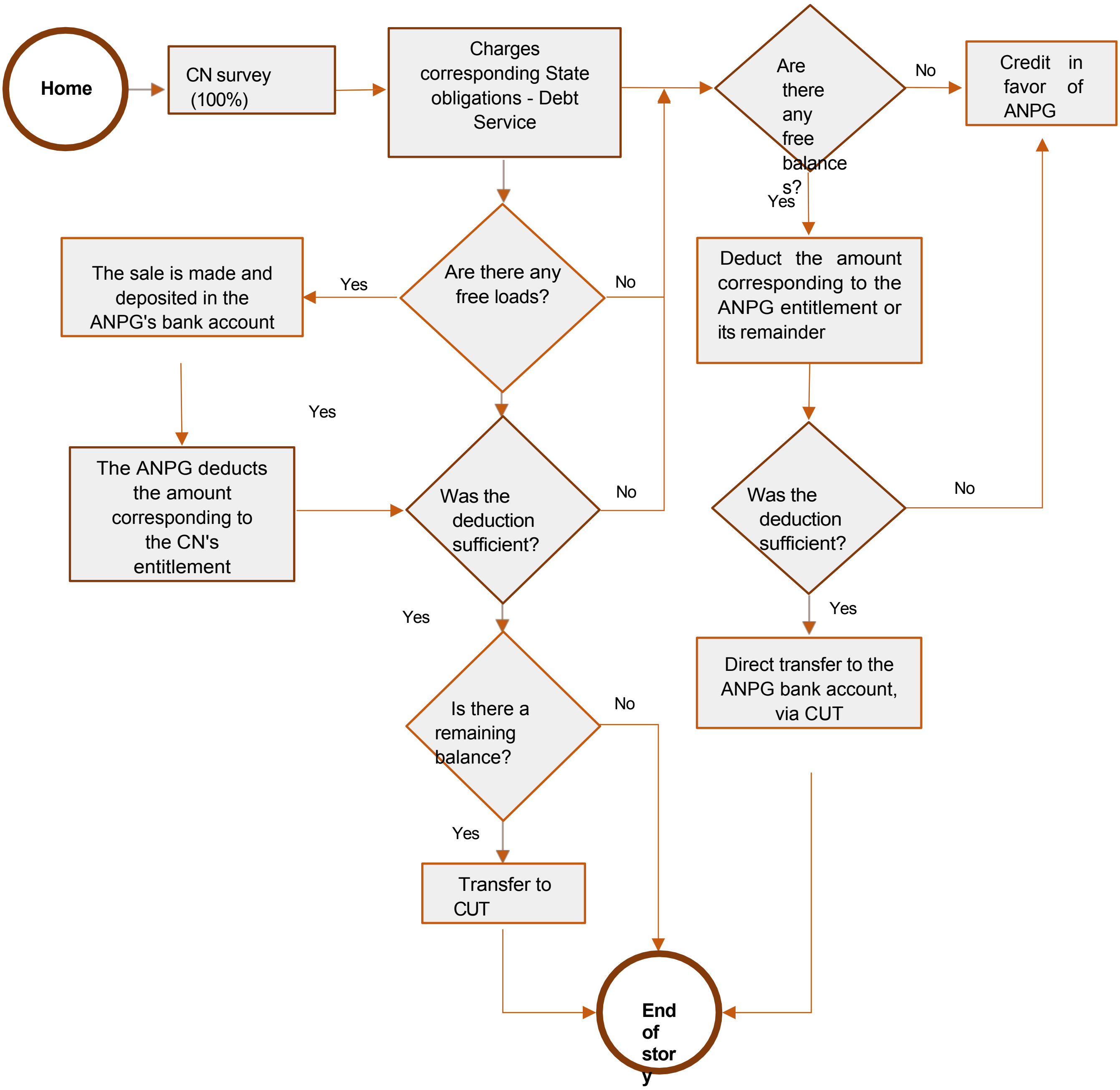
PD no. 289/19, of 9 October, establishes the procedure for the operationalization of the ANPG's right over the CN's receipts.

After servicing the debt, whenever there are free loans, the proceeds from their sale are deposited in the ANPG's bank account, which then transfers the remaining balance to the CUT, after withholding the percentage defined in the law approving the State Budget.

In this sense, PD no. 289/19, of October 9, applies to MINFIN and the ANPG, as NC, and other public entities involved in the process of materializing the right over the NC's receipts.

PD no. 289/19, of October 9, establishes that the Reference Price for calculating the ANPG's entitlement to the CN's receipts corresponds to the price set out in the State Budget. Furthermore, if the price of a barrel of oil on the international market is lower than the established reference price, the lower of the two prevails.

Figure 5: Operationalization Model of the ANPG's Entitlement to CN Receipts



PD no. 283/20, of October 27 - Model for Defining the Prices of Products Derived Crude Oil and Natural Gas

DP no. 283/20, of October 27, establishes the sale price of oil crude belonging to the state, supplied to national refineries and is relevant because it underlies the state's support for national refineries in setting agreed prices for the sale of oil from the state to refineries in Angola.

This stems from the need to adjust the marketing price of crude oil and natural gas products in Angola to the international market price, which has made it possible to adopt the principle of import and export parity for the prices of products in which Angola is a net importer or exporter.

DP no. 283/20, of October 27, identifies that only crude oil refining activities, as well as the import, logistics, distribution and marketing of products derived crude oil and natural gas, fall within scope.

According to article 5 of DP no. 283/20, of October 27, the price of crude oil crude belonging to the State corresponds to the average of the monthly prices of Angolan crude oil crude on the date of shipment, calculated according to the dated Brent reference price for the month prior to the month being referred to (published by the BNA). Additionally, based on article
Article 8 of the aforementioned PD no. 283/20, of October 27, determines the model for defining the prices products derived from crude oil and natural gas, for which Angola is a net importer or exporter. Prices are set monthly based on the parity of the application of the MFA Mechanism.

The MFA is defined by the set of rules and procedures that allow for the adjustment of the prices of products derived from crude oil and natural gas, in the refining, import, distribution and sale to the public segments, smoothing out fluctuations that may occur in prices national territory and international market prices.

DP no. 307/20, of December 2 - Approves the Terms of the Regulation for the Investment of Petroleum Concession Abandonment Funds in Angolan Sovereign Debt

As mentioned above, PD 91/18, of April 10, establishes that the funds earmarked for the abandonment of wells and the dismantling of oil and gas installations must be placed in an escrow account (Article 14(2)). Furthermore, Annex 5 of the aforementioned law defines guarantee conditions, rules for disbursements and investment criteria for these abandonment funds. According to this annex, the funds can be invested in securities, provided they meet certain criteria, assuming that measures are taken to reduce the risks associated with the investment.

In this regard, PD no. 307/20, of December 2, approved the associated terms for the investment of the abandonment funds, providing for the investment of 5% to 15% of the abandonment funds in Angolan sovereign debt, provided that they follow the principles, guidelines and financial mechanisms set out in Clause 3.2 Annex 5 of PD no. 91/18, of April 10

DP no. 249/21, of October 5 - Establishes the Rules and Procedures for the Award of Petroleum Concessions under the Standing Supply Regime

PD no. 249/21, of October 5, provides that the promotion of concessions under the Standing Offer Regime is based on the following principles:

- Legality;
- Transparency and publicity;
- Continuous offer of concessions in Angola;
- Coexistence with the general strategy of awarding oil concessions.

DP no. 249/11, of October 5, also defines that the following blocks, areas and concessions are considered for regime:

⇒ Tendered blocks not awarded - by signing a PSC;

⇒ Areas vacated as a result of reversion to the State - through the signing of a PSC and RSC;

⇒ Concessions granted to CN - through the signing of a CSR.

The law also stipulates that this procedure can be carried out by public tender, direct negotiation or restricted public tender. The latter comprises the following stages:

- Expression of interest from investors, launch of the limited public tender and constitution of the jury;
- Submission of tenders and subsequent opening of tenders;
- Evaluation of proposals;
- Public act;
- Negotiating and initialing contracts;
- Request for award of concession;
- Submission of the award documentation and then signing of the contract.

6.1.3 Payment Flow Summary

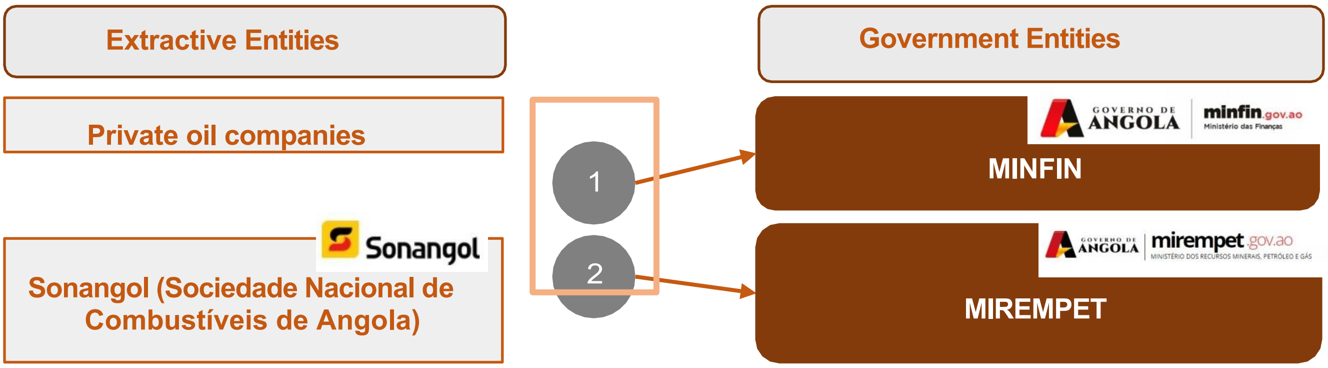
The summary of the flow of payments below is intended to describe a general overview of the transactions that involve a flow of revenue for the state in the case of the oil sector, which is complemented in section 9 on the state mechanisms for receiving and distributing revenue from the extractive industry. To this end, the main operations for understanding the corresponding flow have been identified, namely:

A. Tax payments

1) **Receipts** from **MINFIN:** general taxes or taxes related to oil exploration activity are generally paid by oil companies to the state through MINFIN;

2) **Receipts** from **MIREMPET:** in terms of material fees, the exception to the above point is the contribution to the training of Angolan cadres, paid in part to MIREMPET.

Figure 6: Flow of tax payments in the P&G sector

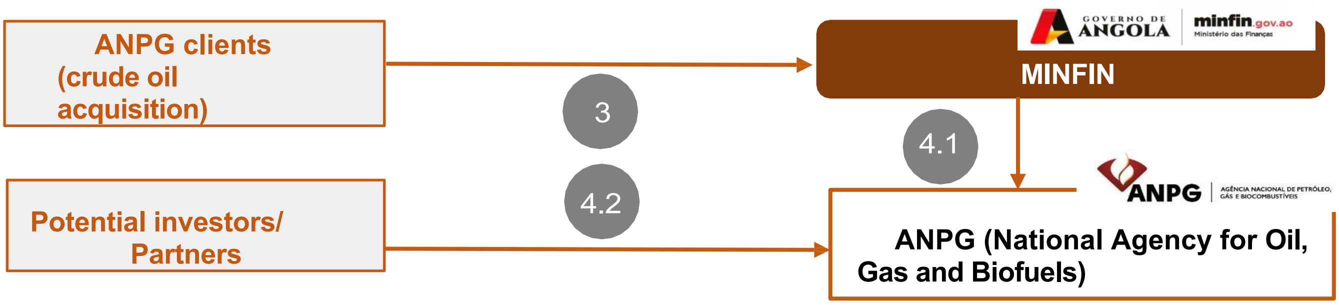


Thus, as far as main taxes and duties are concerned, most of the inflows are single and through MINFIN (with the exceptions mentioned).

B. Transactions associated with the sale of oil and other revenues

3) **Receipts** from **MINFIN - CN Oil:** Receipts from clients, corresponding to the sale of the State's share of oil in exploration contracts, is also generally received directly by MINFIN or via the CUT, where guarantee accounts can included, when sales imply direct settlement of debt service.

Figure 7: Flow of non-tax payments in the P&G sector



4) **ANPG revenue:** 4.1) It should be noted that ANPG revenue includes 5% of the sales described in point 3, with this amount being received directly via the State Budget and not from the purchasers of crude oil. 4.2) For its part, the ANPG receives funds directly from potential investors relating to investment promotion activities (e.g. the sale of seismic data, discarded oil material, etc.). These sums remain directly in its sphere.

It can therefore be concluded that, with the exceptions mentioned, the sector's main payments are centralized in MINFIN, which manages these resources through the State Budget.

Below, we identify the types of tax and non-tax revenue/payments that constitute state revenue and how they link to the payment flows identified above:

Revenues from the sale of CN crude oil 3

Main types of tax revenue (see section 6.1.4): 1

- IRP* / IPP*ITP*;
- IAC / IRT/;
- Industrial tax;
- Penalties and fines;
- Surface rate.

Contribution to the training of Angolan staff Other revenu 2 om

the extractive industry retained by the ANPG 4.2

- Sale of seismic data, technical information and publications;
- Sale of oil material;
- Contractual penalties for breach of ;
- Fees and charges provided for in specific legislation and contracts;
- PUG rate;
- Bonuses and social contributions**;
- Extension fees.

*PCPs are subject to IRP, RSCs are subject to IRP and ITP and Association Contracts are subject to IPP and ITP;
**Bonuses and social contributions are, when required, negotiated within the framework of the PSC between the EG and the NC.

In accordance with the project definition (see section 6.5 Disclosure of Licenses and Contracts), Table 12 identifies the most significant government receipts expected at project and company level.

Table 12: Identification of Government Revenues by Project and Company

Government Revenue	At project level	At the oil company level
Tax receipts	• IRT / IPP / ITP; • Surface rate;	• VAT / IAC / Industrial Tax / IS / IRT.
Other non-tax receipts	• Revenue associated with CN sales; • Contribution to the training of Angolan staff. • Other fees and emoluments contracted.	• Other fees and emoluments legislated according to the country's regulatory context.

As will be seen in this report, taxes specific to the oil sector stand out in the industry's contribution to the country's revenue, followed by CN's crude oil revenue.

6.1.4 Tax system

The oil sector in Angola operates on a contractual basis, with all types of contract falling under the same regime, as will be presented in section 6.3.2. Tax rates are defined in the respective laws, specifically indicating the type of contract, in cases where the law provides for different rates.

Tax legislation:

- **Law no. 11/04**, of November 12 - Law on the Customs Regime Applicable to the Petroleum Sector;
- **Law no. 13/04**, of December 24 (as amended by Law no. 6/19, of April 18) - Law on the Taxation of Petroleum Activities;
- **DL no. 17/09**, of June 26 - Setting the amount of the contribution to the Training of Angolan Staff;
- **Presidential Legislative Decree no. 3/12**, of March 16 - Tax incentives applicable to national companies in the oil industry;
- **Presidential Legislative Decree no. 6/18**, of May 18 - Incentives and procedure adjusting the contractual and fiscal terms applicable to Qualified Marginal Zones discovered in oil concessions;
- **Presidential Legislative Decree no. 7/18**, of May 18 - Legal and tax regime applicable to prospecting, research, evaluation, development, production and sale of natural gas in Angola;
- **Presidential Legislative Decree no. 3/21**, of June 18 - Tax and Customs Regime applicable to Sociedade Veículo (Cabinda Oil Refinery).

Table 13: Summary of Taxes associated with the Oil and Gas Sector

Oil Production Tax	
20%	
10% (if exploration is carried out in marginal deposits, in a maritime area with a water column of more than 750 meters or in land areas that are difficult to access as defined by the Government)	
Petroleum Income Tax	
CN	65,75%
CPP	50%
National companies	35%
Oil Transaction Tax	
70%	
Surface rate	
Kwanzas equivalent to USD 300/Km^2	
Contribution to the training of Angolan executives	
Company with a prospecting license	100,000 USD per block or area of concession
Company in research period	300,000 USD per block
Companies in the production phase	0.15 USD per barrel produced in the year
Refineries	0.15 USD per barrel processed/refined during the year
Company providing services that fall under the contributions regime	0.5% of the value of contracts made during the year.
Companies engaged in the storage, transportation, distribution and marketing of petroleum products	0.5% of revenue annual turnover

Law no. 11/04, of November 12 - Law on the Customs Regime Applicable to the Petroleum Sector

Oil operations, due to the high risk they entail and the large volume of investments they require, justify differentiating the customs regime from other activities, thus making the tax system more equitable for entities in this sector and facilitating the application of the regime by the Angolan state authorities.

The main themes of Law no. 11/04, of November 12, :

I. Grants exemptions on the import and export of goods for the sector;

II. It contains an annexed list of the goods covered;

III. The temporary import and export of goods is permitted without the need deposit a guarantee;

IV. The use of these goods for purposes other than those declared is punishable by the customs regime.

Article 2

CN, its associates and entities that carry out petroleum operations on their behalf are subject to this regime.

Articles 4, 5, 6 and 7

It is exempt from duties and the service tax on general customs emoluments, with the exception of IS, the 1/1000 and "ad valorem" statistical tax and the other service taxes associated with the import and export of goods intended exclusively and directly for the execution of petroleum operations, which are listed in the annex to the aforementioned law.

The exemption provided for in the previous paragraph shall not apply if goods of the same or similar quality exist in Angola and are available for sale and delivery in due course, at a price no more than 10% higher than the cost of the imported item before the application of customs charges, but after the inclusion of transportation and insurance costs.

The exemption also does not apply if they are intended for sale to their employees, for their individual and/or collective use or consumption.

Article 8 - Oil Exports

The export of oil produced in each oil concession, whether crude or processed, provided that it is carried out under the terms of a purchase and sale contract and that it is duly registered in accordance with the legislation in force, is exempt from duties and the service charge relating to general customs emoluments, with the exception of the IS on customs clearance documents, the 1/1000 and "ad valorem" statistical rate and the other service charges associated with the import and export of goods.

Law no. 13/04, of December 24 (as amended by Law no. 6/19, of April 18) - Law on the Taxation of Petroleum Activities

01 Aplicação

All entities, national or foreign, that carry out oil operations in Angolan territory, as well as other areas over which international law or agreements recognize the Republic of Angola's power of tax jurisdiction.

Regime Fiscal 02

Establishes the tax regime applicable to the exploration, development, production, storage, sale, export, treatment and transportation crude oil and natural gas.

The Petroleum Fiscal Reference Price (PRF) is set quarterly by the Ministries of Mineral Resources, Oil and Gas and Finance and results from the compilation of sales data and other relevant information provided by CN and its associates (Article 6).

Types of tax on oil operations

- IPP;
- IRP;
- ITP;
- Surface rate;
- Contribution to the Training of Angolan Staff.

Petroleum Production Tax (Articles 12 to 17 of Law 13/04 of December 24)

Incidence: on the quantity of crude oil and natural gas produced, measured at the wellhead, as well as the other substances referred to in article 1 of the aforementioned Law no. 13/04, of 24 December, less the quantities consumed in natura in petroleum operations, following a favorable opinion from the CN.

Non-subject: oil and other substances produced under the PSCs.

Tax rate: 20% (this can be reduced to 10% if oil exploration is carried out in marginal deposits, in maritime areas with a water column of more than 750 meters or in land areas that are difficult to access as defined by the government).

Settlement: the form of settlement depends on the state's choice, and can be made in cash (based on the Tax Reference Price) or in kind. When made in kind, it is the responsibility of the CN to receive, discharge and administer the oil handed over by the taxpayer as payment in kind of the tax due.

Settlement can also be provisional or final, with provisional settlement taking place by the last working day of the month following the month of production and final settlement being made during March of each year.

Petroleum Income Tax (Articles 18 to 23 and 41 of Law 13/04 of December 24)

Incidence: on the taxable income calculated and earned from the research, development, production, storage, sale, export, processing and transportation of oil, from the wholesale trade of any other products from the above operations or from any other occasional action or ancillary activity that does not constitute industry or commerce on the part of the entities whose primary activity is the aforementioned operations.

Non-subject: RCN, premiums, bonuses and excess over the limit price earned by the CN.

Tax rate: 65.75% for the CN, if it is not associated with any entity, as well as for commercial companies, associations in participation or any other forms of association and in service contracts with risk entered into with the CN and 50% for the PSCs.

Possibility of reducing the rate to 35% in the case of national companies (cf. Article 64(3) of the Industrial Tax Code).

Assessment: can be provisional (until the end of the month following production) or final (during the month of March each year), and is the responsibility of taxpayers and must be processed at the Tax Office of their place of residence.

Petroleum Transaction Tax (Articles 44 to 48 of Law 13/04 of December 24)

Incidence: on the taxable income calculated in the same terms as those established for the IRP, less the production premium, on the volumes of crude oil and liquid gas taken into account when calculating the gross income and the investment premium corresponding to a percentage of the amounts invested and capitalized in each tax year.

Non-subject: oil produced under the PSC.

Tax rate: 70%.

Settlement: can be provisional (until the end of the month following production) or definitive, during the month of March each year.

Surface charge (Article 50 of Law no. 13/04, of December 24)

Incidence: on the concession area or on development areas, if the contract provides for their existence.

Fee: in Kwanzas equivalent to USD 300/Km^2.

Settlement: in the case of concessions where no development areas are expected to exist, this should take place during the month following the award of the concession and in the case of concessions where development areas are expected to exist, this should take place during the month following the declaration of each commercial discovery.

Contribution to the Training of Angolans (Article 57 of Law no. 13/04, of December 24) - DL no. 17/09, of June 26

Subjection:

1) All companies governed by foreign law and companies governed by Angolan law, the majority of whose share capital is held by foreign persons or entities and which carry out prospecting, research, evaluation, development and production of oil, storage, transportation, distribution and marketing of oil products in national territory.
2) Companies governed by foreign law and companies governed by Angolan law with the majority of the share capital held by foreign persons or entities that permanently provide services to the aforementioned companies.

Criteria for contributions:

- Company holding a prospecting license: 100,000 USD, per block or concession area;
- Company in research period: 300,000 USD for each block;
- Companies in the production phase: 0.15 USD per barrel produced in the year;
- Refineries: 0.15 USD per barrel processed/refined during the year;
- Companies engaged in the storage, transportation, distribution and marketing of petroleum products: 0.5% of annual turnover;
- Companies providing services that are covered by the contribution system: 0.5% of the value of contracts made during the year.

Settlement and payment: contributions are annual and must be settled by the operating entity (on behalf of the other members) on a quarterly basis, by the last day of the first month following the quarter to which they relate.

Presidential Legislative Decree no. 3/12, of March 16 - Tax incentives applicable to national companies in the oil industry

Application: the incentives enshrined in this law apply to Angolan oil companies, whether publicly owned (incorporated as public companies or commercial companies with wholly public capital) or privately owned (commercial companies under Angolan law incorporated wholly by natural persons of Angolan nationality), which hold participatory interests in oil contracts for the implementation of oil operations ("Angolan oil companies").

Tax Incentive: a 35% rate of IRP (a rate set in accordance with the Industrial Tax Code in force) applies to CN members in CPP or other contractual arrangements.

Exemptions: Angolan oil companies are also exempt :

I. Payment of signature bonuses when new oil contracts;

II. Share in the financing of Sonangol P&P, S.A.'s research companies[16], under the terms established in any contract or agreement entered into with CN and GE of which they are a party;

III. Payment of contributions to social projects provided for in oil contracts.

Presidential Legislative Decree no. 6/18, of May 18 - Definition of the incentives and procedure for adjusting the contractual and fiscal terms to be applied to the Qualified Marginal Zones discovered in oil concessions

The purpose of this Presidential Legislative Decree No. 6/18, of May 18, is to define incentives and the procedure for adjusting the contractual and fiscal terms applicable to Qualified Marginal Zones.

Associates	Legal persons governed by Angolan law or incorporated abroad and based in Angolan territory, who join the CN in any of the ways provided for in Article 14(2) of the LAP;
Contractors	Legal persons governed by Angolan or foreign law and based in Angolan territory, contracted by CN under the terms of the RSC to carry out oil operations;
Qualified Marginal Zone	**PSC and Service Contracts with Risk**: Development Area constituted with the marginal discoveries subject to the Marginal Discovery Declaration; **Association Contracts**: wells with marginal discoveries subject to a Marginal Discovery Declaration.

[16] Sonangol E.P.'s corporate model was reorganized, with Sonangol P&P S.A. becoming the business unit of Sonangol Exploração & Produção, S.A. (see section 6.7.1 for more information).

Marginal Discovery	A discovery is considered marginal when one or more deposits, even if subject to joint development, show reduced profitability at a given time that does not justify the declaration of a commercial discovery by CN and its Associates, or Contracted Entities, considering the legal and tax regime in force;
Indicators	a) Recoverable resources of less than 300 million barrels; b) Water depth of more than 800 meters; c) Income for the state of less than USD 10.5 per barrel; d) Yield for CN Associates of less than USD 21 per barrel; e) After-tax IRR of less than 15%, calculated on the basis of the contractual and fiscal terms of the concession;

IPP: In the Association Contracts and the RSCs, the tax rates and the production premium are fixed accordingly:

- **ITP** set as established in Law no. 13/04, of December 24, on the Taxation of Petroleum Activities;
- The **production premium** will be fixed in accordance with Table 14.

Table 14: Production Premium according to Presidential Legislative Decree No. 6/18 of May 18

IRR (%)	Production premium (%)
IRR< 10%	95
>10%< IRR< 15%	85
>15%< IRR< 20%	75
>20%< IRR< 25%	65
>25%< IRR< 30%	50
IRR> 30%	35

IRP: For PSCs, Association Contracts and RSCs, the rate is 25%.

Amortization of **Expenses:** In association contracts and service contracts with risk, as well as development expenses in production sharing contracts, they must be amortized within 3 years, in accordance with the tax regime applicable to the respective concession area.

Cost Recovery Oil: In PSCs, the percentage of cost recovery oil is set at up to 80% of the production of the Qualified Marginal Zone, during the first 4 years after the date of the start of commercial production. For the following years, it is reduced to 65% of the total production of the Qualified Marginal Zone.

Investment premium: For PSCs, Association Contracts and RSCs, the investment premium is 20%.

Presidential Legislative Decree no. 7/18, of May 18 - Legal and Fiscal Regime on Natural Gas

With the aim of making the exploitation of liquid and gaseous hydrocarbon deposits more efficient and promoting the diversification of the economy, there was a need to encourage the exploitation of natural gas and the industries associated with it.

However, it was found that the development of projects for the exploitation of natural gas required a legislative and fiscal framework that differed from the regime applicable to crude oil, allowing for the creation of economic conditions and incentives that would make its exploitation viable.

In this way, a basic legal and fiscal regime was created to meet the needs and promote the exploitation of natural gas, ensuring the necessary flexibility and adaptability, as well as the economic viability of future projects.

Scope (Article 1 and 2)

This legal regime applies to oil investment companies that carry out prospecting, research, evaluation, development, production and sale of natural gas in Angola.

These companies are subject to the tax charges provided for in the Law on Taxation of Petroleum Activities (i.e., Law no. 13/04, of December 24), with the exception of ITP.

Fees (Article 9)

- IPP: 5%;
- IRP: 25% (15% for non-associated gas projects in which the volume of proven reserves certified by an independent entity, until the approval of the respective general development and production plan, is equal to or less than 2 trillion cubic feet, or only TCF).

Other Relevant Taxes in the Sector

IRT (Law no. 18/14, of October 22, as amended by Law no. 28/20, of July 22)

Objective incidence: levied on the income of self-employed workers (liberal, commercial and industrial professionals) or employees (dependent workers).

For the purposes of this tax, all remuneration received by way of wages, salaries, wages, fees, consultancies, gratuities, allowances, bonuses, commissions, shares, attendance fees, emoluments, shares in fines, costs and other ancillary remuneration constitute income from employment.

Table 15: Incidence of income taxation by Group

Tax groups	Group A	Group B	Group C
Income subject to	• Wages earned by employees and paid by an employer; • Income of workers whose employment is regulated by the Civil Service Legal System; • Income earned by members of governing bodies of legal entities.	• Remuneration earned by self-employed workers who independently carry out activities included in the list of professions annexed to the respective Code.	• Remuneration received for the performance of industrial and commercial activities, which is presumed, all those in the minimum profit table in force.
Fee	Fees listed in the table annexed to the IRT Code.	- 25% in the case of taxable income not subject to withholding tax; - 6.5% in the case of taxable income subject to withholding tax.	- 25% in the case of taxable income not subject to withholding tax; - 6.5% in the case of taxable income subject to withholding tax.

IAC (Presidential Legislative Decree No. 2/14, of October 20)

Objective tax: levied on income from the simple investment of capital. Income is divided into two sections, A and B:

Section A: Interest on borrowed capital, regardless of the form in which it is presented, income from credit agreements and income arising from deferred payment or late payment.

Section B:

i. Profits attributed to partners and shareholders (whether or not resident in Angola) of commercial and civil companies and cooperatives;
ii. Interest, redemption premiums and other remuneration on bonds and debentures issued by companies;
iii. Amount of interest, redemption premiums and other remuneration on bonds and debentures for the period between the last maturity or issue or first placement and their transfer;
iv. Interest on shareholders' loans or allowances to companies;
v. Balance of interest calculated on current account;
vi. Importance attributed to companies for suspending their activity;
vii. Profits from participation contracts;
viii. Issue of shares with subscription reserve;
ix. *Royalties*;
x. Prizes of , raffles, lotteries, betting;
xi. Capital gains from the sale of shareholdings or other income subject to IAC, which is not subject to Industrial Tax or IRT.

<u>Subjective incidence:</u> the tax is payable by the owners of the income, without prejudice to its demand from other entities in cases specifically provided for in the IAC Code.

<u>Tax rate:</u> 5%, 10% and 15%. Section A income is taxed at 15%, while Section B income is generally taxed at 10% (some exceptions are taxed at 5% or 15%).

VAT (Law no. 7/19, of April 24th)

<u>Objective incidence:</u> levied on the transfer of goods, the provision of services carried out in national territory, for consideration, by a taxable person acting as such, as well as on the importation of goods.

General Regime

Framework:

- Turnover or import transactions exceeding AKZ 350 million (in the previous 12 months), as well as taxable persons who voluntarily apply to join the scheme, provided that the requirements set out in Article 62 of the VAT Code are met;
- Calculation of the tax due each month;
- Settlement of VAT on transactions subject to tax and not exempt from it, including advance payments;
- VAT becomes due when the invoice is issued, provided that the relevant deadline for issuing the invoice has been met; if not, when the deadline expires. In the case of advance payments, VAT becomes due on receipt;
- The right to deduct VAT paid on the purchase of goods and/or services to carry out taxed activities/transactions or transactions which, despite being exempt, confer the right to deduct (e.g. exports of goods);
- When purchasing services from non-resident providers, the tax is levied on the value of the service purchased (the tax becomes due when the service is provided);
- Taxable persons under this regime who carry out exclusively exempt transactions are obliged, in relation to these transactions, to pay IS on the discharge receipt at the rate of 7%, referring to item 23.3.

Simplified Regime

Framework:

- Volume of business or operations of import equal or less than 350 million AKZ (in the previous 12 months);
- Calculation of the tax due each month;
- Rate of 7% on the amount actually received from non-exempt operations, including advances;
- The right to deduct 7% of the total tax paid;
- When purchasing services from non-resident providers, tax is charged at the rate of 7% on the value of the service actually paid;

- Taxable persons under this regime who carry out exempt transactions are obliged, in relation to these transactions, to pay IS on the discharge receipt at the rate of 7%, referring to item 23.3.

Exclusion Regime

Framework:

- Turnover or import operations equal to or less than AKZ 10 million;

They have no VAT obligations (but they are obliged to submit a list of suppliers with purchases made from taxable persons under the general regime).

Subjective Incidence:

1. Any natural or legal person or entity that independently carries out economic activities, including production, trade or the provision of services, liberal professions, extractive activities, agriculture, aquaculture, beekeeping, poultry farming, livestock farming, fishing and forestry;
2. Natural or legal persons or entities that import goods under terms of customs legislation;
3. Natural or legal persons or entities that unduly mention VAT on invoices or equivalent documents;
4. Individuals, companies or entities subject to tax who purchase services from non-resident entities with no domicile, registered office or permanent establishment in Portugal, under the terms of Article 29(2) of the VAT Code;
5. Other entities mentioned in Article 1(2) of the VAT Code.

Tax rate:

1) The tax rate is 14%;
2) Imports and internal operations carried out in Cabinda (special Cabinda regime): 2%;
3) Taxpayers registered under the simplified VAT regime: 7%;
4) Reduced VAT rates resulting from the 2023 State Budget Law:
   - The VAT rates of 5% and 7% apply to the products (food and agricultural) listed in "Annex I - referred to in Article 15(4) on fiscal and customs measures to support the 2023 State Budget" to Law no. 2/23 of March 13 (the 2023 State Budget Law);
   - The VAT rate of 7% is also applicable to restaurant and hotel services, provided that the corresponding service providers comply with the requirements set out in Article 15(3) of the 2023 State Budget Law, cumulatively.

Other additional VAT-related considerations

VAT exemptions associated with oil and mining activities
Internal operations The transfer of petroleum products, according to Annex II of the VAT Code.
Imports The import of goods or equipment intended exclusively and directly for the execution of petroleum and mining operations, under the terms of the Law establishing the Customs Regime for the Petroleum Sector and CM, respectively.

Captive Tax
Petroleum Investment Companies, the State, as well as any of its services, establishments and bodies, even if personalized, and local authorities, with the exception of Public Companies, must set aside 100% of the VAT on invoices or equivalent documents issued by their suppliers of goods or services. The captive tax must be paid by the purchasers of the goods and services that have been captivated.

6.2 Other Mineral Resources Sector (Requirement 2.1)

6.2.1 The Sector's Institutional Framework

According to the legislative framework in the Other Mineral Resources sector, there are a number of governmental and public-private entities that make up the sector's institutional framework, in accordance with PD no. 143/20, of May 26 (see organization chart below - Figure 8).

According to PD no. 161/20, of June 5, "*the reorganization of Angola's mineral resources sector is necessary in view of the sustained management of mineral resources, as well as the urgent diversification of the national economy, by adding value to them and by increasing non-oil tax revenues, in line with the National Development Plan (PDN)* 2018-2022," and is in line with PDN 2023-2027.

To achieve this, it is imperative to ensure effective institutional coordination of the mining sector, the prevention and elimination of conflicts of interest and increased transparency in the acts and procedures relating to access and the granting of mining rights, under the terms of the CM and other applicable legislation.

The creation of the National Agency for Mineral Resources (ANRM) through DP no. 12/18, of January 15, stems from the manifest public interest as well as the need to adjust the Mining Sector Governance Model to the Executive's vision.

ANRM is the public body responsible for regulating, supervising and promoting Angola's mining sector. It is responsible for the guidelines for the participation of operators in the sector in the recognition, prospecting, exploration, processing, marketing, export and import of mineral products, as well as the regulation and supervision of mining activities in the country, with the aim of guaranteeing the sustainable management and use of mineral resources.

The ANRM seeks to ensure compliance with the CM and applicable legislation by monitoring/inspecting the exercise of mining rights granted by the state (see section 6.2.2).

In order for the state to operate in the diamond industry, ENDIAMA - E.P. was created (see section 6.7).

It should also be noted that the country's diamond subsector has undergone a series of regulatory and institutional changes, driven by the implementation of a regulatory body in 2020, as well as the subsequent restructuring of ENDIAMA - E.P. and SODIAM, E.P.. In addition, the following legislation is due to be approved:

- Amendment of the Mining Offenses Regulation;
- Regulation of offshore mining, among other regulations applicable to the sector.

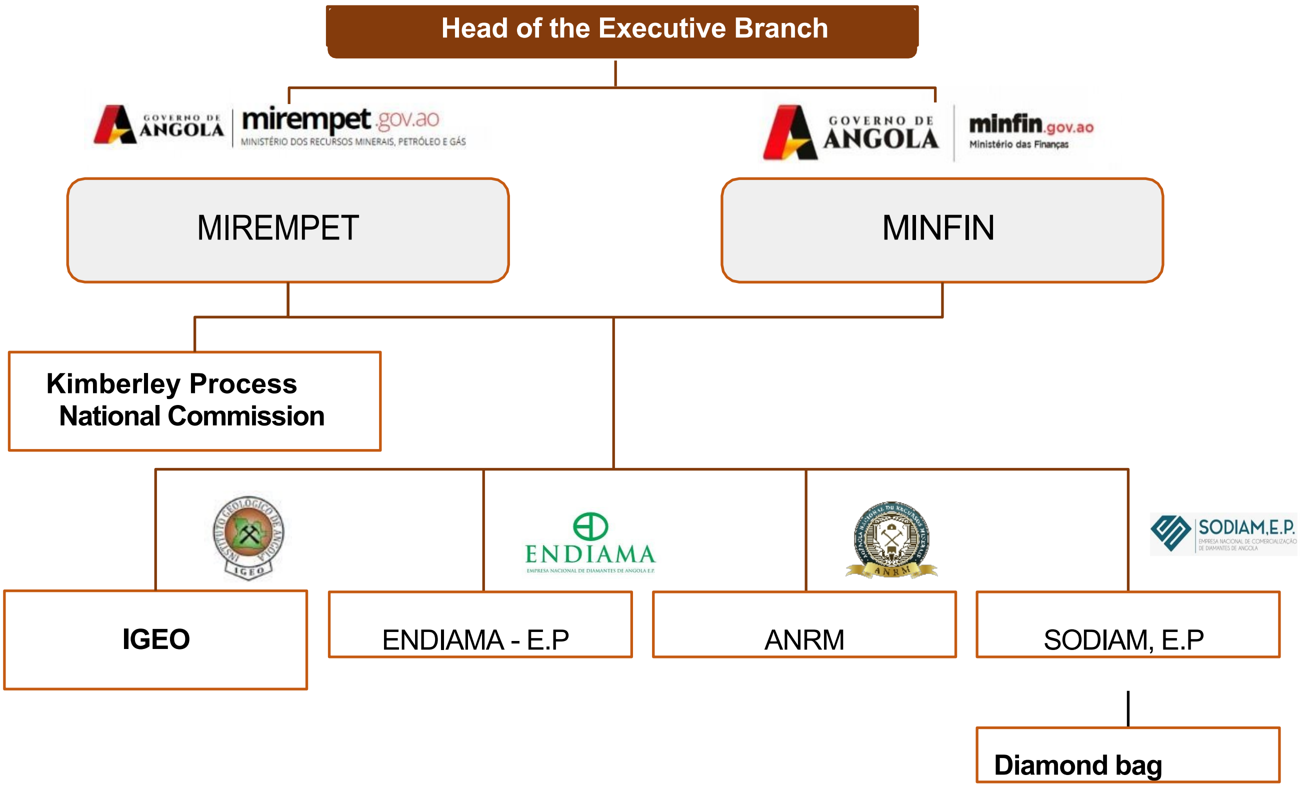
Even so, the current challenge for the mining sector is to stabilize and strengthen the contextual framework and entities mentioned above, as well as all the inherent work, namely the transfer of functions and the creation of a reliable and standardized historical database.

Agents in the other mineral resources sector in Angola:

1. Head of the Executive Branch: responsible for overseeing the sector;
2. MIREMPET: responsible for formulating, conducting, executing and controlling the Executive's policy on geological and mining activities, oil, gas and biofuels (DP no. 159/20, of July 4 - Approves MIREMPET's Organic Statute);
3. MINFIN: responsible for the compliance of companies with regard to the tax, customs and exchange framework and the financial counterparts of concession contracts;
4. IGEO: responsible for collecting, storing, managing, promoting and making available Angola's geological information;
5. ANRM: created under DP no. 161/20, of June 5, in addition to carrying out the functions of CN, it is responsible for regulating, supervising and promoting the Angolan mining sector;
6. ENDIAMA - E.P.: diamond mining operator;
7. SODIAM, E.P.: public diamond marketing body;
8. Diamond Exchange: ensures diamond transactions in Angola supervised by SODIAM, E.P.;
9. National Kimberley Process Commission: responsible for legal certification procedures.
10. PD no. 143/20, of May 26 - Approval of the Mining Sector Governance Model

In accordance with PD no. 143/20, of 26 May, the organizational structure of the other mineral resources sector is shown below, including the bodies and entities mentioned above.

Figure 8: Institutional Framework of the Other Mineral Resources Sector



6.2.2 Legal and Fiscal Framework

For the period under review, the target minerals in Angola are mainly diamonds, gold, iron ore, silver, copper, nickel and precious stones. However, the country is still very rich in other varied natural resources that have yet to be exploited.

The industry of other mineral resources, namely the mining sector, is regulated by the Constitution of the Republic of Angola through the CM, as well as other statutory diplomas and additional regulations, which establishes that the state is the exclusive owner of all mineral resources, found in the soil, subsoil or water, advocating the terms and conditions of their concession and exploitation, which gives it effective control over the allocation of mining rights.

Fundamental Principles	Regulatory bodies for the other mineral resources sector	Other relevant legislation
Key documents setting out the main legal and fiscal rules associated other mineral resource operations	Information on the creation of regulatory bodies in the sector	Relevant complementary legislation associated with diamond operations

Fundamental Principles:

- **Mining Code** approved by **Law no. 31/11**, of September 23;
- **DP no. 143/20**, of May 26 - Approval of Mining Sector Governance Model.

Regulators of the Other Mineral Resources Sector

- **DP no. 161/20**, of June 5 - Creation of the ANRM.

Other Relevant Entities in the Other Mineral Resources Sector

- **DP no. 16/19,** of January 9th - Organic Statute of the IGEO;

Other Relevant Diplomas Highlighted by the EITI CNC

- **DP no. 158/16,** of August 10 - Approves the Mining Transgressions Regulation;
- **Executive Decree no. 346/17**, of July 14 - Delimits areas for the exploitation of minerals for civil construction;
- **DP no. 175/18**, of July 27 - Diamond Marketing Policy;
- **DP no. 35/19**, of January 31 - Technical Regulation on the Marketing of Rough Diamonds;
- **DP no. 85/19**, of March 21 - Regulation of Semi-Industrial Diamond Mining;
- **Joint Executive Decree no. 536/22**, of October 25 - Legal framework for fees and emoluments applicable to the Mining Sector;
- **DP no. 185/24,** of August 14 - Prohibits the export of quartz and allows the export of silicon metal;
- **DP no. 186/24,** of August 14 - Prohibits the export of gypsum mineral.

Fundamental Principles

Mining Code approved by Law no. 31/11, of September 23;

The CM regulates all geological-mining activity, namely geological research, discovery, characterization, evaluation, exploration, commercialization, use and exploitation of mineral resources existing in the areas of territorial and maritime domain under the jurisdiction of the Republic of Angola. Activities related to liquid and gaseous hydrocarbons are excluded from this code.

The State, under the terms of Article 11 of the CM, participates in the appropriation of the mining product as consideration for the granting of mining rights for exploitation and marketing, and may use one of the following forms or both combined:

- Participation in the share capital of the commercial companies to be created (this participation may not be less than 10%);
- Participation in kind in the mineral product produced in proportions to be defined throughout the production cycles, with the State's participation increasing as the IRR increases, with the choice of the form of social participation of State companies requiring the approval of the Head of the Executive Branch.

Angola's mining regime can be considered mostly as a contractual system, considering that the materially relevant terms and conditions are often described in the Mining Investment Contracts (CIM), granted by the government for the exercise of mining rights and negotiated by a Negotiating Committee set up by order of the minister in charge.

Mining rights are issued by the Holder of the guardianship body, after the respective mining rights granting processes have been completed and approved by the ANRM. These rights are granted by issuing one of the following titles (additional information in section 6.5):

- Prospecting title, for the recognition, prospecting, research and evaluation of mineral resources;
- Exploration permit for the exploitation of mineral resources;
- Mining permit for prospecting or exploiting mineral resources applicable to civil construction;
- Mining rights, for artisanal exploitation, which has been discontinued.

Mining rights are granted by one of the following means:

i. Public tender carried out at the initiative of the supervisory body, where a Negotiating Committee is set up to decide on the decision to award the mining rights to the interested parties;

ii. Request from the interested party addressed to the supervisory body, under the terms set out in the CM, providing visibility of the intention to carry out a mining project for a given mineral resource, indicating the location and location sketches with geographical coordinates. The process is then sent to ANRM, which, through its mining concessions department, analyzes and decides on the application.

According to the two routes identified above, it can be seen to date that, in most situations, the process follows that set out in point ii. above. Up to the date of publication of this report, the public tender took place once during 2019, in accordance with PD no. 135/19 of July 22. The tender considered the award of mining rights for the prospecting and exploration of diamonds, iron and phosphates, in the following concessions:

a) Diamonds - Camafuca Camazambo Concession, Lucapa Municipality, Luanda-Norte Province and Tchitengo Concession, located in the north-east of Angola between the municipalities of Lucapa (Lunda-Norte) and Saurimo (Lunda-Sul);

b) Iron - Kassala Kitungo Concession, Dondo Municipality, Kwanza-Norte Province;

c) Phosphate - Lucunga Concession, Tomboco Municipality, Zaire Province and Cácata Concession, Cabinda Municipality, Cabinda Province.

With regard to the marketing of strategic minerals, namely diamonds, and where there is a public marketing body, as stipulated in Article 192(3) of the CM, the Holder of the Executive Power is responsible for approving the rules on the marketing system, including production sharing, and may delegate this power, or part of it, to the Holder of the supervisory body. For other mines, the provisions of Article 91 f) and Article 91 f) of the CM apply.
i) Article 92 of the CM.

Incidence

- Geological studies and geological mapping;
- Reconnaissance, prospecting, research and evaluation of mineral resources;
- Exploration, cutting and processing of mineral resources;
- Commercialization of mineral resources or other ways of disposing of the mining product;
- Restoration or recovery of areas affected by mining activity;
- Recognition, prospecting, research, evaluation, exploitation, treatment and marketing of mineral-medicinal waters;
- Reconnaissance, prospecting, research, evaluation, exploitation and marketing of mineral resources in the territorial sea, continental shelf and exclusive economic zone.

Tax charges

- Income Tax (Industrial Tax);
- Tax on the Value of Mineral Resources (*royalty*);
- Surface rate;
- Artisanal rate;
- Export tax on unprocessed minerals.

Income Tax (Article 244 to 253, CM)

Incidence: on profits attributable to the exercise of national or foreign entities which, under the terms of the CM, have acquired mining rights. The Mining Income Tax is the Industrial Tax that is generally found in common legislation.

Exemption: entities subject to the mining tax.

Tax rate: 25%.

Incentives: at the request of the interested parties, addressed to MINFIN, after hearing the opinion of the Minister , holders of mining rights can obtain tax incentives in the form of deductible costs or even grace periods on the payment tax. The request for tax exemptions is discussed and negotiated during the contractual phase of the investment process and is attached to the contract.

Tax incentives can be granted when the following actions are carried out that are relevant to the country's economy: 1) using the local market for complementary goods and services; 2) developing the activity in remote areas; 3) contributing to the education and training of local human resources; 4) carrying out research and development activities in cooperation with Angolan academic and scientific institutions; 5) local treatment and processing of minerals;
6) a significant contribution to increasing exports.

Settlement: for purposes of settlement, payment of Income and other ancillary obligations, the general provisions of the Industrial Tax Code apply.

Tax on the value of mineral resources - royalty (Article 254 to 259, CM)

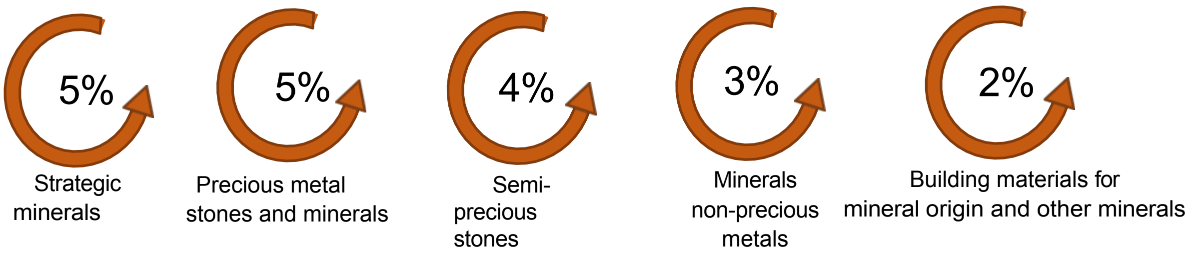
Incidence: levied on the value of minerals extracted at the mouth of the mine or, where treatment takes place, on the value of concentrates.

In the case of artisanal mining, the tax on the value of mineral resources is levied on the following amounts:

- Diamonds: on the value of the lots acquired by the public marketing bodies;
- Other minerals (strategic or not): on the value of minerals purchased by public marketing bodies and other authorized buyers.

Exemption: minerals extracted by entities carrying out only prospecting and research activities, whose commercial value is irrelevant, are exempt from royalties, and it is up to the Minister to define the relevance and irrelevance of the commercial value.

Fee: The fees are as shown :



Settlement: by the 15th (fifteenth) of each month, submit to the competent Tax Office a declaration containing the monthly quantities produced in the previous month, their value, the bases used to determine their price and other elements necessary to calculate the tax due.

Surface charge (Article 260 to 263, CM)

Incidence: on the area defined in the concession title, and holders of mining prospecting rights are obliged to pay it annually.

Fee: payment of the surface fee, per square kilometer of the area corresponding to each title, is subject to the amounts shown in Table 16.

Payment: in order to obtain the prospecting title or its extension, interested parties must pay the surface tax to the competent tax office, on the basis of a payment slip to be issued in triplicate by the supervising ministry, stating the mineral, the area covered by the prospecting, the reconnaissance, prospecting, research and evaluation phase (distinguishing between the initial period or the extension period) and the amount to be paid each year. Payments after the first year must be made by January 31st of the year to the title relates.

Export tax on unprocessed minerals (Article 276, CM)

Incidence: export of mineral resources without processing, and holders of mining rights are obliged to pay it annually.

Fee: 5% of the mineral's market value.

Table 16: Summary of Taxes associated with the Other Mineral Resources Sector

Income Tax (Industrial Tax)					
25%					
Tax on the Value of Mineral Resources					
Strategic minerals	5%				
Precious metal stones and minerals	5%				
Semi-precious stones	4%				
Non-precious metal minerals	3%				
Construction materials of mineral origin and other minerals	2%				
Surface Rate (USD/Km^2)					
Minerals	**1st year**	**2nd year**	**3rd year**	**4th year**	**5th grade**
Diamonds	7	12	20	30	40
Other strategic minerals	5	10	15	25	35
Precious stones and metals	5	10	15	25	35
Semi-precious stones	4	7	10	15	20
Non-precious metal minerals	3	5	7	12	18
Construction materials of mineral origin and other minerals	2	4	6	10	15
Export tax on unprocessed minerals					
5%					

Special Legal Regimes - *CM*

- Artisanal Diamond Production (*Article 281 to 301*);
- Diamond Cutting (*Articles 302 to 312*);
- Diamond Trading (*Article 313 to 328*);
- Minerals for construction (*Article 329 to 341*);
- Mineromedicinal waters (*Articles 342 to 350*).

Other non-tax charges Environmental

Fund (Article 267, CM)

Environmental Fund: entities that carry out mining activities (with the exception of artisanal mining activities) are subject to paying a contribution to the State, with a value to be defined in a specific statute, which is intended to set up an Environmental Fund.

PD no. 143/20, of May 26 - Approval of the Mining Sector Governance Model

Principles of the Governance Model

- Maintaining the stability of the normative and regulatory framework for the mining sector;
- Minimal state intervention;
- Reducing the direct presence of the state as an economic agent;
- Optimizing the role of private economic agents in the development of mining projects;
- Job creation and local income retention;

- Simplification and specialization of administrative services;
- Separation and organic and institutional distinction between the administrative and business activities of the state's indirect administration bodies in the mining sector;
- Reappraisal of MIREMPET's organic status within the framework of the sector's new governance model;
- General organic review of MIREMPET in the medium term and consequent institutional resizing in harmony with the principles established for the reform of the State;

Regulators of the Other Mineral Resources Sector

DP no. 161/20, of June 5 - Creation of the ANRM

ANRM: A legal person governed by public law in the Economic-Productive sector, which is part of the State's Indirect Administration, which enjoys legal personality and capacity, endowed with administrative, financial and patrimonial autonomy.

The entity was created to regulate, supervise and promote Angola's mining sector, and is responsible for the guidelines for the participation of the sector's operators in reconnaissance, prospecting, exploration, processing, marketing, exporting and importing mineral products in the country, with the aim of guaranteeing the sustainable management and use of mineral resources.

General duties

- Regulate the mining sector;
- Supervising geological and mining activities;
- Investigate processes for granting rights to mineral resources in the country;
- Perform public certification and/or assay functions;
- Perform quality control of mineral resources and mineral products;
- To ensure the rational use of mineral resources in the country;
- Promote the development of national mineral value chains in Angola;
- Ensuring the restoration, recovery and sustainability of the environment;
- Guarantee and promote fair competition and good practices;
- Creating technical conditions and quality and safety standards for products and services;
- Assisting the competent state bodies in the overall planning of national mining operations.

Other Relevant Entities in the Other Mineral Resources Sector

PD no. 16/19, of January 9th - Organic Statute of the IGEO

The IGEO is a public institution whose purpose is to ensure:

- Geoscientific knowledge and the potential mining wealth of the national territory;
- Drawing up geological, geochemical and hydrogeological maps;
- Carry out studies on mineral resources;
- To provide specialized services in the field in which it operates.

IGEO aims to contribute to sustainable development, in accordance with the policy and strategy of the geology and mining subsector established, it is also through him that geological information is requested for investment in the mining sector (for more information on the process for obtaining geological information, see Annex G).

This body is subject to the supervision of the President of the Republic, as Head of the Executive Branch, exercised by the Head of the Ministerial Department responsible for the mining and oil resources sector. [17]

MISSION

Manage geological and mining information resulting from geological and mining research (IGM) carried out by companies and institutions authorized to carry out geological and mining studies in the country.

Other relevant diplomas

DP no. 158/24, of August 10 - Approves the Regulation on Mining Transgressions

As part of the process of diversifying national economy, it is important to modernize and sustainably increase the economy with direct effects on social development and poverty reductionTherefore, despite the need to diversify mining production, rules must be considered for rational and considered exploitation, as well as useful and effective use of mineral resources.

Following on from this, DP 158/24, under the terms of Article 213(2) of the CM and Article 5(2) of the Administrative Transgressions Law, typifies mining administrative transgressions and defines the respective sanctions. The value of the fines to be imposed for the transgressions are presented in the annex to the aforementioned Decree.

Executive Decree no. 346/17, of July 14 - Delimits areas for the exploitation of minerals for the construction industry

In accordance article 339 of the CM, DP no. 346/17 of July 24 was published to define the administrative procedures for delimiting areas for the exploitation of minerals intended for civil construction. According to article 2 of this decree, concession areas are defined according to the following criteria:

[17] http://igeo.co.ao/pt/sobre-nos/ & https://faolex.fao.org/docs/pdf/ang183872.pdf

a) The concession area for the exploitation of ornamental rocks will be between 10 and 50 hectares around the deposit;

b) The concession area for aggregate exploitation will be between 5 and 10 hectares around the deposit;

c) The area for gravel extraction will be analyzed specifically, taking into account the particularities of each farm, and may not exceed 50 hectares.

It is also important to note that, in order to approve the granting of mining concessions, a visit by technicians from the Ministry or the Provincial Directorates of Geology and Mines is required in order to assess the area granted and the equipment to be used for fragmenting the rocks.

DP no. 175/18, of July 27 - Diamond Marketing Policy

DP no. 175/18, of July 27, approves the Diamond Marketing Policy, through which marketing and export operations are carried out through a Single Channel and whose functions as a public marketing body have been assigned to **SODIAM, E.P.**, through the aforementioned diamond marketing system (see Annex F to understand SODIAM, E.P.'s intervention in the marketing and cutting of rough diamonds).

The export of minerals extracted in Angola is subject to licensing by the competent body of the Ministry of Trade and Industry and a customs order from the National Customs Service, informing the supervisory body of the event.

DP no. 35/19, of January 31st - Technical Regulation on the Marketing of Rough Diamonds

PD 35/19 of 31 January establishes the organization and functioning of rough diamond markets (Article 3). It defines the following principles:

i. Compliance with the Single Trading Channel;

ii. Recognition of the Public Trading Body as the body responsible for diamond trading;

iii. Respect for the rights of sellers and buyers;

iv. Good faith and observance of good practices in the formation and execution of contracts;

v. Uniform pricing criteria;

vi. Application of the Kimberley Process Certification System;

vii. Efficiency of the system's operating costs;

viii. Intervention by the Independent Evaluator.

The aim of this law is to:

- Greater transparency in the buying and selling process;
- Greater competition in the domestic market;
- The guarantee of producers' legitimate marketing interests;

- Optimizing the value resulting from the marketing process;
- Increased control, predictability and quantity of tax revenues;
- Safeguarding the necessary measures to maintain the stability of diamond prices;
- The promotion of increased added value in the national diamond industry.

The diploma also contains information on the legislative framework for Public Institutions, Producers and Selection of Buyers, Determination of Sales Prices and Sales of Rough Diamonds.

DP no. 85/19, of March 21 - Regulation of Semi-Industrial Diamond Mining

DP no. 85/19, of March 21, aims to establish the rules and procedures for the exploitation and marketing of rough diamonds from semi-industrial mining.

The aforementioned law states that semi-industrial diamond mining is subject to obtaining a license issued by the Ministry, and is exclusive to duly licensed legal entities. Furthermore, exploration is the responsibility of the investor, in accordance with the terms of the favorable geological information and negotiations provided for in the CM.

In accordance with the provisions of article 11 of the aforementioned law, in order to begin the process of obtaining mining rights for semi-industrial diamond mining, the applicant must formalize a letter of intent addressed to MIREMPET, including the necessary documentation as provided for in DP no. 85/19, of March 21. , following the preliminary verification carried out by ENDIAMA-
E.P. and confirmation that the area is available, the applicant must submit additional documentation to MIREMPET, such as the mining registration certificate, proof of technical and financial capacity, a negative certificate from the AGT and the Revenue Collection Document (DAR) for the last tax year.

In addition, the rights relating to the semi-industrial exploitation of diamonds are granted for an initial period of 2 years, and are extended successively for a period of 5 years if the holder complies with all the obligations established in the respective applicable legislation. However, the extension period may be longer if the holder submits a Technical, Economic and Financial Feasibility Study (EVTEF).

Holders of rights for the semi-industrial exploitation of diamonds receive an Exploitation Title, which specifies "semi-industrial" below the name of the title. The fees and emoluments to be paid by these holders are equivalent to those established for the exploitation of common minerals. Furthermore, the diamonds resulting from semi-industrial exploitation must be sold exclusively to SODIAM, E.P., in their entirety. The sale price must reflect the market value.

Joint Executive Decree no. 536/22, of October 25 - Legal framework for fees and emoluments applicable to the Mining Sector

Joint Executive Decree no. 536/22, of October 25, aims to create fees applicable to the mining sector, payable in return for acts carried out and services provided by ANRM and IGEO, defining the procedures to be adopted for payment. This regime applies ANRM, IGEO and all entities that benefit from their services.

DP no. 185/24, of August 14 - Prohibits the export of quartz and allows the export silicon metal

As part of the protection of mineral resources, a series of measures have been adopted with the aim of boosting the manufacturing industry in Angola and preventing the export of mineral resources with no added value.

Under the terms of PD No. 185/24, a ban on the export of quartz mineral was established, while at the same time allowing the export of silicon metal, as well as the export of polycrystalline silicon.

The procedures required for the use quartz in laboratory analysis and for issuing export guides for processed material are established by Joint Executive Decree. In addition, the Decree states that any natural or legal person who violates the provisions of the Decree is subject to sanctions under criminal law.

DP no. 186/24, of August 14 - Prohibits the export of the mineral gypsum

As part of the program to promote the manufacturing industry, it is essential to avoid exporting mineral resources with no added value, which would force Angola to import them in the short or medium term.

Under the terms of Decree 186/24, there is a ban on the export of gypsum extracted in Portugal. Accordingly, the Decree states that any natural or legal person who violates the provisions of the Decree is subject to sanctions provided for in criminal law, without prejudice to others provided for in the applicable legislation.

6.2.3 Payment Flow Summary

The main revenue streams that are channeled to the state through entities in the mining sector are essentially tax expenditures. Thus, all national or foreign entities that carry out reconnaissance, research, prospecting and mineral exploration activities on national territory are subject to the payment of taxes and fees, depending on the activity.

A. Tax payments

In essence, and in accordance with the legislation in force, tax and fee payments made by entities in the mining sector are channeled directly to the state through MINFIN.

B. Transactions associated with the sale of diamonds and other minerals

In accordance with existing legislation, the marketing of diamonds produced in Portugal by national or foreign entities operating in the market is carried out by SODIAM, E.P., so the monetary flow associated with the sale is detailed follows:

The following contributions are deducted from the gross sales value

I. Contributions via the CUT

- Advance industrial tax of 2.5%;
- Tax on the value of mineral resources (Royalty), with the following conditions:

  a) Strategic minerals: 5%, with a 3% rate being applied to diamonds produced by semi-industrial companies, under the terms of PD no. 85/19, of March 21;

  b) Precious metal stones and minerals: 5%;

c) Semi-precious stones: 4%;

d) Non-precious metal minerals: 3%;

e) Construction materials of mineral origin and other minerals: 2%.

- Rate of 5%, corresponding to the export of raw minerals;
- Withholding tax of 6.5%;
- VAT of 14% on domestic sales;
- Area fee received by AGT through SIGFE[1], which is administered by MINFIN;
- Other fees and emoluments received by AGT through SIGFE[1], which is administered by MINFIN;
- Other fees and emoluments as provided for in Joint Executive Decree No. 536/22, of October 25, charged by means of a settlement and collection note issued by ANRM or IGEO.

II. Contributions payable to SODIAM, E.P.

- Marketing fee (includes 1% for ENDIAMA - E.P., 0.3% for customs costs and 0.15% for the independent appraiser);
- Royalties paid that are received by SODIAM, E.P. and transferred to MINFIN;
- Other fees for SODIAM, E.P., according to percentages negotiated between SODIAM, E.P., the producer and the customer;
- 5,000 USD for Kimberley process certification (for applicable processes).

III. Other costs associated with the sales transaction

- 1,000 USD paid to MIREMPET for the issuance of the export guide (sales abroad);
- 1,500 USD paid to the Ministry of Trade and Industry franking the invoice.

[1]The transactions identified began in October 2022, in accordance with Joint Executive Decree no. 536/22, of October 25 - Legal Framework for Fees and Emoluments Applicable to the Mining Sector.

6.3 Granting Contracts and Licenses (Requirement 2.2)

According to the 2019 EITI Standard, Angola must disclose a set of information related to the concessions and transfers of contracts and licenses that occurred during the reporting period. According to requirement 2.2, Angola must disclose:

i. Description of the license transfer or assignment process;

ii. Technical and financial criteria used;

iii. Information about recipient(s) of the license that was transferred or;

iv. Material deviations from the applicable legal and regulatory framework governing transfers and licensing.

In this regard, through the information made publicly available on the website of the regulatory body, ANPG, and during various sessions with ANRM, a variety of stages associated with the bidding/award process for oil concessions and the award of mining rights were identified, as highlighted in the following sections.

In this sense, and due to the various phases in the operation inherent to the extractive industry sector, it is important to highlight and differentiate the main phases in the operational process, namely:

P&G sector

Research: prospecting, drilling and well-testing activities leading to the discovery oil fields (identification of areas with the potential to contain hydrocarbons).

Prospecting: a set of operations to be carried out on land or at sea, using geological, geochemical or geophysical methods, with a view to locating oil deposits, excluding the drilling of wells, processing, analysis and interpretation of data acquired in the respective surveys or information available in the archives of the supervising Ministry or of CN, as well regional studies and mapping leading to an assessment and better knowledge of the oil potential of the area (confirmation of the presence and quantity of oil or gas).

Production: a set of activities aimed at extracting oil, including the operation, servicing, maintenance and repair of completed wells, as well as equipment, pipelines, systems, installations and yards completed during development, including all activities related to the planning, programming, control, measurement, testing and disposal, collection, treatment, storage and dispatch of oil from underground oil reservoirs to designated export or lifting sites, as well as the abandonment of installations and oil fields and related activities.

Other Mineral Resources Sector

Exploration: the initial process of delimiting an already identified deposit. The methods used for this purpose are as follows: surface mapping, sampling in pits and boreholes, in all cases still quite spaced out, although with a view to a preliminary assessment of the quantity and quality of the ore, including laboratory studies if necessary, and finally, limited interpolations of the results obtained through the application of indirect methods. The aim is to determine the main geological characteristics of the deposit, providing adequate indications as to its continuity and an initial determination of its dimensions, configuration, structure and ore content.

Prospecting: the process of systematically searching for a mineral deposit by delimiting promising areas, i.e. those with a strong potential for mineralization. The methods used for this are: identifying outcrops, geological mapping and the use of indirect methods such as geophysics and geochemistry.

Exploration: activity following reconnaissance, prospecting, research and evaluation, covering the preparation and extraction, loading and transportation within the mine of the raw ore, as well as its treatment and processing.

It should be noted that for the other mineral resources sector, the phases involved in the operation, as mentioned above, are partly similar to the oil sector, however the designations and nomenclatures are appropriate to the practices and activities used in the sector.

The process of issuing a prospecting license in the oil sector consists of the following stages:

1) Application duly completed and submitted to the Minister (article 37 LAP). Attached to the application, entities must submit the necessary elements proving their technical and financial capacity, as well as their objectives, intended area, technical and financial resources and estimated budget;

2) Analysis and issuing of the opinion of the CN (Article 37(1) LAP);

3) Approval by the Minister and issuance of the authorization order (Article 37(2) and (3) LAP);

4) Confirmation of payment of the corresponding fee (Article 37(3) LAP);

5) Issuance of the prospecting license.

The process for issuing the prospecting title in the other mineral resources sector is set out in article 126 of the CM and detailed in section 6.3.3. of this document, namely:

1) Once the investment contract has been approved, the supervisory body issues the prospecting mining title, under the terms of Article 89 of the CM;

2) Confirmation of payment of fees and emoluments;

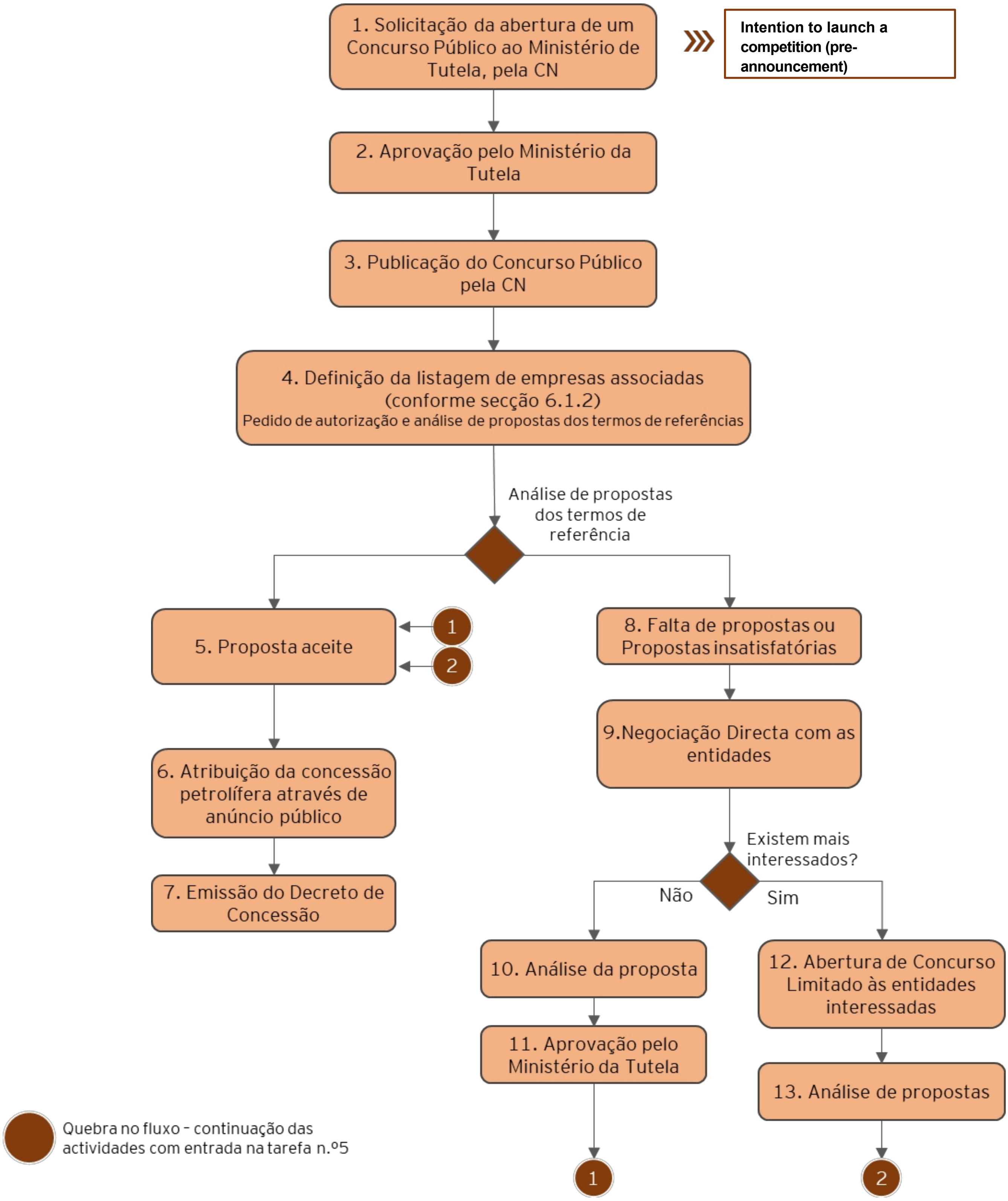
3) Delivery of the prospecting title to the holder;

4) Communication to the Executive of the province where the investment is being made, for information.

6.3.1 Bidding Process/Transfer of Oil Concessions

In the process of awarding an oil concession, the LAP sets out the various stages that take place and how the award process is structured. This procedure is set out in articles 44 and 57 of the LAP, in accordance with the tasks mentioned below. Figure 9 shows the main stages of the Petroleum Concession award process, in accordance with the aforementioned articles.

Figure 9: Stages of the Petroleum Concession award process



In accordance with the above, considering the bidding process within the framework of the public tender and following the information provided by the ANPG, it is important to highlight and clarify the following stages:

1. Framework

The bidding process begins with the preparation of the Specific Strategy, in compliance with the General Strategy for the Award of Petroleum Concessions, approved by PD no. 52/19of February 18 (see section 6.1.2). The preparation of this strategy starts with the technical justification report, which sets out the assumptions used to select the blocks. The Strategy is then sent to MIREMPET for approval and publication of the Pre-Announcement at least 120 days before the official launch of the Public Tender, in accordance with PD 86/18 of April 2 (see section 6.1.2).

After the official launch of the tender, companies have 40 days to submit their bids, which will be checked the next working day. In this sense, the proposals are evaluated, considering a period of 45 days to carry out the evaluation process, on the next working day, the Evaluation Jury, approved by MIREMPET, must submit the report on the qualification of companies and evaluation of companies to the CN.

Following the process, the CN has 20 days to publish the award of the tender in national and international media, as applicable. Subsequently, a Negotiating Committee must be set up 5 days after the publication of the results of the tender, which will include members of MIREMPET, MINFIN and CN and where the negotiation process will begin with the representatives of the EGs.

2. Company Valuation Process

The evaluation of bids and qualification of competing companies takes into account the requirements set out in PD no. 86/18, of April 2, as well as the rules and procedures of the public tender.

The evaluation is carried out by a Jury, based on objective criteria (technical and financial) and taking into account the elements contained in the published ToR. The winning proposals are selected based on achieving the best score, which is determined by the weighting given to the ToR and the assumptions defined, namely the financial, technical and health, safety and environmental requirements.

ToR (article 9 of PD no. 297/10, of 2 December): communicated by the NC and approved by MIREMPET, on a proposal from the NC. The following must be specified for each concession:

- Concession area;
- ;
- Deadline for submitting proposals;
- List of competing companies;
- Form of contract to be signed between CN and its members;
- Identify whether the entities invited can compete individually, in a consortium or do so in both ways.

Figure 10: Bidding Process for Petroleum Concessions through Public Tenders

It should be noted that the ANPG publishes a set of documents associated with the public tender process which can be consulted on the following websites:

Public Tender Rules and Procedures[18] (as presented in Annex H) ToR[19]

Annex A: Company Presentation Model[20] - official document for presenting the entity and analyzing its financial and technical capacity (see Annex I)

Annex B: Proposal Submission Form[21] Ethics and Integrity

Questionnaire[22]

As a result of the concession areas available and according the reporting period, it should be noted that a bidding process began in 2020, which ended with the signing of 8 new concession contracts in August 2022, as shown in the table below.

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[18] https://anpg.co.ao/wp-content/uploads/2023/10/05.10.2023_Regras_do_Concurso_Publico_PT_actualizado.pdf
[19] https://anpg.co.ao/wp-content/uploads/2023/10/10.10.23_Modelo_Termos_Referencia_PT_act.pdf
[20] https://anpg.co.ao/wp-content/uploads/2023/10/3_ANEXO-A-Operadores_ANPG_PL2023.pdf
[21] https://anpg.co.ao/wp-content/uploads/2023/10/4_Modelo-de-Apresentacao-de-Propostas-Anexo-B_-ANPG_PL2023.pdf
[22] https://anpg.co.ao/wp-content/uploads/2023/10/5_Questionario-de-Etica-e-Integridade_Licitac%E2%95%9Eo.pdf

Table 17: Oil concessions signed in 2022

Blocks	Concession Decree	Date of Signature	Effective Date	Period Research	End Date of Search Period
CON1	PD no. 186/22, of July 22nd	04/08/2022	01/09/2022	5 Years	01/09/2027
CON5	DP no. 187/2022, of 22 July	04/08/2022	01/09/2022	5 Years	01/09/2027
CON6	PD no. 188/22, of July 22nd	04/08/2022	01/09/2022	5 Years	01/09/2027
KON5	PD no. 190/22, of July 22nd	04/08/2022	01/09/2022	5 Years	01/09/2027
KON6	PD no. 189/22, of July 22nd	04/04/2022	01/05/2022	5 Years	01/05/2027
KON8	PD no. 191/22, of July 22nd	22/08/2022	01/09/2022	5 Years	01/09/2027
KON17	PD no. 192/22, of July 22nd	04/08/2022	01/09/2022	5 Years	01/01/2027
KON20	PD no. 214/22, of July 23rd	22/08/2022	01/09/2022	5 Years	01/09/2027

The 2021 Tender, ending in June 2022, in the form of a Limited Public Tender, announced 8 blocks, namely Block 16/21, 33/21, 34/21, 31/21, 32/21, 7/21, 8/21 and 9/21.

On February 25, 2022, an invitation to tender was issued to 13 companies (TotalEnergies, Qatar Energy, Azule Energy, Equinor, CNOOC International, NAMCOR, Petrolog Group, SequaPetroleum, Sungara Energy, Brubeli Investimentos, T-North Trading, REDSKY and Criterion Capital). To this end, the companies were invited after being selected on the basis of their interest, and the list of bidders was then submitted for approval by the Minister. At this stage, according to the ANPG's clarifications, the lists are not published as this is a limited public tender. Subsequently, bids were received for two blocks and they were awarded. The remaining blocks were not awarded due to a lack of bids or investor interest.

The winning companies were Azule Energy and Equinor for Block 31/21, and TotalEnergies for Block 16/21. For more information on the 2021 Bidding Process *Roadmap*, check out the ANPG website: https://anpg.co.ao/home_licitacao/.

Furthermore, it should be noted that the limited public tender allows the Angolan government to have greater control over the selection process, choosing in advance the companies it considers qualified to participate (see section 6.1.2 - DP no. 297/10, of December 2 - Establishes the Rules and Procedures of the Limited Public Tenders for the Acquisition of CN Membership). By limiting the number of participants, the management of the entire process is facilitated, simplifying supervision and governance.

In 2023, the Ministry again approved a new call tenders, which is scheduled to end in March 2024. For more information, see the *Roadshow* available on the ANPG WEBSITE: https://anpg.co.ao/wp-content/uploads/2023/07/ROADSHOW_Apresentacao_Final_18.06.pdf[23]

, on November 16, 2023, the ANPG held a ceremony in Luanda to open bids for the 2023 Bidding Process (see Annexes J and K for the timetable of the bidding process).

[23] ANPG Management Report 2022

bidding process and blocks included in the process), following the promotion of 12 *onshore* blocks, located in the Lower Congo and Kwanza onshore basins. CN received 53 bids from 22 companies, which were published in the press and can be consulted on the ANPG *website* (https://anpg.co.ao/noticias/anpg-recebeu-22-propostas-para-licitacao- 2023/).

For more information on the tenders held in 2019, 2020, 2021 and 2023, see Annex L.

After analyzing and verifying the proposals and financial and technical competencies, the ANPG published the list of qualified companies and the constitution of the respective EGs (https://anpg.co.ao/noticias/licitacao-2023-resultado-do-concurso-publico/). Resulting from PD No. 249/21 of October 5, as mentioned in section 6.1.2, this mechanism makes it possible to promote new tenders, without depending on the deadlines and contracting modalities provided for in the current Tender Strategy, approved by PD No. 52/19 of February 18.

As of the reporting date, no blocks have been awarded on a standing offer basis, and all the licenses active in 2022 have been awarded either through a public tender, direct negotiation or by other means in force on the date the concession contract was signed. It should also be noted that the blocks on permanent offer correspond to blocks that have been tendered but not awarded, areas vacated as a result of reversion to the state and concessions awarded to CN. For 2022, the concessions that have not been awarded under the standing offer regime are due to lack of interest investors. In situations where the award is made via direct negotiation, it is awarded whenever a single expression of interest is received.

With regard to the process of transferring (buying/selling) participatory interests in the oil blocks, there is specific legislation and regulations which, complementing each other, define the process of transferring the stakes held. According to article 41 of the Model PSC available on the ANPG *website*, the following terms are provided for:

⇒ Each of the entities that make up the EG may assign part or all of its rights, privileges, duties and obligations resulting from the Contract to an affiliate or non-affiliate, after obtaining the prior authorization of the Ministry of Guardianship;

⇒ The legal documents by which any assignment is made, must specify the participation that the third party assignee will have in the Contract and must be submitted for prior approval by the C N;

Figure 11: Process of Transferring Petroleum Concessions

⇒ CN has a pre-emptive right to acquire the participating interest in any assignment to a non-affiliated entity, and this right must be exercised in accordance with the procedures following:

- The assigning company must notify CN of the price and the other essential terms and conditions of the proposed assignment and the identity of the potential assignee;
- Within 30 days of receiving the notification, CN must notify the transferor company whether it intends to exercise the right of first refusal;
- If the NC does not exercise the right of first refusal, it shall be deemed to have waived it;
- If CN exercises its right of first refusal, the regulator and the assigning company will conclude the assignment under the terms and conditions contained in the notification.

⇒ If CN does not make use of the right of first refusal, it is transferred to Sonangol, E.P., under the terms of Article 16(7) of the LAP and must be exercised, with the appropriate adaptations, in accordance with the following provisions with the procedures mentioned above (see section 6.8 for more information).

Variations in participatory interests in oil concessions

° Change in the composition of the EG of the North Block of the Cabinda Land Zone, as a result of the exclusion measure applied by the Angolan authorities to WM-DC Resources Limited, for breach of contract. GE is now made up of Azule Energy Angola, B.V., as operator with originally 48%, which was increased to 61.54% by Sonangol P&P, S.A.[24] from 20% to 25.64% and by Acrep S.A. from 10% to 12.82%.[25]

° In January 2023, ANPG confirmed Somoil's acquisition of 2.5% of Block 17/06 from PTT Exploration and Production (PTTEP), located offshore 150 kilometers from the coast. Angola. GE is made up of TotalEnergies, as operator with 30% of the participating interest, Sonangol P&P with 30%, SSI with 27.5%, Somoil Bloco 17/06 which went from 5% to 7.5%, and Falcon Oil (5%).[26]

° In January 2023, AFENTRA received approval from the Ministry for the acquisition of INA - Industrja Nafte d.d., corresponding to a 4% stake in Block 3/05 and a 4% stake in Block 3/05 A. Carried out as part of a purchase and sale agreement between INA and Afentra Angola, Lda. dated July 19, 2022.[27]

° In January 2023, ANPG, as CN, made public the entry of Somoil (currently Etu Energias) into Blocks 14 and 14K. The operation was part of its growth strategy, an agreement was reached with TotalEnergies and INPEX to acquire a 20% stake in Block 14 and a 10% stake in Block 14K, respectively. The EG in Block 14 is now made up of CABGOC, as operator, with a 31% stake in the block, and Sonangol P&P, S.A. with 20%, Eni Angola Exploration, B.V. which also holds 20%, Galp Energia Overseas Block 14 B.V. with 9% and Somoil through its affiliate Somoil Block 14 B.V. with the remaining 20%. In Block 14K, the EG is now made up of the operator Chevron Congo, with a 15.75% stake, TOTAL E&P Congo with 26.75%, CABGOC with 15.5%, ENI Angola Exploration B.V with 10%, Sonangol P&P with 10%, SNPC with 7.5%, GALP Petrolifera, S.A with 4.5% and finally Somoil Block 14 B.V with a 10% stake.[28]

[24] Sonangol E.P.'s corporate model was reorganized, with Sonangol P&P S.A. becoming the business unit of Sonangol Exploração & Produção, S.A. (see section 6.7.1 for more information).
[25] https://anpg.co.ao/noticias/wm-dc-excluida-do-bloco-norte-da-zona-terrestre-de-cabinda/
[26] https://anpg.co.ao/noticias/anpg-confirma-reforco-da-posicao-da-somoil-no-bloco-17-06/
[27] https://anpg.co.ao/noticias/anpg-confirma-aquisicoes-da-afentra-em-angola/
[28] https://anpg.co.ao/noticias/anpg-anuncia-entrada-da-somoil-nos-blocos-14-e-14k/

Finally, the LAP (article 14) defines the CN's competence to sign exploration contracts, and according to articles 29 and 30 of the LAP, the CN's rights and obligations are established. In Angola's case, these contracts have historically taken 3 legal forms: Association Contract, CPP and CSR. The contractual regimes associated with the oil and gas sector are identified below.

6.3.2 Typology of Contracts - P&G Contractual Regimes

In addition, article 13 of the LAP refers to the obligation of association, which states that any company wishing to carry out petroleum operations in national territory, outside the scope of a prospecting license, can only do so jointly with CN. , article 35 of this law clarifies that only the activities referred to in article 2(19) of the LAP (prospecting activities) can be the subject of prospecting. Article 48 of the LAP establishes that the concession decree is the government's formal instrument through which a given oil concession is awarded to the CN. As mentioned above, CN may subsequently partner with third parties to carry out petroleum operations.

Below, we identify the common concepts associated with each type of contract in Angola, namely the parties involved in the concession and how cost recovery is generally carried out in each contract.

Association contract:

- **Concession:** Awarded to the CN that has formed an association with the investors;
- **Parties involved:** CN and Associated Companies;
- **Cost Deduction:** for the purposes of determining IRP and ITP**. CPP**
- **Concession:** Awarded to CN, which concludes a contract through a Public Tender or Limited Public Tender;
- **Parties involved:** CN and GE;
- **Production:** *Cost Oil* and *Profit Oil* (subject to sharing between the Parties);
- **Tax Regime:** Law no. 13/04, of November 24;
- **Recovery of *OPEX* and *CAPEX*:** *Cost Oil* for each Development Area.
- **Recovery of research costs:** the Development Area that has *Cost Oil* available after recovery of *OPEX* and *CAPEX*.

CSR:

- **Concession:** Awarded to CN, which enters into a contract by negotiation with investing entities, which includes the payment of a *fee*;
- **Parties involved:** CN and the Consortium;
- **Tax Regime:** Law no. 13/04, of November 24;
- **Deduction of Costs:** for the purposes of determining the *Fee* to be paid to the Consortium and determining the IRP and on the ITP.

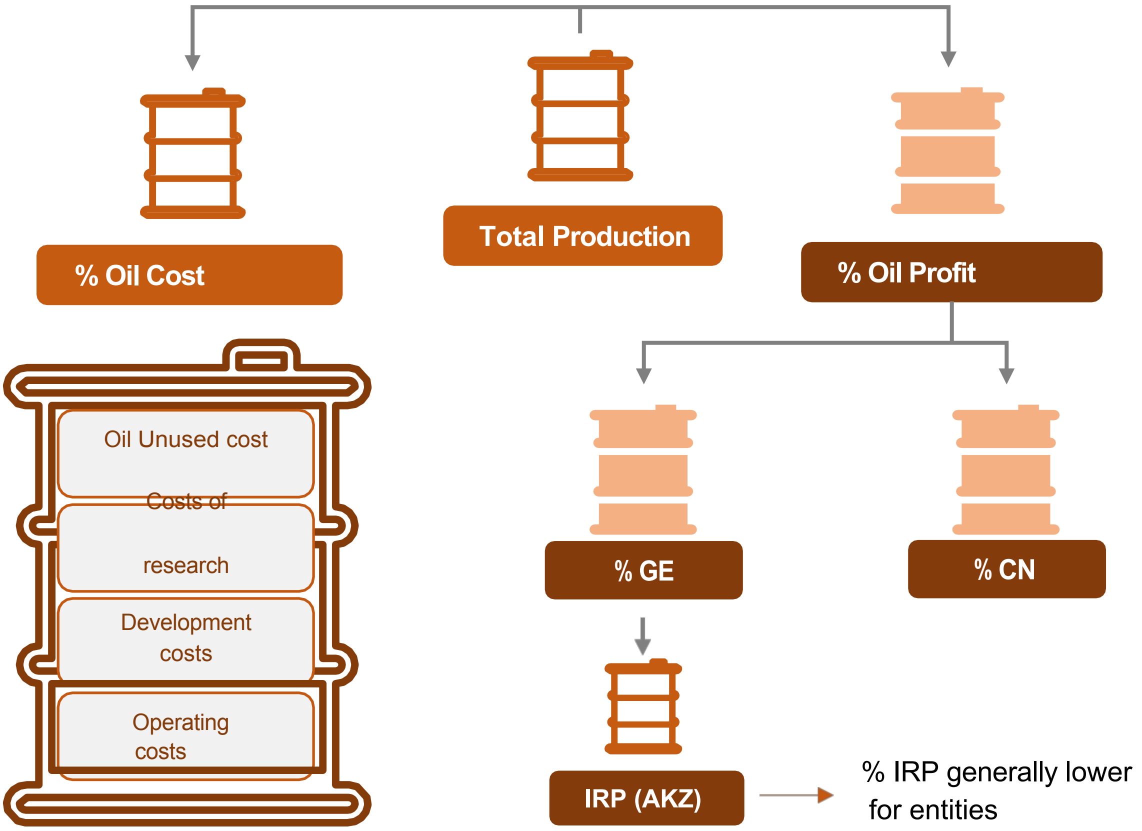
In Angola, PSCs are largely the most common type of contract, as can be seen Annexes M and N. The general recovery model for this type of contract is presented below.

CPP

Generally speaking, in PSCs, the EG agrees to invest in the exploration and production of a given block, in return for which the CN will receive part of the total production. In this type of contract, from the total production is deducted the part corresponding to the recovery of research and development expenses arising from the application of the contract, under the terms of the LAP.

All the crude oil produced and lifted in a given period and not used in petroleum operations, minus the "Cost Oil", is called "Profit Oil", and is shared between the CN and the EG, according to the EG's IRR. After receiving its share of the Profit Oil, the EG pays the IRP. In these contracts, government revenue is directly related to the percentage of *Profit Oil* corresponding to the CN and the taxes owed by the EG.

Figure 12: Revenue/Cost Allocation in CPP



Association contracts

In Association Contracts, the NPP joins with the other investors and the costs are shared according to the participation of each partner. The details may vary depending on what is stipulated in the respective contract. However, within the scope of this type of contract, the differences between this type of contract and the PSC relate to the distribution of costs, risks and profits between the parties involved in the contract. In addition, this type of contract includes the assumption that the entities are not subject to PIT.

In this sense, the ANPG has an additional role, in that it is actively involved in the management of operations for this type of contract. This means that, in addition to its role as regulator, the ANPG is also involved in approving investments.

As far as the state's remuneration for the Association Contracts is concerned, the revenue comes from the sale of hydrocarbons (*royalties*) and the taxation recommended for the oil sector, as mentioned above, in terms of ITP and IPP.

The main characteristics of these contracts are

- The national or government oil company owns the reserves and grants third parties the right to explore, develop and produce them;
- All the assets built at the end of the contract belong to the aforementioned third party, unlike the PSC;
- The third party assumes all the risks of the operations;
- There is no sharing of production, only the payment of *royalties* and taxes to the national oil company or government;
- In some situations, the national oil company or the government may retain a stake in the project.

CSR

The CSR model is one of the most recent and its main objective is to modernize contractual and fiscal models.

The main characteristics of these contracts are

- Contract for the execution of exploration, development and production activities with the National Oil Company or the Government;
- The contractor assumes the risk of not recovering the investment made in exploration and development;
- The payment will be made in kind or in cash. The contract may give the contractor right to purchase part of the production;
- Some of the features may be similar to the CPP in terms of cost recovery, for example.

6.3.3 Allocation/Transfer of Mining Rights Process

In the process of awarding mining rights, the CM lays down the various stages that take place and how the award process is structured. This procedure is set out in Articles 89 and 133 of the CM.

The allocation process generally begins when a natural or legal person requests the granting of rights for the development of a mining project for a certain mineral resource, province and locality, whose intended area is subject to verification of its viability and the issuing of a notice published in the Angolan newspaper, informing the public that the procedures for the allocation of mining rights in that area will begin. Once the deadline for possible questions/complaints regarding the requested area has passed, the process begins with the issuance of the Mining Concession Request Register (RPCM) and the setting up of the Mining Investment Contract Negotiation Committee (CIM). The order setting up the Negotiating Committee with its members is issued by the Minister and published in the Official Gazette. Once the negotiations have been concluded and the legally required conditions have been met, the mining title is issued and handed over to the concessionaire. The main stages of the award process, summarized here, are detailed in the following tables:

Table 18: Main stages the mining right allocation process

1.9 Stage
Process developed by MIREMPET: - Receipt of the request (Article 97 of the CM); - Registration of the request (article 102 of the CM); - Issuance of the registration receipt (article 102 of the CM); - Sending the file to the regulatory authority (ANRM).

2.9 Stage
Process developed by ANRM: - Assessment of the feasibility of the request (Article 116 of the CM); - Notification of the assessment (Article 103 of the CM); - Publication of notices (Article 104 of the CM); - Payment of the RPCM; - Issuance of the RPCM (article 106 of the CM).

3.9 Stage
Process developed by MIREMPET and ANRM: - Creation of the Negotiating Committee (Article 112 of the CM); - Negotiation process; - Payment of the security deposit (article 62 of the CM); - Bonus payment; - Payment of Fees and Emoluments (Article 61 of the CM); - Signing the contract.

4.9 Stage
Process developed by MIREMPET and ANRM: - Approval by MIREMPET (article 130 of the CM); - Signature of the CIM; - Issuance of the mining title (article 89 of the CM); - Signing of the Mining Title; - Publication in the Official Gazette (Article 89 of the CM).

5.9 Stage
Process developed by MIREMPET and ANRM: - Delivery of the Contract and the Mining Title.

In addition, it should be noted that the concession procedure is a legal process, where it is stipulated that the applicant must declare the value of the investment. This amount is considered a key element in assessing whether or not applicant will be able to carry out the project, as well as determining the percentage that will be charged in the fees following the negotiation process. The legal requirements negotiation include:

1) Presentation of proof of technical and financial capacity by the applicants (with a greater focus on the financial part: proof of the existence of capital in the bank for the investment);

2) Presentation of audited financial statements for the last 3 years (including other documents, in order to demonstrate and prove the credibility, conformity and legitimacy of the company).

As mentioned above in section 6.2.2, there are two processes for granting mining rights, but it should be noted that the most common process is for applicants to apply directly. Public tenders can be held if MIREMPET is interested in triggering the procedure. The requirements for public tenders are also set out in Articles 98 and 99 of the CM. In this mechanism, interested companies comply with the requirements set out in the terms of reference. Subsequently, an application evaluation committee is set up by Order to assess the proposals.

With regard to the process of transferring mining rights, according to Article 94 of the CM, the following terms are envisaged:

- The transfer of mining titles to third parties is permitted, provided it is authorized by the supervisory body;
- In cases where the granting of mining rights falls within the competence of the Head of the Executive Branch, authorization for the transfer of the respective title depends on prior approval;
- The transfer only takes place if the purchasing entity meets all the requirements of the original dealers, according to the CM and other applicable legislation;
- The transfer is recorded on the title transferred and in the land registry with the details of the new holder and the respective documents authorizing the transfer, and the change of holders must be published in the same way as the original concession;
- This procedure is subject to the payment of fees and emoluments within 30 days; if this is not done, the transfer request becomes null and void.

As mentioned above and in accordance with requirement 2.2 and in addition to the provisions of the Law, the ANRM has further clarified the financial and technical criteria associated with the process of awarding mining rights:

- Financial criteria: Validation of the necessary funds at a national or international bank, which will enable the organization to carry out the proposed work in accordance with its business plan. In most cases, organizations request a letter of comfort from the bank;
- Technical criteria: checking the company's history and portfolio. There is also an analysis of the equipment that will be updated in the activity, the work plan and the number of technicians.

It is also important to look at Articles 90 and 101 of the CM:

Article 90

Only natural or legal persons, national or foreign, with adequate technical and financial capacity to carry out the mining activity they intend to carry out, are allowed to carry out mining activities.

Article 101

1. Applications for the granting of mining rights shall be submitted to the office of the minister responsible for geology and mines and shall be made by means of an application addressed to the minister, containing the information referred to in Article 100(1).

2. The application referred to in paragraph 1 of this article shall be accompanied by documents proving the applicant's suitability and technical and financial capacity, as well as the ability to meet the environmental requirements laid down in the laws and regulations and international treaties and conventions to which the Republic of Angola is a party.

6.3.4 Review of the allocation process in 2022

As a result of the allocation process, as identified in the previous sections, the EITI CNC approved the selection of two licenses, with the aim of verifying material deviations from the applicable legal framework governing the allocation and transfer of oil and mining licenses. To this end, the regulatory bodies ANPG and ANRM were contacted to arrange a visit to both facilities and support the IA during the documentation verification process.

P&G sector

According to the approach approved by the EITI NCC, 2 oil concessions were randomly selected, both issued in 2022, as identified in Table 19.

Table 19: Oil concessions issued in 2022

License	Operator
CON1	Etu Energias 40%
KON6	Simple Oil 50%

In order to speed up the verification of the documentation attached to the license allocation/transfer process, as provided for in the LAP and as mentioned above, ANPG's support was requested to accompany the IA in the necessary procedures.

However, after the process was validated by the ANPG, the entity confirmed that as a result of an analysis by the regulator's Legal Department, for reasons of confidentiality, the information could not be made available. In this regard, it is important to highlight the rationale, clarified by the ANPG:

"Under the terms of article 36 Law no. 10/04, of November 12 - the Petroleum Activities Law, information produced in the context of petroleum operations is the property of the State, which may dispose of it (including, in particular, any regulation or rule of any public administration body, securities commission or stock exchange)."

, CN's associates are also signatories to EITI AO, and these together with CN agree to keep oil contracts confidential, with disclosure possible only in specific situations such as:

a) To any affiliate or potential assignee of such Party, after such affiliate or potential assignee has given the same undertaking of confidentiality;

b) With a view to obtaining financing or a business reorganization, after obtaining the same confidentiality commitment;

c) If required by any applicable Law, Decree or regulation (including, in particular, requirements or rules of any public administration body, securities commission or stock exchange on which the securities of such Party or any affiliate of such Party may be traded);

d) To its employees and those of its affiliates, consultants, and other entities to the extent necessary for the execution of Petroleum Operations, after obtaining the same confidentiality commitment."

As mentioned above, for the oil and gas sector, the IA did not carry out any checks on the documents relating to the process of awarding/transferring contracts, corresponding to the licenses selected at random.

Other Mineral Resources Sector - Diamond subsector

Following the procedure explained for the oil and gas sector, the same was done for the diamond subsector. To this end, 2 mining titles were randomly selected, both issued in 2022, as identified Table 20.

Table 20: 2 Random mining bonds issued in 2022

License	Company
001/03/01/T.E/ANG - MIREMPET/2022	CIF (Angola) Cement Company, Lda
012/07/02/T.E/ANG - MIREMPET/2022	Sociedade Mineira do Cassanguidi, Lda

The table below identifies the documents requested in accordance with the terms set out in the CM, as well as other documents presented during validation.

Table 21: List of documents requested

Documents requested
File submitted by MIREMPET to ANRM including all documents (application, registration receipt, etc.)
Presentation of proof of financial capacity by applicants (Technical, Economic and Financial Feasibility Study) - Proof of the existence of capital in the bank for the investment; - Audited financial statements for the last 3 years;
Presentation of proof of technical capacity by applicants
EIA
Notification of evaluation
Publication of the Notice
Proof of payment of the RPCM
Proof of payment of security deposit
Proof of bonus payment
Proof of payment of fees and other charges
Contract signed
Approval Order
Signing of the Mining Title
Publication in the Official Gazette
Proof of delivery of the title
Other unidentified documents
15

It should be noted that the verification, which took place on 18/07/2024 at 10.30 a.m. at the ANRM premises, clarified that 1 title corresponds to an extension and 1 title corresponds to a modification of prospecting rights for exploration. Whenever there is an extension to the exploration period, a new title is issued, subject to approval by the supervisory body. In addition, the ANRM pointed out that, considering the extension of both titles, certain documents relating to the process of granting the original title could still be in the possession of MIREMPET and ENDIAMA E.P.. During the validation process, the IA referred to all situations as and when the respective documents were requested. Below we highlight the main points arising from the preliminary discussion:

- The ANRM is in the process of gathering information on the processes for awarding mining titles prior to its creation;

- The processes prior to the creation of the ANRM were the responsibility of ENDIAMA - E.P (responsible for the transfer of diamond mining rights), of the Directorate
  National Mineral Resources of MIREMPET and Ferrangol - Empresa Nacional de Ferro de Angola E.P. (responsible for the transfer of mining rights for metallic and non-metallic mineral resources).

The validation results are shown in Table 22. For more information on the validated documents and the rationale associated with the results, see Appendix O.

Table 22: Validation of licenses

License	CIF (Angola) Cement Company, Lda	Sociedade Mineira do Cassanguidi, Lda
Presented	6	11
Partially presented	0	1
Missing	8	3
Not applicable	1	0
Total	**15**	**15**

According to the analysis carried out, of the total number of documents requested, considering the two licenses, around 60% were "submitted" or " submitted", which is largely explained by the fact that these are extensions of licenses issued before the creation of the ANRM, as mentioned above. In this sense, certain documents have not yet been received by the regulatory body, the initial process having been directed by the National Directorate of Mineral Resources (1.ª award of the license).

In addition, according to the additional clarifications received, the IA had to make another visit to the ANRM premises, on 24/09/2024 at 10.00 a.m., to check the dates and extension deadlines associated with the selected titles. The data collected is shown in Tables 23 and 24.

Table 23: Dates of submission of extension requests - CIF (Angola) Cement Company, Lda

	CIF (Angola) Cement Company, Lda						
Title	Date of issue	Expiry date of title	Order date	Date of entry - MIREMPET	Date of entry - ANRM	Date of reply letter	Date of communication of the decision
039/03/04/T.E/ANG-MIREMPET/2018	14/08/2018	14/08/2021	23/09/2021	28/09/2021	07/10/2021	11/10/2021	14/01/2022
001/03/01/T.E/ANG - MIREMPET/2022	15/03/2022	15/03/2027	N/A	N/A	N/A	N/A	05/04/2022*

*The date corresponds to the date of publication of the Order approving the extension request.

Table 23 shows the information on CIF (Angola) Cement Company, Lda's operating license, 039/03/04/T.E/ANG-MIREMPET/2018, which was subject to an extension request, and the dates of the new license issued as a result of this extension, 001/03/01/T.E/ANG - MIREMPET/2022.

According to article 140 of the CM, holders of a mining exploration permit must apply for an extension at least 6 months in advance, indicating the desired extension period, stating the reasons for the extension, as well as explaining the area they intend to keep for exploration, outlining it on an updated topographical map, and proposing a program of operations to be carried out during the extension period.

It should be noted that although the request to extend the permit was made after the expiry date, it was accepted and approved, resulting in a new operating permit being issued in 2022. In addition, according to the CM, the ANRM must communicate the decision within six months to from the date of submission of the request, however, this term was not observed in the process extending the title of CIF (Angola) Cement Company, Lda.

According to information obtained from the ANRM, the entity receives around 100 requests a month and does not yet have all the human capital necessary to carry out its role, processes up suffering delays due to the difficulty in dealing with all requests in a timely manner. Furthermore, with the implementation of the CMA (see section 6.4 below), these processes will be positively affected particularly in terms of their timeliness.

Table 24: Application submission dates - Sociedade Mineira do Cassanguidi, Lda

Sociedade Mineira do Cassanguidi, Lda								
Title	Date of issue	Expiry date of title	Type Request	Order date	Date of entry - MIREMPET	Date of entry - ANRM	Date of reply letter	Date of communication of the decision
056/01/01/T.P/ANG-MIREMPET	01/09/2020	01/09/2022	Extension	12/01/2022	-	21/01/2022	01/02/2022	-
			Changing rights	29/07/2022	27/05/2022	01/08/2022	-	21/06/2022
012/07/02/T.E/ANG - MIREMPET/2022	07/07/2022	07/07/2033						

Table 24 shows the information regarding the prospecting title held by Sociedade Mineira do Cassanguidi, Lda, 056/01/01/T.P/ANG-MIREMPET, which was initially subject to a request for an extension, but which has since been changed to a request to change the prospecting rights to exploration rights.

6.4 License registration (Requirement 2.3)

ANPG - National Oil, Gas and Biofuels Agency

As mentioned above, for the license disclosure process, the ANPG *website* has a specific tab for processing data on the process of obtaining a license and all the additional information required.[29] In addition to the general information associated with the license process, a legal framework for all information relating to the oil and gas sector is also presented (see Annexes J, K and P for the 2023 Bid Schedule, 2023 Bid Map and 2019-2025 Bid Strategy). [30]

In order to provide more detailed information, based on tenders that took place in past periods, the ANPG also provides historical data on tender processes.

The data referred to includes:

- Bidding Process Roadmap;
- General Map of the Blocks;
- A "Data query" channel for questions/requests;
- Technical brochures for the blocks;
- Legal framework with direct link to the respective laws;

[29] https://anpg.co.ao/licitacao2023/
[30] https://anpg.co.ao/licitacao2023-quadrolegal/

- Interactive Map.

For the oil and gas sector, the ANPG also has a section on its *website* called "E&P Maps" which shows all active licenses, as well as identifying the EG, participating interests, project phase, blocks being abandoned and type of activity (*onshore*, shallow water, deep water and ultra-deep water). For more information see the ANPG *website* (https://anpg.co.ao/mapas/) and Annex M.

It should also be noted that following the issue of petroleum licenses and/or any changes in participating interests, various pieces of information about the transaction are published in Diário da República, including, among other things, the constituents and ownership percentages of the EG, the duration of the concession and of each phase, the identification of the operator, the coordinates of the block under contract and the approval of the Sharing and Production Contract (although the latter, as already discussed, remains confidential). The coordinates published in the Diário da República of the blocks active in 2022 are compiled in Appendix Q.

ANRM - National Agency for Mineral Resources

Due to the creation of the government body in 2020 and, subsequently, a period of pandemic, the regulatory body had the challenge of structuring processes and outlining internal organizational procedures, for the correct implementation of the activities to be carried out by this body.

One of the major challenges is also the collection of all the essential data relevant to the sector and the creation of a reliable and up-to-date database.

, according to article 40 of the CM, in the process of granting mining rights for mineral resources, which are instructed by the ANRM, concession applications are published in the Jornal de Angola, through public notices, as well as the results of the processes of granting, transferring and extinguishing rights, which are published through ministerial orders in the Diário da República. For the process of granting mining rights, see section 6.3.3.

In addition, it should be noted that ANRM is building its *website* with the aim of making relevant data available to the sector, including a list of up-to-date licenses. As mentioned, in addition to the *website*, ANRM has clarified that a register of all mining licenses and their respective information will be made publicly available, and is expected to be published during the first quarter of 2025. Furthermore, with regard to the data required by the 2019 EITI Standard, ANRM clarified that under the terms of the mining contracts, a consent clause is established, applicable to all parties, regarding the sharing of information contained in the title, namely the coordinates. In this sense, the information contained in this Report, regarding mining licenses, corresponds to the data that can be disclosed in accordance with the impediment.

As far as the CMA is concerned, the ANRM also clarified that the software has already been developed and a team is working on registering all the files in it. As mentioned above, a pilot version of the tool is expected to be available by 2025 and will be published. As of the date of this report, training on how to use the tool is underway in Portugal, Brazil and South Africa.

It should also be noted that the implementation of the CMA is part of Angola's NDP 2023-2027, with the aim of improving digital channels for rapid interaction with investors and other interested parties. In August 2024, the Diagnosis and Evaluation Report was fully completed, including information such as:

1. Diagnosis of CM Laws and Regulations;

2. Identification of process descriptions and work flowcharts related current mining licensing and cadastre;
3. Technical and technological recommendations and proposals;
4. Implementation schedule plan.

In August 2024, the Design and Configuration phase was more than 50% , which will result in a Configuration Report, incorporating the design of the infrastructure, test results, among other topics, scheduled for completion on 30/11/2024. As mentioned above, the User Training phase is already underway, including various *workshops* and training courses on how to use the platform correctly. In addition, the Operationalization phase, which aims to make the pilot version available, is scheduled to start in December 2024 until the 1st quarter of 2025.

However, in accordance with the aforementioned clarifications, for the scope of the 2022 EITI Report, ANRM and ANPG have made available the list of licenses for the reporting period and other information contained in their databases, respectively, information which will be presented below (see Annex M for the list of active oil licenses in 2022 and Annexes R, S and T for the list of active mining licenses in 2022 and titles issued in 2022). In addition, it should be noted that certain information associated with the list of mining licenses, namely the dates on which licenses were applied for prior to creation of the regulatory body, has not yet mapped and is still under ANRM's management, as a result of the work that is still underway to map and transfer mining processes between ENDIAMA - E.P. (formerly CN) and ANRM.

6.5 Disclosure of Licenses and Contracts (Requirement 2.4)

As mentioned earlier, the 2019 EITI Standard requires the disclosure of information relating to licenses and contracts in order to provide relevant data to interested parties.

For the purposes of this report, licenses are representative of projects in the EITI definition because it is believed that there is an adequate segregation of operating areas based on licenses granted with legal or regulatory support and because sector-specific payments are generally made at the level of the underlying license itself.

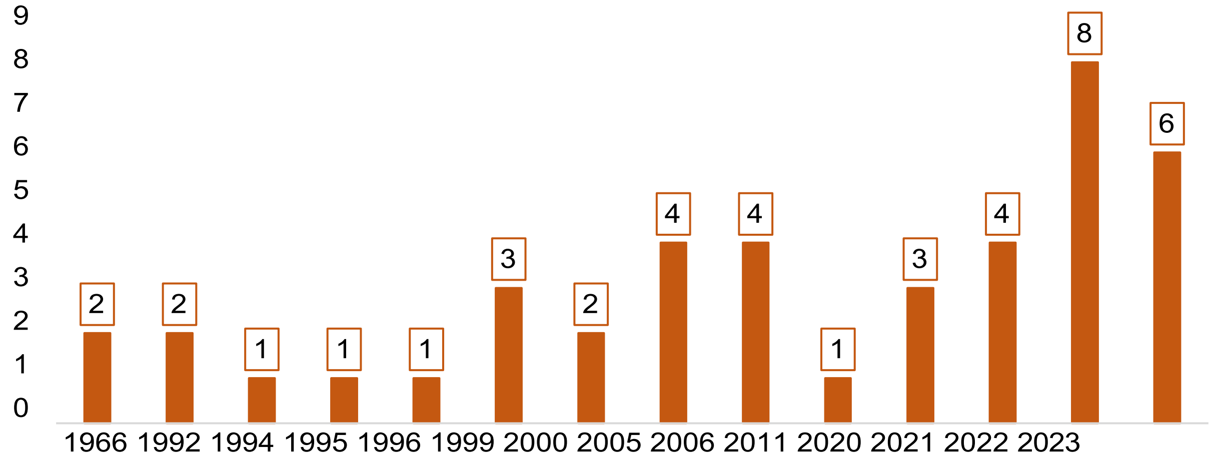
Currently, in Angola, oil and gas sector entities are legally protected in terms of disclosing information on the terms of contracts and applicable legislation, namely by Order No. 409/06 of October 2 and Article 77 of the LAP. However, as full disclosure of the information referred to is a limitation that needs to be addressed, a Working Group was set up for this purpose by the EITI's CNC.

This section presents the publishable information provided by extractive sector regulators, with the disclosure of existing licenses, which according to the analysis carried out are representative of projects according to the EITI definition.

Disclosure of Petroleum Licenses

During the 2022 period, there was a significant increase in the number of oil licenses awarded compared to previous periods. This increase was triggered by the signing of contracts resulting from the 2020 Bid. For this period, a total of 8 petroleum licenses were signed. In addition, up to the 3rd quarter of 2024, 5 licenses were issued, according to Annex N.

Figure 13: Evolution of the allocation of Petroleum Licenses



In 2022, Angola had 40 active oil licenses, as identified in Table 25. During this period, Sonangol, as operator, was present in 6 blocks. According to production (see section 7.2), the blocks with the greatest weight in total oil production were Block 0 and 15, operated by CABGOC and ESSO, respectively, and Blocks 17 and 32, operated by TotalEnergies EP Angola.

Table 25: Active petroleum licenses in 2022[31]

Blocks	Type of Contract	Project phase (2022)	Operators	Partners	Date of Signature
27	CPP	Exploration	Sonangol P&P(3) 100%	-	22/06/2021
28	CPP	Exploration	Azule Energy[1] 60%	Sonangol P&P(3) 20% Tiptop Energy Limited 20%	22/06/2021
29	CPP	Exploration	TotalEnergies EP Angola Block 29 42,80%	Equinor Angola Block 29 AS 22.80% Sonangol P&P(3) 20.00% Azule Energy[1] 8.80% Petronas Angola E&P LTD 5.60%	30/07/2021
FS	Association	Production	SOMOIL[2] 15%	Sonangol E.P. 80% Sonangol P&P(3) 5%	26/05/1966
FST	Association	Production	SOMOIL[2] 31.33%	Sonangol E.P. 63.67% Sonangol P&P(3) 5%	26/05/1966
NORTH CABINDA	CPP	Exploration	Azule Energy[1] 61.54%	Sonangol P&P(3) 25.64% Acrep S.A 12.82%	10/09/1992
CABINDA CENTER	CSR	Exploration	Azule Energy[1] 42,50%	ExxonMobil 32.50% Sonangol P&P(3) 25%	06/11/2000
SOUTH CABINDA	CPP	Production	Pluspetrol 55%	Sonangol P&P(3) 25% Force Petroleum 20%	22/04/1999
1/14	CSR	Exploration	Azule Energy[1] 35%	Equinor Angola 30% Sonangol P&P(3) 25% Acrep S.A 10%	01/12/2020
5/06	CPP	Exploration	Sonangol P&P(3) 100%	-	01/11/2006
0	Association	Production	CABGOC 39.20%	Sonangol E.P. 41% TotalEnergies EP Petroleum Angola 10% Azule Energy[1] 9.80%	05/12/2021

[31] Source: Information provided by ANPG

2/05	CPP	Production	SOMOIL[2] 30%	Falcon Oil 20% Prodoil 12.5% ACREP 12.5% Kotoil 12.5% Polyhedron 12.5%	04/10/2005
3/05	CPP	Production	Sonangol P&P(3) 50%	Maurel & Prom Angola 20% Azule Energy[1] 12% SOMOIL[2] 10% NIS-NAFTGAS 4% INA 4%	04/10/2005
3/05A	CPP	Production	Sonangol P&P(3) 25%	China Sonangol 25% Maurel & Prom Angola 20% Azule Energy[1] 12% SOMOIL[2] 10% NIS-NAFTGAS 4% INA 4%	04/10/2005
4/05	CPP	Production	Sonangol P&P(3) 50%	SOMOIL[2] 18.75% Acrep S.A 18.75 Prodoil 12.50%	04/10/2005
14	CPP	Production	CABGOC 31%	Sonangol P&P(3) 20% Azule Energy[1] 20% Angola Block 14 B.V. 20% Galp 09%	23/02/1995
15	CPP	Production	ESSO 36%	Azule Energy[1] 42% Equinor Angola 12% Sonangol P&P(3) 10%	23/08/1994
15/06	CPP	Production	Azule Energy[1] 36.84%	Sonangol 36.84% SSI 26.32%	03/11/2006
17	CPP	Production	TotalEnergies EP Angola 33.25%	Esso Exploration Angola (Block 17) Limited 19% Azule Energy[1] 15.84% Equinor Angola Block 17 12.66% Equinor Seventeen A.S. 9,5% TotalEnergies EP Exploration M'BRIDGE 4.75% Sonangol P&P(3) 5%	15/12/1992
17/06	CPP	Exploration	TotalEnergies EP Angola Block 17.06 30%	Sonangol P&P(3) 20% SSI 27.50% SOMOIL[2] 10% Falcon Oil 5 % ACREP Block 17/06 S.A 5% Partex Angola Corp. 2.5%	03/11/2006
18	CPP	Production	Azule Energy[1] Angola (Block 18) B.V[1] 36.34%	SSI 37.72% Sonangol P&P(3) 16.28% Azule Energy[1] 9.66%	27/09/1996
20/11	CPP	Exploration	TotalEnergies EP Angola Block 20 50%	Azule Energy[1] 30% Sonangol P&P(3) 20%	20/12/2011
23	CPP	Exploration	Sonangol P&P(3) 100%	-	01/11/2006
30	CSR	Exploration	Esso Expl. Prod. Ang. (Block 30) LTD 60%	Sonangol P&P(3) 40%	07/10/2020
31	CPP	Production	Azule Energy[1] 26.67%	Sonangol P&P(3) 45% SSI 31 15% Equinor Angola Block 31 AS 13.33%	26/05/1999
				Sonangol P&P(3) 30%	

32	CPP	Production	TotalEnergies EP Angola Block 32 30%	SSI 32 20% ESSO 15% Galp 5%	26/05/1999
44	CSR	Exploration	Esso Expl. Prod. Ang. (Block 44) LTD 60%	Sonangol P&P[3] 40%	07/10/2020
45	CSR	Exploration	ExxonMobil Expl. Prod. Ang. (Bloc 45) LTD 60%	Sonangol P&P[3] 40%	07/10/2020
14K & A-IMI	CPP	Production	Chevron (Congo) Ltd. 15.75%	TotalEnergies EP Congo 26.75% Cabinda Gulf Oil Comp. Ltd. 15.50% Azule Energy[1] 10% Sonangol P&P[3] 20% Angola Block 14 B.V. 10% Nat. Des Pét. Su Congo (SNPC) 7.5% Galp E&P Petrolífera S.A. 4,5%	-
48	CSR	Exploration	TotalEnergies EP Angola Block 48 B.V. 40%	Sonangol P&P[3] 30% Qatar Petroleum Inter. Upstream LLC 30%	28/05/2018
21/09	CPP	Exploration	TotalEnergies EP Angola Block 20-21 80%	Sonangol P&P[3] 20%	-
CON1	CPP	Exploration	Etu Energias 40%	Intank 40%, Monka Oil 10% and Omega 10%	04/08/2022
CON5	CPP	Exploration	MTI 50%	Prodoil 15%, Prodiaman 11.67%, Upite 11.67% and Servicab 11.67%	04/08/2022
CON6	CPP	Exploration	Mineral One 43.75%	Etu Energias 43.75% and Prodoil 12.50% Intank 40%, Monka Oil 10% and Omega 10%	04/08/2022
KON5	CPP	Exploration	MTI Energy INC. 60%	Sonangol P&P[3] 20%, Monka Oil 10% and Grupo Simples Oil 10%	04/08/2022
KON6	CPP	Exploration	Simple Oil 50%	MTI 50%	04/04/2022
KON8	CPP	Exploration	Alfort Petroleum 50%	Simples Oil Group 20%, MTI Energy INC 20% and Monka Oil Limitada 10%	22/08/2022
KON17	CPP	Exploration	MTI 60%	Brite's 20% and Mineral One 20%	04/08/2022
KON20	CPP	Exploration	MTI 50%	Brite's 50%	22/08/2022
16	CPP	-	TotalEnergies EP Block 16 A/S 65%	Sonangol P&P 20% Total E&P Chissonga Ldt 15%	26/08/2002

[1]In March 2022, an agreement was signed between BP and ENI to up an independent joint venture in Angola, called Azule Energy. https://anpg.co.ao/noticias/bp-e-eni-criam-azule-energy-para-operar-em-angola/#:~:text=15%20of%20March%20of%202022%20%7C%20Agency,joint%20venture%20independent%20in%20Angola%2C%20denominated%20Azule%20Energy.

[2]In April 2023, it was announced that SOMOIL would change its name to Etu Energias. https://etuenergias.co.ao/noticias/somoil-e-agora-etu-energias/44

[3]Sonangol, E.P.'s corporate model was reorganized, with Sonangol P&P S.A. becoming the Sonangol Exploração & Produção, S.A. business unit (see section 6.7.1 for more information).

Note: see Annexes M, N, Q and U for detailed information on licenses

Furthermore, as mentioned in section 6.3.1, during the 2022 period there was a change in the holdings of the Cabinda North Block, as follows:

⇒ GE is now made up of Azule Energy Angola, B.V., as operator with 61.54%, Sonangol Pesquisa e Produção S.A. with 25.64% and Acrep S.A. with 12.82%.[32]

The other changes previously identified only took effect from January 2023.

For the current year of release of the 2022 EITI Report, and considering the licenses active in 2022, there are 16 licenses in the production phase (including Block 3/05A). Blocks 27, Cabinda South, Cabinda North, 17/06, 23, 30, 44, among others, are some of the licenses that still in the exploration phase.

In addition, in order to provide visibility of the sector between the reporting period (2022) and the year in which the Report is published (2024), we consider it essential to disclose the licenses awarded during this period. Between 2023 and 2024, 15 blocks were awarded, 2 of which are operated by the state-owned company, Sonangol P&P.

Table 26: Licenses signed after 2022[33]

Blocks	Concession Decree	Operators	Date of Signature
KON2	DP no. 271/14, of September 22nd	Intank Group 50%	26/05/2023
KON11	DP no. 272/14, of September 12th	Sonangol P&P(3) 30%	23/05/2023
KON12	DP no. 270/14, of September 22nd	Sonangol P&P(3) 30%	26/05/2023
KON16	PD no. 58/19, of February 18th	APEX 35%	26/05/2023
16/21	PD no. 161/23, of July 31st	TotalEnergies EP Angola 100%	30/08/2023
31/21	PD no. 163/23, of August 1st	Azule Energy[1] 50%	30/08/2023
CON2	PD no. 144/24, of July 2nd	Etu Energias S.A.[2] 50%	-
CON8	DP no. 143/24, of July 2nd	Etu Energias S.A.[2] 40%	-
KON19	PD no. 146/24, of July 5th	ACREP 45%	-
18/15	DE no. 244/23, of November 20	Azule Energy[1] 80%	-
46	DE no. 243/23, of November 20	Azule Energy[1] 40%	-
47	DE no. 245/23, of November 20th	Azule Energy[1] 40%	-
49	PD no. 39/24, of January 26th	CABGOC 80%	-
50	PD no. 40/24, of January 26th	CABGOC 80%	-
14/23-ZIC	DP no. 234/23, of December 21	CABGOC 31%	-

[1]In March 2022, an agreement was signed between BP and ENI to up an independent joint venture in Angola, called Azule Energy. https://anpg.co.ao/noticias/bp-e-eni-criam-azule-energy-para-operar-em-angola/#:~:text=15%20of%20March%20of%202022%20%7C%20Agency,joint%20venture%20independent%20in%20Angola%2C%20denominated%20Azule%20Energy.
[2]In April 2023, it was announced that SOMOIL would change its name to Etu Energias. https://etuenergias.co.ao/noticias/somoil-e-agora-etu-energias/44

Note: see Annex N for detailed information on licenses.

Disclosure of licenses for other mineral resources

In 2022, according to the information received by ANRM, there were 189 active titles for other mineral resources, of which 123 correspond to titles in the Prospecting phase and 66 correspond to the Exploration phase, spread across various regions of Angola. The largest number of active titles are in the North with 30% of active titles, followed by the South with 25%.

[32] https://anpg.co.ao/noticias/wm-dc-excluida-do-bloco-norte-da-zona-terrestre-de-cabinda/
[33]Information provided by the ANPG regulator

Table 27: Active Mining Licenses by Region in 2022[34]

Region	No. of titles	
	Prospecting	Exploration
Center	17	13
Center - East	1	-
Center - South	9	-
Center - East - South	1	-
East	27	15
North	30	22
North - Center	2	2
North - East	2	-
South	34	14
Total	**123**	**66**

Note: See Annex V for a map diamond concessions.

Table 28 shows the number of signed titles allocated to the respective years of issue, also including the 13 licenses that expired in periods prior to 2022. From the table, we can see that the activity of licensing or renewing titles is significant between 2019 and 2022, a factor that reflects the growing national and/or international interest in other mineral resources as a result of the government's revenue diversification strategy in Angola.

Table 28: Evolution of the number of total Mining Licenses signed between 2015-2022[35]

Titles	2015	2016	2017	2018	2019	2020	2021	2022	Total
Prospecting	1	1	4	3	7	38	35	46	**135**
Exploration	2	1	3	4	13	17	11	16	**67**
Total	**3**	**2**	**7**	**7**	**20**	**55**	**46**	**62**	**202**

The titles issued after 2022 and up to October 2023 continue to grow, with 73 new titles being issued, of which 18 in the Prospecting phase and 55 in the Exploration phase. In addition, it should be noted that all the mining titles issued in 2022 were granted by direct request, considering that the process corresponds to the first issue of the title, i.e. not considering it as an extension.

Annexes R and S detail all the information available for each of the licenses. In addition, Annexes W and X detail, respectively, the prospecting and exploration titles signed after 2022.

When we look at the information by type of resource, the mineral resource with the highest number of active licenses in 2022 is diamond, with a total of 57 licenses, followed by gold, with a total of 39 licenses.

[34] Information provided by ANRM
[35] information provided by ANRM

Table 29: Active Mining Licenses by Mineral Resource in 2022

Mineral Resources	Exploration	Prospecting	Total
Diamond	18	39	57
Gold	11	28	39
Basic Metals	1	12	13
Quartz	8	2	10
Plaster	9	2	11
Copper	0	8	8
Iron	4	2	6
Rare Earths	1	4	5
Limestone	3	1	4
Copper/Cobalt/Nickel	0	5	5
Clay	3	0	3
Silica sand	1	3	4
Ferrous metals	0	4	4
Gold/Copper	0	3	3
Cobalt	0	2	2
Galena	0	2	2
Águas Mineiro - Medicinal	1	0	1
Kaolin	0	1	1
Asphalt rock	1	0	1
Lithium	0	1	1
Niobium	1	0	1
Fluorite	0	1	1
Beryllium	0	1	1
Non-ferrous metals and non-metallic minerals	0	1	1
Manganese/Iron and Quartz	1	0	1
Noble Metals	0	1	1
Phosphate	1	0	1
Potassium	1	0	1
Manganese	1	0	1
Total	**66**	**123**	**189**

Details of the information available for each of the licenses can be found in Annexes R and S.

According to requirement 2.4 of the 2019 EITI Standard and as explained above, the information disclosed in the 2022 EITI Report is insufficient in view of the provisions of the requirement, which provides for the disclosure of contracts that define the terms attached to all oil and gas exploration activities, in accordance with the limitations mentioned above (Order no. 409/06 of October 2 and article 77 of the LAP).

As a result of Angola's commitment to comply with EITI requirements, the EITI CNC approved the drafting of a roadmap for transparency in the disclosure of oil contracts and mining licenses, with the support of the International Secretariat. Furthermore, it should be noted that it is expected to aligned with the requirements of the 2023 EITI Standard. This roadmap aims to specifically verify which legal or administrative limitations are associated with the disclosure of information and to outline the specific steps to progressively achieve comprehensive disclosure over time.

In this sense, the roadmap defines that Angola should take proactive measures to facilitate greater transparency in the extractive sector, including:

1. Incorporation of clear contract disclosure requirements for all new , licenses or model agreements;
2. Incorporation of transparency protocols for contracts awarded in future licensing processes;
3. Ensuring a legal basis and framework for the mandatory disclosure of contracts and licenses, updating the relevant legislation, namely Order No. 409/06 of October 2 and Article 77 of the LAP, which governs the terms of confidentiality of oil operations;
4. Finally, publish all active contracts and licenses, including relevant additional documentation, such as environmental plans, social spending reports, etc. This information should be compiled in aggregate form and published on a single *website* or registration system.

As a result of the legal constraints mentioned above, SI, in coordination with Angola EITI CNC, has been developing various *online* and face-to-face training sessions on requirement 2.4 of the 2019 EITI Standard. These sessions have included:

- Face-to-face training session in Luanda on February 16, 2023, with the participation of the EITI CNC;
- Online training session held on May 23, 2023, with the aim of recapitulating the terms associated with Requirement 2.4, with the participation of EITI CNC members;
- *Online* training and exchange session between EITI Angola and EITI Mozambique, focusing on contract disclosure, held on April 12, 2024;
- Exchange and Learning Week between EITI Angola and EITI Mozambique, held in Maputo from July 1 to 4, 2024, where the achievements and challenges for contract transparency were discussed.

With the aim of mapping out the legal challenges and barriers in order to move forward with the process of transparency in the disclosure of contracts in Angola, the Angolan EITI CNC approved the creation of a Technical Working Group, in accordance with Order No. 139 of the Angolan EITI CNC of May 2024. To this , the main *stakeholders* responsible for drawing up this roadmap were selected, as highlighted below.

- 1 member representing the EITI International Secretariat - Technical Coordinator of the Technical Working Group, during the preliminary stage of drafting the Roadmap;
- 1 member representing the ANPG - Deputy Coordinator of the Technical Working Group;
- 1 member representing Civil Society, ANRM and Extractive Industry and MIREMPET.

This roadmap includes a mapping of the main topics to be considered when analyzing and discussing the next steps. To this end, we have identified below all the information that has been mapped to date.

Table 30: Action plan for transparency roadmap for contracts and licenses

Chapter	Description	Status
1	**Introduction**	Finished
2	**What should be disclosed?**	Finished
3	**Why is the disclosure of contracts and licenses important?**	Finished
4	**Demystifying contract disclosure**	
	Main myths	Finished
	Examples from other EITI member countries	For starters
5	**Legal and institutional framework**	
	Specific review and update for the mining sector	For starters
	Specific review and update for the oil sector	For starters
	Examples from other EITI member countries	For starters
6	**Analysis of the state of play for the dissemination of contracts and licenses in Angola**	For starters
	EITI Angola Work Plan 2022-2024 Recommendations of the 1st EITI AO Report	For starters
	Capacity building	In process
	Updating the list of active contracts and licenses	Finished
	Filling in the information provided, gaps and constraints	In process
	Mining sector - description of the state of play, constraints and challenges and planning for the dissemination of contracts and licenses	For starters
	Oil sector - description of the state of play, constraints and challenges and planning for the release of contracts	For starters
7	**Action Plan for Contract Transparency in Angola**	For starters

In addition, it should be noted that once the roadmap has been completed, it will be shared with all the members of the EITI NCC for validation and approval by the respective body, which is currently scheduled to take place during the month of publication of this report (September 2024).

As the table above shows, the first phase of the plan resulted in a mapping study, which included the following information:

a) Description of the legal frameworks in Angola and assessment of the extent to which they provide for full contractual transparency in the extractive sector;

b) Assessment of Angola's contractual transparency, disclosures and compliance requirements 2.4 of the 2019 EITI Standard;

c) Comprehensive analysis of license disclosure in Angola.

As shown in the table above, the next steps include the development of the following tasks, with the support of the contracted consultant - the International Secretariat. In addition, some of the points are already under development.

2. Evaluation/determination of the scope of disclosure of licenses and contracts including:

   a) CNC discussions on Angola's legal regime regarding the disclosure of contracts and licenses and the assessment of the existence of deviations from the terms of the licenses;

   b) Training of the CNC and other stakeholders on contract disclosure and EITI Requirement 2.4;

   c) Assessment of the scope of the annexes that must be disclosed;

   d) Documentation of government policy and practice license disclosure and identification of legal and practical obstacles to disclosure;

e) Develop a summary of the policy on license disclosure based on (a) and (b) above, assessment of the government's policy on disclosure and the identified legal and practical barriers to disclosure;

f) Understanding the procedures for amending contracts in Angola and recommending ways for Angola to systematically monitor amendments and publicize amended contracts.

3. Develop a roadmap for implementing contract transparency.

As mentioned in the previous sentence, if significant work is needed to make data accessible to the public through government systems, the roadmap should suggest an approach that specifies the information that can be obtained from existing sources and the information that would have to be partially or fully collected/disclosed through the EITI information collection process (*templates*).

6.6 Full Beneficiary (Requirement 2.5)

Framework

The 2019 EITI Standard, specifically in Requirement 2.5 relating to BOs, aims to promote transparency by promoting access to information that clarifies in a public and transparent manner all the elements provided for in the regulatory framework of the extractive industry, which includes legislation and standards that combat the dangers of corruption in this sector.

The final aim of this requirement is to be able to identify the real owners and individuals who exercise control over companies operating in the country's extractive sector, in order to prevent the commission of improper acts and/or corruption.

The aim is to ensure that the management of extracted resources complies with the highest ethical standards and best practices, while also monitoring entities owned and/or controlled by people with significant political exposure.

In order to identify who ultimately owns the entities operating in the country's extractive industry, Article 3(9) of Law No. 5/20 of January 27 (Law on Preventing and Combating Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction, as amended by Law No. 11/24 of July 4, 2024) designates BO:

a. The natural person or persons who:

1. They hold a stake in the capital of a legal person or control it and/or the natural person on whose behalf the operation is being carried out;

2. They ultimately exercise effective control over a legal person or entity without legal personality, in situations where the shareholdings/control are exercised through a chain of shareholdings or through non-direct control;

3. They ultimately hold direct or indirect ownership or control of the company's capital or the voting rights of the legal person, other than a company listed on a regulated market, subject to disclosure requirements in line with international standards;

4. Has the right to exercise or exercises significant influence or control over the company regardless of the level of participation.

b. Or, in the case of legal entities that manage or distribute funds, the natural person or persons who:

1. Benefit from their assets when the future beneficiaries have already been determined;

2. Are taken to be the category of persons in whose main interest the legal person is constituted or carries out its activity, when the future beneficiaries have not yet been determined;

3. Exercise control over the legal person's assets.

In addition, according to Law no. 5/20, of January 27, article 3, no. 31, the definition of PEP is established, as designated below.

Politically Exposed Persons (PEPs): national or foreign individuals who perform or have performed prominent public functions in Angola, or in any other country or jurisdiction, or in any international organization.

Although the 2019 EITI Standard does not refer to a minimum shareholding threshold by the potential BO in order for it to be considered as such, the 2023 EITI Standard provides greater clarity regarding this identification, recommending that countries adopt a minimum shareholding threshold of 10% for BO reporting purposes.

Effective beneficiary of the entities within the scope

In the process of collecting information, the entities in the extractive sector, which are carrying out the 2nd EITI Report, shared data on their BOs by filling in the *templates* provided.

In addition, according to the ToR of the Angola EITI CNC, in May 2024, it should be noted that the EITI CNC approved the definition of BO, as explained below.

"*The BO of a commercial company refers to one or more natural persons who ultimately, directly or indirectly, own or control the corporate entity, with the capacity to exercise control over a commercial company being understood as the direct or indirect holding of more than 10% of its share capital. In the case of commercial companies whose capital is circulated on a regulated securities market/listed on the stock exchange and their subsidiaries, when these are the sole shareholders, the indication of the stock exchange on which the entity is registered and the provision of the e-mail address relating to the information submitted to it will suffice for the purpose of identifying BOs. In cases where the BO is a PEP, the full line of the ownership structure showing the connection to the PEP, up to at least the 3rd degree, must be communicated."*

Tables 31 and 32 were mostly completed with the information provided by the entities through the *templates*, in which the former presents the information on the state-owned companies analyzed in this Report and the latter presents the name of the BO of the entities in the scope, as well as, for listed entities, the *links* to the respective entity's website and to the Stock Exchange. For more information reported in the *template* by the entities, see Appendix Y.

Nonetheless, for the purposes of a quality assurance mechanism for this data, public information was consulted regarding the BO of the entities, such as the Guiché Único da Empresa, Reports and Accounts of the entities or their parent companies, notary registers through the *Lexlink* platform. Tables 31 and 32 present, in the Additional Notes, some of the considerations relating to this information quality control.

It should also be noted that, in addition to the information provided in the following tables, SODIAM, E.P. confirmed that it has an internal database with details of the BOs of its clients, i.e. diamond-buying companies. This practice demonstrates the alignment between the state-owned company and the country's CBC/FT policies, as well as the practices associated with the *Kimberly* certification process.

Table 31: State entities in the field

Entities	Legal Holder of the Entity	% Share	Notes
Sonangol, E.P.	Angolan state	100%	-
Sonangol P&P	Sonangol, E.P.	100%	Sonangol, E.P. 100% owned by the Angolan State
ENDIAMA Mining LDA	ENDIAMA - E.P. ENDITRADE	99% 1%	ENDIAMA E.P. 100% owned by the Angolan State

Table 32: BOs of entities within the scope

Entities	Parent company	Holders parent company	BO	Legal representative	Additional notes
TotalEnergies EP Angola TotalEnergies EP Angola Block 32	TotalEnergies SE	N/A*	Listed parent company	Christine Roux	TotalEnergies SE is listed on the New York Stock Exchange *Source:* https://www.nyse.com/quote/XNYS:TTE & https://totalenergies.com/investors/shares-and-dividends/totalenergies-shares & https://www.sec.gov/edgar/browse/?CIK=879764&owner=exclude
Azule Energy Angola, S.p.A Azule Energy Angola (Block 18), B.V Azule Energy Exploration (Angola) Limited	Azule Energy Holdings Limited	BP and ENI	N.I.**	Adriano Mongini	Azule Energy is a joint venture between BP (50%) and ENI (50%). Both are listed companies. Eni is listed on the New York Stock Exchange (https://www.nyse.com/quote/XNYS:E) and FTSE MIB of the Milan Stock Exchange (https://www.borsaitaliana.it/borsa/azioni/scheda/IT0003132476.html?lang=en). At BP, the primary market for the company's ordinary shares is the London Stock Exchange (https://www.londonstockexchange.com/stock/BP./bp-plc/company-page).
Esso Exploration Angola (Block 15) Limited	Exxon Mobil Corporation	N/A*	Listed parent company	N.I.**	Exxon Mobil Corporation is listed on the New York Stock Exchange *Source:* www.nyse.com/quote/XNhttps://YS:XOM & https://investor.exxonmobil.com/stock-info/quote & https://www.sec.gov/edgar/browse/?CIK=34088&owner=exclude
Equinor Angola Block 17 AS Equinor Angola Dezassete AS (in Block 17) Equinor Angola Block 15 AS (in Block 15) Equinor Angola Block 31 AS (in Block 31)	Equinor ASA	Norwegian state (67%) Other Stakeholders (33%)	Listed parent company	N.I.**	Equinor ASA's largest shareholder is the Norwegian government (https://www.equinor.com/investors/our-shareholders) and the company is listed on the Oslo and New York stock markets (https://www.equinor.com/investors/the-equinor-share). *Source:* https://www.sec.gov/edgar/browse/?CIK=1140625&owner=excluof &

					Oslo Stock Exchange: https://live.euronext.com/en/product/equities/NO0010096985-XOSL & New York Stock Exchange: https://www.nyse.com/quote/XNYS:EQNR
Cabinda Gulf Oil Company Limited (CABGOC)	Chervron Holding Limited	N/A*	Listed parent company	Peter William Lacobie Jr. Cristian Castro Nunez	*Source:* https://www.chevron.com/investors/stock-and-dividend & https://www.sec.gov/edgar/browse/?CIK=1395840 New York Stock Exchange: https://www.nyse.com/quote/XNYS:CVX
Maurel & Prom Angola	Maurel & Prom .A.	N/A*	Listed parent company	N.I.**	*Source:* https://www.maureletprom.fr/en/investisseurs/cours-de-l-action & https://www.sec.gov/edgar/browse/?CIK=1589034 Euronext Paris: https://live.euronext.com/en/product/equities/FR0000051070-XPAR
Somoil Block 14 B.V.	Somoil - Sociedade Petrolífera Angolana S.A.	N/A	Alberto de la Vieter de Almeida e Sousa (54.60%)	N.I.**	
ACREP Exploração P etrolífera, SA.	N/A	MON LARAMA ET ALL SERVIÇOS, SA. (49,9%)	Carlos José Martins do Amaral (25.15%)	N.I.**	A MON LARAMA ET ALL SERVIÇOS, SA. is 48.55% owned by Carlos José Martins do Amaral (indirect holding in ACREP Exploração Petrolífera, SA).

*Parent company listed directly on the stock exchange.
**No information was identified in the *template*.

According to the analysis of the data provided through the *templates*, of the total number of extractive entities in the scope (19), around 58% provided information on their BOs. As shown in Table 33, 3 entities did not fill in this data and the remaining 5 entities in the scope did not respond to the *template*.

Table 33: Summary of entities that filled in the template - BOs

Information about BOs	Number
Entities that provided information on BO	11
Entities that did not provide information on BO	3
Entities unable to obtain *contact/template*	5*
Total	**19**

* It should be noted that of the 5 entities, 3 could not be contacted in good time (GALP, SSI and INA) and 2 did not respond (Prodoil and Nafta-Gas).

In addition, Angola has a public platform, Guiché Único da Empresa (see https://gue.gov.ao/portal/publicacao), where it is possible to consult data on the incorporation, alteration, extinction and related acts of commercial companies, sole traders and cooperatives. The portal also provides information on the legal owners of companies, including the level of ownership of each shareholder.

In line with our commitment to combating corruption in the country, here are some of the Anti-Corruption Policies in force at some of the companies mentioned above.

These include the general pursuit of the following principles:

- Anti-corruption guidelines: the policies include the prohibition of various forms of misconduct, such as the receipt of goods and services through collusion between employees and suppliers, and payments for work not carried out, resulting from improper agreements;
- Investigation suspicions: companies undertake to investigate all suspicious conduct reported or denounced;
- Training: the aim of training is to enlighten employees on the applicable anti-corruption laws, as well as to identify and deal with ethics and corruption issues and enhance their role in mitigating the associated risks;
- Corruption Risk Assessment: the policies provide for risk assessments to be carried out to identify and mitigate corruption risks in its operations, guaranteeing the effectiveness of the anti-corruption policies and procedures implemented;
- Hospitality, Sponsorships and Donations: the policies provide that the values relating to these topics are aligned with the values of the companies and that they are carried out legally and ethically;
- Commitment to Ethics and Integrity: the policies require all employees to act in accordance with the company's ethical principles in all their interactions, reinforcing the culture of integrity;
- Prohibition of Undue Influence: establish a clear prohibition against undue influence through the giving or receiving of gifts or hospitality, guaranteeing impartiality in business decisions;
- Sanctions for Violations: describe the disciplinary and legal consequences for violations of the policies, including the possibility of dismissal and legal action by the company;
- Dedicated Anti-Corruption *Compliance* Function: the policies provide for the existence of a *Compliance* figure, responsible for developing, promoting and assisting in the implementation, management and monitoring of programs of this nature;
- Whistleblowing mechanisms: the policies provide for the existence of mechanisms that enable the anonymous and confidential reporting of potential acts of fraud, corruption or non-compliance of other kinds;
- Protection against reprisals: the policies ensure that no employee or third party will suffer any detrimental treatment for participating in or reporting acts that violate the policy or for supporting the investigation process;
- Record-keeping: the policies establish the obligation to maintain a system of internal controls and to keep proper records of information relating to whistleblowing investigations and inquiries.

Table 34: Themes set out in the entities' Anti-Corruption Policies

Entity	1	2	3	4	5	6	7	8	9	10
SOMOIL, S.A	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Equinor	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Maurel & Prom	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
TotalEnergies EP Angola	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes*
Azule Energy	Yes	Yes	Yes	Yes**	Yes	No	Yes	Yes	Yes**	Yes
ESSO***	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Chevron	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

* The Anti-Corruption Policy refers to a specific Conflict of Interest policy.
** For confidentiality reasons, it was not possible to verify the supporting information, however Azule Energy confirmed that the policy described the points identified.
***As this is information held by ExxonMobil, the ESSO affiliate has not provided the supporting documents, but the entity has indicated the policies applicable to the group.

1	Relations with the State and State Companies
2	Relations with suppliers and third parties
3	Penalties
4	Training
5	Complaints
6	Risk assessment
7	Hospitality, Sponsorships and Donations
8	Registering information
9	*Compliance* Officer
10	Conflict of interest

Evaluation

In order to assess the risk of corruption in Angola, it is first important to analyze Angola's position in the *Corruption Perceptions Index (CPI).* There has been an improvement since 2015, when Angola obtained a *score* of 15/100. By 2022, this score had improved to 33/100 in 2022, a score that remained unchanged in 2023. In any case, Angola's *ranking* has dropped, and it currently ranks 121st compared to 116th in 2022. In the last 3 years, the following has been observed:

- In 2021, Angola obtained a score of 29/100 and climbed up the rankings to 136/180;
- In 2022, Angola obtained a score of 33/100 and climbed up the rankings to 116/180.
- In 2023, Angola obtained a score 33/100 and dropped down the rankings to 121/180. The following

graph shows Angola's improvement over the last 8 years, as mentioned:

Figure 14: Country evolution in the Corruption Perceptions Index

Each country's *score* is a combination of at least 3 sources of information drawn 13 different surveys and evaluations. The data is collected by a number of highly reputable institutions, including the *World Bank* and the *World Economic Forum*. Through the data mentioned above, it is possible to see a positive evolution in the country over the last decade, with particular emphasis on the improvements seen in 2016, 2019 and 2022.

During his visit to the country in January 2024, US Secretary of State Anthony Blinken acknowledged and praised Angola's efforts to fight corruption, pointing out that *"President João Lourenço is someone who is fighting corruption, we see that he has made significant progress, he understands very well the poison that corruption represents for development and for the creation of opportunities, and he is taking very concrete steps to fight it".*

Within the scope of the *ESAAMLG Mutual Evaluation of Angola - 2023, a* report drawn up on the basis of the FATF recommendations, it was pointed out that Angola has a good understanding of BC risks. In any case, recommendations were made for actions to be taken, which include:

(i) information to understand the impact CBC/FT risks;

(ii) Creation of risk-based CBC/FT strategies and policies;

(iii) Implementation of structures/mechanisms for coordination and collaboration in CBC/FT actions;

(iv) Allocation of adequate resources to the authorities based on the risks identified;

(v) Collect and maintain statistics on CBC/FT in order to update risks and assess the effectiveness of the measures implemented;

(vi) Increased understanding of CBC/FT risks at national level (public and private sectors);

(vii) Promotion of financial inclusion as a measure to reduce risks in the informal sector with simplified due diligence measures.

In its assessment of the country's democratic quality, Angola has seen an improvement in its classification and is now a "Hybrid Regime" (2023), compared to the classification of "Authoritarian Regime" in 2022, according to the *Economist Intelligence Unit*'s *Democracy Index 2023*.

According to the IMF's 2023 assessment[36])(*Angola: First Post-Financing Assessment*), efforts have been made to strengthen the country's CBC/FT framework, reduce corruption and increase government efficiency, namely through Law no. 5/20, of February 27 - Law on Preventing and Combating Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (amended by Law no. 11/24, of July 4, 2024.º 11/24, de 4 de Julho de 2024), which materially and systematically optimized Law no. 34/11, de 12 de Dezembro, and brought the current regime into line with the evolution prevention and repression needs, aligning it with international recommendations and best practices, including, as already mentioned, the definition of BO. It is also important to note that Article 2 of the aforementioned Law includes those entities that are subject to the law and those that are equivalent to it, those that trade in precious metals and stones.

However, the IMF maintains its 2023 recommendations and, in its 2024 assessment[37] (*Angola: 2023 Article IV Consultation*¸ of March 27, 2024), considers that progress is still needed in the areas of:

(viii) Transparency of information on BOs (including the award of contracts); and

(ix) In asset recovery efforts.

As described in last year's EITI Angola report, the Angolan system for Preventing and Combating Money Laundering and Combating the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction was evaluated by the FATF in the period from October 2021 to December 2021.

[36] IMF Country Reports, released in September 2023
[37] IMF Staff Country Reports, released in March 2024

September 2022. The results of this evaluation were published in June 2023 in the report *"Anti-money laundering and counter-terrorist financing measures Angola - Mutual Evaluation Report"*.

This report:

- It summarizes the framework for the Prevention of Money Laundering and Combating the Financing of Terrorism (PBC/CFT) in force Angola and assesses its level of effectiveness by evaluating 11 immediate results;
- Analyzes the level of compliance with the 40 FATF recommendations (technical compliance) and presents the main deficiencies found; and,
- It proposes a set of recommendations to strengthen and improve the regime implemented in accordance with international standards.

With regard to technical compliance with the FATF standards, which consist of 40 recommendations, it can be seen that since its first assessment Angola has implemented a series improvements to its legal framework with regard to the prevention of Money Laundering/Terrorist Financing (ML/TF), positively impacting the effectiveness of its system:

Table 35: Compliance with FATF Standards

Compliance Level	Compliance with the FATF's 40 recommendations
Accomplished	7
Largely fulfilled	15
Partially fulfilled	15
Not fulfilled	3
Not associated with any of the 40 recommendations	
Total	**40**

As far as the extractive industry is concerned, the FATF Mutual Evaluation Report makes several recommendations, which aim to adopt requirements for the Prevention of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction, a robust risk assessment methodology and ensure adequate supervision and monitoring entities based on the level of risk identified.

It should be noted that this study has not been re-evaluated this year, so no new conclusions or recommendations can be drawn from it.

Considering the above, it should be noted that of the 77 deficiencies identified in the Report, the following was recommended for the extractive industry:

Preventive measures:

- Carrying out risk assessments for Money Laundering, Terrorist Financing and Proliferation of Weapons of Mass Destruction;
- Understanding the most prevalent risks in their third-party relationships, business relationships, transactions and adopting proportionate controls to mitigate the risks identified;
- Development and implementation of prevention programs against ML/TF commensurate with the risks identified and the size of the company, namely:
    - Appointment of persons responsible for compliance with the prevention of ML/TF;
    - Employee training;
    - Implementation of policies and procedures;

  - Independent audit function to test the BC/FT prevention system.
- Definition and implementation of additional measures for identified high-risk situations, as well as storage of accurate, reliable and up-to-date records;
- Development and application of robust mitigation measures, particularly in relation to PEP, suspicious transaction reporting and specific financial sanctions on ML/TFs.

Supervision:

- Establishment and enforcement of strong market entry requirements;
- Carrying out suitability assessments of company directors and/or shareholders and their respective BOs;
- Developing a better understanding of BC/FT risks, in order to create supervision resources and carry out inspections;
- Application of proportional corrective actions and/or sanctions in situations of non-compliance;
- Implementation of post-inspection monitoring mechanisms ensure compliance with remediation agreements and changes in compliance behavior;
- Developing awareness/dissemination programs and issuing sectoral and thematic guidelines based on the risks identified.

In its 2023 Annual Report, within the framework of the Mutual Evaluation of Angola, the UIF points out that in the country *"there is a limited understanding of the concept of BO among the competent authorities, as the information resulting from BO is not collected or maintained by these authorities. On the other hand, Angola does not have procedures to operationalize the search for BO (Computer Platform)".*

The BNA carried out a sectoral risk assessment, which indicated that Angolan banks present a "high" risk of CBB and a "medium" risk of terrorist financing. Following this assessment, the supervised financial institutions must adopt the necessary measures to mitigate the risks identified, which may vary in nature:

- Training and awareness-raising actions;
- Periodic reports to the management body on the financial institution's exposure to CBB risk;
- The implementation of internal policies, procedures and processes that promote the identification and dissemination of information on possible activities related to the CB.

With a number of thematic risk assessments in the country, including corruption, the 3rd national risk assessment for Money Laundering and Terrorist Financing is also expected to be carried out in the short term.

Initiatives taken this year

On June 3, 2024, the Council of Ministers approved ENAPREC, to be implemented in the period 2024/2027. According to the Minister of State and Chief of Staff to the President of the Republic, Adão de Almeida, *"(...) the new strategy will bring the country into line with best practices and international recommendations, including the United Nations Convention against Corruption".*

In order to combat the phenomenon of corruption in the country, several assertive measures have been implemented since 2017, such as the voluntary surrender of assets, asset recovery, legislative changes to the Penal Code and the Code of Criminal Procedure, institutional restructuring with the General Inspectorate of State Administration, the judicial system and the Attorney General's Office.

After this emergency phase, PD 169/24 of July 19 defines the ENAPREC to be applied, which is divided into three fundamental pillars:

- Prevention, with a focus on education, introducing anti-corruption topics into the school curriculum and training programs for civil servants, especially in areas with a higher risk of corruption. In addition, the adoption of codes of conduct and measures to improve public administration and the business environment, through the modernization and digitalization of procedures;
- Detection, with the improvement of systems for identifying acts of corruption, including the identification of the BO and the protection of whistleblowers. Additional measures also include strengthening staff and improving working conditions in the institutions involved in the fight against corruption;
- Repression, through institutional and legislative measures and the reinforcement of resources, with the aim of guaranteeing greater speed in the repression process, accompanied by the detection and improvement of the capacity to recover and manage assets originating from corruption.

With regard to detection, a culture of whistleblowing and zero tolerance is encouraged, as well as mechanisms to protect witnesses and whistleblowers. It should be noted that, according to the study *Occupational Fraud 2024: a Report to the Nations (ACFE)*, 49% of fraud in the Sub-Saharan Africa region was detected through whistleblowing, with corruption being the most common type of occupational fraud in this region (59%).

As for repression, it is recommended that swift mechanisms be adopted for the full recovery the proceeds of crime, that information technologies be optimized and that inter-institutional coordination and cooperation between the various bodies involved in repressing corruption and related crime be strengthened.

In this sense, and according to the Long-Term Strategy - Angola 2050 (approved on July 14, 2023, by the Economic Commission of the Council of Ministers), the Angolan government is seeking to improve infrastructure, rationalize and make the judicial system more efficient and reduce the number of agencies involved in procedures, in order to minimize the risk of corruption. In the same plan, one of the immediate priorities for 2027 is to strengthen trust in the state and public institutions, combat corruption by approving a Code of Ethics in the public service that will clarify responsibilities in creating public policy to prevent and combat corruption, adjusting the disciplinary statute of the public service, involving services in identifying corruption risks and drawing up preventive plans, as well as creating legal mechanisms to protect whistleblowers and witnesses.

The Angolan government has also said that it will monitor the implementation of the aforementioned plan, by updating it periodically, disseminating the results and involving civil society in updating, monitoring and evaluating it. The plan also undertakes to assess and correct any gaps and deficiencies in the associated legislation. The plan aims to significantly reduce the levels of corruption and its impact on the economy and society, as well as strengthening the external perception of Angola as an effective democratic state governed by the rule of law.

Angola has committed itself to approving and implementing a modern legislative framework in line with international best practice in the fight against corruption, money laundering and terrorist financing tax fraud and evasion, including legislation on the identification of BO, the detection, seizure and confiscation of the proceeds of crime, the reporting of information on the financial system and associated activities and professions and on politically exposed persons. They will ensure adherence to and implementation of the guidelines of the leading international organizations in the fight against corruption, such as the FATF and the Organization for Cooperation and

Economic Development (OECD), promote effective access to periodic evaluations of the ESAAMLG and foster the exchange of information, training and resources.

Following on from the FATF recommendations presented above, it is important to highlight work and mitigation actions carried out to address them:

- The National Strategy for Combating Money Laundering, consisting of 5 pillars, was approved by PD 73/23 of March 15:
  - (i) Coordination and international cooperation;
  - (ii) Regulation and Supervision;
  - (iii) Training and Awareness;
  - (iv) Transparency;
  - (v) Investigation, Legal Proceedings and Asset Recovery.
- Efforts have already been made by the country to combat money laundering, and it has new legal instruments, including Law no. 11/24, of July 4, 2024, which updates the previous Law on ML/TF (Law no. 5/20, of February 27), Notice no. 02/2024, of March 22, 2024, from the BNA, which establishes a set of obligations for the country's financial institutions aimed at preventing money laundering.02/2024, of March 22, 2024, of the BNA, which establishes a set of obligations for the country's financial institutions, aimed at preventing money laundering, as well as the enactment of Law no. 12/24, of June 25, which amends the Angolan Penal Code (Law no. 38/20, of November 11).
- On June 18, 2024, the UIF, in partnership with the Supervisory Authorities and the Angolan Banking Association, promoted the 1st Dialogue between the Public and Private Sectors on the theme "The Risk-Based Approach, Challenges and Opportunities". The aim of the event was to promote dialogue between the Public and Private Sectors in order to improve understanding of the risk-based approach, share understanding of the risks in the various sectors, the implementation of the risk-based approach, the challenges that each of the sectors has observed and the opportunities resulting from them within the scope of Preventing and Combating Money Laundering, Terrorist Financing and the Proliferation of Weapons of Mass Destruction in Angola.
- The UIF is also running an awareness-raising program on issues related to Money Laundering and Terrorist Financing, an initiative that has already covered most of the national territory (in 2023, it covered the provinces of Cuando Cubango, Cuanza Norte, Malanje, Zaire, Bengo and the province of Moxico, which was extended to entities in the provinces of Lunda Norte and Lunda Sul). Divided into three parts, the agendas for the awareness campaigns dealt with:
  - The role of the FIU and its interaction with other national authorities in Preventing and Combating Money Laundering and the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction;
  - The risk of money laundering, terrorist financing and the financing of weapons of mass destruction in the BC/FT/FP Prevention and Combat System;
  - Angola's Mutual Evaluation process, its importance and the state of the ongoing process (2021-2023).

- In addition, the FIU took part in a number of *workshops* (national and international) and its employees took part in a number of training sessions (national and international) over the last year:

Table 36: Workshops held by the FIU

International *Workshops*	
Theme	**Country**
Professionals on Combating Hezbollah's Global Terrorist, Financial and Supply Networks	The Hague, Netherlands
Full Beneficiary	Cape Town - South Africa
Improving Inter-institutional Cooperation between FIUs and Investigative Authorities	Nairobi - Kenya
Compendium of Financial Intelligence	Mauritius
International GoAML User Group Meeting	Vienna, Austria

National *Workshops*
Theme
Lecture on Angola's Efforts to Combat Money Laundering and Organized Crime
Understanding Money Laundering for Civil Society
Understanding Non-Profit Organizations and Effectively Mitigating BC/FT/FP Risk
Conference on Angola's Efforts to Combat Money Laundering and Organized Crime
Money Laundering, Fraud Risk Prevention, Corruption and Bribery
Lecture on the Obligations of Subject Entities
2nd Mutual Evaluation Simulation Meeting with the Angolan Delegation
Presentation Session of the Angola Mutual Evaluation Report and its Recommendations
The importance of combating illicit financial flows to achieve sustainable development goals
The Importance of FIU Cooperation with Law Enforcement Authorities
Angolan legislation and FATF recommendations
Role of the Analysis and Typology Department in the Investigation and Prosecution of Crimes Economic, Financial and Organized
Angola's Mutual Evaluation Process, its Importance and its Ongoing Process (2021 - 2023)
BC/FT/FP Risk Assessment - National Risk Assessment

Table 37: Training provided by the FIU

International Training	
Theme	**Country**
Financial Intelligence Analysis	Gaborone, Botswana
Transparency of BOs and the Decision of the European Court of Justice (SOVIM)	Online
Asset Recovery and Confiscation	Lusaka, Zambia
Full Beneficiary	Cape Town - South Africa
Anti-corruption	Gaborone, Botswana
Dark Web and Virtual Currency	Gaborone, Botswana
Financial Research Techniques	Arusha, Tanzania
Basic Regional Trainers to Combat the Financing of Proliferation	Gaborone, Botswana
Risk-based supervision	Gaborone, Botswana
Evaluators	Gaborone, Botswana
National trainings	
Theme	
Financial Research	
Money Laundering Investigation	
PROREACT trainers	
Official Document Writing Techniques	
Excellence in Customer Service	
Beneficiary training	
Combating the Financing of Terrorism	
Occupational Qualifier	
Ethical risk	
SPRING	

- In March 2023, Pedro Castro e Silva, Director of the BNA, on the subject of BOs, pointed out that "(...) a review of the law against money laundering is planned, which will trigger a review of banking regulations". To this end, Law 11/24 was enacted on July 4, 2024, amending Law 5/20 of February 27. Among other changes and additions, special focus should be given to the new Article 54 - A, which states that (paragraph 1) "the competent authorities for the incorporation, registration, licensing or any other act formalizing the operation of legal persons (...) operating in the national territory must ensure that they maintain and retain the basic information relating to the organization and operation of the legal person, including: (al. (e)) personal identification information of the respective members, partners, administrators, managers, controllers and BOs (...)", with the latter also being obliged to (no. 2) "(...) make it available to the authorities and entities of interest (...)". Also noteworthy is the new Article 88-A, which provides for the to the State of assets obtained through the crimes provided for in the Law, i.e. within the scope of BC/FT/PADM.
- Inherently linked to the previous point, on March 22, 2024 the BNA published Notice no. 02/2024 on the Rules for Preventing and Combating Money Laundering.

Capital, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction. It lists 10 main obligations applicable to the country's financial institutions:

(i) Angolan financial institutions must obtain and keep information on occasional transactions that exceed the value of 15,000 dollars, regardless of whether they are carried out in a single operation or in several related operations;

(ii) It is forbidden to open and maintain anonymous accounts or accounts under fictitious names;

(iii) Financial institutions should implement enhanced due diligence procedures for non-profit organizations, including details about their location, organizational structure, the nature of donations and their spending;

(iv) Risk assessments must be carried out at least every 12 months, which may be extended to 24 months depending on the nature, size and complexity of the activity;

(v) Financial institutions must create mechanisms to inform business units and relevant employees about policies, procedures and measures for managing and mitigating identified risks;

(vi) Information about processes related to politically exposed persons must be communicated to the relevant employees;

(vii) Banks must cooperate and share information with each other, the FIU and the BNA in order to prevent money laundering and terrorist financing;

(viii) Financial institutions should adopt measures to identify cross-border wire transfers with insufficient information on the originator or beneficiary;

(ix) Banks must set up specific, independent and confidential channels receiving, processing and filing reports of irregularities related to the law on preventing and combating money laundering;

(x) A well-founded assessment must be made of the reliability and credibility of employees appointed to more sensitive and risky roles, with sanctions established in the event of infringements.

- Having established a partnership with the *EU Global Facility*, the underlying bilateral activities have already resulted in the start of technical assistance to the country, which began in October 2023. Among others, the actions relating to the issue of BOs are worth mentioning:
  - *"Participation in ESAAMLG April 2024 Plenary and presentation of the BO toolkit for LP/LA"*[38]*;*
  - *"Regional Workshop on Enhancing Beneficial Ownership Frameworks"*[39]*;*
  - *"BO regional ESAAMLG conference in Zambia"*[40]*;*
  - *"Beneficial Ownership Transparency (BOT) and the European Court of Justice "Sovim" ruling: state of play and way(s) forward"*[41]*.*

This collaboration concerns the Angolan authorities' request for support in the field of BC/FT, specifically with regard to strengthening their *framework,* including the aforementioned 40 recommendations to the country by the FATF.

[38]EU Global Facility on AML/CFT, released April 2024 [39]EU Global Facility AML/CFT, on released May 2023 [40]EU Global Facility on AML/CFT, released September 2022 [41]EU Global Facility AML/CFT, on released July 2023

- The "Public Tender No. 08/ANPG-DAF/2023 - Acquisition of Consulting Services for Sectoral Money Laundering Risk Assessment" was launched in August 2023. Focused on the oil sector, this project, led by ANPG and with the support of Ernst & Young, aims to strengthen the sector in accordance with the FATF's international standards and includes the collaboration of the country's main oil entities. The methodology adopted is based on the World Bank's tool, which considers CB/TF risks as a function of vulnerability, threat and consequences. The project is also in line with the recommendations of the aforementioned ESAAMLG and FATF mutual evaluation report.

  To , the tasks carried out include:

  (i) The definition of a methodology based on the World Bank's tool, adapted to the Angolan oil sector to gauge its degree of risk of ML/TF and arms proliferation;

  (ii) Consultation with oil entities, including operators and partners, through a questionnaire, in order to assess the maturity of their BC/FT policies and procedures;

  (iii) Collaboration with the UIF to obtain relevant data, reinforced by a protocol signed with the ANPG.

  The project is currently in the phase of analyzing the information collected and is expected to last one year, starting in February 2024. It is intended that the outcome will be a sectoral risk assessment report on CB/CFT and arms proliferation, identifying specific recommendations to strengthen the sector and improve CB/CFT risk management.

- The previous report mentioned Angola's accession to the EITI in June 2022. In accordance with requirements 2.4 and 2.5 of the 2019 EITI Standard and in order to create an action plan for mapping and disseminating BO, the EITI Angola CNC set up a working group made up of members from SODIAM, E.P., ANPG, Civil Society and ANRM, coordinated by a representative from SI. The roadmap is currently being developed by the working group and is expected to be completed in October 2024. The main aim of the roadmap is to identify the following data;

  - Topics set out in Requirement 2.5 of the 2019 EITI Standard;
  - Components for evaluating progress;
  - Responsible for filling in the information;
  - Implementation status;
  - Additional comments;
  - Next steps.

For more information on the structure of the script, see Appendix Z.

The first iteration of the survey of information on the BOs of entities operating in the country's extractive sector took place this year, and these are presented below. It should be noted that although the list of economic operators has been obtained, the information on their BO has not been obtained for all of them, in accordance with the 2023 EITI Standard:

(i) Name of BO;

(ii) Legal representative;

(iii) Nationality;

(iv) Country of residence;

(v) Date of Birth;

(vi) Address;

(vii) Contact.

In addition, it should be noted that, in the oil sector, there are listed companies namely international oil companies, and it is therefore possible to find publicly available information on their BO through their Annual Reports or *websites* (investor information).

- In the legislative field, the following amendments enacted this year should also be highlighted:

  Law 9/24 of June 25, which amends the Law on the Prevention and Combating of Terrorism (Law 19.17 of August 25) and which, among other things, deals with the freezing of assets (Article 19), logistical or technical support for terrorism (Article 29) or the confiscation of assets in favor of the State (Article 50);

  - Law no. 10/24, of June 25, amending the Judicial Cooperation Law (Law no. 13/15, of June 19).

Topics not updated this year

- In June 2022, by Presidential Order No. 157/22, a multisectoral working group was set up, responsible for presenting solutions for the identification of Politically Exposed Persons, complying with the current regulatory framework and taking into account the recommendations listed by the FATF. This working group is coordinated by His Excellency the Minister of State for Economic Coordination, who is joined by His Excellencies the Minister of Justice and Human Rights, the Minister of Finance, the Secretary to the President of the Republic for Judicial and Legal Affairs, the Director of the UIF, the Representative of the BNA and the Representative of the Data Protection Agency.
- It was estimated that the National Observatory for Combating Terrorism would be set up by end of 2023. This Observatory will serve as a body for coordinating and sharing information on preventing, suppressing and combating terrorism. At national level, it will promote the organization of plans for implementing the actions set out in the national strategy for preventing, suppressing and combating terrorism, and at international level, it will promote coordination between the points of contact for the various areas of intervention in this field. This Observatory will potentially include the following members: Defense and Security Forces; Security Services; UIF; and the Ministry of Foreign Affairs (MIREX).

- Through a working group made up of the UIF, the Criminal Investigation Service, the Attorney General's Office (PGR), Ministry of the Interior and the Office of His Excellency, the President of the Republic, a Designation Law is being drafted that will deal people flagged as potential terrorists or terrorist financiers, which will complement Law no. 5/20, of February 27, and it was estimated that this work would be completed in the first quarter of 2024.
- This year there no work of note on the topics listed above.

6.7 State-owned companies (Requirement 2.6)

In the Angolan context, state supervision and involvement in the extractive industry is carried out through various national entities and companies. These institutions play key roles in both regulating and operationalizing activities related to the extractive industry sector. As such, this section aims to disclose the legal and contextual framework of state-owned companies, which carry out both activities, as operators in the industry.

In accordance with requirement 2.6 of the 2019 EITI Standard, information on state-owned companies must be disclosed in this Report, in order to clarify the state's participation in the oil and gas sector and in the other mineral resources sector. The state-owned companies identified in the context of the extractive industry in Angola were the Sonangol Group, an entity mostly associated with oil activities, and ENDIAMA - E.P. and SODIAM, E.P. associated with the other mineral resources sector.

6.7.1 P&G sector

Legislation:

- **Decree no. 52/76**, of June 9 - Creates the Sociedade Nacional de Combustíveis de Angola: Sonangol, E.P., as a public company, with headquarters in Luanda;
- **DP no. 15/19**, of January 9 - Approves the Organic Statute of Sonangol, E.P..

Sonangol, E.P., created by ***Decree no. 52/76, of June 9,*** has as its main activity to operate in the oil sector, from the initial phase of research and production of hydrocarbons (*upstream*), developing all the activities linked to the processes, until the moment of sale to the end customer (*midstream/downstream*), through a wide group of companies.

In its previous capacity as CN, Sonangol, E.P. played the role of representing and managing state interests in the context of the oil rights that belonged to it. Following the reorganization of the P&G sector, the LAP was amended by Law no. 5/19, of 18 April, and the ANPG Statute was approved, with the ANPG becoming the owner of the state's mining rights, as CN. For its part, Sonangol, E.P. obtains and maintains the following powers.

1	Authorized to partner with foreign or national entities to carry out oil operations in national territory
2	Holds the right of first refusal to grant a participating interest of at least 20% in new oil concessions
3	In the extension of the production period in oil fields that reach the end of the production period, they have a right of preference in the allocation of a participating interest of up to 20%.
4	You have the right of first refusal when it comes to being an operator
5	It has direct, or indirect through an affiliate, rights to be financed up to 20% in its exploration operations by international associates (if it is not an Operator) and pre-emptive rights in the acquisition of participating interests in new oil concessions

In 2019***, PD no. 15/19 of January 9 came*** into force, approving the new Organic Statute of Sonangol, E.P. (repealing PD no. 222/17 of September 27) following the need to adjust the Statute in light of the creation of the ANPG. DP no. 15/19, of January 9, introduced changes to the composition of its bodies, namely the Board of Directors, the Supervisory Board and the Board of Directors. [42]

Business Units

Corporate	Activity of Sonangol E.P.: provider of corporate services to subsidiaries including financial investments
Exploration and Production	Crude oil exploration, exploitation and production
Gas and Renewable Energy	Research, exploration and production of natural gas and renewable energies
Refining and Petrochemicals	Refining of crude oil products
Trading & Shipping	Transportation and marketing of crude oil, oil products and gas
Distribution and Marketing	Storage, distribution and marketing of products derived from crude oil and gas
Non-nuclear businesses	The Group's "*non-core*" activities such as aviation services, health, training, real estate management, telecommunications and other financial investments considered "*non-core*", many of which are covered by PROPRIV

[42] https://www.sonangol.co.ao/wp-content/uploads/2022/07/SNL_RELAT%C3%93RIO-DE-GEST%C3%83O-E-CONTAS_ANO-2021.pdf

With regard to the business units identified, it should be noted that the restructuring of Sonangol, E.P., whose conclusion was aligned with the term of the Interministerial Commission to Support the Organizational Restructuring of the Oil Sector (CIAROSP), created by Presidential Order No. 113/18 of 27 August, also resulted from a redefinition and adoption of a new organizational model, focusing on the primary value chain. In this way, the structure of the Group's parent company (Sonangol, E.P.) was reduced, consisting of 12 Directorates (previously 21), a Shared Services Center, 5 Business Units in the primary value chain and Sonangol Holdings, as a corporate structure, which brings together all the non-core businesses and management holdings in other assets that remain in the sphere of Sonangol, E.P..

Board of Directors

The Board of Directors is the body in charge of managing Sonangol, E.P., responsible for deciding on the development and investments to be made. It is also the body responsible for reporting to the government on fundamental information regarding the company's management.

The Board of Directors is represented by the Chairman, Sebastião Gaspar Martins, from the Communication, Brand and Social Responsibility, Corporate Intelligence and Security and Human Resources departments. By 6 Executive Directors, Belarmino Chitangueleca, from the Portfolio Management Strategy Department, Baltazar Miguel, from the Corporate Finance and Management Planning and Control Department, Jorge Vinhas, responsible for the Gas and Renewable Energies *Trading & Shipping* Business Unit, Olga Sabalo, from the Legal Advisory and Compliance Department, Kátia Epalanga, from the Quality, Health, Safety and Environment and Technology Department and Osvaldo Inácio, from the Internal Audit and Tax Department. There are also 4 Non-Executive Directors present, André Moda and Lopo Nascimento, from the Remuneration and Compensation Committee and Augusto de Matos and Bernarda Martins, from the Audit Committee.

Powers of the Board of Directors of Sonangol, E.P.
Defining the main guidelines and strategies of the company and its associates;
Approve and submit for validation the plans and budgets, as well as the investment programs;
Approve the annual plans and budgets, together with the corresponding investment programs;
Approving the annual reports and accounts and forwarding them for validation by the competent authorities;
Establishing the technical and administrative organization of the company, as well as internal regulations and other operating rules;
Defining the prices charged by the company and submitting price proposals for approval;
Decide on the creation of partnerships and the start or end of activities;
Appointing and dismissing representatives of Sonangol, E.P. on company management or control bodies associates, on the proposal of the Chairman of the Board of Directors;
Deciding on short, medium or loans;
To approve the appointment proxies with specific powers;
Submitting for MINFIN's approval or authorization acts that require such a procedure by law or statute;
Proposing special regimes, subsidies and incentives necessary for the activities of Sonangol, E.P. to the competent bodies of the Executive;
Approve the creation or extinction of forms of social representation and define their powers;
Proposing an increase in the statutory capital for approval by the competent authorities;

To approve the purchase, sale, encumbrance and lease of real estate and the consignment of income;
Approve contracts related to oil concessions and exploration, as well as their amendment or termination, in accordance with applicable legislation and regulations;
Approving the start-up, maintenance and closure of the company's activities, operations or businesses;
Approve the contracting of goods and services not provided for in the budgets or that exceed the limits of delegated powers;
To approve the report on the implementation of the plan for the use of the company's social fund;
To approve the acquisition and disposal of assets and financial holdings not included in the annual budgets, respecting the regulatory limits;
Establishing personnel rules;
To manage and execute acts related Sonangol, E.P.'s corporate purpose.

Supervisory Board

The Supervisory Board is the company's supervisory body, made up of 3 members appointed by joint order of the heads of the Ministries responsible for the Public Business Sector and Public Finance and MIREMPET, consisting of a chairman and 2 members.

Responsibilities of the Supervisory Board of Sonangol, E.P.
Supervising management and ensuring compliance with the rules governing the company's activity;
Certifying the company's assets, including those it holds as collateral, deposits or otherwise;
Analyze the accounts and check that the valuation criteria adopted by the company correctly reflect the value of its assets and results;
Issuing opinions on the company's financial statements, especially the annual report and accounts;
Report any irregularities detected to the competent authorities;
Issuing opinions on any matters relevant to the company;
To request, through its chairman, the convening of meetings of the Board of Directors when necessary.

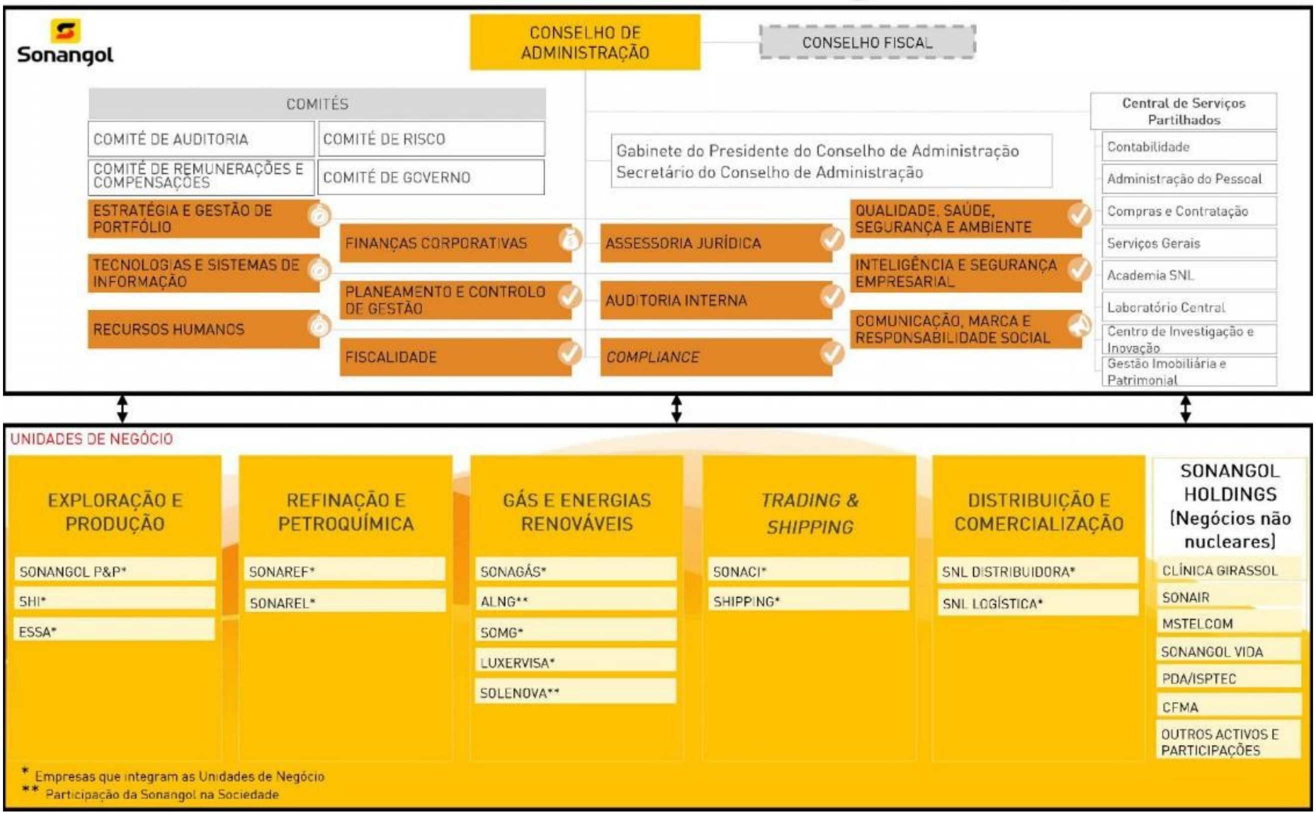
Board of Directors

The Board of Directors of Sonangol, E.P. is an advisory body, made up of the Chairman of the , the directors and those responsible for the various functional areas of the company. The Board of Directors has the prerogative to invite other employees, including representatives of unionized workers, to take part in Board meetings. Furthermore, the Board of Directors is a consultative body whose function is to analyze and issue opinions on crucial company issues. The BoD is obliged to consult the Board of Directors on issues such as the draft plan and budget and its implementation report, the draft report and accounts, investment programs, human resources management policies, including the classification, assessment, incentives, benefits, bonuses, promotion and professional development of employees, as well as the plan for the use and implementation report of the company's social fund.

Organizational Model

A macrostructure organizational model defines the way an organization is structured on a large scale, including the hierarchy, functions and relationships between the different departments or divisions. Sonangol, E.P.'s macro-structure organizational model is shown in Figure 15.

Figure 15: Organizational model of Sonangol, E.P.'s macrostructure[43]



Sonangol Group's cost management and approval model

With regard to the acquisition of goods and services and investment decisions, the Sonangol Group has developed and implemented a set of internal rules and procedures for purchasing and contracting, duly approved by the Board of Directors:

- Purchasing and Contracting Management Standard;
- Standard for Delimiting Powers and Binding the Sonangol Group;
- Purchasing and Contracting Policy;
- Procurement Process Manual and Supplier Manual)

The documents mentioned are currently for internal use only and although they are not published on the Sonangol, E.P. website, the IA was given access to them. As a central vector of the policy and in order to reinforce transparency, Sonangol, E.P. highlights the fact that procurement decisions follow the guidelines of public procurement in force in the country, despite the fact that as a public company, the Group is exempt from doing so on the basis of the provisions of Public Procurement Law 41/20. This law defines the rules that public sector bodies without financial autonomy must follow when contracting.

[43] https://www.sonangol.co.ao/estrutura/

Sonangol Group - Subsidiaries and associates

Since 2016, Sonangol Group has made available its Consolidated Financial Statements and respective legal certification of accounts (https://www.sonangol.co.ao/relatorio- accounts).

Annexes AA and AB provide an overview of the entities in which Sonangol Group holds stakes. Annex AA identifies the entities included in the Group's consolidated accounts in 2022, entities 100% controlled by the Group. Annex AB identifies other financial holdings of the Group, which are not consolidated, either because they do not meet the control assumption (< 50% stake) or because of the divergent nature of the P&G operations, since the Consolidated Financial Statements are organized to show sector consolidation.

Oil exploration interests

In accordance with requirement 2.6 of the 2019 EITI Standard, the State's shareholding in oil operations must be disclosed in the 2022 EITI Report, so Sonangol Group has the following shareholdings:

Blocks in which Sonangol P&P is Operator

As Operator in 2022, Sonangol P&P participated in a total of 6 oil concessions.

Table 38: Oil Blocks in which Sonangol P&P has a stake as Operator

Blocks	Concession Decree	Operator (%)	Partner (%)
27	PD no. 104/21, of April 26	Sonangol P&P[(3)] 100%	-
05/jun	Decree no. 81/06, of November 1st	Sonangol P&P[(3)] 100%	-
03/May	Decree no. 73/05, of September 28th	Sonangol P&P[(3)] 50%	Maurel & Prom Angola 20% Azule Energy[1] 12% SOMOIL[2] 10% NIS-NAFTGAS 4% INA 4%
3/05A	Decree no. 71/05, of September 28th	Sonangol P&P[(3)] 25%	China Sonangol 25% Maurel & Prom Angola 20% Azule Energy[1] 12% SOMOIL[2] 10% NIS-NAFTGAS 4% INA 4%
04/May	Decree no. 70/05, of September 26th	Sonangol P&P[(3)] 50%	SOMOIL[2] 18.75% Acrep S.A 18.75 Prodoil 12.50%
23	PD no. 85/06, of November 1st	Sonangol P&P[(3)] 100%	-

[1]In March 2022, an agreement was signed between BP and ENI to up an independent joint venture in Angola, called Azule Energy. https://anpg.co.ao/noticias/bp-e-eni-criam-azule-energy-para-operar-em-angola/#:~:text=15%20of%20March%20of%202022%20%7C%20Agency,joint%20venture%20independent%20in%20Angola%2C%20denominated%20Azule%20Energy.

[2]In April 2023, it was announced that SOMOIL would change its name to Etu Energias. https://etuenergias.co.ao/noticias/somoil-e-agora-etu-energias/44

[3]Sonangol, E.P.'s corporate model was reorganized, with Sonangol P&P S.A. becoming the Sonangol Exploração & Produção, S.A. business unit (see section 6.7.1 for more information).

For the blocks operated by the state-owned company, we report below the deadlines for the start of Sonangol P&P's participation, which is currently referred as Sonangol Exploração e Produção, S.A..

Table 39: Blocks in which Sonangol P&P participates as Operator - Concession periods

Blocks	Date of signature	Effective date	Search period end date	Project phase (2022)
27	22/06/2021	01/07/2021	01/07/2026	Exploration
5/06	01/11/2006	01/12/2006	01/12/2010	Exploration
3/05	04/10/2005	28/09/2005	-	Production
3/05A	04/10/2005	01/11/2005	01/11/2008	Production
4/05	04/10/2005	01/11/2005	01/11/2008	Production
23	01/11/2006	01/12/2006	01/12/2010	Exploration

Blocks in which Sonangol P&P is a Partner

As a Partner in 2022, Sonangol P&P participated in a total of 25 oil concessions.

Table 40: Oil Blocks in which Sonangol P&P is a Partner

Blocks	Concession Decree	Operator (%)	Partner (%)	Project phase (2022)
28	DP no. 112/21, of April 29th	Azule Energy[1] 60%	Sonangol P&P(3) 20% Tiptop Energy Limited 20%	Exploration
29	DP no. 113/21, of April 29th	TotalEnergies EP Angola Block 29 42,80%	Equinor Angola Block 29 AS 22.80% Sonangol P&P(3) 20.00% Azule Energy[1] 8.80% Petronas Angola E&P LTD 5.60%	Exploration
FS	DL no. 46.822, of 31/12/ 1965	SOMOIL[2] 15%	Sonangol E.P. 80% Sonangol P&P(3) 5%	Production
FST	DL no. 48.847, of 23 /01/1969	SOMOIL[2] 31.33%	Sonangol E.P. 63.67% Sonangol P&P(3) 5%	Production
NORTH CABINDA	Decree no. 46/R/92, of September 9th	Azule Energy[1] 61.54%	Sonangol P&P(3) 25.64% Acrep S.A 12.82%	Exploration
CABINDA CENTER	DP no. 72/15, of March 20th	Azule Energy[1] 42.50%	ExxonMobil 32.50% Sonangol P&P(3) 25%	Exploration
SOUTH CABINDA	Decree-Law no. 6/99, of February 25th	Pluspetrol 55%	Sonangol P&P(3) 25% Force Petroleum 20%	Production
1/14	DP no. 153/14, of June 12th	Azule Energy[1] 35%	Equinor Angola 30% Sonangol P&P(3) 25% Acrep S.A 10%	Exploration
0	Decree no. 29/86, of December 30th	CABGOC 39.20%	Sonangol E.P. 41% TotalEnergies EP Petroleum Angola 10% Azule Energy[1] 9.80%	Production
14	DL no. 19/94, of November 18th	CABGOC 31%	Sonangol P&P(3) 20% Azule Energy[1] 20% Angola Block 14 B.V. 20% Galp 09%	Production
15	DL no. 14/94, of July 8th	ESSO 36%	Azule Energy[1] 42% Equinor Angola 12% Sonangol P&P3 10%	Production
15/06	DP no. 84/06, of November 1st	Azule Energy[1] 36.84%	Sonangol 36.84% SSI 26.32%	Production

17	Decree no. 51/92, of September 16, amended by Decree no. 127/20, of 31 March	TotalEnergies EP Angola 33.25%	Esso Exploration Angola (Block 17) Limited 19% Azule Energy[1] 15.84% Equinor Angola Block 17 12.66% Equinor Dezassete A.S. 9.5% TotalEnergies EP Exploration M'BRIDGE 4.75% Sonangol P&P[3] 5%	Production
17/06	Executive Decree no. 87/06, of November 1st	TotalEnergies EP Angola Block 17.06 30%	Sonangol P&P[3] 20% SSI 27.50% SOMOIL[2] 10% Falcon Oil 5 % ACREP Block 17/06 S.A 5% Partex Angola Corp. 2.5%	Exploration
18	DL no. 7/96, of August 9th	BP Angola (Block 18) B.V[1] 36.34%	SSI 37.72% Sonangol P&P[3] 16.28% Azule Energy[1] 9.66%	Production
20/11	DP no. 303/11, of December 15th	TotalEnergies EP Angola Block 20 50%	Azule Energy[1] 30% Sonangol P&P[3] 20%	Exploration
30	DP no. 54/19, of February 18th	Esso Expl. Prod. Ang. (Block 30) LTD 60%	Sonangol P&P[3] 40%	Exploration
31	DL no. 8/99, of May 14th	Azule Energy[1] 26.67%	Sonangol P&P[3] 45% SSI 31 15% Equinor Angola Block 31 AS 13.33%	Production
32	DL no. 9/99, of May 14th	TotalEnergies EP Angola Block 32 30%	Sonangol P&P[3] 30% SSI 32 20% ESSO 15% Galp 5%	Production
44	DP no. 76/19, of March 13th	Esso Expl. Prod. Ang. (Block 44) LTD 60%	Sonangol P&P[3] 40%	Exploration
45	DP no. 55/19, of February 18th	ExxonMobil Expl. Prod. Ang. (Bloc 45) LTD 60%	Sonangol P&P[3] 40%	Exploration
14K & A-IMI	-	Chevron (Congo) Ltd. 15.75%	TotalEnergies EP Congo 26.75% Cabinda Gulf Oil Comp. Ltd. 15.50% Azule Energy[1] 10% Sonangol P&P[3] 20% Angola Block 14 B.V. 10% Nat. Des Pét. Su Congo (SNPC) 7.5% Galp E&P Petrolífera S.A. 4.5%	Production
48	Executive Decree No. 154/18, of 30 June 2018 May	TotalEnergies EP Angola Block 48 B.V. 40%	Sonangol P&P[3] 30% Qatar Petroleum Inter. Upstream LLC 30%	Exploration
21/09	DL no. 14/09, of February 24th	TotalEnergies EP Angola Block 20-21 80%	Sonangol P&P[3] 20%	Exploration
KON5	DP no. 190/22, of July 22nd	MTI Energy INC. 60%	Sonangol P&P[3] 20%, Monka Oil 10% and Grupo Simples Oil 10%	Exploration

[1]In March 2022, an agreement was signed between BP and ENI to up an independent joint venture in Angola, called Azule Energy. https://anpg.co.ao/noticias/bp-e-eni-criam-azule-energy-para-operar-em-angola/#:~:text=15%20of%20March%20of%202022%20%7C%20Agency,joint%20venture%20independent%20in%20Angola%2C%20denominated%20Azule%20Energy.

[2]In April 2023, it was announced that SOMOIL would change its name to Etu Energias. https://etuenergias.co.ao/noticias/somoil-e-agora-etu-energias/44

[3]Sonangol, E.P.'s corporate model was reorganized, with Sonangol P&P S.A. becoming the Sonangol Exploração & Produção, S.A. business unit (see section 6.7.1 for more information).

The detail of the holdings demonstrates the central role that Sonangol E&P plays in the national strategy for the use of oil resources and its representativeness in the sector, from an economic point of view and from the development of local content.

In addition to economic performance, the aim of the blocks in which Sonangol Group is the operator is to promote the development and training of local resources in the sector at an operational and management level, and the experience gained from participating as a partner in various other blocks is also critical to this development.

For more information on the dates and phases associated with the start of each concession in which Sonangol P&P has a stake, see section 6.5.

Terms associated with state capital

As mentioned above, according to article 44 of the LAP, Sonangol, E.P. has pre-emptive rights in the allocation of participating interests, with a minimum of 20% in new oil concessions. This right extends to both direct and indirect participation, through a subsidiary. In addition, Sonangol, E.P. has the prerogative to assume the position of operator in new concessions, provided it demonstrates adequate technical and financial capacity.

With regard to the financing of exploration operations, Sonangol, E.P., when not acting as operator, has the right to be financed up to 20% by its international associates. This financing applies until the block moves into the production phase, at which point Sonangol, E.P. starts to share in the expenses and uses part of its profit to reimburse the expenses financed by the partners.

Under DP no. 3/12, of March 16, Sonangol, E.P. is exempt from paying signature bonuses and contributions to social projects when signing oil contracts. However, the other types of bonus requested by the ANPG, namely the production bonus, are applicable to the state-owned company, which must, like its international partners, contribute in proportion to its participating interest in the concession.

Following the process of awarding a concession to an EG, all payments under the contract are made by the companies involved, in proportion to their participating interest. In situations where Sonangol, E.P. is financed, payments are made by the other partners until the start of the production phase. Subsequently, the research costs financed are reimbursed to Sonangol, E.P. through a cost recovery process, as stipulated in the contracts signed.

During 2022 and subsequent years, Sonangol, E.P. and/or subsidiaries were involved in the negotiation processes for Blocks KON 11, KON 12, KON 5, CON 4, Blocks 46, 47, 49, 50, 14/23 and 18/15.

Oil sales breakdown

The breakdown of oil sales by institutional participation is a key indicator for understanding the distribution of revenues between the state entities involved in the exploration and marketing of hydrocarbons in Angola. The ANPG, as the CN, regulates and supervises the P&G sector, while Sonangol, E.P., as the state oil company, is involved in oil production and marketing.

In 2022, Sonangol, E.P.'s sales, broken down by product, are as shown in Table 41.

Table 41: Sonangol, E.P. sales by product in 2022[44]

Headings	2022
Crude oil - Association	2 745 096
Refined - Gasoline	232 505
Refined - Diesel	483 412
Jet A1	117 147
Jet B	3 013
Gas	125 418
Illuminating Oil	8 783
Fuel Oil	272 107
Nafta	104 043
Price subsidy	1 981 941
Other sales	23 173
Total (Million AKZ)	**6 096 637**
Total (Millions of USD)	**13 389**

Balances between Sonangol, E.P. and ANPG

The breakdowns of the balances between Sonangol, E.P. and ANPG in 2022 are shown in Table 42.

Table 42: Sonangol, E.P. and ANPG transactions in 2022[45]

Headings	2022
State Balances Under ANPG Guardianship (As CN)	**-**
Crude oil sales on the international market	-
Purchase of Crude Oil from ANPG for the Luanda Refinery	-
Sale of Crude Oil to the ANPG	-
ANPG Own Balances	**57 796**
Upstream	**(9 585)**
Underlift balance	306
Cost resulting from the transfer of participatory interest	(9 891)
Pension Fund	-
Transition support	**19 554**
Expenses of the Concessionaire function	12 923
Direct costs (payment by account)	6 631
Other Services	**47 827**
Marketing Commission (Agency)	22 594
Other expenses	25 233
Total (Million AKZ)	**57 796**
Total (Millions of USD)	**127**

Although they are under the supervision of the ANPG as a CN, the lines "Sale of Crude Oil on the international market", "Purchase of Oil from the ANPG for the Luanda Refinery" and "Sale of Crude Oil to the ANPG" have the state as the final beneficiary.

The nil balance under the heading "Sale of Crude Oil on the international market" is related to the offsetting of non-tax credits against tax and non-tax debts, and the credit accumulated as at December 31, 2022 in relation to this type of transaction has been offset in its entirety.

[44] Sonangol Annual Report 2022
[45] Sonangol Annual Report 2022

The line "Purchase of crude oil from ANPG" refers to the amount payable to ANPG for the purchases of crude oil made by Sonangol, E.P.. The aggregate balance of purchases in 2022 and previous years was subsequently offset together with the remaining assets and liabilities.

As of October 27, 2020, with the entry into force of the new DP no. 283/20, of October 27, as mentioned above, ANPG is no longer obliged to exclusively guarantee the supply of crude oil to national refineries. The item "Sale of Crude Oil to ANPG" refers to shipments of crude oil from the blocks in which Sonangol, E.P. has a stake, destined for the Luanda Refinery. The shipments necessary for the supply of raw materials and the operation of the Luanda Refinery were the sole responsibility of CN, however, in cases of insufficient crude oil from the state, the crude oil from CN's partners in the oil concessions, including Sonangol, E.P., was used as a resource. As mentioned under the heading "Sale of crude oil on the international market", the nil balance corresponding to this heading is also related to the offsetting of non-tax credits against tax and non-tax debts, and the credit accumulated as at December 31, 2022 has been offset in full.

Distribution profits for the year

According to article 239 of the Companies Act - Law no. 1/04, of February 13, the following requirements must be met in order to distribute profits for the year:

⇒ Unless a clause in the articles of association or a resolution approved by a majority of 3/4 of the votes corresponding to the share capital at a meeting called for that purpose, the company shall shall distribute at least half of the distributable profits of the financial year to the shareholders each year;

⇒ The shareholder's claim to his share of the profits is due after 30 days from the date of the resolution approving the distribution of profits, unless a deferral is agreed by the shareholder. partner;

⇒ The shareholders may, however, by means of a resolution approved by a majority of 3/4 of the votes corresponding to the share capital, defer the distribution of profits for up to 60 days from the date in which they have been defeated, on the grounds of an exceptional situation of the company;

⇒ If, under the company's articles of association, managers or auditors are entitled to a share in profits, this can only be paid once the partners' profits have been paid.

Undistributed retained earnings are approved at the general meeting, in accordance with the proposal of the Board of Directors, in accordance with the articles of association of Sonangol, E.P., and in 2022 decision was taken not to distribute dividends.

Loans

Sonangol, E.P., as Angola's state-owned oil company, has, through the Board of Directors, the autonomy take out loans that are fundamental to financing its operations and expansion projects. At present, Sonangol, E.P.'s borrowings are made up of financial instruments that can vary significantly in terms of maturity. Medium and short-term loans are intended to finance specific operations related to current activities. Long-term loans are generally aimed at CAPEX investment such as infrastructure, exploration and development of new oil fields, or the modernization of existing equipment and facilities.

The table below summarizes the position of Sonangol, E.P.'s short- and long-term loans in 2022:

Table 43: Sonangol, E.P.'s short and long-term loans in 2022

Headings	Current		Non-current	
	2022	2021	2022	2021
International Banking Loans	745 763	721 904	1 303 223	1 563 905
National Bank Loans	1 695	-	-	5 239
Total (Million AKZ)	**747 459**	**721 904**	**1 303 223**	**1 569 144**
Total (Millions of USD)	**1 641**	**1 585**	**2 862**	**2 516**

With regard to loans from national banks, this corresponds to the loan taken out in 2019 from Banco BAI to cover the liabilities assumed with employees under housing loans.

As far as international bank loans are concerned, Sonangol, E.P. takes out its loans through its subsidiary Sonangol Finance Limited.

In 2022, the company took out a new loan from the syndicate of banks Standard Chartered Bank, Société Generale, Standard Bank, Afrexim Bank and ABSA, for a total amount of 1.3 billion USD, with Sonangol Finance Limited receiving 500 million USD in advance in March and 250 million USD in June, which were settled by September 2022.

The USD 1.3 billion loan was disbursed in two tranches:

- The first tranche of USD 1 billion in September 2022, and;

- The second tranche of 300 million USD in December 2022.

This financing bears interest at the SOFR (*Secured Overnight Financing Rate*) plus margin (*spread*), and the first tranche is repayable in 60 monthly installments, while the second tranche will be repaid in 57 monthly installments.

In 2022 there were no closures of financing other than the one mentioned above, and it is important to note that to date the loan agreements signed between Sonangol Finance and the international creditors are guaranteed by the Receivables Agreement between Sonangol, E.P. and Sonangol Finance, with the obligation of the latter to allocate monthly revenues in the proportion of 125% of the value of the debt service to be made in the following period, and there are no direct state guarantees under the Group's loan agreements.

Taxes

The item Oil Tax for 2022 (Tax Credit - Definitive Declaration) in the DFA, amounting to AKZ 94.358 billion, corresponds to the adjustment made at the end of the year to the oil taxes for 2022 as a result of the submission of the definitive tax declarations.

Considering that, at the time of the settlement, the 2022 oil taxes had already been offset against non-tax credits, the settlement amount in question is recognized as a receivable from the State, and is expected to be recovered through future offsetting exercises.

In 2022, Sonangol, E.P. and the State of Angola and other public entities carried out an additional compensation exercise for non-tax credits and tax and non-tax debt. The non-tax credits in favor of Sonangol, E.P. included part of the above net assets in the amount of AKZ 816.119 billion, with the remaining amount of AKZ 6.628 billion with

with reference to December 31, 2022, and which is expected to be offset in a future year.

The following assets and liabilities were included in the offsetting exercise:

- The entire balance of the 2020 and 2021 grants, validated by IGAPE;
- Part of the remaining balance in favor of Sonangol, E.P. resulting from the 2019 Settlement Agreement with the State;
- The balance receivable from Crude Oil sales to ANPG up to the end of 2021;
- Sonangol Group's oil tax debts for 2021 and 2022 (uninspected tax returns) in favor of the State;
- The balance of the Phase IIIª Settlement Agreement between Sonangol, E.P. and AGT;
- The balance payable for purchases of Crude Oil from the ANPG for 2021 and 2022;
- The balance of the process of allocating shipments from Sonangol, E.P. to ANPG relating to Debt Service until the end of the 2022 financial year.

As detailed in the table below, as a result of the offsetting of the assets and liabilities shown above, there is still a balance to be recovered from the Angolan state in the amount of AKZ 36.849 billion, which is recognized under the heading "Current Account - Offsetting of Regular Balance with the State":

Table 44: Regular Clearing of Balances with the State

Headings	USD (Millions)	AKZ (Millions)
Credits validated in favor of Sonangol, E.P. 31/12/2022		
2020 grants	1 094	551 168
Grants 2021	2 436	1 226 750
Remaining State Settlement Agreement	1 755	883 879
Balance of Crude Oil Sales to CN	312	157 127
Total credits in favor of Sonangol, E.P.	**5 597**	**2 818 924**
Agreement III tax phase in USA	(386)	(194 264)
Agreement III tax phase in AKZ	(785)	(395 336)
Oil tax 2021 Sonangol, E.P.	(864)	(434 939)
Oil tax 2021 Sonangol Pesquisa & Produção, S.A.	(306)	(153 988)
Oil tax 2022 Sonangol, E.P.	(1 342)	(676 095)
Oil tax 2022 Sonangol Pesquisa & Produção, S.A.	(396)	(199 357)
Balance of Crude Oil purchase from CN for Luanda Refinery	(957)	(482 135)
CN balance	(488)	(245 961)
Total debt in favor of the State	**(5 523)**	**(2 782 075)**
Current Account - Regular Clearing of Balances with the State as at 31/12/2022	**73**	**36 849**

State capital

The data on the terms associated state capital reveal the conditions and guidelines under which the government exercises its participation and influence in public companies.

In the course of 2022, the Sonangol Group set up the company Sonangol Refinaria de Cabinda and subscribed to a share capital of USD 3 thousand. This company is based in the Cayman Islands and will hold a stake in the vehicle company that will build and operate the Cabinda refinery. Annex AB shows all the financial investments in subsidiaries.

The main operations that took place in 2022 are detailed below: Angola

LNG financial investment

The shareholders again decided to reduce the capital by 5.7 billion USD, and Sonagás ER was reimbursed its share of 1.3 billion USD. The receipts were recorded against a reduction in the investment in this subsidiary.

As part of the impairment test carried out in 2022, the impairment amounting to 189 million USD was reversed. As of December 31, 2022, this investment has no recorded impairment, with all the impairment accumulated in previous years having been reversed in 2022. The impairment test carried out took into account not only existing reserves but also the supply of additional gas from free areas. Given Sonangol Gás Natural e Energias Renováveis, S.A.'s 22.8% stake in the project, the fair value of the stake as of December 31, 2022 is USD 3,489 million (2021: USD 1,814 million), which is higher than the historical cost recorded for this subsidiary. In the impairment test carried out with reference to December 31, 2022, a discount rate of between 17.26% and 15.26% was considered and a Net Present Value ("NPV") was obtained for the ALNG project of between AKZ 1,699,318 million and AKZ 1,820,173 million.

Sonangol P&P Iraq Cayman Islands

In 2022, an assessment was carried out on the investment held in Sonangol P&P Iraq (which owns the Najmah and Qaiyarah fields in Iraq), and identified the need to reinforce impairment in the amount of USD 58,888 thousand corresponding AKZ 27,388 million.

Arbitration proceedings concerning the transfer of the 40% stake in Esperaza Holdings B.V. to Exem Energy B.V.

In 2022, Esperaza Holding B.V decided to return part of the invested capital in the amount of AKZ 29.808 billion, corresponding to EUR 65 million, settled in two installments, the first of EUR 20 million and the second of EUR 45 million. This repayment was initially made by converting the share premium reserve into capital, followed by a resolution to repay the share capital invested to Sonangol, E.P., resulting in a decrease in the gross investment.

Equity Swap Puma Energy

As at December 31, 2021, Sonangol Group had an asset receivable from Sonangol Africa Limited in the amount of AKZ 254.181 billion corresponding to the fair value of the transaction and recorded a purely accounting gain associated with this operation in the amount of AKZ 136.009 billion. With reference to December 31, 2022, this amount has not been settled, and management does not expect this to occur in 2023, so the amount was reclassified to "other non-current assets" in 2022, and mechanism by which this amount will be settled is being considered in the context of the transfer.

Economic Bank

On February 15, 2022, Banco Económico's Executive Committee presented the RRP, which includes the issue of convertible equity securities to reinforce the bank's recapitalization.

The plan also proposes the conversion of 45% of deposits over 5 million USD into capital, through a closed Securities Investment Fund and the conversion of 20% of deposits by the

Participation Fund, excluding the participation of public entities. Sonangol, E.P. chose not to increase its stake in the bank's capital, resulting in the total dilution of its interest and the loss of its position as a shareholder following the approval of the RRP at the General Meeting of August 5, 2022. The measure, guided by the sector regulator, led to the extinction of Sonangol, E.P.'s shares and the *write-off* of the stake from the company's balance sheet, without impacting the group's income statement.

Rules and practices

It is essential to provide a clear overview of the rules governing the financial relations of State-Owned Enterprises, covering the statutory procedures for the distribution of profits, the management of retained earnings and reinvestments.

In accordance with DP no. 15/19, of January 9, which approves the new organic statutes of Sonangol, E.P., the provisions of article no. 26 of the Basic Law of the Public Business Sector (Law no. 11/13, of September 3), the Company's profits, after deduction of taxes to be withheld, should be allocated as follows:

- 10% for the constitution of the legal reserve, the cumulative amount of which must not exceed 20% of the statutory capital;
- At least 10% for the constitution of the fund for the evaluation of hydrocarbon potential;
- At least 5% for the other investments fund;
- Up to 5% for the social fund;
- Distribution of individual incentives to employees and members of the Management Body, by way of profit sharing, within the limits set by the applicable legislation;
- Other voluntary funds approved by the Board of Directors and approved by the competent State bodies;
- Hand over to the State as owner of the company, in accordance with the law;
- The amount of profits for the year needed to cover losses from previous years.

Table 45 shows the changes in reserves and retained earnings.

Table 45: Movements in reserves and retained earnings

Headings	2021	Appropriation Net Profit Previous Year	Net Profit for the Year	Actuarial gains / losses	Other movements	2022
Legal reserves	23 043	-	-	-	-	23 043
Other reservations	977 979	-	-	244 391	8	1 222 378
Valuation Fund	178 850	-	-	-	-	178 850
Investment Fund	940 550	-	-	-	-	940 550
Total Bookings	**2 120 423**	**-**	**-**	**244 391**	**8**	**2 364 822**
Retained Earnings	**(7 014 721)**	**1 336 745**	**-**	**-**	**-**	**(5 677 976)**
Adjustment of DF conversion	6 604 137	-	-	-	(524 703)	6 079 434
Profit for the year	1 336 745	(1 336 745)	838 084	-	-	838 084
	7 940 882	**(1 336 745)**	**838 084**	**-**	**(524 703)**	**6 917 518**
Balance in December (Million AKZ)	**3 046 584**	**-**	**838 084**	**244 391**	**(524 695)**	**3 604 364**
Balance in December (Millions of USD)	**6 690**	**-**	**1 840**	**537**	**(1 152)**	**7 915**

In 2021, Sonangol, E.P.'s Consolidated Net Profit was positive by AKZ 1,336745 million, equivalent to USD 2,142 million, fully incorporated under Retained Earnings.

Other reserves in actuarial gains reflect Sonangol Group's post-employment benefit plans (pensions and medical expenses).

The conversion adjustments to the Financial Statements essentially reflect the appreciation of the kwanza exchange rate against the United States dollar during the period and its impact on the transposition of the Financial Statements of the subsidiaries included in the consolidation perimeter whose functional currency is the United States dollar.

No dividends were distributed.

Public Debt

The total debt of Angola's public companies reached AKZ 2.13 trillion (USD 4.68 billion), with Sonangol, E.P. and TAAG, E.P. contributing to this amount. Sonangol's debt,
E.P. amounted to AKZ 2.05 billion (USD 4.5 billion), while TAAG's amounted to AKZ 83.7 billion (USD 0.18 billion).

The country's public debt, which includes both government debt and that of public companies, excluding indirect debt, amounted to AKZ 36.46 trillion, or USD 80 billion. It should be noted that the amounts in USD take into account the exchange rate used in this EITI Report.

This figure represents a decrease of approximately 11% compared to the previous period, largely due to the appreciation of the kwanza against the dollar.[46]

Angolan Privatization Plan (PROPRIV)

In the first phase of PROPRIV, a list of 195 companies was drawn up, including public companies and companies governed by Angolan law in which the state has a direct or indirect shareholding, namely through Sonangol, E.P., in some sectors.

According to the PROPRIV 2019-2021 Balance Sheet, dated January 2022, the Angolan privatization plan has made significant progress with the privatization of 73 assets, representing 52% of the established plan. Of the privatized assets, 54 were acquired by Angolan companies, demonstrating the strong interest and capacity of the local business sector to actively participate in this process of economic transformation.

In financial terms, the total value of the contracts was approximately AOA 850.17 billion. Of this amount, AKZ 469.671 billion was actually received in cash. Specifically, AKZ 26 133 million was transferred to the Angolan state, contributing to the strengthening of public finances. In addition, AKZ 47.167 billion was transferred to Sonangol, E.P., the state oil company, reflecting its participation in the privatization process.

A notable highlight in financial execution was the asset swap resulted in Sonangol, E.P. acquiring a stake in Puma Energy, valued at AKZ 396 371 million. This exchange, agreed in April 2021, refers to the inclusion in PROPRIV of the 31.78% stake that Sonangol, E.P. held in Puma Energy, Sonangol, E.P. transfers this stake in the amount of 600 million USD to the company Trafigura and in return Sonangol, E.P. becomes the owner of the Pumangol Retail network. This transaction not only exemplifies Sonangol, E.P.'s strategy of diversification and portfolio optimization, but also indicates a strategic move.

[46] CGE 2022

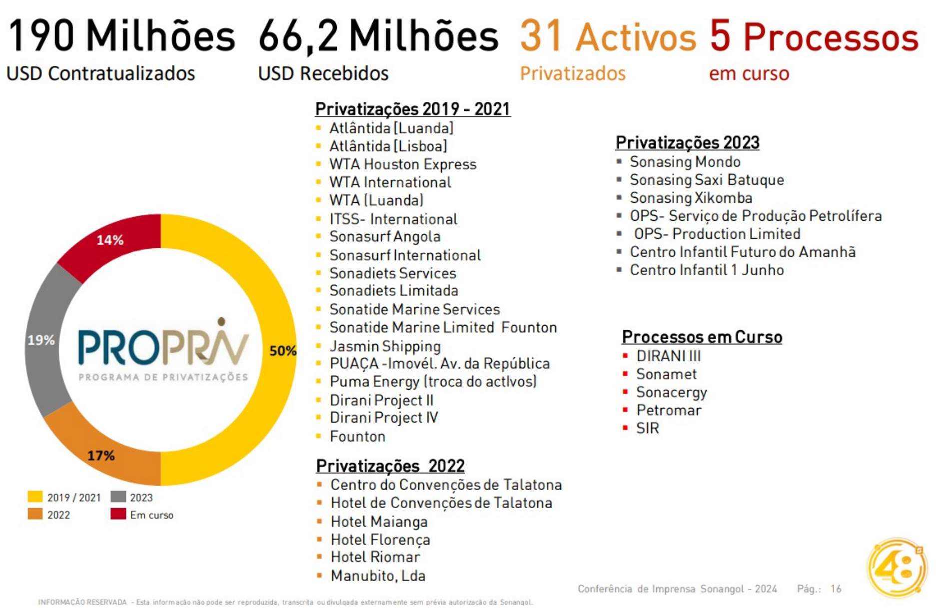
Currently, and in the context of Angola's ambitious privatization plan, the government has made significant progress in restructuring and optimizing the portfolio of state assets. To date, 190 million USD have been contracted in privatization agreements, of which 66.2 million USD have already been effectively received, reflecting an active commitment to improving economic efficiency and attracting private investment.

The privatization strategy has already resulted in the transfer of ownership of 31 assets to the private sector, covering a variety of sectors and demonstrating the diversity and openness of the Angolan market to national and international investors. These privatized assets represent an important step in reducing the state's presence in the economy, allowing for greater market dynamics and competitiveness.

In addition, there are currently 5 privatization processes under development, which indicates that the plan continues to be actively implemented and that more assets are being prepared for the process of transition to the private sector. This move is line with the country's modernization and economic development objectives, with the aim of boosting more efficient management and a more resilient and diversified economy.

Figure 16 shows the data PROPRIV and non-nuclear businesses.

Figure 16: Data on PROPRIV and non-nuclear businesses[47]



6.7.2 Other Mineral Resources Sector

In the other mineral resources sector, diamonds are the most representative mineral in the sector, as mentioned above. To this end, two state-owned companies have been created, according to the institutional framework presented in section 6.2, which are explained in the following sections. As far as the other mineral resources sector is concerned, there are no state-owned companies other than the entities listed below.

47 https://www.sonangol.co.ao/wp-content/uploads/2024/02/Sonangol_Conferencia-de-Imprensa-2024_VF20240222_v3.pdf

6.7.2.1 Diamond Subsector

ENDIAMA - E.P.

ENDIAMA - E.P. ceased to exercise the role of CN (exclusive of mining rights) by DP no. 143/20, of May 26 (see 6.2.2), acquiring the role of Mining Operator.

ENDIAMA - E.P., a public interest company, involved in the prospecting, exploration and marketing of diamonds. The aim of the company is to
to carry out sustainable management of the diamond sector, contributing to the growth of this sector in Angola and adding value to the country.

In addition to its corporate purpose, the company also operates in seven different areas: Mining, Transportation and Logistics, Health, Safety, Social Responsibility and Sports.[48]

ENDIAMA Mining	Its corporate object is the research, prospecting, reconnaissance, processing and marketing of diamonds and accessory minerals.
Fundação Brilhante	The Brilhante Foundation, the social face of ENDIAMA, was set up on April 7, 2005, as a unique channel of socio-cultural support for communities.
Sacred Hope Clinic	The company provides its clients with qualified medical care services. ENDIAMA E.P. also has a central medical center and health centers in all the mines it operates, serving workers and their dependents or members of the surrounding communities.
Sports Group	Dundo soccer club, financed by ENDIAMA
Alpha 5	Alfa 5 Segurança Industrial e Patrimonial, S.A.R.L., a commercial company in which ENDIAMA E.P. holds more than 50% of the capital, has been on the market for more than twenty-five years.
Enditrade	Its corporate purpose was General Trade, Import and Export, but Enditrade later evolved into ENDITRADE - LOGÍSTICA INTEGRADA E TRADING SA.
Hotel units	Comprising the Hotel Diamante Luanda, Vila Angélica and the ENDIAMA Hotel Complex.

Board of Directors

The Board of Directors is made up of a Chairman, José Manuel A. Ganga Júnior, and 4 Executive Directors, Ana Maria Feijó for Legal Affairs and Social Responsibility, Laureano Receado Paulo, for Mining Operations (primary), Shareholding Management, Auditing and Quality Control, Domingos Margarida, for Mining Operations (secondary), Administration and Human Resources, Teófilo Chifunga, for the Geology Area.

[48] https://www.endiama.co.ao/ & https://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4z/mzq2/~edisp/minfin3346333.pdf

Code of Conduct

Designed to guide the professional and ethical behavior of all employees, the Code, emphasized by Chairman of the Board José Manuel Augusto Ganga Júnior, is fundamental to promoting honest practices in Angola's diamond sector.

Applicable to all employees, regardless of position, the Code stresses the importance of ethics, transparency and responsibility. Knowledge and application of the Code in daily activities is required to promote a respectful and efficient working environment. Discriminatory practices and harassment are strictly prohibited, while equality and diversity are highly valued.

The Code defines standards for respecting confidentiality, managing conflicts of interest and ensuring a safe workplace, in line with ISO 37301 and ISO 37001. The management team actively supports the Compliance Program, highlighting fairness, autonomy, beneficence and anti-corruption stances.

Employees are encouraged to improve the Integrity Management System and to report irregularities. The Code emphasizes adherence hierarchy and teamwork, with ENDIAMA - E.P. focusing on ownership and the public interest. Independence is crucial to prevent conflicts that affect impartiality.

A healthy and safe working environment is the goal, requiring strict adherence to health and safety standards. The proper use and preservation of company property is everyone's duty. In ethical dilemmas, employees must uphold corporate values and seek guidance.

Penalties can be imposed for unjustified absence. Employees should avoid situations that could lead to conflicts of interest and approach them transparently.

The Code prohibits any actions that could lead to conflicts of interest, especially involving suppliers, customers or competitors. Fairness in entertainment or hospitality events and impartial decision-making are required.

Full registration of gifts and hospitality received or offered is mandatory, and any ethics-related violations must be reported anonymously through established channels. This includes discrepancies around gifts or hospitality.[49]

ENDIAMA - E.P.'s participation in mining projects

ENDIAMA - E.P. participated in following projects, according to information obtained from the state-owned company. During the year, ENDIAMA - E.P. was the operator of following projects: Uari Cambange, Luaxe, Luchimba and Luembe. For more information on the projects in production and the workforce, see Annex AC.

[49] https://www.endiama.co.ao/wp-content/uploads/2018/03/Co%CC%81digo-de-conduta-apt.pdf

Table 46: ENDIAMA - E.P.'s participation in mining projects[50]

Name	Location	Type of Mine	Human Capital	Participation ENDIAMA - E.P.	ENDIAMA participation Mining
Sociedade Mineira do Catoca	Lunda Sul-Saurimo	Kimberlite	National: 2,152 Foreigners: 192	59%	-
Camutué	Lunda Norte-Lucapa	Kimberlite	National: 564 Foreigners: 103	35%	-
Chitotolo	Lunda Norte - Cambulo	Alluvium	National: 791 Foreigners: 131	45%	-
Cuango	Lunda Norte - Cuango/Xá-Muteba	Alluvium	National: 788 Foreigners: 126	41%	-
Luminas	Lunda Norte - Luremo	Alluvium	National: 280 Foreigners: 10	87%	-
Somiluana	Lunda Norte - Lucapa/Cambulo	Alluvium	National: 613 Foreigners: 42	39%	-
Calonda	Lunda Norte - Lucapa	Alluvium	National: 84 Foreigners: 12	50%	-
Uari Cambange	Lunda Norte-Lucapa	Alluvium	National: 302 Foreigners: 07	51%	-
Lulo	Lunda Norte - Capenda Camulemba	Alluvium	National: 261 Foreigners: 44	32%	32%
Luachimo	Lunda Norte - Lucapa	Alluvium	National: 351 Foreigners: 22	25%	-
Tchegi	Lunda Norte - Lucapa	Alluvium	National: 86 Foreigners: 1	-	24%
Lunhinga	Lunda Norte - Lucapa	Kimberlite	371	92,50%	-
Luaxe	Saurimo - Lucapa	Kimberlite	1 541	44,5%	-
Mucuanza (Cangandala)	Kwanza Sul/Malange - Mussende/Cangandala	Alluvium	——	33%	-
Furi	Lunda Norte - Cambulo/Chitato	Alluvium	230	-	20%
Luachimba	Lunda-North	Alluvium	7	100%	-
Luembe	Lunda-North	Alluvium	390	19,90%	-

In addition, with regard to the terms of the partnerships mentioned above, it should be noted that they follow the terms set out in the Commercial Companies Law - Law no. 1/04, of February 13, and there are no specific forms. ENDIAMA - E.P., as a shareholder mining projects, has powers and obligations under the terms of the aforementioned Law, namely:

[50] Https:// &www.endiama.co.ao/actividades-mineiras/participacoes/ www.endiama.co.ao/actividades-mineiras/projectos-https://miners/

- ENDIAMA - E.P., as a shareholder, has the fundamental rights established in Article 23 of the Companies Act, which include:
  - Share in the company's profits;
  - Participate in membership deliberations;
  - Obtain information about the life of society;
  - To be appointed to the company's management and supervisory bodies.

- ENDIAMA - E.P., is subject to the general obligations of shareholders, in accordance with article 22 of the Companies Act, which include:

  1. Make the agreed entries;
  2. Participate in society's losses;
  3. Contribute to the development of society.

As a shareholder, ENDIAMA - E.P. also has responsibilities related to the maintenance of share capital, in accordance with articles 32 to 37 of the Commercial Companies Act, which provides for terms associated with the distribution of profits and the acquisition of assets.

With regard to the public accessibility of ENDIAMA - E.P.'s financial statements, it should be noted that they have been available since 2018 on the IGAPE website, along with the Legal Certification of Accounts https://igape.minfin.gov.ao/PortalIGAPE/#!/sector-empresarial- publico/relatorios-do-sep. However, in accordance with the requirements set out in Requirement 2.6 of the EITI Standard, certain required information is disclosed in the following paragraphs, namely data on capital, profit distribution and rules and/or practices relating to operating and capital expenditure, acquisitions, subcontracting and corporate governance.

Distribution profits for the year

In 2021, ENDIAMA - E.P.'s net profit was positive by AKZ 1 657.1 million, which was fully included under Retained earnings. Accordingly, no dividends were distributed.

State capital

ENDIAMA - E.P. owns Sociedade Mineira do Lulo, Furi and Luachimo, worth a total of AKZ 64,000 (32%), AKZ 200,000 (20%) and AKZ 1,250,000 (20%), respectively. All the entities are involved in the reconnaissance, prospecting, research, evaluation, exploration, processing and marketing of diamonds, as well as support services for mining activities. [51]

Loans

In terms of financing, a loan in the nature of a general mutual credit in USD was taken out with Banco Caixa Angola in February 2021 for a period of 5 years. This loan bears interest at the Libor3M rate+ 3.785%, settled paid quarterly in arrears. In addition, below are the guarantees assumed by ENDIAMA - E.P. in fulfillment of the same:

⇒ Creation of a pledge on 8.2% of Sociedade Mineira Catoca, with a book value of 70 million USD;

⇒ Permanently regularized contributory situation;

[51] Sonangol Annual Report 2022

⇒ Domiciliation of dividends from the 8.2% share of Sociedade Mineira Catoca;

⇒ Not to use said financing for any purpose other than the acquisition of the stake in Sociedade Mineira Catoca.

For more information, see ENDIAMA - E.P.'s 2022 Annual Report.

Rules and practices related to corporate governance

It should be noted that ENDIAMA - E.P. has a regulation for the acquisition of goods and services that follows the terms set out in Law 41/20 of December 23 - the Public Contracts Law (see Annex AD).

ENDIAMA - E.P. is in the process of simultaneously implementing and preparing ISO certifications for 6 companies in the sector and implementing the Integrated Compliance System in the ENDIAMA Group.

In addition, the entity has developed internal policies that complement and specify the above-mentioned law within the scope of the entity, namely:

- ***Compliance* policies**

ENDIAMA - E.P.'s *Compliance* Policy, validated by the Board of Directors and approved by the Chairman of the Board, seeks to integrate the entity's ongoing efforts to guarantee integrity and transparency in its operations. This policy aims to establish the guidelines for the *Compliance* Management System, regulating relations between the various *stakeholders*, both internal and external, and defines their corporate responsibilities. The *Compliance* Management System follows the requirements of ISO 37301:2021 and ISO 37001:2016 and is audited annually by an external entity for its effectiveness and transparency.

The GNACC is responsible for implementing ENDIAMA - E.P.'s *Compliance* Program, and it is through the GNACC that ENDIAMA - E.P. offers constant guidance to employees through educational and awareness-raising activities.

In accordance with the Policy, all the Directorates and Offices of ENDIAMA - E.P. are responsible for managing compliance within their areas of activity, integrating control and management measures into the internal processes of each department.

- **Risk Management Policy**

ENDIAMA - E.P.'s Risk Management Policy, validated by the GNACC and approved by the Board of Directors, aims to protect the organization's assets and guarantee its long-term sustainability, establishing methodologies for identifying, assessing and mitigating financial, operational, reputational and compliance risks. In addition to defining corporate responsibilities, the Policy presents guidelines on how to document and manage organizational risks, and is applicable to both ENDIAMA - E.P. and its subsidiary companies. Risk management follows principles such as universality, timeliness and transparency, in line with the company's *Enterprise Risk Management* (ERM), ISO 31000:2018 and COSO 2017 standards.

The implementation of the risk management model is based on three lines of defense: the risk owners and process owners, the *compliance* committees and the committee, and the internal audit. This structure guarantees effectiveness in corporate governance and organizational processes. In addition, the policy also includes guidelines for determining the Risk Appetite, which consists of the amount and type of risk that ENDIAMA - E.P and its subsidiaries are willing to accept in order to achieve their objectives, as well as guidelines for dealing with a risk faced by them.

- **Whistleblower Protection Policy**

The Whistleblower Protection Policy, validated by the Board of Directors and approved by the Board of Directors, establishes clear guidelines for the protection of employees when making complaints in good faith. This policy aims to ensure that the information provided by whistleblowers is protected and that there is no retaliation of any kind, both during the whistleblowing process and after it has been concluded, and is applicable to all employees working at ENDIAMA - E.P.

In relation to the *Compliance* Policy, complaints are managed through the Complaints Channel by an independent entity, which is responsible for protecting the identity of the complainant, filtering and excluding any sensitive data from the complaint before it reaches ENDIAMA - E.P.. In addition, the Policy gives bona fide whistleblowers the opportunity to make reports anonymously, through the Whistleblowing Channel or directly to the GNACC, ensuring their safety and integrity in the process.

- **Purchasing Regulations**

ENDIAMA - E.P.'s Purchasing Regulations, validated by DAITI and approved by the Board of Directors, define the criteria and conditions for acquiring goods and contracting service providers, including engineering works and leases, necessary for the institutional and operational running of the company. This regulation establishes principles that all employees and suppliers must follow and comply with, emphasizing integrity and trust in business relationships, whether internal or external to the organization.

The regulation names the type of services and goods that the entity can acquire, such as movable property, technical equipment and consultancy services, among others. In addition, it describes that ENDIAMA - E.P.'s procurement model for goods and services should be guided by principles such as the principle of legality, competition, organizational efficiency and five other principles, as well as describing ENDIAMA - E.P.'s requirements for finding suppliers. In addition, it presents the stages for the procurement procedure and specifies each stage in terms of its typology, if applicable, its main objectives and requirements. The stages include:

a) Planning;
b) Purchase requisition;
c) Market Quotation Request;
d) Evaluation of proposals;
e) Negotiation and Recommendation of Award;
f) Purchase order approval;
g) Award;
h) Supply management;
i) Invoicing and payment;
j) Monitoring and control.

Finally, the regulation also describes the procurement processes, such as: the conclusion of contracts, the conclusion of *framework agreements*, the conclusion of price agreements, clarifications, guarantees, penalties and contract management.

SODIAM, E.P.

SODIAM, E.P. - Empresa Nacional de Comercialização de Diamantes de Angola - is a public company responsible for controlling and supervising the purchase, sale and export/import of diamonds in Angola.

In institutional cooperation with the other relevant entities in the Angolan diamond sector, namely ENDIAMA - E.P. and the Kimberley Process Commission, SODIAM, E.P. performs various functions, :

1) It acts as a public diamond trading body;
2) Manager of the state's strategic reserves;
3) Buyer and reseller of 20% of the authorized production quota;
4) Buyer and reseller of rough diamonds from semi-industrial (artisanal) production.

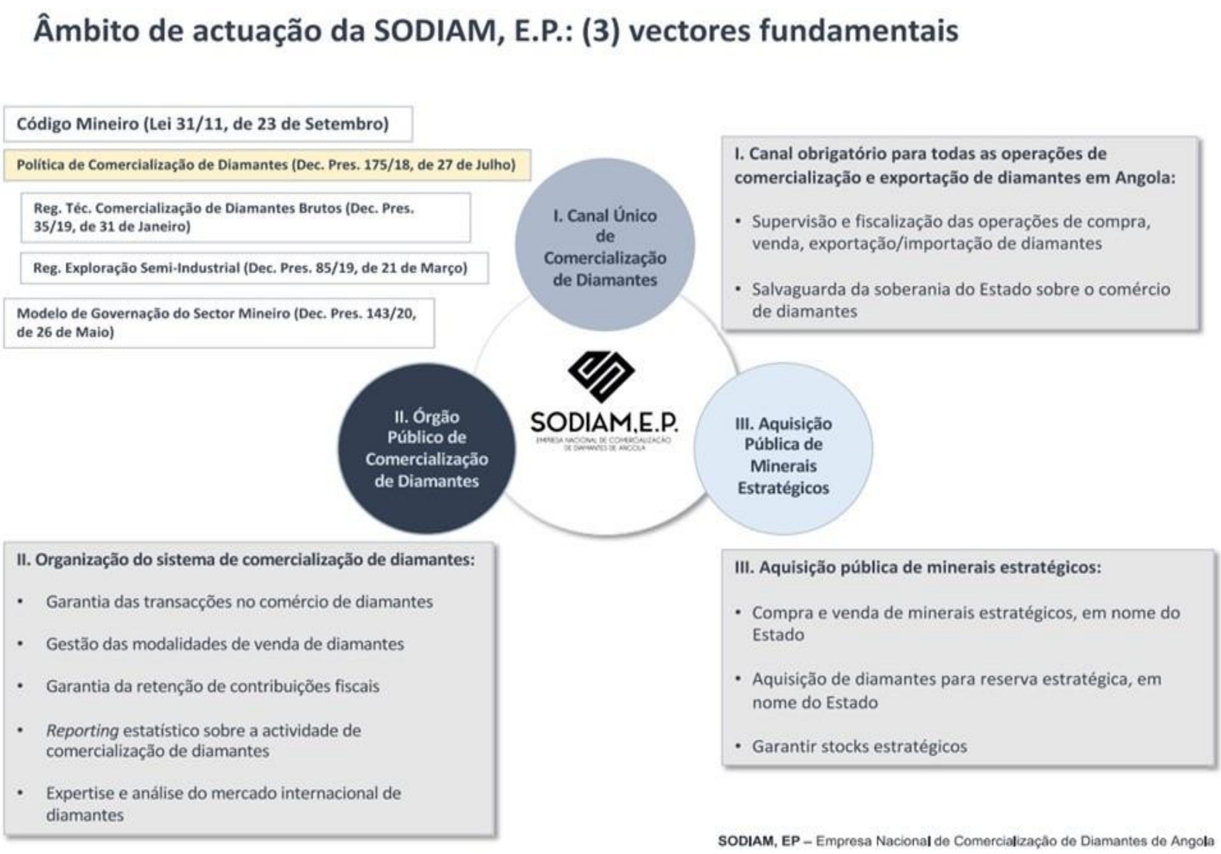
In addition, the company operates in accordance with the new Diamond Trading Policy approved by ***DP no. 175/18*** of July 27 (see section 6.2.2).

MISSION

Revitalize and guarantee the implementation of the new Diamond Policy, with the aim of:

- Ensure greater transparency in the marketing process;
- To enable a more competitive vision in line with the expectations of the Angolan state, increasing the volume of tax revenue from the sale of diamonds;
- Promote investment in the Angolan diamond value chain, particularly in cutting and jewelry;
- price stability.

Figure 17: Scope of action of SODIAM, E.P.



In addition, SODIAM, E.P. holds shares in other companies linked to the mining sector, mainly in entities aimed at promoting the cutting industry. What's , in addition to its corporate purpose and strong social support in the diamond exploration areas, the state-owned company also acts to create conditions for the promotion of the cutting industry, through the initiative to build infrastructures to attract foreign direct investment to the activity.

One of the initiatives to support and advance the diamond subsector was the implementation of the Saurimo Diamond Development Pole (PDDS), which includes a robust and adequate infrastructure for boosting the development of mining activities and which has served as an incentive for economic growth and attracting investment in the subsector. The hub is located in the city of Saurimo, in the province of Lunda Sul, and was developed with the aim of bringing together mining companies and other related entities, promoting synergies and innovation in the subsector.

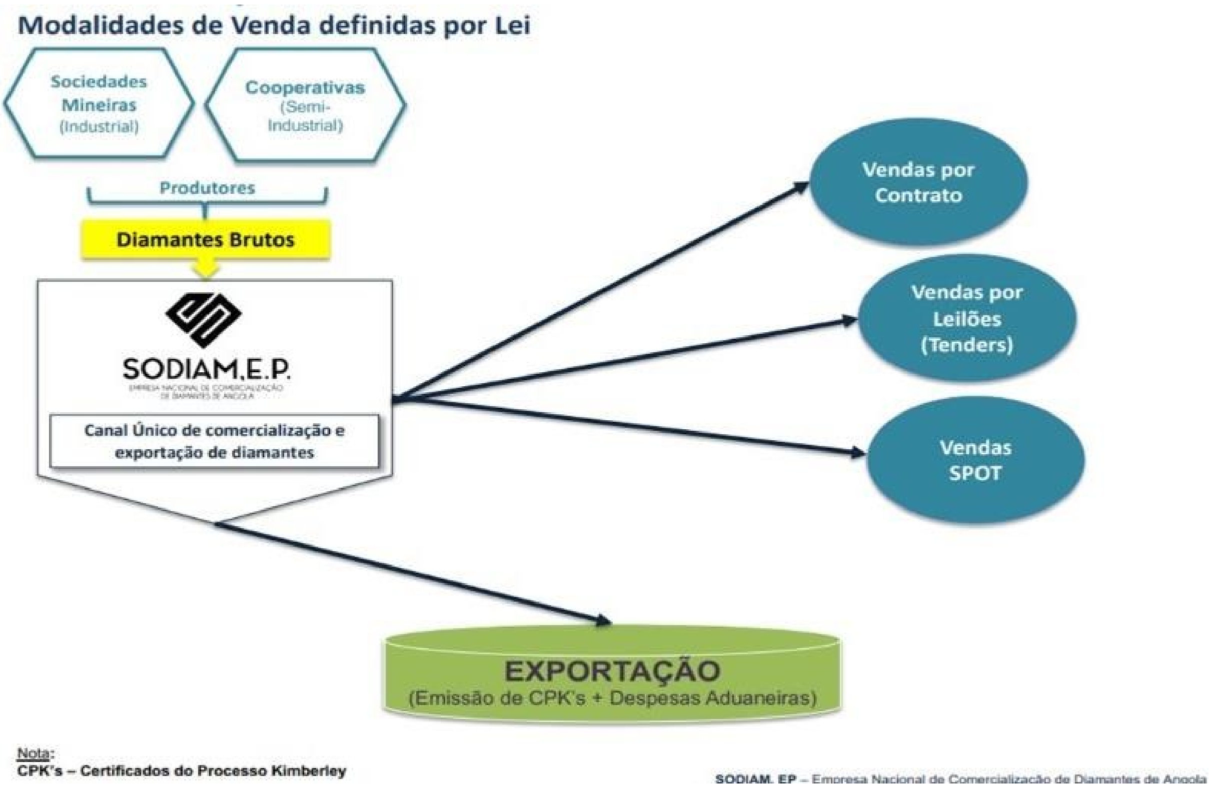
SODIAM, E.P.'s participation in mining projects

SODIAM, E.P. participated in the following entities according to the information obtained from the 2022 Annual Report:

Table 47: SODIAM, E.P.'s shareholdings in entities

Entity	Participation SODIAM, E.P.	Value (USD)
SODIAM Antwerp BVBA	100%	1 153 232
Ascorp Angola	51%	510 000
Angola Polishing Diamonds (APD)	48%	48 000
AL - Lapidary Academy	100%	6 700
SODIAM International, Ltd	100%	5 000
Enditrade	15%	7 500
Clínica Sagrada Esperança, Lda	3%	528
KGK - Kothari Diamonds	5%	0
Stone Polished Diamonds	10%	21
Victoria Holding, Limited	50%	79 495 500

Figure 18: SODIAM, E.P. - Sales mobilities defined by law



With regard to the public accessibility of SODIAM, E.P.'s financial statements, it should be noted that they have been available since 2018 on IGAPE's website, along with the Legal Certification of Accounts https://igape.minfin.gov.ao/PortalIGAPE/#!/sector-empresarial- publico/relatorios-do-sep. However, in accordance with the requirements set out in Requirement 2.6 of the EITI Standard, certain required information is disclosed in the following paragraphs, namely data on capital, profit distribution and rules and/or practices relating to operating and capital expenditure, acquisitions, subcontracting and corporate governance.

CA SODIAM, E.P.

The Board of Directors of SODIAM, E.P. was appointed by Presidential Order no. 274/22, of December 1, and consists of a Chairman, Eugénio Pereira Bravo da Rosa, and 2 Executive Directors, Fernando Teixeira da Fonseca Amaral and José das Neves Gonçalves Silva. The Audit Board was appointed by Order no. 878/23, of January 31, and is made up of a Chairman, Polonga Ermelinda Francisco Guimarães Fernandes, and 2 members, Nelson Victor Pio dos Santos Gourgel and Hermenegildo Franklin Mimoso Kosi.[52]

Code of Conduct

Companies involved in the buying and selling of diamonds must adhere to a commitment to good practice, ensuring that they do not engage in transactions involving rough diamonds from areas with human rights violations, armed conflicts, the use of child labor, practices that threaten people's health or well-being, or that flout legislation protecting human rights and the environment. What's more, they must also differentiate and report on natural, synthetic and treated diamonds, comply with the laws against money laundering, corruption, terrorism and terrorist financing of both Angola and the country of origin, and declare that

[52] SODIAM Annual Report 2022

no member of its corporate or executive bodies is involved in or has been convicted of such offenses.[53]

Distribution profits for the year

In 2021, SODIAM, E.P.'s net profit was positive by 29.831 million USD, which was fully included under Retained earnings. In addition, it should be noted that no dividends distributed.

State capital

The equity situation of SODIAM, E.P.'s subsidiaries mainly concerns the financial investment in the entity "Victoria Holding, Limited" for the acquisition of a stake corresponding 50% of its share capital, and the entity also transferred loans to its subsidiary through the Loan Agreement with BIC.

State loans and guarantees

In terms of financing, a loan of 120 million USD was taken out from BIC in 2012 with the aim :

- ⇒ Acquisition of a majority stake in the capital of the "De Grisogono" Group, through Victoria Holdings, in the amount of 98.25 million USD;
- ⇒ Settlement of the debts of companies in the mining sector, with the participation of ENDIAMA - E.P., in the amount of 21.75 million USD.

The component of the loan relating to the "De Grisogono" Group bears interest at a fixed rate of 9% per year, and there is a MINFIN Sovereign Guarantee of 147.5 million USD following the approval of PD 9/15 of January 12, following a restructuring of this loan. The loan contracted had a grace period of capital until August 2019, with interest accruing from that date at a fixed rate of 9% per year, with a term of 90 months.

In addition, the component for settling the debts of companies in the mining sector in which ENDIAMA - E.P. has a stake, in the amount of 21.750 million USD, bears interest at a fixed annual rate of 12%, with successive monthly capital repayments, maturing in February 2022.

, it should be noted that within the scope of this loan agreement with BIC, for the above loan, there is a parallel bridging agreement between MINFIN and SODIAM, E.P., representing a Sovereign Guarantee from MINFIN, on behalf of the Angolan State. DP no. 9/15, of January 12, approved the restructuring and this Sovereign Guarantee amounts to 147,500,000 USD, with MINFIN covering 2/3 of the interest.[54]

It should be noted that has not yet been repaid, according to the decision of the Luanda Provincial Court on April 30, 2022, in case no. 33/20, a decision which suggests that BIC has no right to receive the amounts owed.

Rules and practices related to corporate governance

It should be noted that SODIAM, E.P. has a regulation for the acquisition of goods and services that follows the terms set out in Law 41/20 of December 23 - the Public Contracts Law (see Annex AD).

[53] https://sodiam.co.ao/declaracao-de-boas-praticas/
[54] SODIAM Annual Report 2022

Like ENDIAMA - E.P., SODIAM, E.P. has made available the Purchasing Regulations followed by the organization.

- **Purchasing Regulations**

SODIAM, E.P.'s Purchasing Regulation assesses and plans the supply of goods, prospecting, classifying and selecting suppliers, guaranteeing the continuous and punctual supply of materials essential to the company's operations, while also ensuring effective control of the costs involved. Purchasing and stock management involves coordination between the General Services - Purchasing and Bursar's Department and the other areas of the company.

Relevantly, the regulation describes the entire sequence of purchasing operations, starting with the identification of the need for a specific good and ending with its delivery by the General Services Department - Purchasing and Bursar's Office to the requesting sector, making the necessary entries in the management *software.* In addition, the regulation also sets out the documents required, the media used and the parties involved in each stage of the purchasing procedure

7. Exploration and Production

7. Exploration and Production (Requirement 3)

According to the 2019 EITI Standard, disclosure of information related exploration, production and export is required in order to demonstrate the sector's potential. This chapter will therefore cover topics related to the Standard's requirements for transparency in exploration, production and export activities.

Oil and Gas Sector

The methodology used to calculate oil export volumes is based on the measurement carried out at the export terminals. Once the crude oil has passed through the measuring systems, a document called a *Bill* of *Lading* is issued, which records the gross and net quantity of the shipment. The distinction between the gross and net quantities is made by subtracting the volumes of water and other sediments present in the crude volume. The *Bill of Lading* also details the oil crude, indicating the specific characteristics of the crude extracted.

For each shipment exported from Angola, a *Bill of Lading* is generated, which specifies the volume exported. Shipments are typically standardized, with an approximate volume of 950,000 barrels. All exports, including the marketing prices charged for each shipment, are reported to MIREMPET.

As shown below in section 8.3, the negotiation of volumes by ANPG is conducted by Sonangol, E.P., as marketing agent, and takes place in internationally recognized markets such as London, Singapore and Houston. Sales are generally concluded 1 month before loading and the price is established on basis of "X" days after the date of the *Bill of Lading*. MIREMPET also reports sales a quarterly basis and calculates the quarterly fiscal reference price based on average sales price and other qualitative factors. The final price is calculated taking into account the tax reference price plus the differential according to the negotiated price.

With regard to oil production in Angola, it should be noted that the production and export data presented below includes information made available in various public documents. However, it should be noted that, through the collection of information by *templates*, the following clarifications were made regarding the mechanisms for measuring production.

	Mechanism used to measure production
Extractive companies	Oil production is monitored daily at the outlet of the storage tanks using flow meters. Generally, operators also implement reconciliation exercises between reported production and production sold/exported, with tolerances of ±3% or ±5% for daily production and ±1% monthly production. The fiscal measurement of shipments is accurate (uncertainty of 0.3%) and subject to regular maintenance and certification. Reconciliation of reported production with sold is common practice, using flow meters for crude oil and LPG.

Mineral Resources Sector

In accordance with Requirement 3 of the 2019 EITI Standard, it should be noted that the production data reported is submitted by the companies. However, for gold, the process is carried out drying the concentrate and removing impurities (iron, Fe). It is then weighed, dry, using a precision scale. Companies usually submit production amounts in grams, which are converted into *troy ounces*, considering that 1oz = 31.10g. It should also be noted that losses may occur after casting. With regard to the values reported below, gold is a mineral resource quoted on the financial markets.

The most common reference, the London Metal Exchange (LME), is used. However, since the gold mined in Angola is not refined, there is a slight reduction in its value, since it is not gold with a 99.99% content. The reduction applies to the 10-15% variation in price. For iron and manganese, measurements are made using scales with the volumetric capacity of the trucks (m^{3}). For the price, the same procedure applies as for gold.

For the gold export amounts disclosed below, a gold certification/contrasting process is carried out before the gold is smelted (transformed into bars) and the amounts produced are reported to the ANRM. During the certification process, the gold bars are weighed and analyzed using the electronic densimeter and portable X-ray fluorescence methods, carried out in a laboratory (GEOANGOL) appointed by MIREMPET. Based on the results obtained during the certification process, the weight of each bar in grams and the gold content are defined, variables used to define the declared price. The total value corresponds to the total weight of the bars multiplied by the market price with the appropriate reduction. With regard to the other minerals, the amounts exported are calculated using the quantity declared by the company, multiplied by the market price of the mineral resource, with the appropriate reduction.[55]

7.1 Exploration (Requirement 3.1)

Exploration activities in the oil sector

The history of exploration activities in Angola is extensive, beginning in 1910 with the issuing of the first hydrocarbon exploration license to the company Canha & Formigal, *on the* Kwanza *onshore*, and there have been several critical stages since then, as summarized *on* the ANPG website (https://anpg.co.ao/nossa-historia-2/).

Larger-scale exploration activities began in the 1950s, with the first material discoveries occurring in the late 1960s and early 1970s in the Cabinda region (where relevant blocks such as Block 0 and Block 14 are still in operation). After independence in 1975, despite the civil war, a trajectory of growth was maintained with discovery of fields with significant production, including Dália and Girassol (Block 17) and discoveries in Block 15.

However, the most significant growth came with political stability in the post-war years of the 2000s, with a number of significant investments and investment in deepwater drilling skills, with significant investments in pre-salt reserves.

The panorama of the sector is extensive that, as shown in Appendix M, there are 40 licenses with active contracts in Angola, of which 24 licenses are in the pre-production phase (research or development), and 16 are in the production phase.

Interest in exploration activities in the country remains significant, as evidenced by the 15 new licenses signed after 2022, as shown in Annex N.

This strong licensing activity is part of the 2019-2025 oil concession allocation strategy being implemented by the ANPG, which aims to guarantee the continued expansion of Angola's oil potential by replacing the reserves produced, taking into account the tendency for the main blocks in production to reach maturity.

55 Information provided by ANRM

The map in Annex E gives a geographical overview of where these licenses are located, and it is clear that there is greater interest and potential in the northernmost areas the country, due to their historical potential.

With specific reference to 2022, in the oil sector, exploration activities stood out for surveying geological and geochemical information in the Kassanje Basin, with an emphasis on mapping rocks and soils. With regard to seismic acquisition, Angola achieved a total of 364.05 km of 2D seismic data and 1 812.54 km^2 of 4D seismic data. In addition, 12 seismic processing programs were monitored, including 3 798 Km^2 of 3D seismic in Blocks 5/06, 15/06 and 27, and 3 727 Km^2 of 4D seismic in Blocks 15/06, 17 and 32, along with twenty-two seismic reprocessing programs.

Table 48: Seismic Activity 2020-2022[56]

Year	2D Km	3D Km^2	4D Km^2
2020	-	15 728,93	822,80
2021	-	7 637,70	2 067,40
2022	364,05	-	1 812,54

With regard to the drilling of exploration wells, the Bavuca Sul-1 well on Block 15 and the Zínia-4 well on Block 17 were drilled, resulting in the discovery of 95 million BOE in the Bavuca Sul well. The drilling of appraisal wells was concentrated on Block 15/06, with the drilling of the Ndungu-2 and Agidigbo-2 wells.

As part of the development areas, the catalog of areas eligible or likely to be reverted to the state was updated, identifying 14 areas, as shown in the following table.

Table 49: Areas eligible or likely to be reverted to the state

#	Areas of development
1	Savelha
2	Sulele North
3	Calafate
4	North side of Block 2/05
5	Lucapa from Block 14
6	Mbulumbumba
7	Tchihumba
8	Vicango of Block 15
9	Nzanza
10	Reco-Reco do Bloco 15/06
11	Anthurium from Block 17
12	Cesium
13	Block 18 Lead
14	Block 32 Salsa

Development areas - corresponds to the total area, within the contract area, capable of producing from the deposit or deposits identified by a commercial discovery and defined by agreement between CN and GE after the commercial discovery.

In addition, as support for the 2023 bidding processes, Angola prepared a rationale report and portfolios of opportunities for Blocks CON-2, CON-3, CON-7 and CON-8, located in the Lower Congo Land Basin, and for Blocks KON-1, KON-3, KON-7, KON-10, KON-13, KON-14, KON-15 and KON-19, belonging to the Kwanza Land Basin.

More information about exploration activities during 2022 is identified in section 4 of the ANPG's 2022 Management Report, available on the organization's website.

[56] MIREMPET Sector Report 2022

Exploration activities in the mining sector

As mentioned in section 6.5, a total of 62 mining titles were issued in 2022, of which 42 were mining licenses (exploration and prospecting), 5 exploration titles and 15 prospecting titles. In the mining sector, a total of 5 exploration titles were issued, 6 fewer than in the same period in the previous year. The total number of exploration permits issued includes 2 for industrial diamonds, 1 for gypsum, 1 for copper and 1 for phosphate. [57]

Table 50: Number of operating titles 2020-2022

Year	Exploration
2020	21
2021	11
2022	5

7.2 Production (Requirement 3.2)

After a period of pandemic, 2021 and 2022 were marked as the years recovery and stabilization of the economy.

Oil production

The data corresponding to oil production is in accordance with the information shared by MIREMPET and ANPG, through the oil operations information system (see chapter 6 for additional information).

During 2022, Angola's total oil production from the 16 oil concessions in production was 414,899,447 barrels of oil. Compared to 2021, there was an increase of approximately 1% in oil production. When compared with the export data, shown in the next section, it can be seen that exports for the year represent around 95% of the barrels produced. Crude oil production broken down by operator, as listed in Table 51, for the 2022 period, has been presented considering the allocation of the amounts per block (see Table 52) to the respective operators (see Appendix M).

Table 51: Crude Oil Production by Operator[58]

Operator	2022 (Barris)	Weight	2021 (Barris)	Weight	Year-on-year change
TotalEnergies	196 597 920	47,38%	191 919 805	46,76%	2%
Azule Energy[1]	83 794 647	20,20%	-	-	-
Chevron	71 128 113	17,14%	79 421 833	19,35%	-10%
ESSO	50 921 357	12,27%	54 659 686	13,32%	-7%
Eni[1]	-	-	37 358 573	9,10%	-
BP[1]	-	-	35 780 136	8,72%	-
Sonangol P&P(3)	7852105	1,89%	7 371 802	1,80%	7%
Somoil[2]	4051208	0,98%	3 277 258	0,80%	24%
Chevron Congo	393 539	0,09%	428 776	0,10%	-8%
PlusPetrol	160 558	0,04%	208 900	0,05%	-23%
Total	**414 899 447**	**100%**	**410 426 767**	**100%**	**1%**

[1]In March 2022, an agreement was signed between BP and ENI to up an independent joint venture in Angola, called Azule Energy. https://anpg.co.ao/noticias/bp-e-eni-criam-azule-energy-para-operar-em-angola/#:~:text=15%20of%20March%20of%202022%20%7C%20Agency,joint%20venture%20independent%20in%20Angola%2C%20denominated%20Azule%20Energy.

[57] MIREMPET Sector Report 2022
[58] ANPG Management Report 2021

[2]In April 2023, it was announced that SOMOIL would change its name to Etu Energias. https://etuenergias.co.ao/noticias/somoil-e-agora-etu-energias/44
[3]Sonangol, E.P.'s corporate model was reorganized, with Sonangol P&P S.A. becoming the Sonangol Exploração & Produção, S.A. business unit (see section 6.7.1 for more information).

With regard to production in 2022, the highlight in the oil sector remains the concessions in Blocks 17 and 32, operated by TotalEnergies, which accounted for around 47% of total production (see map of concessions in Annex E). Details of production by association and block for the 2022 period are shown in Table 52.

Table 52: Crude Oil Production by Block[59]

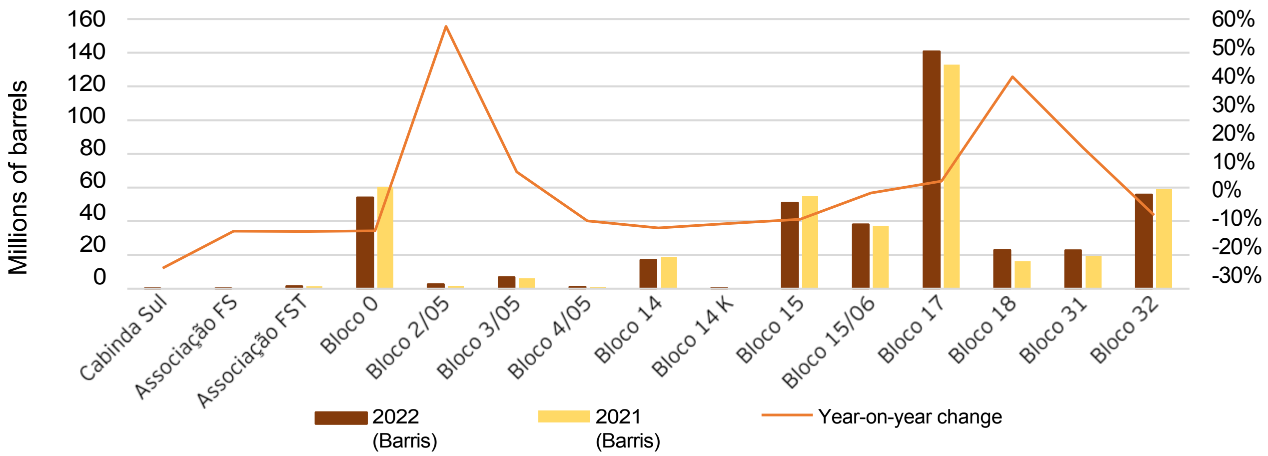
Associations and Blocs	2022 (Barris)	Weight	2021 (Barris)	Weight	Year-on-year change Value	%
Onshore	**1 609 233**	**0,39%**	**1 834 517**	**0,45%**	**-225 284**	**-12,3%**
Cabinda South	160 558	0,04%	208 900	0,05%	-48 342	-23,1%
FS Association	78 038	0,02%	87 451	0,02%	-9 413	-10,8%
FST Association	1 370 637	0,33%	1 538 166	0,37%	-167 529	-10,9%
Offshore	**413 290 214**	**99,61%**	**408 592 252**	**99,55%**	**4 697 962**	**1,1%**
Block 0	54 049 417	13,03%	60 504 246	14,74%	-6 454 829	-10,7%
Block 2/05	2 602 533	0,63%	1 651 641	0,40%	950 892	57,6%
Block 3/05	6 798 111	1,64%	6 233 998	1,52%	564 113	9,0%
Block 4/05	1 053 994	0,25%	1 137 804	0,28%	-83 810	-7,4%
Block 14	17 078 696	4,12%	18 917 587	4,61%	-1 838 891	-9,7%
Block 14 K	393 539	0,09%	428 776	0,10%	-35 237	-8,2%
Block 15	50 921 357	12,27%	54 659 686	13,32%	-3 738 329	-6,8%
Block 15/06	38 077 610	9,18%	37 358 573	9,10%	719 037	1,9%
Block 17	140 860 298	33,95%	132 971 317	32,40%	7 888 981	5,9%
Block 18	22 881 893	5,52%	16 260 781	3,96%	6 621 112	40,7%
Block 31	22 835 144	5,50%	19 519 355	4,76%	3 315 789	17,0%
Block 32	55 737 622	13,43%	58 948 488	14,36%	-3 210 866	-5,4%
Total	**414 899 447**	**100%**	**410 426 767**	**100%**	**4 472 680**	**1,1%**

Compared to 2021, the blocks that contributed most to the increase in global oil production were Block 17 (+7.9 million barrels), Block 18 (+6.6 million barrels) and Block 31 (+3.3 million barrels). On the other hand, the biggest reductions in oil production in absolute terms occurred in Block 0 (-6.5 million barrels), Block 15 (-3.7 million barrels) and Block 32 (-3.2 million barrels).

In relative terms, the blocks with the greatest positive variation were Block 2/05 (+58%), Block 18 (+41%) and Block 31 (+17%). On the other hand, the biggest reduction in relative terms occurred in Cabinda South (-23%).

[59] ANPG Management Report 2021 and 2022

Figure 19: Variation in Crude Oil Production by Block[60]



In accordance with the information provided under the terms of Requirement 3.2 of the 2019 EITI Standard, and with a view to estimating oil production by value in the 2022 period, MIREMPET has provided data on the fiscal reference price per barrel, see Annex AE, set quarterly by MINFIN and MIREMPET (in accordance with Article 6(1)(d) of Law 13/04 of 24 December).
- Law on the Taxation of Petroleum Activities).

In this way, and based on the average daily production of barrels produced in the Sector Report, by crude, an estimate was made of production in value, using the total barrels produced per quarter, multiplied by the respective quarterly fiscal reference price. The details of the value of production per crude for the various quarters of 2022 are shown in the table below.

It should also be noted that for the branches with an additional breakdown into PRF (Palanca and Nemba), the average quarterly fiscal reference price was used, since there is no information on the quantity produced at the same level of breakdown, reinforcing that the amounts below are a high-level estimate.

[60] ANPG Management Report 2021 and 2022

Table 53: Estimated Value of Crude Oil Production by Crude Branch

Ramas	1st Qtr. (kbbl)	Q1 (kUSD)	2nd Quarter (kbbl)	2nd Quarter (kUSD)	Q3 (kbbl)	Q3 (kUSD)	Q4 (kbbl)	Q4 (kUSD)	Total Production (kUSD)
Sable	2 715	286 134*	2 718	286 420	2 815	278 200	2 601	223 760	**1 074 544**
Cabinda	9 309	1 044 965	9 514	1 181 824	10 628	1 023 220	7 588	640 248	**3 890 256**
Gimboa	321	31 587*	313	30 772*	269	26 424	151	14 865**	**103 649**
Sangos	4 662	479 316	4 954	561 986	4 324	425 045	4 872	409 648	**1 875 994**
Saturn	5 297	525 756	5 417	602 498	5 863	580 989	6 258	533 202	**2 242 446**
Plutonium	6 309	647 942	6 744	765 307	6 063	628 572	3 766	335 110	**2 376 931**
Hungo	3 209	334 239	3 984	460 484	3 641	366 346	4 464	372 610	**1 533 679**
Kissange	5 050	541 044	4 910	568 527	4 339	432 451	4 350	382 517	**1 924 539**
Mondo	1 885	211 742	1 923	214 943	1 985	189 730	750	67 847	**684 262**
Saxi	2 806	288 059	2 599	296 965	2 584	269 150	2 442	216 566	**1 070 741**
Olombendo	4 931	523 446	5 048	591 231	4 826	518 288	4 460	407 655	**2 040 620**
Nemba	9 504	947 869	8 927	1 026 541	7 596	762 566	8 616	758 523	**3 495 499**
Clov	8 547	888 031	9 557	1 111 499	10 027	1 046 013	9 655	860 779	**3 906 322**
Sunflower	8 221	863 701	8 166	939 754	7 647	802 597	6 791	615 842	**3 221 894**
Dahlia	10 448	1 075 541	10 829	1 232 884	10 684	1 077 969	10 189	881 921	**4 268 315**
Pazflor	7 428	771 167	7 059	784 997	8 073	810 597	7 539	654 736	**3 021 498**
Gindungo	3 223	333 016	3 111	349 403	2 979	298 722	2 866	245 202	**1 226 343**
Mustard	10 422	1 059 726	10 790	1 216 504	11 148	1 122 314	11 199	955 684	**4 354 228**
Total	**104 287**	**10 853 283**	**106 563**	**12 222 570**	**105 490**	**10 659 193**	**98 559**	**8 576 714**	**42 311 760**

* According to the data provided by MIREMPET for these quarters, there were no exports in the areas identified, and no Fiscal Reference Price was established. In this sense, and for the purposes of calculating the estimated value of Crude Oil Production in these fields, in these quarters, the PRF for the immediately following quarter with available information was used.

** In this particular case, as it the last quarter of 2022, the PRF from the previous quarter was used for calculation purposes.

Crude Oil Production Right

Production rights for 2022 amounted to 414,921,169 barrels, which includes the stock existing at the start of the year, minus the stock at the end of the year and plus the production for the period of 414,899,452 barrels, as shown above.

Table 54: Crude Oil Production Rights[61]

Companies	2022 (Barris)	Weight	2021 (Barris)	Weight	Year-on-year change
ANPG	105 748 970	25%	104 524 589	25%	1%
ANPG Subtotal	**105 748 970**	**25%**	**104 524 589**	**25%**	**1%**
TotalEnergies EP Angola	54 533 678	13%	52 616 072	13%	4%
SNL (E&P)	52 953 707	13%	49 842 917	12%	6%
Esso	33 541 432	8%	33 878 642	8%	-1%
Azule Energy[1*]	31 725 427	8%	29 422 129	7%	8%
SSI	28 086 675	7%	27 938 358	7%	1%
Azule Energy[1*]	26 535 311	6%	28 086 695	7%	-6%
Cabgoc	25 408 234	6%	28 269 269	7%	-10%
Equinor	24 159 453	6%	22 125 830	5%	9%
SNL. E.P.	23 183 535	6%	25 327 812	6%	-8%
Galp	3 727 539	1%	4 050 022	1%	-8%
Somoil	1 816 304	0%	1 745 094	0%	4%
Maurel & Prom	1 028 445	0%	929 001	0%	11%
Acrep	455 150	0%	367 510	0%	24%
Falcon	438 126	0%	270 869	0%	62%
Prodoil	417 258	0%	302 154	0%	38%
Polyhedron	273 828	0%	169 293	0%	62%
Kotoil	273 828	0%	169 293	0%	62%
Nafta	205 689	0%	185 810	0%	11%
Ina	205 689	0%	185 342	0%	11%
Pluspetrol	101 451	0%	151 498	0%	-33%
FINA	101 440	0%	0	0%	-%
Subtotal Companies	**309 172 199**	**75%**	**306 033 610**	**75%**	**1%**
Total	**414 921 169**	**100%**	**410 558 200**	**100%**	**1%**

[1]In March 2022, an agreement was signed between BP and ENI to up an independent joint venture in Angola, called Azule Energy. https://anpg.co.ao/noticias/bp-e-eni-criam-azule-energy-para-operar-em-angola/#:~:text=15%20of%20March%20of%202022%20%7C%20Agency,joint%20venture%20independent%20in%20Angola%2C%20denominated%20Azule%20Energy.
*According to the ANPG Management Report, the amounts of 31,725,427 barrels and 26,535,311 barrels are represented by the nomenclature previously used, namely BP and ENI, respectively, before the creation of the Joint Venture.

The crude oil rights associated with CN for the 2022 period correspond to 105,748,970 barrels, and it can be concluded that CN had rights to around 25% of total crude oil production in the reference period. These rights are broken down as shown in Table 55, plus around 18% attributed to the Sonangol Group. This amount of ANPG production rights is higher than the actual amount of lifting carried out in the period, which amounted to 104,729,451 barrels[46], as a result of the block lifting planning activities.

[61] ANPG Management Report 2021 and 2022

Table 55: CN Crude Oil Production Rights[62]

Associations & Blocs	2022 (Barris)	Weight
Block 17	59 994 559	56,73%
Block 15	22 474 254	21,25%
Block 14	4 514 219	4,27%
Block 18	9 049 448	8,56%
Block 32	2 786 881	2,64%
Block 15/06	3 174 368	3,00%
Block 3/05	1 668 669	1,58%
Block 31	1 598 459	1,51%
Block 2/05	366 171	0,35%
Block 4/05	84 090	0,08%
14K block	25 019	0,02%
Cabinda South Bloc	12 831	0,01%
Total	**105 748 970**	**100,00%**

In addition, according to information provided by the ANPG, the country's oil and gas reserves are shown in the following table.

Table 56: P&G reserves in 2022

Reservations*	1P**	2 P***
Crude (MM Barrels)	1 815	2 500
LNG - ALNG (*Billions Cubic Feet*)	3 212	4 445
LPG (MM Barrels)	19	25

***Reserves**: estimates that consist of calculating the volume that can be extracted from the reservoirs until it becomes economically unviable to continue exploiting them.
****1P reserves**: also known as proven reserves, these are quantities of oil that can be estimated with reasonable certainty to be commercially recoverable from a given date (probability of more than 90% of being produced), taking into account economic conditions, operating methods and existing government regulations.
*****2P** reserves: proven and probable reserves.

Gas Production

Associated Natural Gas

The production of associated natural gas in Angola was approximately 2,687 MMSCFD, which corresponds to a decrease of 2% compared to the previous year, mainly due to the decline in production. During the 2022 period, Block 0, managed by the oil company CABGOC, was the block with the greatest weight in the annual production of associated natural gas in Angola, equivalent to 42% of total production.

[62] ANPG Management Report 2021 and 2022

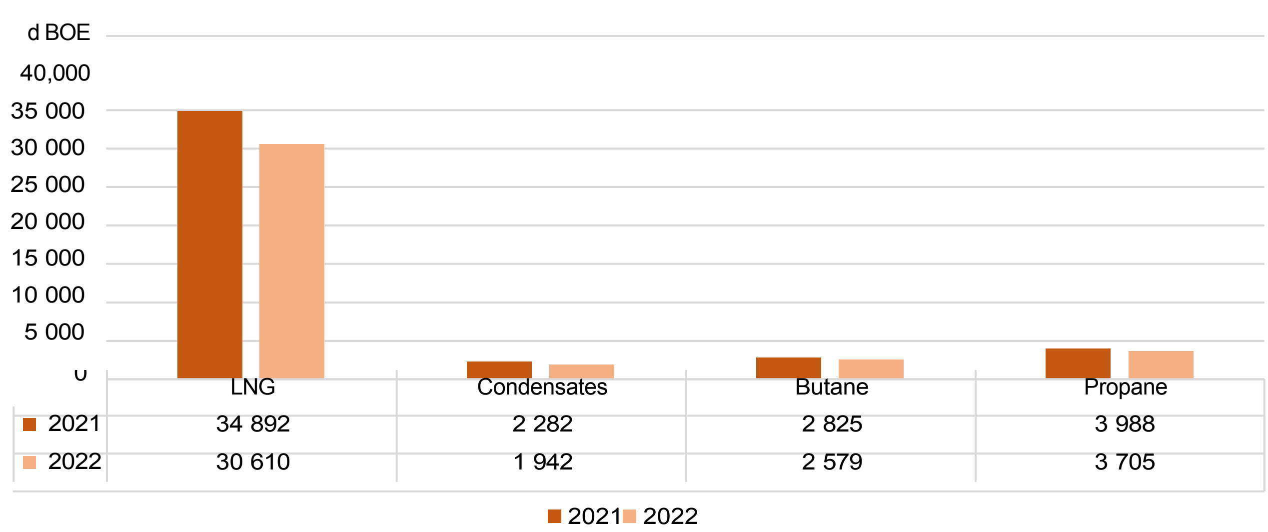
Table 57: Natural Gas Production by Block[63]

Associations and Blocs	Operator	2022 (MMSCFD)	Weight	2021 (MMSCFD)	Weight	Year-on-year change
Onshore		**12**	**0,45%**	**12**	**0,44%**	**0%**
FS / FST	SOMOIL	11	0,41%	11	0,40%	0%
Cabinda South	Pluspetrol	1	0,04%	1	0,04%	0%
Offshore		**2 674**	**99,52%**	**2 739**	**99,56%**	**-2%**
Block 0	Chevron	1 118	41,61%	1 212	44,06%	-8%
Block 2/05	SOMOIL	10	0,37%	5	0,18%	100%
Block 3/05	Sonangol P&P	43	1,60%	50	1,82%	-14%
Block 4/05	Sonangol P&P	3	0,11%	3	0,11%	0%
Block 14	Chevron	37	1,38%	43	1,56%	-14%
14K block	Chevron	1	0,04%	1	0,04%	0%
Block 15	ESSO	509	18,94%	529	19,23%	-4%
Block 15/06	Azule Energy	154	5,73%	145	5,27%	6%
Block 17	TotalEnergies	532	19,80%	506	18,39%	5%
Block 18	Azule Energy	71	2,64%	73	2,65%	-3%
Block 31	Azule Energy	89	3,31%	52	1,89%	71%
Block 32	TotalEnergies	107	3,98%	120	4,36%	-11%
Total (daily average)		**2 687**	**100%**	**2 751**	**100%**	**-2%**

Angola LNG production

The ALNG plant produced 38,836,070 BOE in 2022, which corresponds to a reduction of around 12% compared to the period last year, of which 30,610,359 BOE was LNG, 3,705,273 BOE of propane, 2,578,872 BOE of butane and 1,941,566 BOE of condensates.

Figure 20: ALNG[64] production



Diamond production

In 2022, Angola recorded diamond production of around 9 million carats, of which 8.72 million carats are associated with industrial production and 46,000 carats with semi-industrial production. Compared to 2021, there was an increase of 0.48%.

The production of these minerals in 2022 is shown in Table 58. For more information on the participating interest in the titles in the exploration phase, see Annex AJ.

[63] ANPG Management Report 2021 and 2022
[64] MIREMPET Sector Report 2022

Table 58: Diamond Production by Company[65]

Companies	No. of employees	Mining titles	Volume (Qlts)	Weight
Cockatoo	2 440	016/02/11/T.E/ANG-MGM/2015	5 684 031	65%
Luaxe	504	067/10/07/T.E/ANG-MIREMPET/2023	1 780 966	20%
Cuango	732	185/03/50/T.E/ANG-MIREMPET/2019	269 313	3%
Chitotolo	1 071	185/03/50/T.E/ANG-MIREMPET/2019	250 163	3%
Mucuanza	110	328/12/06/T.E/ANG-MIREMPET/2019	131 248	1%
Lunhinga	440***	-*	124 487	1%
Furi	665	320,/04/02/T.E/ANG-MIREMPET/2021	115 083	1%
Tchegi	82	-*	108 562	1%
Camútwe/Kaixepa	758	321/04/03/T.E/ANG-MIREMPET/2021	66 472	1%
Calonda	155	-*	46 510	1%
Luachimo	526	273/11/03/T.E/ANG-MIREMPET/2019	41 210	0%
Lulo	603	049/07/04/T.P/ANG-MIREMPET/2019	35 398	0%
Luminas	302	317/03/06/T.E/ANG-MIREMPET/2021	25 686	0%
Chinguvo	308	005/04/03/T.E/ANG-MIREMPET/2022	21 576	0%
Luembe	126	311/01/02/T.E/ANG-MIREMPET/2021	11 875	0%
Luó	-***	-*	3 892	0%
Somiluana	678	301/06/03/T.E/ANG-MIREMPET/2020	527	0%
Industrial Production			**8 716 998**	**99%**
Semi-Industrial Production			**46 311**	**1%**
Grand Total			**8 763 309**	**100%**

*As mentioned in the report, the ANRM is still developing its and does not yet have complete information on the history of certain licenses. In this sense, some processes have yet to be transferred from the former CN (ENDIAMA - E.P.) for the ANRM, but it was not possible to identify them. ** Information not available. ***The data presented corresponds to the companies Lunhinga and Luó.

According the data released, the entity with the largest share total production was Catoca (65%), followed by Luaxe (20%).

It should also be noted that, according to the information collected through *templates*, Catoca's production corresponded to 449,414,29 thousand USD, which means that around 65% of total production was valued at an average price of approximately 79 USD/Qlt. It should also be noted that according to the information also provided by *template*, Catoca had reserves of around 85,400,000 Qlts on 31/12/2022.

Production of Other Mineral Resources

As mentioned above, mineral resources other than diamonds are still considered to be a group of minerals that have the lowest representation in the entire extractive industry sector, despite the fact that Angola is committed to developing new projects related to this type of mineral. Among these projects is a very positive increase, predominantly in the production of gold and ornamental rocks. As mentioned above, the information disclosed includes the data available for the remaining most representative minerals according to information provided by MIREMPET and additional data made available through the ANRM *template*.

[65] MIREMPET 2022 Sector Report and data provided by ANRM

Table 59: Production of Other Mineral Resources

Mineral Description	Production 2022	Production 2021	Year-on-year change
Gold (Thousands of Fine Ounces)	2,68	1,04	145%
Ornamental Stones (Thousand m^3)	156,77	86,00	82%
Inert (Thousand m^3)	4 262,00	3 862,00	10%

Table 60: Gold Production by Company[66]

Companies	Volume (Oz)
Lafech Mining Resources (Deimang,S.A) - Chipiindo Project	616,45
Mineração Buco Zau, Lda - Buco Zau Project	891,48
Sociedade Mineira do Chicuamone, Lda - Chicuamone Project	1174,94
Mpopo Gold - Exploração Mineira, Lda	-
Total	**2 682,87**

Table 61: Ore Production by Company[67]

Companies	Iron ore Volume (TM)	Manganese ore Volume (TM)
Companhia Siderúrgica do Cuchi, S.A - Cuchi Project	9 638	-
MN Kitota, Lda - Kitota Project	-	73 570

7.3 Exports (Requirement 3.3)

Oil Exports

During 2022, the country exported a total of 395,992,334 barrels of crude oil. The volume exported represents an increase of approximately 0.5% compared to 2021 (1,959,000 barrels), due to the lifting of some measures relating to the COVID-19 pandemic and the increase in the volume of crude oil produced. A positive contribution for 2021 was Angola being considered the 58th (2021: 64th) largest exporter in the world, in terms of total exports. For the 2022 period, the main destinations for total oil sector exports were China (54%), India (9%), France and the Netherlands (6% and 5% respectively). The total volume exported in 2022 is broken down by the following companies, as shown in Table 62.

[66] Data made available through the ANRM *template*
[67] Data made available through the ANRM *template*

Table 62: Oil exports by company[68]

Company	2022 Volume exported (barrels)	2022 Value (Millions of USD)	2022 %	2021 Volume exported (barrels)	2021 Value (Millions of USD)	2021 %
ANPG	100 937 784	10 350	25,49	96 689 086	6 899	24,54
CN Subtotal	**100 937 784**	**10 350**	**25,49**	**96 689 086**	**6 899**	**24,54**
Sonangol[3]	59 368 332	6 005	14,99	69 719 067	4 845	17,69
TotalEnergies	54 683 952	5 663	13,81	51 584 347	3 687	13,09
ESSO	36 139 008	3 664	9,13	35 653 970	2 494	9,05
Azule Energy[1*]	31 503 771	3 214	7,96	30 342 514	2 135	7,70
SSI	28 124 562	2 794	7,10	27 914 982	1 947	7,08
Azule Energy[1*]	28 011 206	2 895	7,07	25 498 121	1 832	6,47
Equinor	25 067 992	2 494	6,33	20 825 846	1 478	5,29
Chevron	23 332 179	2 369	5,89	27 994 680	1 987	7,10
Galp	3 806 262	371	0,96	4 572 033	321	1,16
Somoil[2]	2 605 561	247	0,66	1 582 630	116	0,40
Falcon oil	482 000	47	0,12	194 000	14	0,05
Acrep	431 500	42	0,11	400 300	30	0,10
Prodoil	392 500	38	0,10	305 000	23	0,08
Kotoil S.A	300 500	29	0,08	123 000	9	0,03
Polyhedron	300 500	29	0,08	123 000	9	0,03
Naftagas	196 505	20	0,05	189 446	12	0,05
Ina-Naftaplin	196 220	20	0,05	199 627	13	0,05
Pluspetrol	112 000	12	0,03	122 000	9	0,03
Subtotal Companies	**295 054 550**	**29 951**	**74,51**	**297 344 563**	**20 961**	**75,46**
Total	**395 992 334**	**40 301**	**100%**	**394 033 649**	**27 860**	**100%**
Total (Million AKZ)		**18 351 512**			**17 376 361**	

[1]In March 2022, an agreement was signed between BP and ENI to up an independent joint venture in Angola, called Azule Energy. https://anpg.co.ao/noticias/bp-e-eni-criam-azule-energy-para-operar-em-angola/#:~:text=15%20of%20March%20of%202022%20%7C%20Agency,joint%20venture%20independent%20in%20Angola%2C%20denominated%20Azule%20Energy.
[2]In April 2023, it was announced that SOMOIL would change its name to Etu Energias. https://etuenergias.co.ao/noticias/somoil-e-agora-etu-energias/44
[3]Sonangol, E.P.'s corporate model was reorganized, with Sonangol P&P S.A. becoming the Sonangol Exploração & Produção, S.A. business unit (see section 6.7.1 for more information).
*According to the MIREMPET 2022 Sector Report, the amounts of 31,503,771 barrels and 28,011,206 barrels are represented by the nomenclature previously used, namely BP and ENI, respectively, before the creation of the Joint Venture.

In addition, according to requirement 3.3. of the EITI Standard, crude oil sales of the portion corresponding to the State are disclosed in the following table, broken down by buyer.

[68] https://oec.world/en/profile/country/ago & MIREMPET Sector Report 2022

Table 63: Crude oil sales of the portion corresponding to the state

Buyer	2022 Volume exported (barrels)
BHARAT PETROLEUM	1 000 029
BP	1 024 852
CHEVRON	2 253 025
CNOOC	904 955
CPC	2 001 361
EXXONMOBIL	5 939 212
FORMOSA	1 002 304
GLENCORE	1 002 143
HMEL	906 902
IOC	9 711 922
PERTAMINE	71 151
PHILLIPS 66	1 907 621
PTT	2 226 415
SINOCHEM	46 914 685
TOTSA	951 691
UNIPEC	20 383 343
VITOL SA	2 736 173
ANPG	**100 937 784**
BP	1 853 408
CHEVRON	1 555 472
CPC CORPORATION	943 291
ENI	3 758 268
ESSO	876 184
EXXONMOBIL	661 174
IOC	4 003 694
LITASCO, SA	373 522
PERTAMINE	877 526
PHILLIPS 66	953 359
PTT	636 523
SINOCHEM	28 487 774
SOMOIL	70 000
TOTSA	5 466 153
UNIPEC	8 851 985
Sonangol	**59 368 332**
Total	**160 306 116**

The main branches sold were Mustard (10.91%), Dahlia (10.82%) and Clov (9.48%), as shown in Table 64.

Table 64: Oil Exports by Branch[69]

Ramas	2022			2021		
	Volume exported (barrels)	Value (Millions of USD)	%	Volume exported (barrels)	Value (Millions of USD)	%
Cabinda	25 270 439	2 604	6,38%	35 570 122	2 521	9,05%
Clov	37 543 919	3 878	9,48%	29 301 478	2 067	7,42%
Dahlia	42 832 064	4 339	10,82%	44 715 460	3 176	11,40%
Gimboa	755 528	74	0,19%	1 595 211	121	0,43%
Gindungo	12 214 054	1 233	3,08%	17 615 806	1 223	4,39%
Sunflower	32 518 757	3 416	8,21%	32 604 815	2 347	8,43%
Hungo	15 234 662	1 536	3,85%	16 117 447	1 129	4,05%
Kissanje	17 444 685	1 801	4,41%	19 076 225	1 339	4,81%
Mondo	6 926 286	715	1,75%	8 467 072	601	2,16%
Mustard	43 212 436	4 308	10,91%	42 114 794	2 942	10,56%
Nemba 0	18 717 181	1 904	4,73%	17 363 882	1 224	4,39%
Nemba Bblt	10 124 805	997	2,56%	10 928 871	776	2,78%
Nemba BN	2 278 127	229	0,58%	2 461 510	169	0,61%
Nemba Lianzi	403 316	40	0,10%	430 567	30	0,11%
Nemba TL	2 920 265	300	0,74%	3 214 873	222	0,80%
Olombendo	17 966 248	1 909	4,54%	18 654 657	1 349	4,84%
Sable	5 009 009	489	1,26%	2 946 913	207	0,74%
Pazflor	30 201 642	3 024	7,63%	26 239 343	1 883	6,76%
Plutonium	21 939 280	2 294	5,54%	16 398 477	1 166	4,18%
Sangos	18 752 415	1 855	4,74%	19 532 351	1 358	4,88%
Saturn	23 250 657	2 281	5,87%	19 232 085	1 324	4,75%
Saxi Batuque	10 476 559	1 072	2,65%	9 451 690	686	2,46%
Grand Total	**395 992 334**	**40 301**	**100%**	**394 033 649**	**27 860**	**100%**
Total (Million AKZ)		**18 351 512**			**17 376 361**	

[69] MIREMPET Sector Report 2022

CN Oil Exports

In 2022, CN exports amounted to 100,924,830 barrels of oil. The volumes that contributed most significantly to exports came from Dahlia, Plutonium and Sunflower crude, which totaled more than 61.4 million barrels, representing around 61% of the total quantity exported by CN. In addition, there was a percentage discrepancy of 0.02% between the total shown in the table below and the value of ANPG exports published in MIREMPET's 2022 Sector Report, but the impact is immaterial.

Table 65: CN Oil Exports by Crude[70]

Exported branches	2022 (Barris)	Weight	2021 (Barris)	Weight
Dahlia	30 665 680	30,385%	30 623 929	31,673%
Sunflower	21 729 211	21,530%	22 824 315	23,606%
Plutonium	9 005 259	8,923%	2 891 019	2,990%
Hungo	7 413 625	7,346%	8 440 619	8,730%
Saxi	6 680 309	6,619%	4 687 238	4,848%
Peace-Flower	5 625 939	5,574%	6 578 049	6,803%
Nemba	3 926 520	3,891%	3 631 063	3,755%
Mondo	3 834 391	3,799%	2 816 232	2,913%
Kissanje	3 798 855	3,764%	4 753 123	4,916%
Clov	1 971 452	1,953%	1 948 512	2,015%
Mustard	1 857 882	1,841%	2 069 906	2,141%
Saturn	1 709 660	1,694%	1 326 184	1,372%
Sangos	976 705	0,968%	1 391 664	1,439%
Olombendo	1 046 007	1,036%	1 257 098	1,300%
Gindungo	616 302	0,611%	1 282 554	1,326%
Gimboa	63 000	0,062%	127 200	0,132%
Cabinda	4 033	0,004%	20 000	0,021%
Nemba-Lianzi	0	0,000%	20 381	0,021%
Total	**100 924 830**	**100%**	**96 689 086**	**100%**

It should be noted that, in addition to exports of the state's crude oil entitlement, CN also makes domestic sales to the Luanda Refinery, which are not included in the figures shown in the table above because they are not exports. In accordance with article 2 of PD no. 1/12, of January 4, together with Executive Decree no. 706/15, of December 30, until October 2020, the reference price of a barrel and the exchange rate were set at 39.98 USD/Barrel and 155.612 AKZ/USD, respectively. In this sense, the price differential the sale of crude oil to the Luanda Refinery and the purchase of oil from partners to supply the Refinery was borne by the state, insofar as the aforementioned legislation determined that CN was the sole supplier of crude oil to the Luanda Refinery, at the fixed price and exchange rate, and that it could turn to its partners in the oil concessions in the event of insufficient oil profit from the state to cover the Refinery's needs.

However, due to the renewal of the aforementioned legislation and the entry into force of DP no. 283/20, of October 27, which establishes the Model for Defining the Prices of Products Derived from Crude Oil and Natural Gas (see section 6.1.2), the method of calculating the price and exchange rate to be used for crude oil sales to the Luanda Refinery is now calculated on the basis of the average of the monthly quotations for Angolan crude oil on the date of the calculated shipments, based on the reference price of dated Brent (according to *Platts* publications), i.e. the calculation of the price and exchange rate to be used for crude oil sales to the Luanda Refinery.

[70] ANPG Management Report 2021 and 2022 and additional clarifications from ANPG

average prices of state shipments made in the previous month, using the average exchange rate for the previous month, published by the BNA.

During 2022, ANPG and Sonangol, E.P. sold a total of 17,546,682 million barrels to the Luanda Refinery, with sales totaling 1,755 million USD, as detailed below:

Table 66: Crude Oil Sales by Sonangol, E.P. and ANPG to the Luanda Refinery - 2022

Company	Volume (Barrels)	Value (Millions of USD)	Value (Millions of AKZ)
ANPG	3 790 981	374	170 237
Sonangol, E.P.	13 755 701	1 381	629 011
Total	**17 546 682**	**1 755**	**799 248**

Gas Exports

Gas exports in 2022 totaled 4 million metric tons of gas (valued at 6.306 billion USD or 2.871.486 billion AKZ), with LNG exports accounting for a significant 83% of total gas exports.

Table 67: Gas Exports[71]

Products	2022 Quantities (TM)	2022 Value (Millions of USD)	2022 Weight	2021 Quantities (TM)	2021 Value (Millions of USD)	2021 Weight
		Angola LNG Block				
LNG	3 334 748	5 837	83,2%	3 687 038	3 047	83,5%
Condensates	235 833	165	5,9%	238 561	145	5,4%
Propane	435 524	304	10,9%	492 146	243	11,1%
Total	**4 006 105**	**6 306**	**100%**	**4 417 745**	**3 434**	**100%**
Total (Million AKZ)		**2 871 486**			**2 142 040**	

For the 2022 period, the main destinations for total gas exports were the Netherlands (19%), India (14%) and France (14%).

Exports of Other Mineral Resources

According to the information provided, exports of other mineral resources, namely diamonds, ornamental rocks and gold, which represent the most significant resources in 2022, are detailed in Tables 68 to 70.

It should also be noted that during the 2022 period, main destinations for diamond exports were the United Arab Emirates (67%) and Belgium (17%), while the main destinations for ornamental stone exports were China (65%) and Spain (15%).

[71] MIREMPET Sector Report 2022

Table 68: Diamond Exports[72]

Export - Diamonds	2022 Volume (Qlts)	2022 Value (Millions of USD)	2021 Volume (Qlts)	2021 Value (Millions of USD)
Industrial+ Semi-Industrial Diamonds	8 871 268	1 953	8 713 126	1 540
Diamond Cutting	8 366	24	3 826	10
Total	**8 879 634**	**1 977**	**8 716 952**	**1 550**
Total (Million AKZ)		**900 122**		**966 941**

Table 69: Ornamental Stone Exports[73]

Export - Ornamental Stones	2022 Volume (m^3)	2022 Value (Millions AKZ)	2021 Volume (m^3)	2021 Value (Millions AKZ)
Granite	-	-	652	132
Grey granite	78	49	-	-
Maroon granite	6 381	785	9 166	2 105
Black granite	150 521	30 950	63 432	13 130
Marble	45	5	1 297	116
White marble	519	114	1 031	220
Quartzite	2 256	478	-	0
Tropical quatzito	7 588	77	-	0
Shale	-	-	108	4
Total	**167 388**	**32 459**	**75 687**	**15 572**
Total (Millions of USD)		**71**		**25**

Table 70: Gold Exports by Company[74]

Companies	Destination	Volume (Oz)	2022 (Millions of USD)
Mineração Buco Zau, Lda - Buco Zau Project	Porto - Portugal	1 273	1,83
Mpopo Gold - Exploração Mineira, Lda	Dubai - UAE	384	0,62
Sociedade Mineira do Chicuamone, Lda - Chicuamone Project	Dubai - UAE	984	1,56
Lafech Mining Resources (Deimang,S.A) - Chipindo Project	Dubai - UAE	891	1,38
Total		**3 532**	**5,39**
Total (Million AKZ)			**2 453**

[72] MIREMPET Sector Report 2022
[73] MIREMPET Sector Report 2022
[74] MIREMPET 2022 Sector Report and ANRM *template*

As far as mineral resources other than those identified above are concerned, and in line with what has been mentioned above, the share of these minerals in exports is substantially lower when compared to the diamond sector.

The mineral resources other than those presented above refer to Iron Ore, whose global export value in 2022 was 6,638,000 USD and Manganese with 15,509 USD.

The data on mineral resources other than oil, gas and diamonds reinforces the conclusion that they are of little value to the Angolan economy if we consider that a considerable part of the resources are exported and that those reported above the most significant after diamond resources.

8. Government revenue

8. Government Revenue

8.1 Scope of the Report

Requirement 4 of the 2019 EITI Standard states that implementing countries must disclose significant payments from companies in the sector that constitute government revenue, both tax and , from the extractive industry. The requirement covers the disclosure of information on all payments for the benefit of state revenue such as sales of state profit oil, production revenues from public companies, taxes, royalties, miscellaneous fees, among others, as well as information on receipts from public bodies or state companies.

Given the legislative impediment to disclosing financial information broken down by taxpayer, and the fact that there is no need to define materiality, the revenues identified will be presented in the 2nd EITI Report in aggregate form, according to publicly available information and in accordance with the applicable legislation. In addition, as mentioned above, disaggregated data will be made available for two entities (TotalEnergies and Catoca).

Detailed disclosure of taxes and government revenues

On the basis of the survey carried out and the data available, it was possible to segregate the government revenues and present in a consolidated form those perceived to be most significant in the oil and diamond sectors, which generally constitute amounts that enter the state's accounts directly (see Chapter 8), namely the following revenues:

Table 71: Revenue Flow in the Extractive Industry Sector

P&G Revenue Streams	Revenue Flows Other Mineral Resources
Non-tax revenue	**Tax revenues**
Oil Sharing and Production (RCN)	Tax on diamond production - royalty
Tax revenues	Industrial Tax
Petroleum Income Tax	
Oil Transaction Tax	
Oil Production Tax	

The information provided in this chapter gives a breakdown by concession/project for the P&G sector, taking into account its representativeness in total government revenue. In addition, the same section provides information on the relative weight of direct diamond revenue total government revenue.

State-owned companies

Information was also released on the revenues of state-owned companies with government autonomy in relation to their extractive resources activities, based on the information available in reports and accounts. This includes Sonangol, E.P., SODIAM, E.P. and ENDIAMA - E.P. due to their status as public companies.

Revenues Received from Gas Production and Marketing

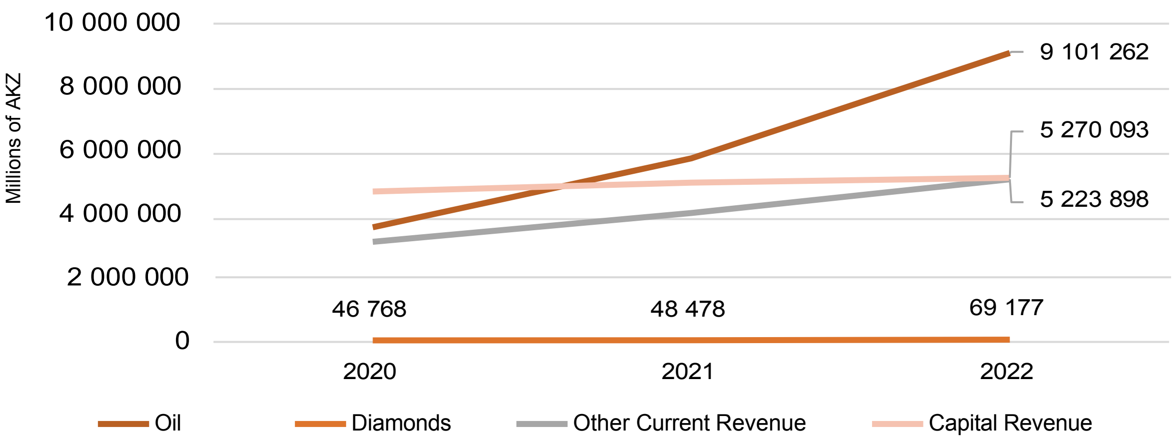
Angola LNG is subject, from the first export of LNG, to the payment of a gas tax to the state on a quarterly basis. The fee is calculated according to the volume exported, multiplied by the Commercialization Index for the quarter, to which is added the price of the gas sold and adjusted based on the US CPI for the quarter with reference to the 2004 CPI, as provided for in Decree-Law no. 10/07, of October 3, article 39 (see section 11.1 for more information on the framework of the ALNG project). It should be noted that there are currently no production sharing agreements between the state and ALNG in the field of gas exploration.

8.2 Sectoral data (Requirement 4.1)

In recent years, the evolution of total government revenue in Angola has shown positive growth, due to the increase in other current revenue, namely tax revenue and oil revenue. According to Figure 21 and as already mentioned, it is clear that the Angolan state's economy is predominantly based on the oil sector, for the collection of government revenue. However, during 2020 there was a reduction in oil revenue, justified by the fall in the price of oil and the context of the COVID-19 pandemic. This drop was followed by an increase in the price of oil and its stabilization during 2021, boosted by the positive control of the pandemic through the emergence of vaccines, which once again promoted economic stabilization in the world.

During 2022, the price of oil continued its upward trend and was the main driver of the increase in oil revenues, considering that the increase in production and exports was 1% and 0.5%, respectively.

Figure 21: Evolution of Government Revenue[75]



During the 2022 period, the revenue collected by the state totaled 19.66 billion AKZ (43 184 million USD), which translates into an increase of 29% in AKZ or 77% in USD, compared to the same period last year. This divergence in the year-on-year variation between the two currencies is due to the appreciation of the Angolan currency during 2022, which naturally has a direct impact on the real variation in revenue. In absolute terms, this growth corresponds to approximately AKZ 4.44 billion (USD 18.781 billion), considering that the industry in the P&G direct revenue sector accounts for AKZ 3.24 billion (USD 10.587 billion) of the total growth.

[75] CGE 2020, CGE 2021 and CGE 2022

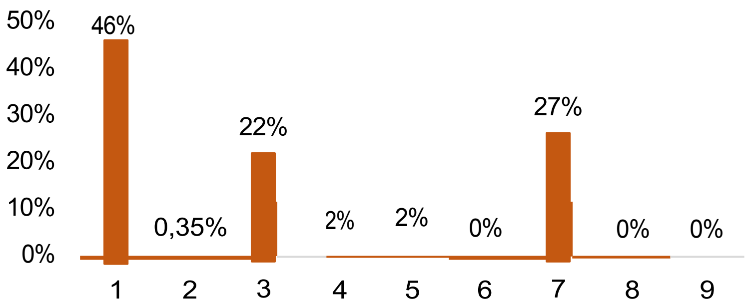
Table 72: Government revenues 2021-2022

Government revenue	2022 (Millions of AKZ)	2021 (Millions of AKZ)	Year-on-year change
Chains	**14 394 336**	**10 098 991**	**43%**
Oil	9 101 262	5 862 496	55%
Dealership	5 005 984	4 113 507	22%
Companies	4 095 278	1 748 989	134%
Diamond*	69 177*	48 478*	43%*
Other Tax Revenue	4 411 191	3 859 276	14%
Other Property and Current Income	344 056	122 296	181%
Revenue from Social and Economic Contributions	468 651	206 445	127%
Capital	**5 270 093**	**5 121 756**	**3%**
Disposals	40 699	20 375	100%
Financing	5 228 571	5 100 169	3%
Internal	2 387 974	2 376 925	0%
External	2 840 597	2 723 244	4%
Capital Transfer Revenue	823	1 212	-32%
Other Capital Income	0	0	0%
Total	**19 664 429**	**15 220 747**	**29%**
Total (Millions of USD)	**43 184**	**24 404**	**77%**

*Due to the work to standardize the budget classifiers, which took place between 2022-2024, in the reporting period, diamond revenues include the amount of *royalties* and industrial tax relating to diamond revenues. In 2021, the amount presented corresponded only to the amount of *royalties*.

Direct oil revenue (CN sales and oil taxes) accounts for 46% of total government revenue for 2022, followed by 27% resulting from financing and 22% corresponding to other tax revenue, with diamond revenue accounting for only 0.35% of total government revenue. With regard to other mineral resources, it is not possible on the basis of the information available to demonstrate specific data, since the CGE does not highlight these amounts due to their expected lower significance.

Figure 22: Government Revenue 2022



1	Oil (CN Sales+ Sector Taxes)
2	Diamonds (Royalties)
3	Other Tax Revenue
4	Other Property and Current Income
5	Revenues from Social Contributions and
6	Disposals
7	Financing
8	Capital Transfer Revenue
9	Other Capital Income

It should be noted that, in the information above, oil and diamond revenues take into account the taxes covered by the special taxation regimes associated with each of the sectors, particular CN sales and oil taxes, as well as *royalties* and industrial tax, for the oil and diamond sectors, respectively. However, the sectors are also covered by the General Taxation Regime in Angola, for which the information in the CGE is presented in the line corresponding to "Other Tax Revenue".

, there is also government revenue from the extractive sector, considered under "Other tax revenue", namely with regard to collection of taxes such as VAT, IRT, IAC, IS, among others, which included under other tax revenue, but for the of which there is no detail in the CGE with segregation between extractive industry and others (see additional clarifications in section 8.2.1).

Regarding the revenue detail required by the 2019 EITI Standard and considering the legal limitations, it was possible to obtain the details below for the P&G and Other Mineral Resources sector.

8.2.1 P&G sector

Revenues from CN's oil taxes and sales, hereinafter referred to as direct oil revenues, as identified in the CGE, saw a significant increase during the 2021 and 2022 periods, namely 55% in AKZ or 113% in USD. Once again, it should be noted that this divergence corresponds mainly to the effect of the appreciation of the Kwanza against the US dollar during the periods mentioned above.

The good performance of direct oil revenues, as mentioned above, is essentially due to the increase in the price of oil, which offset the stabilization of production in the 2022 period. In addition, oil revenue collected by CN in 2022 totaled AKZ 5 billion (USD 10 993 million), a significant increase compared to the same period last year (22% in AKZ and 67% in USD), impacted by the increase in oil prices. What's more, as identified in Table 73, the RCN account for 25% (in AKZ and USD) of total government revenue.

As mentioned above, direct oil revenue differs from the total revenue collected through the entities in the P&G sector, i.e. the entities in the sector make more contributions than those taken into account for CGE reporting purposes.

This revenue does not include other taxes or fees, such as the surface tax, contribution to the training of Angolan executives, among others, as well as taxes associated with the General Taxation Regime, namely VAT, IRT, IAC, IS, among others. For a better understanding, see Table 73.

Oil revenues in context of CGE, understand:

- Revenues from CN (identified as "Concessionaire") e:

- Income from IRT/ITP/IPP (identified as "Companies").

+

- Surface tax/ Contribution to the training of Angolan executives;

- IVA/IRT/IAC/IS;

- Other contributions.

=

Total revenue collected by the State from the oil sector industry

For the purposes of this report, the designations used are those from the CGE. If any additional amounts are identified in the terms, they will be duly identified and clarified.

Table 73: Weight of Government Revenue (%)[76]

Government revenue	2022 (Millions of AKZ)	Weight	2021 (Millions of AKZ)	Weight
Chains	**14 394 336**	**73,20%**	**10 098 991**	**66,35%**
Oil	**9 101 262**	**46,28%**	**5 862 496**	**38,52%**
Dealership	**5 005 984**	**25,46%**	**4 113 507**	**27,03%**
Companies	**4 095 278**	**20,83%**	**1 748 989**	**11,49%**
Diamond*	69 177*	0,35%	48 478*	0,32%
Other Tax Revenue	4 411 191	22,43%	3 859 276	25,36%
Other Property and Current Income	344 056	1,75%	122 296	0,80%
Revenue from Social and Economic Contributions	468 651	2,38%	206 445	1,36%
Capital	**5 270 093**	**26,80%**	**5 121 756**	**33,65%**
Total	**19 664 429**	**100,00%**	**15 220 747**	**100,00%**
Total (Millions of USD)	**43 184**		**24 404**	

*Due to the work to standardize the budget classifiers, which took place between 2022-2024, in the reporting period, diamond revenues include the amount of *royalties* and industrial tax relating to diamond revenues. In 2021, the amount presented corresponded only to the amount of *royalties*.

In 2022, revenue from oil taxes accounted for around 21% of total state revenue, as shown in Table 73, and these contributions include, as mentioned above, taxes such as IRP, ITP and IPP (identified by the "Companies" line).

In addition to the information in the CGE, resulting from the information collected through the *templates*, MIREMPET provided additional information on the amounts received in relation to contributions from each block to the fund for the training and development of Angolan human resources in the oil sector, which are shown in Table 74. This revenue, by its nature, qualifies as compulsory social expenditure under the requirement for this purpose, however we present it in this section as it follows the normal flow of entry and distribution via CUT, with specific subsequent allocation to MIREMPET.

As provided for in the tax legislation and set out in sections 6.1.3 and 6.1.4 of this report, the companies responsible for blocks in the production phase and refineries contribute more to the training of Angolan staff than the companies responsible for blocks in the exploration phase.

According to the table below, the share of contributions from blocks in the production phase represents around 78.52% of the total, while for blocks in the research phase it is only 3.37%. The remaining 18.11% of contributions come from the supply of goods and services.

[76] CGE 2022 and 2021

Table 74: Contributions to the training of Angolan executives[77]

Contributions to the training of Angolan executives	2022 (Millions of AKZ)	Weight
Production		
Block 0	2 549	6,92%
Block 14	951	2,58%
Block 15	3 857	10,47%
Block 17/92	8 871	24,08%
Block 18	1 475	4,00%
Block 31	1 530	4,15%
Block 15/06	4 319	11,72%
Block 32	3 697	10,04%
CS	10	0,03%
LNG	1 668	4,53%
Subtotal	**28 929**	**78,52%**
Research		
Block 15/06	582	1,58%
Block 17/06	99	0,27%
Block 48	98	0,27%
Block 40	25	0,07%
Block 20	25	0,07%
Block 16/AS	99	0,27%
BSNLPP	12	0,03%
Block 17/92	302	0,82%
Subtotal	**1 243**	**3,37%**
Provision of services		
Suppliers of goods and services	6 673	18,11%
Subtotal	**6 673**	**18,11%**
Total	**36 844**	**100%**
Total (Millions of USD)	**81**	

During the collection and analysis carried out on the data provided by the CGE and the information provided by MINFIN, there was a discrepancy between the total revenue received from the companies and the respective receipts broken down by type of tax and block, corresponding to 0.07% of the total direct oil revenue.

The IRP accounted for approximately 85% of oil tax revenues. IPP and ITP accounted for 8% and 7% respectively. These proportions are in line with expectations, bearing in mind that the IRP is the tax paid on PSCs, which is by far the most common type of contract for projects in Angola (see chapter 8 for more details).

[77] MIREMPET Sector Report 2022

Figure 23: Share of Oil Revenues - Companies (%)

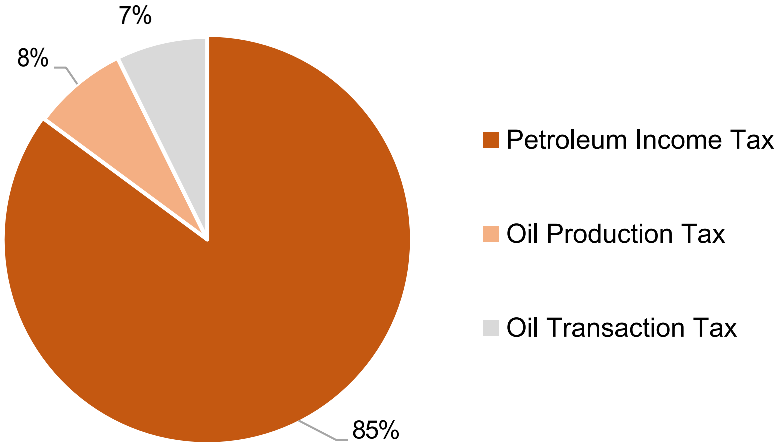


Table 75: Petroleum Revenues - Companies

Type of tax / million AKZ	2022 (Millions of AKZ)	Weight of oil revenue	2021 (Millions of AKZ)	Weight of oil revenue
IRP	3 493 674	85%	1 297 844	74%
IPP	310 767	8%	303 746	17%
ITP	299 654	7%	157 739	9%
Total	**4 104 093**	**100%**	**1 759 329**	**100%**
Total (Millions of USD)	**9 013**		**2 821**	

Table 75 shows the information by type of oil tax in absolute figures, according to the information provided by MINFIN. The information shows an increase in all tax categories compared to the same period last year.

Below is a breakdown of the amounts received by the state in relation to tax charges applicable to the oil sector, broken down by type of revenue and by oil block/concession.

Direct Petroleum Revenues 2022 - details by source and project

Table 76: Direct Petroleum Revenues 2022 by Block[78]

Blocks / (Millions of AKZ)	IRP	IPP	ITP	CN revenue	Total
Block 0 A Cabinda	1 037 526	198 008	211 687	0	**1 447 221**
Block 0 B Nemba	469 673	105 401	87 967	0	**663 041**
Block 0 ZMQ	5	1 588	0	0	**1 593**
Block 02/05	11 873	0	0	0	**11 873**
Block 03/05	6 301	0	0	0	**6 301**
Block 03/05A	847	0	0	0	**847**
Block 04/05	1 279	0	0	0	**1 279**
Block 14	12 981	0	0	435 294	**448 275**
Block 15	120 348	0	0	777 168	**897 516**
Block 15/06	190 008	0	0	297 764	**487 772**
Block 16	20	0	0	0	**20**
Block 17	697 115	0	0	1 679 655	**2 376 770**
Block 17/06	26	0	0	0	**26**
Block 18	129 080	0	0	226 109	**355 189**
Block 21	11	0	0	0	**11**
Block 31	57 662	0	0	333 548	**391 210**
Block 32	161 679	0	0	679 055	**840 734**
FS-FST block	15 591	5 771	0	0	**21 362**
South Zone Block onshore Cabinda	359	0	0	210 779	**211 138**
Subtotal (millions AKZ)	**2 912 387**	**310 767**	**299 654**	**4 639 373**	**8 162 181**
Subtotal (million USD)	**6 396**	**682**	**658**	**10 188**	**17 925**
ALNG block	581 287	0	0	0	**581 287**
Total (Million AKZ)	**3 493 674**	**310 767**	**299 654**	**4 639 373**	**8 743 468**
Total (Millions of USD)	**7 672**	**682**	**658**	**10 188**	**19 201**
Total 2021 (Millions of AKZ)	**1 297 843**	**303 746**	**157 738**	**4 113 509**	**5 872 836**
Total 2021 (Millions of AKZ)	**2 081**	**487**	**253**	**6 595**	**9 416**

According to Table 76, the blocks that contributed the most to the associated direct oil revenue were Block 17, Block 0, Block 15 and Block 32, accounting for 29%, 18%, 11% and 10%, respectively.

From the point of view of revenue typology, CN sales, which reflect sales of the rights barrels of crude allocated to CN under the concession contracts, consistent with the concept of *in-kind revenue* in requirement 4.2 of the 2019 EITI Standard (see section 8.3), stand out clearly among direct revenues, accounting for around 57% of direct oil revenues in 2022. Chapter 7 reports the volume of barrels allocated to CN.

In addition, the revenue associated with the oil sector also includes amounts received by the Angola LNG plant, as shown in Table 77, which represent 10% of the total direct revenue.

78 https://www.minfin.gov.ao/macroeconomia/receitas-petroliferas

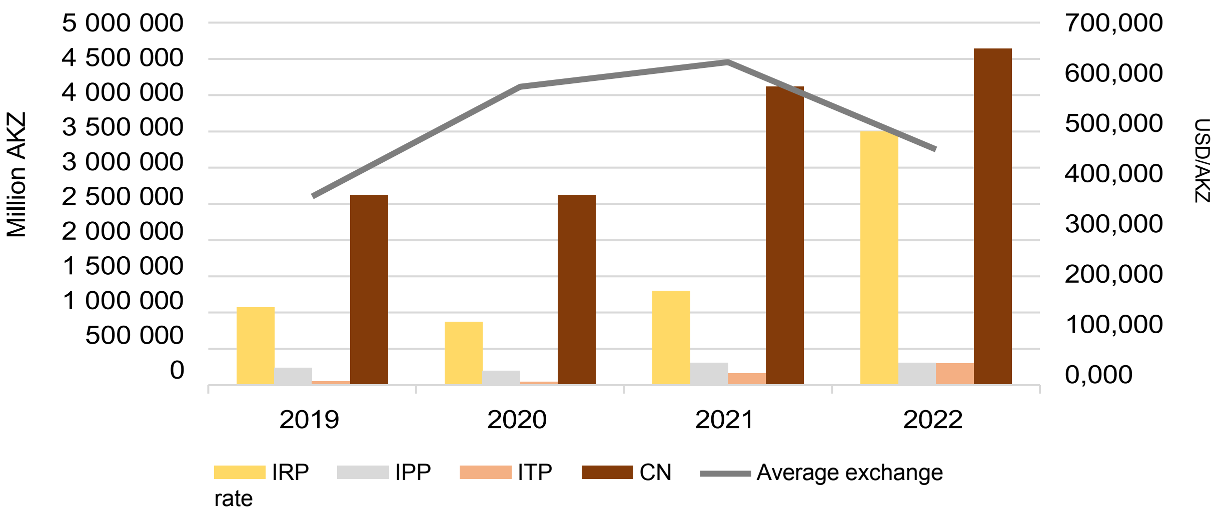
Table 77: Government Revenue - ALNG[79]

Government revenue	Oil Revenue Direct+ ALNG (2022)	Weight (%)	Oil Revenue Direct+ ALNG (2021)	Weight (%)
Angola LNG	945 751	10%	177 922	3%
ALNG subtotal (millions of AKZ)	945 751	10%	177 922	3%
Subtotal ALNG (millions of USD)	2 077		285	
Subtotal Direct oil revenues (AKZ million)	**8 162 180**	**90%**	**5 872 836**	**97%**
Subtotal Oil revenues direct (million USD)	**17 925**		**9 416**	
Total revenue (Million AKZ)	**9 107 931**	**100%**	**6 050 758**	**100%**
Total revenue (Millions of USD)	**20 002**		**9 701**	

The only payments made to the state, corresponding to IPP and ITP, were made for Block 0 and Blocks FS-FST, which correspond to Association Contracts. On the other hand, based on the majority of blocks under the PSC regime, the IRP is the most significant tax, as this type of contract contributes to the sale of the barrels of oil allocated to CN. In addition, there are a considerable number of PSC blocks which do not show any revenue, as they are blocks in the exploration phase. See Annex M for more information on the type of contract and the stage of the project.

As mentioned above, the increase in oil revenues in Angola is directly linked to the increase in oil sales attributed to the CN and the collection of revenue via taxes, namely the IRP, which is highlighted in Figure 24 for the reasons mentioned above.[80]

Figure 24: Evolution of Direct Oil Revenue



Despite the obstacles encountered in collecting data from extractive industry entities, due to the legal restrictions set out in this report, we would like to point out that certain jurisdictions, in particular the European Union and the United Kingdom, are subject to legal obligations to disclose information to the government. In this context, we were able to obtain more detailed information for certain entities, which is available in the government payment reports, and is presented below.

79 https://www.minfin.gov.ao/macroeconomia/receitas-petroliferas

80 https://www.minfin.gov.ao/PortalMinfin/#!/retail-materials/general-account-of-the-state & CGE (from 2021 a 2011) https://www.minfin.gov.ao/PortalMinfin/#!/national-economy/oil

Data on payments to the government from companies in the extractive industry

With regard to the provision of payment data by companies in the extractive industry, for the legal reasons widely referred to in the report, it was not possible to obtain data directly from companies with the exception of the two companies selected for reconciliation.

In this context, in order complement the report with regard to requirement 4.1 of the EITI Standard, publicly available reports on payments to the government were identified for companies in the extractive sector in Angola. It is understood that although the data collected does not fully comply with the information and granularity required by the requirement, this information can provide additional details that add value to the 2nd EITI Report.

The data presented below corresponds to information made publicly available on the respective *websites of* the extractive entities mentioned, when it was available, which was generally possible for companies with a parent company resident in Europe and United Kingdom, taking into account legislation that requires this disclosure in these countries.

It should be noted that given the lack of a uniform structure in the information reported by the various entities, it has not been possible to completely standardize or reconcile the respective data, which is why they are reported as presented in the report. However, with regard to requirement 4.9, it should be noted that most of the reports are accompanied by an independent limited audit, with the exception of the information available from BP on its website.

TotalEnergies EP Angola

Table 78: Public financial data - TotalEnergies[81]

Thousands of USD

Payments	IRP	Other taxes	Subtotal Tax	License fee	Improvements Infrastructure	Participation in Production *	Total Payments
Angola	**759 455**	**116 424**	**875 879**	**12 042**	**1 411**	**2 492 888**	**3 382 220**
Payment per project							
Block 0	179 027	**116 424**	**295 451**	840	-	-	**296 291**
Block 14	14 207	**-**	**14 207**	464	-	88 361	**103 032**
14k block	1 167	**-**	**1 167**	42	-	661	**1 870**
Block 16	-	**-**	**-**	320	-	-	**320**
Block 17	442 734	**-**	**442 734**	6 862	427	2 320 431	**2 770 454**
Block 17/06	3	**-**	**3**	123	-	-	**126**
Block 20	-	**-**	**-**	458	-	-	**458**
Block 21	-	**-**	**-**	482	-	-	**482**
Block 32	122 317	**-**	**122 317**	2 240	984	83 435	**208 976**
Block 48	-	**-**	**-**	211	-	-	**211**
Total	**759 455**	**116 424**	**875 879**	**12 042**	**1 411**	**2 492 888**	**3 382 220**
Payment by Government							
National Treasury	759 455	**116 424**	**875 879**	601	-	-	**876 480**
MIREMPET	-	**-**	**-**	11 441	-	-	**11 441**
ANPG	-	**-**	**-**	-	1 411	2 492 888	**2 494 299**
Total	**759 455**	**116 424**	**875 879**	**12 042**	**1**	**2 492 888**	**3 382 220**

*Payments in kind

[81] Source: https://totalenergies.com/sites/g/files/nytnzq121/files/documents/2023-03/TotalEnergies_URD_2022_EN.pdf#page=558

Azule Energy

As mentioned above, Azule Energy is a *joint venture* between BP and ENI, so the information is broken down between the two entities. It should be noted that in 2022, according to the report published by ENI, there was a derecognition of the consolidated amounts of the *joint venture* companies that made up Azule Energy. The effects of this derecognition are applied from August 2022, so in line with the consolidated financial statements, the companies' payments are reported until the loss of individual control, i.e. for the first seven months of 2022.

Table 79: Public financial data - BP[82]

Millions of USD

Payments	Taxes	Fees	Improvements to Infrastructure	Participation in Production*	Total Payments
Angola	**459,9**	**0,2**	**0,4**	**1 435,7**	**1 896,2**
Payment per project					
Block 15	82,1	-	-	-	**82,1**
Block 17	178,7	-	-	-	**178,7**
Block 18	145,9	0,2	0,4	761,2	**907,7**
Block 31	53,1	-	-	674,5	**727,7**
Total	**459,9**	**0,2**	**0.4**	**1 435,7**	**1 896,2**
Payment by Government					
AGT	3,5	-	-	-	**3,5**
ANPG	-	-	-	731,5	**731,5**
MINFIN	451,7	0,2	-	-	**451,8**
MIREMPET	4,7	-	-	-	**4,7**
Rise Angola	-	-	0,4	-	**0,4**
Sonangol P&P	-	-	-	704,2	**704,2**
Total	**459,9**	**0,2**	**0,4**	**1 435,7**	**1 896,2**

*Payments in kind

Table 80: Public financial data - ENI[83]

Thousands of euros

Payments	Taxes	Royalties	Fees	Participation in Production*	Total Payments
Angola	**320 725**	**70 477**	**124**	**1 013 208**	**1 404 534**
Payment per project					
Block 15/06	44 834	-	124	1 013 208	**1 058 166**
Block 0	135 861	70 477	-	-	**206 338**
Block 15	23 815	-	-	-	**23 815**
Block 14	6 486	-	-	-	**6 486**
Block 3	3 263	-	-	-	**3 263**
Block 14 K/A- IMI	288	-	-	-	**288**
A-LNG	106 178	-	-	-	**106 178**
Total	**320 725**	**70 477**	**124**	**1 013 208**	**1 404 534**
Payment by Government					
Sonangol P&P	-	-	-	816 642	**816 642**
MINFIN	317 528	70 477	124	-	**388 129**
ANPG	-	-	-	196 566	**196 566**
MIREMPET	3 197	-	-	-	**3 197**
Total	**320 725**	**70 477**	**124**	**1 013 208**	**1 404 534**

*Payments in kind

[82] Source: https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/sustainability/group-reports/bp-report-on-payments-to-governments-2022.pdf

[83] Source: https://www.eni.com/content/dam/enicom/documents/eng/reports/2022/Report-payments-governments-2022.pdf

Equinor

Table 81: Public financial data - Equinor[84]

Millions of USD

Payments	Taxes	Government rights host	Total Payments
Angola	**438,3**	**1 606,7**	**2 045**
Payment by Project			
Equinor Angola Block 31 AS	41,9	-	**41,9**
Equinor Dezassete AS	150,3	-	**150,3**
Equinor Angola Block 15 AS	45,7	-	**45,7**
Equinor Angola Block 17 AS	200,4	-	**200,4**
Sunflower	-	290	**290**
Pazflor	-	134,6	**134,6**
Pink	-	184,4	**184,4**
Kizomba A	-	80,6	**80,6**
Kizomba B	-	63	**63**
Mondo Kiz C	-	31,9	**31,9**
Saxi Batuque Kiz C	-	90,9	**90,9**
Dalia	-	651,9	**651,9**
Clov	-	59,1	**59,1**
PSVM	-	20,4	**20,4**
Total	**438,3**	**1 606,7**	**2 045**
Payment by Government			
BNA	438,3	-	**438,3**
Sonangol, E.P.	-	1 606,7	**1 606,7**
Total	**438,3**	**1 606,7**	**2 045**

Galp

Table 82: Public financial data - Galp[85]

Thousands of euros

Payments	Taxes	Total Payments
Angola	**30 087**	**30 087**
Payment per project		
Block 14	2 884	**2 884**
14k block	191	**191**
Block 32	27 012	**27 012**
Total	**30 087**	**30 087**
Payment by Government		
MINFIN	30 087	**30 087**
Total	**30 087**	**30 087**

[84] Fonte: https://ml-eu.globenewswire.com/Resource/Download/540e0c60-f972-421b-9c2d-a56d16822b0a
[85] Source: https://www.galp.com/corp/Portals/0/Recursos/Investidores/2023_IR/1Q_RESULTS_2023/GALP_RC22_EN_ESEF.pdf

NIS-NAFTGAS

Table 83: Public financial data - NIS-NAFTGAS[86]

Thousands of RSD

Payments	Taxes	Total Payments
Angola	**159 977**	**159 977**
Payment per project		
Block 3	**159 977**	**159 977**
Total	**159 977**	**159 977**
Payment by Government		
ANPG	**159 977**	**159 977**
Total	**159 977**	**159 977**

Maurel & Prom Angola

Table 84: Public financial data - Maurel & Prom Angola[87]

Thousands of USD

Payments	Taxes	Production Rights	Total Payments
Angola	**6 127**	**33 687**	**39 814**

INA

Table 85: Public financial data - INA[88]

Millions of HRK

Payments	Taxes	Total Payments
Angola	**10**	**10**
Payment per project		
Block 3/05	**10**	**10**
Total	**10**	**10**
Payment by Government		
AGT	**10**	**10**
Total	**10**	**10**

Amounts directly allocated to the management of the ANPG

The detail of the revenue recognized in the ANPG's Report and Accounts for 2022 is as follows:

- Crude oil - CN: Proportion of CN crude oil sales (5%) attributed to CN, received from the State in the reference years (part of CN sales already reported above);
- Supplementary Services: transport revenues corresponding to the fee for using the pipeline network;
- Sale of seismic data: sale data relating to oil blocks (well, sample, regional and geophysical data);
- Other operating income.

86 Source: https://ir.nis.rs/wp-content/uploads/2023/04/AR_2022_eng.pdfngan
87 Fonte: https://www.maureletprom.fr/uploads/2023/03/17/5206328af4119606d82bf59c148d5f90488a8491.pdf
88 Source: https://www.ina.hr/en/investors/financial-reports/annual-financial-reports/

Table 86: Assigned revenue and other operating income of the NPP 2021-2022[89]

CN earmarked revenue	2022 (Millions of AKZ)	2021 (Millions of AKZ)
Crude Oil (consigned revenue)	142 847	122 639
Subtotal Revenue via CGE	**142 847**	**122 639**
Supplementary Services	0	23 675
Sale of seismic data	647	7 937
Sale oil materials	262	388
Other operating income	116 351	64 434
Total	**260 106**	**219 073**
Total (Millions of USD)	**571**	**351**

With regard to other operating income, the amount recorded in 2022 was due to the BRCIP and the extension of the operating periods for Blocks 15 and 17, which were recovered during 2022.

The amounts identified correspond to a set of revenues from the ANPG, allocated to the management of the extractive industry sector as a regulatory body, and therefore constitute government income.

Other considerations in the sector associated with the responsibilities of the CN (ANPG)

The PSCs generally define, at the end of the operating license, obligation to return assets in a good state of repair and safety to the .

In this context, abandonment funds are created as a form of guarantee for the costs to be incurred in dismantling the oil fields, consisting of guarantee bank accounts controlled by the operator of the respective block and CN. To this end, the operator of each block deposits, on behalf of the EG, the estimated amount of the abandonment cost in the escrow accounts created in accordance with the funding rules established in the contract. This amount is kept in the escrow accounts, and the estimated abandonment plan must be reviewed and updated every 3 years and submitted to the CN.

Although the amounts serve as a guarantee and are transferred to the ANPG, legally they do not constitute State or ANPG revenue, as they are a form of guarantee/provision for dismantling and abandonment, safeguarding environmental issues. However, in view of the expression, it is considered essential to disclose the amounts corresponding to the reporting period.

On December 31, 2022, the amounts receivable reported in the ANPG accounts were broken down as shown in Tables 87, 88 and 89.

The amounts shown in Table 87 correspond to the amounts deposited by GE and which are still in bank accounts held by Sonangol, E.P. (formerly CN) and TotalEnergies, due to regularizations resulting from the termination of the Block 03/91 contract.

Table 87: ANPG - Accounts Receivable (abandonment funds)[90]

Accounts receivable	2022	2021
Total (Million AKZ)	866 114	1 361 079
Total (Millions of USD)	1 902	2 182

The variation from 2021-2022, seen in Table 87, is due to the process of transferring ownership of the *escrow* accounts from Sonangol, E.P. to ANPG. This process was carried out for the majority,

[89] ANPG Management Report 2022
[90] ANPG Annual Report 2022

but not for all of these accounts, so that on December 31, 2022 the balance shown above still existed.

Table 88: ANPG - Other receivables (abandonment funds - GE)[91]

Accounts receivable	2022	2021
Total (Million AKZ)	2 613 263	3 466 657
Total (Millions of USD)	5 739	5 558

On December 31, 2022, the amounts of anchorage to be received in the future in accordance with the anchorage rules, recorded at CN, amounted to AKZ 2 613 263 million (USD 5 739 million).

It should also be noted that up to 31-12-2022, CN had received AKZ 2,602,061 million, equivalent to USD 5,714 million, from GE to cover future abandonment costs under contracts with the extractive industry.

Table 89: ANPG Availability[92]

Availability	2022	2021
Total (Million AKZ)	2 602 061	2 012 016
Total (Millions of USD)	5 714	3 226

8.2.2 Other Mineral Resources Sector

Although the sector has a strong presence in the Angolan market and its contribution, in absolute amounts, is considerable when compared to the oil sector, we can see that the relative weight of direct diamond revenue in total government revenue is substantially lower (0.35% for 2022).

Table 90: Government Revenues 2022-2021[93]

Government revenue	2022 (Millions of AKZ)	Weight (%)	2021 (Millions of AKZ)	Weight (%)
Chains	**14 394 336**	**73,20%**	**10 098 991**	**66,35%**
Oil	9 101 262	46,28%	5 862 496	38,52%
Diamond*	**69 177***	**0,35%**	**48 478**	**0,32%**
Other Tax Revenue	4 411 191	22,43%	3 859 276	25,36%
Other Property and Current Income	344 056	1,75%	122 296	0,80%
Revenue from Social and Economic Contributions	468 651	2,38%	206 445	1,36%
Capital	**5 270 093**	**26,80%**	**5 121 756**	**33,65%**
Total	**19 664 429**	**100,00%**	**15 220 747**	**100,00%**
Total (Millions of USD)	**43 184**		**24 404**	

*Due to the work to standardize the budget classifiers, which took place between 2022-2024, in the reporting period, diamond revenues include the amount of *royalties* and industrial tax relating to diamond revenues. In 2021, the amount presented corresponded only to the amount of *royalties*.

Diamond Revenue 2022

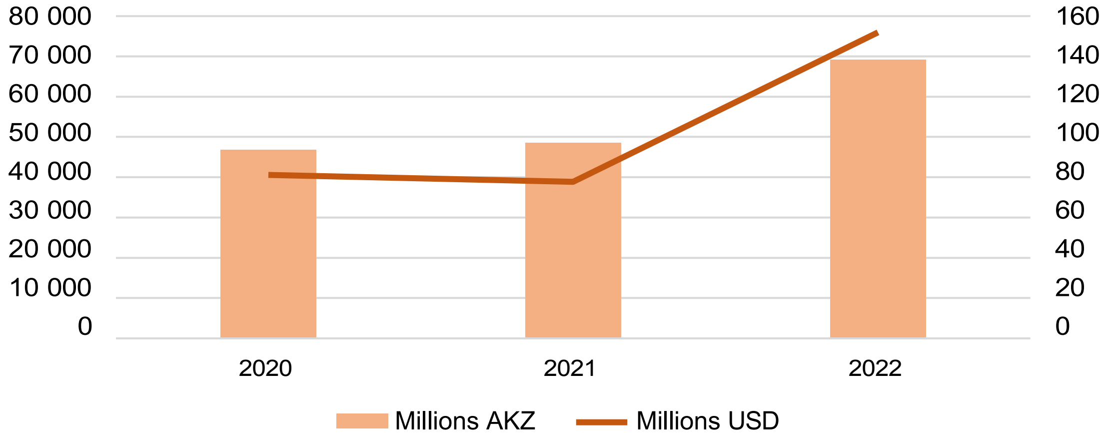
During 2021, direct diamond revenue increased slightly, however, when analyzed in USD, there was a 4.2% decrease in the sector. In 2022, revenues

[91] ANPG Annual Report 2022
[92] ANPG Annual Report 2022
[93] CGE 2022 and 2021

diamond production increased by AKZ 20.699 billion (USD 74 million), due to the incorporation of the amount associated with the Industrial Tax, totaling AKZ 69.177 billion (USD 152 million), as shown in Figure 25.

It should also be noted that, due to the work to standardize the budget classifiers that took place between 2022-2024 between the various government systems, in 2022 diamond revenues include not only the amount of *royalties*, but also the amounts received as industrial tax, relating to diamond revenues. In this sense, the year-on-year change between the periods, of around 43%, corresponds to the incorporation of Industrial Tax into the classifier associated with Diamond Revenues. , despite the increase in the price of diamonds (2021: average export price of 177.85 USD/Qlts and 2022: average export price of 222.61 USD/Qlts), the amounts collected by the state fell by 5% in AKZ during the 2022 period (corresponding to *royalties* and industrial tax in the year-on-year change). However, this variation in USD of around 30% once again shows the impact of the appreciation of the Kwanza against the US dollar during the 2022 period, which also impacted and contributed to the increase in revenue in USD.

Figure 25: Evolution of Diamond Revenues



<u>Revenue from Other Mineral Resources</u>

As far as the sector of mineral resources other than diamonds is concerned, it is generally acknowledged that its share of the state's general revenue is, for the time being, significantly lower than that of the oil and diamond sectors.

According to the information provided by the CGE, it was not possible to verify financial data - government revenue from other mineral resources.

However, in order to promote the visibility of other mineral resources, such as gold, ornamental rocks, among others, as mentioned in the previous chapter, information was provided on the production data of these resources, according to the information provided by government entities.

8.2.3 Reconciliation process

Following the methodology and approach defined in Chapter 4 for the 2nd EITI Report, MINFIN selected two entities in the extractive industry (TotalEnergies EP Angola - "Total" and Sociedade Mineira de Catoca - "Catoca"), with the aim of carrying out a reconciliation of the payments made to the State that were reported by the extractive and government entities (provided by MINFIN).

Therefore, this report only publishes data on the two companies identified above, as well as the information provided by MINFIN on the payments made.

In this respect, and within the scope of the reconciliation procedures, it should be noted that the reconciliation did not take place due to the impossibility of obtaining sufficient data for reconciliation in good time, as discussed in this chapter.

In addition, the data disclosed in the respective templates is shown below.

Payments reported by extractive entities

TotalEnergies EP Angola reported data on income tax, IRP and ITP, and surface tax, in the respective currency of payment, and did not provide data IRT, Industrial Tax and IAC as established. The justification for not providing the additional taxes was the fact that although TotalEnergies discloses this information in the *Tax Transparency Report*, the information is disclosed in aggregate form, relating to all the consolidated entities of the TotalEnergies company, and it is not possible to discern the tax data relating to TotalEnergias EP Angola. In this context, this information cannot be considered to be in the public domain, which prevents TotalEnergias EP Angola from disclosing information on these taxes.

Table 91: Tax payments reported using the TotalEnergies EP Angola template

Description	Mining company	Block 17	Block 32	Currency
Income taxes (IRP+ ITP)	TotalEnergies EP	442 734 773	122 316 925	USD
Area Tax (Share of Block 17 - 38% and Block 32 - 30%)	TotalEnergies EP	113 471 703	54 692 861	AOA

Catoca reported the following data, relating to most of the proposed taxes, valued in USD instead of its payment currency as requested.

Table 92: Tax payments reported using the Catoca template

Description	Payments
Charges on the tax regime applicable to the mining sector	**43 357 883**
Tax on the Value of Mineral Resources (*Royalty*)	43 357 883
IRT	**26 406 407**
IRT - Group A	26 406 407
Industrial Tax	**55 574 309**
Industrial Tax - Withholding Tax	1 919 122
Industrial Tax - Diamonds	53 655 187
Other taxes/fees	**22 295 538**
IAC	22 295 538
Total (amounts in USD)	**147 634 137**

In addition to the selected entities, the MINFIN receipts associated with the aforementioned entities were also shared via a *template*. The amounts reported are shown in Tables 93 to 95.

Payments reported by the Government (MINFIN)

MINFIN reported most of the proposed taxes, for the two proposed entities, in kwanza currency instead of the original currency of the payment.

Table 93: Receipts reported using the MINFIN Template (TotalEnergies EP Angola)

Description	Receipts in 2022 (AKZ)
1) Tax charges in the tax regime applicable to the oil sector	501 283 693 431
IRP	393 153 539 045
IPP	53 468 854 783
ITP	54 144 267 540
Surface rate	517 032 063
2) IRT	24 598 967 327
IRT - Group A	24 598 967 327
3) Industrial Tax	57 543 297 535
Industrial Tax - Withholding Tax	57 543 297 535
4) Other taxes/fees	24 321 014
IAC	24 321 014
Total (amounts in AKZ)	**583 450 279 307**

Furthermore, it is important to disclose the breakdown reported by MINFIN at block level, as shown in Tables 95 and 96. According to the information collected through the MINFIN *template*, the breakdown by concession included Blocks 0, 17, 17/06, 32 and LNG revenues.

Table 94: MINFIN receipts by Block (Block 1/82 and 17, Block 17 and Block 32)

Description	2022			
	Block 1/82 and 17	Block 17	Block 32	Total
Tax charges in the tax regime applicable to the oil sector	**178 043 868 947**	**28 734 422 027**	**56 448 242 361**	**263 226 533 335**
IRP	177 745 259 203	28 734 422 027	56 265 932 825	262 745 614 055
IPP	0	0	0	0
ITP	0	0	0	0
Surface rate	298 609 744	0	182 309 536	480 919 280
IRT	**24 594 929 848**	**0**	**0**	**24 594 929 848**
IRT - Group A	24 594 929 848	0	0	24 594 929 848
Industrial Tax	**37 688 182 146**	**4 775 443**	**16 907 136 951**	**54 600 094 540**
Industrial Tax - Withholding Tax	37 688 182 146	4 775 443	16 907 136 951	54 600 094 540
Other taxes/fees	**15 861 345**	**0**	**8 459 669**	**24 321 014**
IAC	15 861 345	0	8 459 669	24 321 014
Total (millions of AKZ)	**240 342 842 286**	**28 739 197 470**	**73 363 838 981**	**342 445 878 737**

Table 95: MINFIN receipts by block (Blocks 0, 17/06, 20/21 and ALNG)

Description	2022				
	Block 0	Block 17/06	Block 20-21	ALNG	Total
Tax charges in the tax system applicable to the sector oil	137 305 597 210	26 224 558	11 125 608	100 714 212 720	238 057 160 096
IRP	29 692 474 887	1 237 383	0	100 714 212 720	130 407 924 990
IPP	53 468 854 783	0	0	0	53 468 854 783
ITP	54 144 267 540	0	0	0	54 144 267 540
Surface rate	0	24 987 175	11 125 608	0	36 112 783
IRT	0	0	4 037 479	0	4 037 479
IRT - Group A	0	0	4 037 479	0	4 037 479
Industrial Tax	**56 158 534**	**199 646 587**	**2 687 397 874**	**0**	**2 943 202 995**
Industrial Taxes - Withholding tax	56 158 534	199 646 587	2 687 397 874	0	2 943 202 995
Other taxes/fees	**0**	**0**	**0**	**0**	**0**
IAC	0	0	0	0	0
Total (Million AKZ)	**137 361 755 744**	**225 871 145**	**2 702 560 961**	**100 714 212 720**	**241 004 400 570**

Limitations to reconciliation

As mentioned above, it should be noted that the data presented focuses exclusively on the disclosures made by each of the entities, without reconciliation.

The impossibility of carrying out the reconciliation exercise was primarily due to the following facts:

- Data received from MINFIN and Catoca was not received in its original currency of payment, which makes it impossible to carry out a reasonable reconciliation exercise, given the high volatility of the value of the kwanza against the US dollar.
- In view of the late receipt of payment data the government, it was not possible to initiate and carry out the necessary data collection and discussion of the reconciliation differences with the two parties in good time.

There is therefore a need to work with the selected entities in future reports to ensure that data is made available in good time, with a particular focus on government data.

8.3 Sale of the State's share of production (Requirement 4.2)

According to Requirement 4.2 of the 2019 EITI Standard, Angola must disclose revenues from the sale of oil, gas and other mineral resources by state-owned companies, which constitute state revenue.

Based on the analysis carried out and according to the information shared by the EITI's CNC, three state-owned companies were identified, in addition to CN (ANPG), which are considered to be the most significant state-owned entities in the sector and which carry out operations in the extractive industry, namely exploration, prospecting, production and marketing of mineral resources.

With regard to the share of crude oil belonging to the ANPG as CN and holder of the oil-profit rights under the PSCs, these are reported in section 8.2.1 as direct state revenue, called concessionaire sales, and refer to the amounts obtained as a result of marketing the oil rights that the state holds through the CN. In addition, section 7.3 also shows sales by internal and external buyer, as required by requirement 4.2.

It should be noted that the CNC has concluded that there are no portions of state production that constitute direct revenue in the gas and other mineral resources segments.

In addition, it is important to look at indirect revenue, via public companies, namely the following:

⇒ Sonangol, E.P. - Sociedade Nacional de Combustíveis de Angola, E.P., through its subsidiary Sonangol P&P S.A[94]., which operates in the oil exploration and production business and Sonangol Comercialização Internacional S.A., which operates in the crude oil and gas trading business (see section 6.7 for the entity's background);

⇒ ENDIAMA - E.P. - Empresa Nacional de Diamantes de Angola, E.P., which operates in the diamond sector (see section 6.7 for a contextual framework of the entity);

⇒ SODIAM, E.P. - Empresa Nacional de Comercialização de Diamantes de Angola, E.P., which operates in the diamond sector;

The revenues of state-owned companies directly related to the extractive industry and within the scope of the EITI are as follows:

- Sonangol, E.P. and Sonangol E&P: revenues associated with the sale of crude oil and gas from the blocks in which they are participants, as per Annex M of this Report;
- ENDIAMA - E.P.: income from commission on the sale of rough diamonds;
- SODIAM, E.P.: income from specific fees for the marketing and export of rough diamonds of industrial and artisanal origin, as well as the respective certification (Kimberley process).

In addition, it should be noted that, for the other mineral resources sector, there is no other revenue, particularly in kind, collected by ENDIAMA - E.P. or SODIAM, E.P., on behalf of the State.

Revenues from the sale of oil and gas by Sonangol, E.P. are detailed in Table 96.

Table 96: Revenues of Sonangol, E.P.[95]

Entity	Headings	2022 (Millions of AKZ)	2021 (Millions of AKZ)	Year-on-year change
Sonangol, E.P	Sales of crude oil and participating gas in GE	2 745 096	3 001 601	-9%
Total		**2 745 096**	**3 001 601**	**-9%**
Total (Millions of USD)		**6 028**	**4 813**	**25%**

During the 2022 period, there was a decrease in Sonangol, E.P.'s revenues of around 9% in AKZ, but an increase in USD of around 25%. This variation is

[94] Sonangol E.P.'s corporate model was reorganized, with Sonangol P&P S.A. becoming the business unit of Sonangol Exploração & Produção, S.A. (see section 6.7.1 for more information).
[95] Sonangol Annual Report 2022

essentially caused by the appreciation of the AKZ during 2022 (see section 8.1). For more details on the evolution of oil prices, see section 10.3.

In addition, section 7.3 identifies the quantity of Sonangol's exports by customer, including domestic sales to the Luanda Refinery, a company owned by the Group, in accordance with requirement 4.2.

Diamond sector

As far as the diamond sector is concerned, the revenues from the marketing of diamonds by the state-owned companies ENDIAMA - E.P. and SODIAM, E.P. are detailed in Tables 97 to 100.

Table 97: ENDIAMA - E.P. revenues[96]

Entity	Headings	2022 (Millions of AKZ)	2021 (Millions of AKZ)	Year-on-year change
ENDIAMA - E.P.	Marketing commissions for diamonds	9 605	9 493	1%
Total		**9 605**	**9 493**	**1%**
Total (Millions of USD)		**21**	**15**	**39%**

In 2022, the results of ENDIAMA - E.P.'s subsidiaries and associates were as follows, according to Table 98.

Table 98: Results of subsidiaries and associates of ENDIAMA - E.P.

Headings	2022 (Millions of AKZ)	2021 (Millions of AKZ)
Associates:		
Dividends:		
Sociedade Mineira do Catoca	47 682	42 947
Sacred Hope Clinic	2 559	6 227
Sociedade Mineira do Chitotolo	11 534	5 549
Somiluana, Limited	997	984
E Minas, Limitada	0	8 009
Angolan Investment Bank	905	204
Total	**63 678**	**63 920**
Total (Millions of USD)	**140**	**102**

During the 2022 period, ENDIAMA - E.P. received dividends from Clínica Sagrada Esperança, which were used to offset the amount of debt that ENDIAMA - E.P. owed to the Clinic.

The absence of dividends from E Minas, Lda in 2022 is the result of the closure of its activity and the consequent liquidation process. The amounts distributed in 2021 include the balances held in the bank accounts.

Furthermore, it should be noted that the revenue associated with rough diamonds totaled 1.953 billion USD in 2022, corresponding to revenue from marketing and exports, which also includes other fees, not taken into account when disclosing the amounts associated with diamond exports, as shown in Table 99.

[96] ENDIAMA Annual Report 2022

Table 99: SODIAM, E.P. revenues[97]

Entity	Headings	2022 (Millions of USD)	2021 (Millions of USD)	Year-on-year change
SODIAM, E.P.	- Rough diamonds	1 953	1 619	21%
	- Cut diamonds	24	10	141%
	- Margins and other benefits	146	120	22%
	Industrial Market	**2 123**	**1 749**	**21%**
	- Rough diamonds	9	7	28%
	Artisan Market	**9**	**7**	**28%**
	- Kimberly process fee	2	1	-100%
Total		**2 134**	**1 757**	**21%**
Total (Million AKZ)		**971 741**	**1 095 851**	**-11%**

It should also be noted that, during the 2022 period, SODIAM, E.P. recorded a cost associated with the sale of rough and cut diamonds, totaling USD 1 983 million (AKZ 902 981 million). This figure is particularly important because SODIAM, E.P. acts as an intermediary in diamond transactions from the country to abroad. In addition, it should be noted that SODIAM, E.P.'s revenue is directly linked to the marketing of diamond exports, as shown in the "Margins and Other Benefits" line.

Table 100: SODIAM, E.P.'s Cost of Goods Sold

Headings	Cost of goods sold (2022)
Rough Diamonds (Industrial and Artisanal)	1 959
Cut diamonds	24
Total (Millions of USD)	**1 983**
Total (Million AKZ)	**902 981**

With regard to ENDIAMA - E.P. and SODIAM, E.P.'s revenues, there was an increase in US dollars, boosted by the appreciation of the Kwanza and the increase in the average price of diamonds.

Table 101: Accounts Receivable - State[98]

State	31/12/2022 (Millions of AKZ)	31/12/2021 (Millions of AKZ)
Consignment	222 589	179 240
Sale of crude oil - to Sonangol, E.P. (refinery)	0	312 389
Sale of crude oil - on behalf of Sonangol, E.P. (export)	0	251 973
Sale of crude oil - Unitization agreement Block 14k	2 325	2 561
Other taxes	1 950	1
Total	**226 864**	**746 165**
Total (Millions of USD)	**498**	**1 639**

The "State - Consignment" section shows the figures that represent CN's share, equivalent to 5% of oil sales at 59 USD per barrel, as established in the 2022 State Budget, already discounting the payments made by the State.

According to Article 8 (Allocation of Tax Revenues) of the annual State Budget Law, the CN withholding provided for in Article 54(2) of Law 13/04 of December 24, the Law on the Taxation of Petroleum Activities, is set at 5% to cover the costs of supervising and controlling activities

[97] SODIAM Annual Report 2022
[98] ANPG Annual Report 2022

of its associates and petroleum operations in the 2022 financial year, jointly in accordance with the terms set out in PD no. 289/19, of October 9, as referred to in section
6.1.2 (see chapter 9 for additional information on the allocation of government revenues).

In addition, there were changes in the categories of "Crude oil sales, refining and exports", due to the transfer of transactions from the State account to "Other debtors", which reflects a change in the classification of accounts.

The amount of "Crude oil sales - Unitization agreement for the Block 14k prospect" refers to the amount that the state owes for the sale of Lianzi oil until March 2020, which deposited in an account shared between Angola and Congo. Sonangol, E.P. has already made this payment and, in this regard, ANPG has registered an obligation to pay the same amount.

Sonangol, E.P.'s crude oil export and refinery sales are shown in Table 102.

Table 102: Sonangol, E.P. debit balances[99]

Other Debtors	31/12/2022 (Millions of AKZ)	31/12/2021 (Millions of AKZ)
Sonangol, E.P.		
Crude oil sales - for Sonangol, E.P. (Export)	222 542	-
Crude oil sales - for Sonangol, E.P. (Refinery)	456 811	-
Sonangol Pension Fund, E.P. and TotalEnergies	-	26 289
Contractual penalties	19	19
BRCIP	22 538	30 343
Total	**701 911**	**56 651**
Total (Millions of USD)	**1 541**	**124**

The line "Crude oil sales - on behalf of Sonangol, E.P. (Export)" details crude oil sales, which are allocated to financing lines, secured by receivables from oil shipments. The changes in this item result from the settlement of accounts between the entities that guarantee compliance with contractual obligations, thus reflecting Sonangol, E.P.'s debt to the state for the crude oil supplied and received.

The line "Sales of crude oil - to Sonangol, E.P. (Refinery)" represents the amounts owed by Sonangol, E.P., for the sale of crude oil to the Luanda Refinery. The changes compared to the same period last year come after the revocation of certain decrees that established CN as the sole supplier crude oil to the refinery, with fixed prices and exchange . According to the new pricing methodology, the Refinery's financial position changed from creditor to debtor.

The amount mentioned under the BRCIP heading corresponds to the amounts that Sonangol P&P, ESSO and TOTSA should transfer to CN, related to the benefit obtained from the assignment of a participating interest and the extension of the exploration periods for Blocks 15 and 17. Furthermore, the BRCIP corresponds to the liabilities constituted in 2020 and 2021 under the *pooling agreements* between Sonangol Pesquisa & Produção, S.A and GE for Block 15 and Block 17, following Sonangol's entry into these blocks. These agreements established that CN would have the right to lift barrels of crude oil from Sonangol Pesquisa & Produção, S.A.'s share of cost oil until the total amount of unrecovered costs from previous years from GE was reached, in proportion to the interest acquired by Sonangol Pesquisa & Produção, S.A. in the blocks.

[99] APNG Annual Report 2022

8.4 Provisions on infrastructure and barter arrangements (Requirement 4.3)

In accordance with requirement 4.3 of the 2019 EITI Standard, the Angola EITI NCC is required to analyze the existence of agreements involving the supply of goods and services (including loans, concessions and infrastructure works), in full or partial consideration for the granting of concessions for the exploration or production of oil, gas or other mineral resources or for the physical delivery of these raw materials. In this sense, it will be necessary for the EITI CNC to be able to identify the contractual terms and relevance of this type of agreement, in terms of the parties involved and the financial transactions between them.

In situations where the EITI CNC considers such agreements to be relevant and significant, the 2019 EITI Standard requires them to be disclosed in the EITI Report, identifying the payments made in this context.

Guaranteed credit lines for oil

With reference to the year 2022, the EITI CNC concludes that this requirement includes oil-backed public debt, which has been used by the Angolan state as a debt issuance mechanism. Although the Angolan government has indicated that it intends to reduce this mechanism in the medium to long term. This framework stems from the fact that the contracting financial institutions have an implicit priority right to the state's oil production rights, obtained under the sharing and production contracts.

According to the CGE, in 2022 there were two oil-backed credit lines active with two Chinese financial institutions, BDC and China Eximbank, compared to three institutions in 2021, which also included Luminar Finance of Israel, which was liquidated in 2022.

The agreements underlying the above-mentioned credit lines presuppose the use of barrels of oil belonging to the Angolan state as collateral to service the debt, through multilateral agreements including an entity that acquires the oil, associated with the financial institution, which makes the payments into bipartite accounts between the Angolan state and the institution providing the loan.

The CGE reflects the importance that these lines still have in the amount of external public debt. The information presented in terms of oil-guaranteed and non-oil-guaranteed debt makes it possible to distinguish between flows with a direct impact on the treasury and debt servicing carried out via barrels of crude oil, collateralized under the BDC and China Eximbank credit lines.

Thus, the table below shows the execution of Debt Service guaranteed and not guaranteed by oil, showing that 65% of debt service was carried out directly through the treasury, and 35% (28% in 2021) through shipments of barrels of oil, with the increase in the proportion of debt (measured in kwanzas) guaranteed by oil compared to 2021 being mostly explained by the appreciation of the average price of a barrel of oil in 2022.

Table 103: Execution of Debt Service guaranteed and not guaranteed by oil

Debt Service	2022	Weight
Guaranteed oil	**1 156 161**	**35%**
Main	784 031	24%
Interest	372 113	11%
Commissions	17	0%
Not guaranteed on oil	**2 132 008**	**65%**
Main	1 378 114	42%
Interest	689 134	21%
Commissions	64 760	2%
Total (Million AKZ)	**3 288 169**	**100%**
Total (Millions of USD)	**7 221**	

The stock of oil-backed public debt at the end of 2022 amounted to a total of AKZ 7 290 740 million (USD 16 011 million), made up of AKZ 1 115 200 million and AKZ 6 175 540 million (USD 2 449 million and USD 13 562 million, respectively) from the Eximbank of China and the BDC, respectively. This amount tended to fall during 2022, as shown in the following graph, mainly due to the increase in the average price of a barrel, which made it possible to increase repayments.

Table 104: Stock of Oil Guaranteed Debt by creditor country[100]

	Eximbank		BDC		Total	
Months	Millions of AKZ	Millions of USD	Millions of AKZ	Millions of USD	Millions of AKZ	Millions of USD
January	1 402 190	3 079	7 184 230	15 777	8 586 420	18 856
February	1 307 070	2 870	6 667 900	14 643	7 974 970	17 513
March	1 122 480	2 465	5 804 060	12 746	6 926 540	15 211
April	1 023 170	2 247	5 290 530	11 618	6 313 700	13 865
May	1 066 680	2 342	5 515 490	12 112	6 582 170	14 455
June	1 030 930	2 264	5 564 650	12 220	6 595 580	14 484
July	1 042 020	2 288	5 624 530	12 352	6 666 550	14 640
August	1 032 580	2 268	5 573 590	12 240	6 606 170	14 508
September	992 530	2 180	5 231 260	11 488	6 223 790	13 668
October	1 116 020	2 451	5 231 260	11 488	6 347 280	13 939
November	1 178 870	2 589	6 213 390	13 645	7 392 260	16 234
December	1 115 200	2 449	6 175 540	13 562	7 290 740	16 011

It should also be noted that the debt swap agreements referred to above presuppose the existence of *escrow* accounts to cover potential shortfalls in the amounts needed to service the debt. At the end of 2022, the balances in these accounts were as in the table below, stable compared to the balance in 2021, which suggests the country's ability to maintain the levels of financial resources used as collateral.

[100] CGE 2022

Table 105: Balance of Accounts Dedicated to External Debt Servicing (4th Quarter)[101]

Creditor	4th Quarter 2022	4th Quarter 2021	Year-on-year change
Brazil	0	0	0%
China	3 315	3 369	-2%
LR *Finance*	0	0	0%
Total (Millions of USD)	**3 315**	**3 369**	**-2%**
Total (Million AKZ)	**1 509 523**	**2 101 265**	**-28%**

With regard to the maturities and interest rates implicit in the contracts, these were not made available for the purposes of the 2022 report due to the confidentiality of the data in the contract with the financial institutions, as reported by MINFIN. We therefore add to the recommendations the need evaluate a mechanism for making this information available, given its potential contribution to transparency.

8.5 Transport revenue (Requirement 4.4)

According to Requirement 4.4 of the 2019 EITI Standard, implementing countries must disclose the following data:

I. Description of the transportation arrangements, including: the product; transportation route(s); the relevant companies and government entities involved in the transportation;

II. Definitions of taxes, tariffs or other relevant payments related to transportation and the methodologies used to calculate them;

III. Disclosure of tariff rates and volume of *commodities* transported;

IV. Disclosure of revenues received by government and state entities in relation to the transportation of oil, gas and minerals.

As a result of meetings with the various entities, namely ANPG and ANRM, the Angolan EITI CNC confirmed that, for the reporting period, transportation revenues fully meet requirement 4.4. Nevertheless, it is important to mention some of the discussions that arose from the meetings and the framework of the transactions identified, namely the Lobito Corridor and the use of ALNG's gas pipeline.

Transport revenues associated with the Lobito Corridor

It should be noted that in 2022, the LAR (Lobito *Atlantic Railway*) consortium, made up Mota-Engil, Trafigura and Vecturis, acquired the concession for the operation, management and maintenance of the Lobito rail corridor for a period of 30 years. The aim of this corridor is not only to create a route linking the African interior with the coastal area, but also to speed up the process of exporting other mineral resources. Furthermore, although the rents associated with the award of the concession may, in future reports, be included under the terms of Requirement 4.4, after analysis by the EITI CNC, the following points were considered for this report:

- The operation began in 2024 (the start of port operations);
- Lack of robust data for the 2022 period.

[101] CGE 2022

In this regard, the EITI CNC agreed that the disclosure of this type of revenue would be included, if materially relevant, in the EITI Report for the 2024 period.

However, as a result of the publication on the Ministry of Transport's *website*, Table 106 shows the state's revenue forecasts for the concession period. [102]

Table 106: State revenue forecast for the concession period

Revenue collected	Lobito Corridor (Millions of USD)
Forecast	
0-10 years	319,44
10-20 years	787,46
20-30 years	919,05
Total	**2 025,95**
Total (Million AKZ)	**922 538,61**

Revenues associated with the Gas Pipeline Utilization Plan (PUG)

Within Angola's regulatory framework, there are revenues associated with the use of the gas pipeline network (PUG) of the ALNG project. The project includes an extensive pipeline network of over 500 km which transports gas from the *offshore* oil fields to the processing and liquefaction plant in Soyo.

Initially, the pipeline transported raw materials from Blocks 15, 17 and 18, and later an underwater pipeline was built to also connect Blocks 0 and 14, located north of the Congo River, to the ALNG plant. Blocks 31 and 32 were also connected.

The gas pipeline network, which was built by ALNG and is an asset that is subsequently reversed and owned by the concessionaire, is operated by Sociedade de Operações e Manutenção de Gasodutos (SOMG), a company set up to transport the gas from the blocks to the onshore plant.

Once on land, the gas arriving from the different blocks passes through a metering station before being combined into a single feed stream for purification and processing.

For the use of the pipeline, although there is no specific state service, the operators make payments to the ANPG, calculated on the basis defined in the Investment Contract between the regulator and the operators. As explained in section 6.1.3, this revenue is received by the ANPG and remains within its sphere of management. Although the amounts paid are mainly a form of compensation to the state for owning the gas pipelines, which depends on ALNG's performance in the context of gas treatment operations, it is considered relevant to be reported as revenue associated with transportation.

ANPG's specific remuneration mechanism for the PUG is directly linked to the quantities of gas transported and the performance of the gas treatment infrastructure, with the specific criteria remaining contractually protected. This mechanism leads to fiscal years such as 2022 in which no amount is paid for the PUG (see section 6.1.3).

It is also important to note that ANPG is currently renegotiating the contractual terms of the levy in order to optimize the benefits of the levy for both parties.

[102] https://mintrans.gov.ao/ao/noticias/corredor-do-lobito-gerido-por-consorcio/

Oil transportation through the *Trading & Shipping* business unit of Sonangol, E.P.

In addition, and also with regard to revenue under requirement 4.4 of the 2019 EITI Standard, it should be noted that Sonangol, E.P., through its *Trading & Shipping* business unit, provides services associated with oil transportation.

According to the CNC's analysis, this line of activity of Sonangol, E.P. has no formal or informal influence on the management of contracts and licenses in the sector, and therefore results from the autonomous activity of the Sonangol Group to explore the market for the transportation of *commodities* and/or oil derivatives, for the transportation of oil from ANPG, from companies in the Sonangol Group and third parties, with the contracts being on a competitive basis, without binding agreements as it is a public company in the sector.

In Sonangol Group's consolidated accounts, information is disclosed about the Group's *Trading & Shipping* segment, which in addition to *trading* activities includes transport services, the segment being focused on integrating international marketing and hydrocarbon transport activities, optimizing available resources and assets. According to Sonangol, E.P.'s 2022 Annual Report, the transportation fleet included 35 vessels in 2022, including a Suzemax fleet and Cabotage for the transportation of Crude Oil.

According to the same report, the Group's *shipping* companies transported 9,725,989 tons of crude oil during 2022, with the *Trading* & *Shipping* segment's service provision component recording revenues of AKZ 97.457.1 billion for 2022. There is not enough information to understand the division between the amount of revenue associated with transporting crude oil *vs.* derivatives in the report.

8.6 Transactions related to state-owned enterprises (Requirement 4.5)

The EITI CNC is responsible for ensuring that the communication strategy comprehensively covers the involvement of public companies, which includes sharing detailed and reliable data on the significant payments made by companies to public companies, the financial movements of public companies to government entities and the transfers that the government makes to public companies.

The segregation of the concession activity in ANPG and ANRM was aimed at strengthening the independence of public companies in the scope of their activities as an autonomous element in the sectors in which they operate. The state's primary relationship is now as a shareholder, and according to the entities' Annual Reports, SODIAM, E.P., Sonangol, E.P. and ENDIAMA - E.P. did not distribute any dividends to the state during 2022.

In addition, other transactions that suggest a relationship with the State were analyzed in the financial statements in Section 10.2, within the scope of the analysis of parafiscal expenses, and in Section 6.7.1, framework of public companies that contribute to this requirement, where in addition to the main balances with the State, the identification of Guarantees (Sodiam).

8.7 Subnational payments (Requirement 4.6)

In the 2019 EITI Standard, the EITI CNC is required to establish which direct payments are made by extractive companies to sub-national government entities. This disclosure should include the full flow, from payments made by extractive companies to subnational government entities and the breakdown of receipts within the subnational government entity.

In short, as a result of the 2019 EITI Standard guidelines and within the scope of the extractive industry in Angola, it should be noted that the applicability of requirement 4.6 relates directly to making direct payments to district governments or municipalities.

As a result of discussions with the main *stakeholders* on this type of transaction, the EITI CNC confirmed that there were no subnational payments. He also reiterated that all payments made in the sector are made directly to MINFIN or MIREMPET and then transferred to the CUT. However, the existence of legal mechanisms for the distribution of revenue by state bodies, discussed in section 9 of this report, is reinforced.

9. Revenue allocation

9. Revenue allocation (Requirement 5)

The previous chapter makes it clear that the Angolan economy is still significantly dependent on revenues from the extractive sector, with special emphasis on the oil sector.

The aim of this chapter is to provide additional data on the allocation of revenues in the country, allowing stakeholders to understand how revenues are recorded in the national budget and, if applicable, in sub-national budgets, as well as to monitor companies' social spending.

Budget management

As mentioned in the report, the following information relevant to the analysis of the use of revenue is publicly available on the MINFIN *website*[103]:

- ⇒ CGE and OGE;
- ⇒ Summary of revenue and expenditure by economic source and by resource;
- ⇒ Proposal for the State Budget Law;
- ⇒ Instructions for drawing up the State Budge
- ⇒ History of the State Budget for previous years;

By Decree No. 73/01 of October 12, Angola published the bodies, rules and operating methods of SIGFE, the state's budget management system. This decree aims to ensure the dynamics and effectiveness of the decentralized financial execution of the State Budget.

SIGFE: aims to ensure the dynamics and effectiveness of the decentralized financial execution of the State Budget.

Furthermore, SIGFE is made up of various entities that play specific roles in the management and execution of public finances:

1. **National Directorate of Public Accounting (DNCP)**: Monitoring the accounting activities of SIGFE units and assessing the operational needs of the system's users, to ensure that technical skills are trained and maintained;
2. **Provincial Finance Delegations**: Responsible for SIGFE activities in each province;
3. **BNA**: Acts as State Banker, maintaining the CUT;
4. **National Treasury Directorate (DNT)**: Identifies budget credit needs and coordinates the distribution of financial resources to Budget Units;
5. **Administration and Budget Management Departments**: Implement the budget and financial management of activities, projects and programs;
6. **Autonomous bodies**: Bodies dependent on central and local state bodies with specific autonomy, responsible for the budgetary and financial execution of their activities.

Budgetary Unit: State body to which its own budget appropriation is allocated.

[103] https://www.minfin.gov.ao/

Allocation of subnational revenues and transfers

As a result of its interactions with the various government organizations, the CNC concludes that in Angola the guidelines for allocating revenue from the Extractive Industry include the inclusion of this revenue in the State Budget as ordinary resources the National Treasury, own resources of certain entities or earmarked revenue, intended to cover programmed expenditure, including the country's Debt Service.

This management is carried out on a cash basis, based on the substantial centralization of all receipts in the bank accounts that make up the Angolan state's CUT.

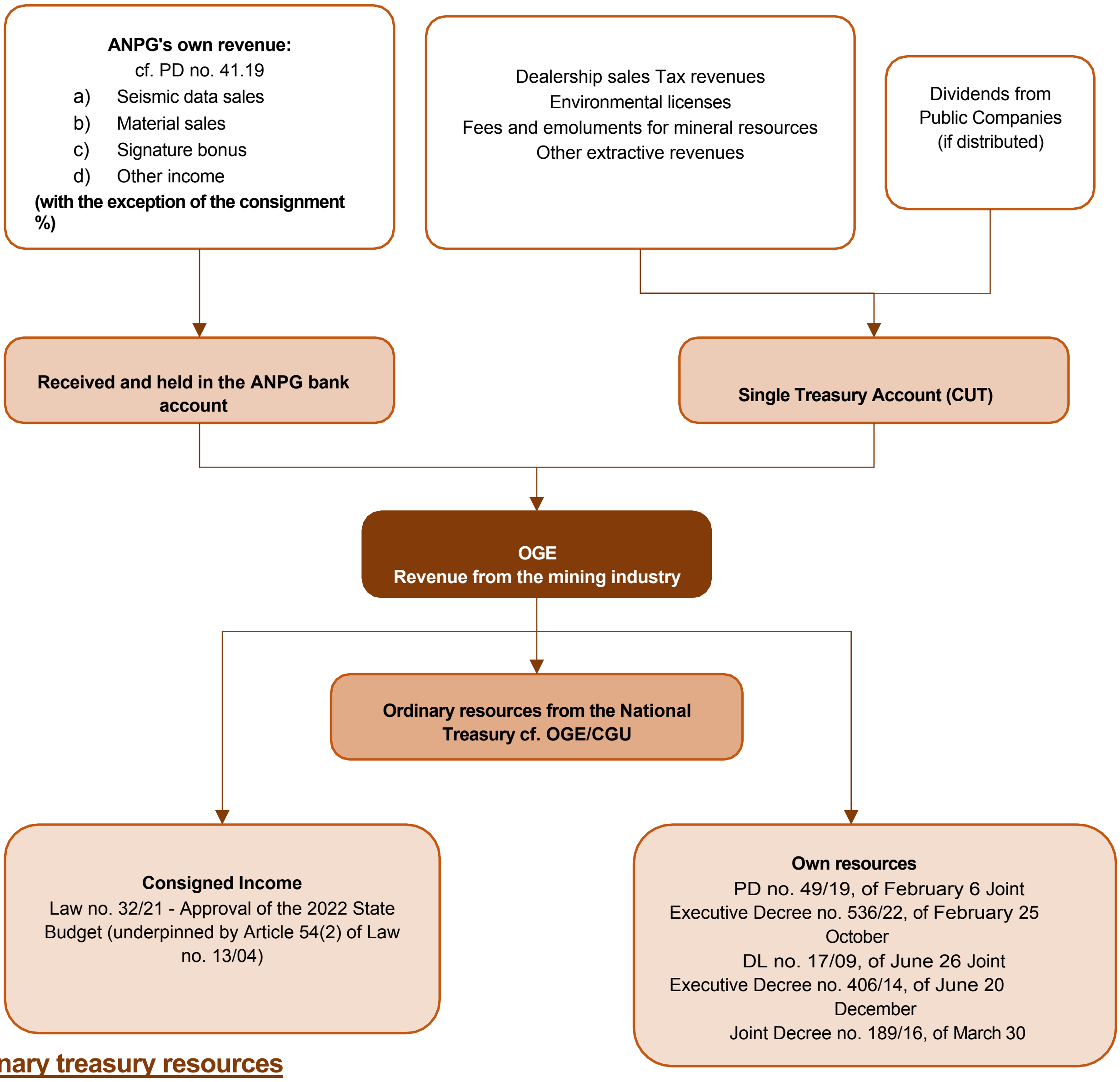
The exceptions to the above rule focus on revenue from the activities of public companies with administrative autonomy in the extractive industry sector, namely Sonangol, E.P., SODIAM, E.P. and ENDIAMA - E.P., and certain revenue directed directly to ANPG bank accounts that is subsequently recognized in the State Budget.

The revenues of public companies are channeled to the state in the form of dividends or other possible capital distribution transactions if the decision is made to do so (in 2022 there were no distributions) based on the financial, operational and investment needs of these entities which play a critical role in the development of the sector, in line with the disclosures made in chapter 6, section 8.3 and 8.6 of this report. It is also important to consider the existence of transactions that could potentially be classified as a parafiscal expense, albeit temporary, as discussed in chapter 10.2.

As far as the ANPG is concerned, the main source of revenue, the 5% consignment on the sales of CN crude oil rights, comes through the CUT and the State Budget. However, there is a set of complementary revenues received directly into its bank accounts, which do not come through the CUT and are retained in the ANPG, although they are recognized in the State Budget, in line with PD no. 49/19, of February 6.

The following figure summarizes the financial flow of revenue, which is generally centralized from the point of view of financial control in the State Budget and from which any own or earmarked revenue is subsequently allocated and the Decrees provided by CNC members are identified as falling within this scope, even in the case of the ANPG, which reports its data directly to MINFIN for inclusion in the State Budget as a public body.

Figure 26: Financial revenue flow



Ordinary treasury resources

These are general state resources with no specific allocation to any budgetary unit or state body. They are part of the centralized management of resources to be allocated in the State Budget, with no specific revenue typology being allocated to specific cost typologies.

In this context, it is important to note that the concessionaire's oil sales, with the exception of the % allocated in the State Budget to CN (5% in 2022), constitute ordinary treasury resources which, among other expenses, are allocated to debt servicing, including the servicing of oil-backed debt via *escrow accounts*. Therefore, although they do not constitute subnational transfers, they are a type of revenue partially allocated for this purpose via the contracts underlying these credit lines (See section 8.4 for details and amounts in 2022).

Consigned revenue

These are central revenues that are allocated to a specific body or budgetary unit to meet its specific needs, in the case of Angola, they are generally defined in the annual state budget.

In Law 32/21 approving the State Budget for the 2022 year, with regard to the extractive industry, the withholding of the ANPG[104] was set at 5% of the concessionaire's sales (as mentioned above in section 6.1.3), also underpinned by article 54(2) of Law 13/04 of 24 December, the Law on Taxation of Petroleum Activities.º 13/04, de 24 de Dezembro, Lei sobre a Tributação das Actividades Petrolíferas, and DP n.º 49/19, de 6 de Fevereiro, in order to cover the costs of supervising and controlling the activities of its associates and petroleum operations during the period to 2022.

In operational terms, the revenue from the concessionaire's sales is being directed directly to CUT, with the state transferring the consigned amount afterwards. The amounts received and allocated to CN are systematically reported by the ANPG in its Annual Report and Accounts and amounted to AKZ 142.847 billion, according to section 8.2.1 Table 86.

Own revenue

These are revenues received centrally but allocated directly to the activity of a particular public body or budget unit. In Angola, with the exception identified above of the ANPG's own resources in the diagram above, the amounts are managed centrally from the CUT, but are directly attributable to the entities.

As shown in the diagram above, the CNC has identified the following decrees, directly linked to the extractive industries, with relevance in the allocation of the extractive industry's own resources to specific bodies:

PD no. 49/19, of February 6th

Article 46 of this decree, which serves to create the ANPG, identifies the CN's income as :

a) The appropriations entered in the State Budget;

b) The appropriations earmarked in the State Budget, by virtue of the right withhold percentages of the revenue received from the National Concessionaire;

c) The amounts to be handed over by members and potential investors from the sale of data and technical information;

d) Portion of government participations arising from concession contracts;

e) Any other income it may obtain as part of its activity;

f) The proceeds of the emoluments and fees provided for the specific legislation and contracts;

g) The balances of their accounts for the years just ended, in relation to own resources;

h) Proceeds from the sale or lease of its assets;

i) Any other income.

Point a) refers to allocations to the ANPG from ordinary treasury resources (not verified in 2022) and point b) to the aforementioned earmarked revenue. All other resources are potential own resources of the ANPG.

The amounts received from own resources are systematically reported by the ANPG in its Annual Report and Accounts and amounted to AKZ 117.260 billion, which can be validated in the following section
8.2.1 Table 86.

[104] https://portal.inss.gov.ao/wp-content/uploads/2022/06/Lei-32_21-Que-aprova-o-Orcamento-Geral-do-Estado-para-o-Exercicio-Economico-de-2022.pdf

Joint Executive Decree No. 536/22, of October 25

The decree determines the model for allocating the fees and emoluments collected within the scope of the mining sector's activities, determining the percentages of each type of payment to be allocated between the CUT, the ANPG's own resources and the own resources of the Social Welfare Fund for Workers in the Ministry of Mineral Resources, Oil and Gas (APSUC). See Annex AF and Table 108 below for details of this allocation.

Currently, all of ANRM's[105] own resources are managed by CUT and OGE. For the 2022 period, a budget of AOA 3.24 billion was approved to cover staff costs, goods and services and capital expenditure. With regard to the implementation of the budget, a total of AKZ 2.62 billion was spent, of which AKZ 2.54 billion on personnel costs, AKZ 70.11 million on goods and services and AKZ 11.09 million on capital expenditure.

terms of revenue, the ANRM collected a total AKZ 2.832 billion (USD 6 million), broken down as shown in Table 107.

Table 107: ANRM revenue allocation

ANRM	Document Value (Millions of AKZ)	Return Value (Million AKZ)
Contract bonuses	1 730	1 730
Deposits and Bonds	303	303
Donations and Contributions	100	100
Fees	653	392
Fines	46	23
Total	**2 832**	**2 548**
Total (Millions of USD)	**6**	**4**

As shown above, of the total revenue collected, around AKZ 2 548 million (USD 4 million) was distributed to ANRM. Of the total revenue collected, it should be noted that 100% of the revenue corresponding to contractual bonuses, deposits and bonds and donations and contributions was returned to ANRM, but only around 50% and 60% of the total revenue, corresponding to fines and emoluments, respectively, was allocated to the regulator.

It should also be noted that the ANRM collects its revenue through the MINFIN Services Portal, which is standardized to automatically distribute any revenue collected by the regulator. ANRM's revenues are collected on the basis of the services and distribution established in Joint Executive Decree 536/22, October 25, on the fees and emoluments corresponding to the mining sector (see section 6.2.2).

In this sense, whenever the ANRM issues a Settlement note on the Services Portal and it is paid, the system calculates and distributes the respective collections to each corresponding body. The distribution is carried out automatically by the system, without any intervention by the ANRM.

[105] MIREMPET 2022 Sector Report and information provided via the ANRM 2022 *template*

Table 108: Allocation of Revenue

Allocation of Revenue (Joint Executive Decree no. 536/22, October 25th)		
Type of revenue	**Collecting authority**	**Allocation**
Fees and charges (relating to Tables A, B, C, D and G of Annex I)	ANRM	National Treasury: 15% ANRM: 75% IGEO: 5% MIREMPET Workers' Welfare Fund: 5%
Fees and (relating to Table F12, H and I)	ANRM	National Treasury: 10% ANRM: 80% IGEO: 5% MIREMPET Workers' Welfare Fund: 5%
Fees and (relative to Table F13)	MIREMPET	National Treasury: 10% ANRM: 80% MIREMPET Workers' Welfare Fund: 10%
Surface tax, *royalties* and other taxes	MINFIN	National Treasury: 20% ANRM: 75% MIREMPET Workers' Welfare Fund: 5%
Remaining revenue allocated to the ANRM	-	See Annex AF of this Report

Contribution to the Training of Angolans (Article 57 of Law no. 13/04, of December 24) - DL no. 17/09, of June 26

As explained in section 6.1.4, the decree regulates a compulsory contribution from companies in the extractive sector to promote the training of local staff in Angola. This revenue constitutes MIREMPET's own resources to be dedicated to its specific purpose. The value of this revenue during 2022 amounted to AKZ 36.844 billion, as detailed Table 74 section 8.2.1.

Joint Executive Decree no. 406/2014, of December 29

It defines the amounts to be paid, as well as the procedures for their payment, according to the services provided to private entities by MIREMPET within the scope of its duties. It establishes that 60% of the revenue is OGE revenue and 40% is allocated to the Ministry of Petroleum Workers' Social Fund, as per Annex AK.

Joint Decree no. 189/16 of March 30th

The aforementioned decree approves the fees and emoluments due for access to and exercise of mining rights, as well as for services provided under the CM. It establishes the amount of the fees and emoluments as well as the respective breakdown between MIRIMPET (20%-30%), the Province 5%), the Municipality (5%), the Ministry of Construction (0%-10%) and the National Treasury (55%), as per Annex AL.

Law Approving the Mining Code - Law no. 31/11 - Article 245

The CM establishes that the income tax rate for the mining industry is 25%, of which 5% goes to the municipality under whose jurisdiction the respective mine is located, and the remaining 20% to ordinary treasury resources. The percentage referred to in the previous paragraph is divided proportionally when the area of geological-mining activity covers more than one municipality.

It should be noted, however, that this allocation of resources is not currently being operationalized, given the fact that Law no. 27/19, 25 September, which regulates the functioning of local authorities, has not yet been implemented in organic terms, so it is not possible to put the distribution of resources into practice. These resources are therefore considered to be ordinary treasury resources until the law is implemented.

The above taxes were identified by the various members of the CNC as those likely to constitute subnational revenue because they are resources that should be allocated directly to certain bodies. It is recommended that the CNC work MINFIN to obtain data on the implementation of the sharing rules for the above taxes, which are not broken down in the CGE.

10. Industry's contribution

10. Industry's contribution to the country

10.1 Social and Environmental Expenses (Requirement 6.1)

Requirement 6.1 of the 2019 EITI Standard aims to disclose certain contributions related to social and environmental expenses incurred by entities operating in the extractive industry.

These entities, through LAP and CM, must comply with rules and regulations aimed at protecting the environment and contributing to the country's social development. However, the specific requirements in terms of environmental and social expenditure are defined in the contracts themselves, so the exact obligations vary from contract to contract.

In addition, these laws are complemented by other statutes and guidelines that focus specific issues, such as waste management, biodiversity protection and workers' health and safety.

In short, although there is a general legal framework establishing the responsibilities of extractive industry companies in Angola, many of the details are negotiated on an *ad hoc* basis at the level of individual contracts.

, it should be noted that the Annex to PD no. 83/22, of April 12, which approves the table fees to be charged for issuing and renewing environmental licenses for the assessment of environmental impacts and fees associated with the registration and renewal of environmental consultancy firms, also establishes the costs of licensing, license renewal and fines for non-compliance with the mitigation measures required or standardized in the EIAs (see section 10.4.1).

In the other mineral resources sector, the CM and contracts with the regulator direct investments to social projects, promoting the responsible exploitation of resources for the country's socio-economic progress. In the P&G sector, the LAP and DP No. 80/12, of May 8 - which regulates the application of the Subscription Bonus, as well as the contributions for social projects received by the CN, determining the implementation of social projects, with the supervision of the CN and the financing of the projects by the oil companies. The funds for these projects are contractually defined and include specific programs such as the Angola Revitalization Program. In addition, bonuses paid to CN must be invested in regional and local development, in areas such as education and health, with the approval of the Ministries of Planning and Finance. These bonuses and contributions to social projects are not refundable to the investing companies.[106]

The investments made show the scale of the initiatives developed and carried out, but also the shared vision of the entities operating in the sector to collaborate together with the common goal of boosting the country's growth, progress and prosperity. Furthermore, according to publicly available information, MIREMPET has provided a report on investments and social responsibility projects that will take place between 2017 and the first half of 2023. To this end, Annex AG contains a detailed list of the projects completed during this period, with additional information on the type of project, area of intervention and funder.

[106] https://mirempet.gov.ao/fotos/frontend_11/gov_documentos/investimentos_sociais_realizado_entre_2017_a_2023_i_trimestre_-copia_1345510813665791 83b5753.pdf

P&G sector

According to the information shared by government entities, in 2022, investments in social and environmental projects totaled 26.73 million USD (12.170 AKZ). Of the total investment, more than 50% is allocated to the health sector, which is a fundamental area for guaranteeing the population's well-being and quality of life. The development of infrastructure, equipment and the training of health professionals are essential for combating endemic diseases and responding effectively to medical emergencies. In addition, a robust health system is fundamental to the country's socio-economic development, directly boosting an active contribution to population growth. Following health is the area of culture, with a total weight of almost 8% of total investment.

Table 109: Investments in Social and Environmental Projects[107]

Areas of Intervention	2022 (Millions of USD)
Environment	0,44
Social Support	0,74
Culture	4,29
Economic Development	1,64
Sports	2,12
Education	1,99
Health	15,5
Total	**26,73**
Total (Million AKZ)	**12 170**

In addition to the information made publicly available by MIREMPET, Table 110 shows some of the social projects, broken down by beneficiary entity and project type, according to the information shared by the regulator. It should be noted that the ANPG reported approximately USD 24 million (AKZ 10.910 billion) social projects during the 2022 period.

In addition, according to the information provided by the ANPG, the investments shown in Table 110 correspond to compulsory expenditure, i.e. contracted under the terms of the PSCs, and are the only type of expenditure for which the ANPG has in-depth visibility as a regulatory body.

[107] MIREMPET Sector Report 2022

Table 110: Social projects in 2022[108]

Description	Beneficiary Entity	2022 (Millions of USD)
Strengthen the capacity of 5 cooperatives to improve access to markets outside the provinces of production; increase the production of the cooperatives supported through sustainable and ecological techniques Huambo and Benguela	Women from Huambo and Benguela Provinces	0,25*
100 women in demining" demining project aims to contribute to a province free of mine impacts by 2023 Benguela	Benguela Provincial Government / Women of Benguela Province / Halo trust	0,40*
Project to support the strengthening of family farming in the communes of Lepe and Sede, Longonjo Municipality	Women of the Lepe and Longonjo Commune	0,20*
Agricultural Development Project - Mamã Muxima	Mama Muxima Center	0,25*
Funding for the HALO Trust Social Project "100 Women in Demining" (Donation) - Phase 4	Benguela Provincial Government / Women residents of Benguela	0,50*
Integrated Development Project for Women. Literacy, Agriculture and Health Education. Manga Grande, Soyo, Zaire.	Zaire Provincial Government, People of Manga Grande Soyo	0,10*
Vocational Training Project - Coffee Culture in Gabela	Women of the Municipality of Gabela	0,30*
Projects that influence the progress of gender equality		**2,00**
Integrated Social Project: Access to Energy and Water, Health and Capacity Building - Phase 2	Huila and Namibe provinces	1,00*
Maintenance of 16 km of access roads to BCS communities		0,02*
2.ª Stage of opening the borehole in the village of Banzi	Cabinda Provincial Government / Banzi Community	0,02*
Rehabilitation of the Maxinde Home for the Elderly	Provincial Government of Malanje / Elderly people in Malanje Province	0,70*
Agricultural promotion project / Support for the São Vicente Agricultural Station (Cooperation Agreement)	Cabinda Provincial Government/Banzi Community	1,00*
Support for the Construction / Rehabilitation of the Water Distribution System Phase II	Zaire Provincial Government/ Soyo residents	0,11*
Espaço Aplausos Project	Aplauso Space	0,10*
Cabinda Integrated Social Project	Cabinda Provincial Government	1,50*
Community projects		**4,45**
Chevening- Postgraduate Program	Students and Professionals interested in your MBA	0,18*
Support for Health Centers	Soyo residents	0,03*
Support for the equipping of the Pângala and Kifuma School	People of Pangala and Kifuma	0,02*
Improving the epidemiological and maternal and child surveillance system	Governments of Luanda, Uíge and Cunene	0,90*
Sponsorship road safety	Government of Luanda	0,20*
Educational support program (teacher training)	Ministry of Education/ Government of Luanda	0,10*
Literacy Program	Governments of Uíge and Kwanza Norte provinces	0,50*
Vocational Training Project in IT, Locksmithing, Electricity and Plumbing. Equipping and training at the INEFOP Center in Namibe.	INEFOP, Namibe Provincial Government	0,25*
Phase III of the Teacher Training Program to Improve Teaching Methodology in Mathematics, Physics, Chemistry and Natural Sciences (STEM). Luanda and Bengo.	Ministry of Education, Bengo and Luanda Provincial Governments	0,30*
Maintenance of two schools	Cabinda Provincial Government	0,02*
Children's support project	Children from Mbanza Congo	0,50*
Donation to the NGO VIS - Phase 3	Sambizanga residents in Luanda	0,10*
Government Initiatives - Projects		**3,10**

[108] Information provided by the ANPG *Template*

Rehabilitation and equipping of the Neurological Center for the Treatment of Hydrocephalus - Acquisition of Medical Equipment	Hydrocephalus Center	0,40*
Rehabilitation of the Maternal and Child Center	Vila Verde Maternal and Child Center	1,00*
Rehabilitation of the home for cancer patients	Amor Gera Amor Association - Oncology	0,40
Construction of the Sambizanga Professional Technical School	Sambizanga residents	1,00
Construction of the Rangel Professional Technical School	Rangel residents	1,00
Construction of the Angola Academy for the Blind and Partially Sighted	Luanda's blind and ambulant	1,00
Construction of the Maria Auxiliadora 2nd Cycle School	Mary Help of Christians Center	0,90*
Construction of the Health Center	Good Samaritan Center	0,55
Construction project for the São Domingos School Complex	São Domingos Center	0,50
Construction of 1st and 2nd Cycle School in Caxito	Citizens Caxito	0,90
Nzambi Okulisa Project	Nzambi Okulisa Center	0,80
Ecovongo School Construction Project	Ecovongo Community	0,20*
Electrification of Medical Centers - Phase 3	Communities of Icolo e Bengo, Quiçama, Belas and Talatona	0,30*
Construction of the Kapango Health Center Support Structure	Residents of Kapango in Huambo	0,10*
Construction of a 1st and 2nd level elementary school with 7 classrooms, an administration area and a multi-purpose field	Massangano residents in Kwanza Norte	0,65*
Construction of a 1st and 2nd level elementary school with 8 classrooms, administration area and multipurpose field	Residents of Catumbela in Benguela	0,70*
8-room elementary school - Elementary School	Citizens of Kwanza Norte	0,68*
Construction of the 10-room school	Kwawa residents	0,62*
Training health professionals (doctors, paramedics and community health workers) - Phase 5	Health professionals in Luanda	0,15*
Awareness Program: Arrive Safely	Residents of Soyo-Zaire	0,01*
Provision for monitoring, inauguration and verification visits	Azule & ANPG	0,07*
Other - Environment and Sports		0,00
Clube de Futebol Académica do Lobito	Clube de Futebol Académica do Lobito	0,40
Program to support the massification of sport	Sporting Clube Petróleo do Bié	0,30
Support for Benfica Petróleos do Lubango	Benfica Petróleos do Lubango	0,30
Textang Multipurpose Field	Textang Community	1,10*
Preserving Sea Turtles	Government of Benguela / MINAMB	0,40*
Subsidies and funds for public companies		**14,42**
Total		**23,96**
Total (Million AKZ)		**10 910,24**

*Payment in kind

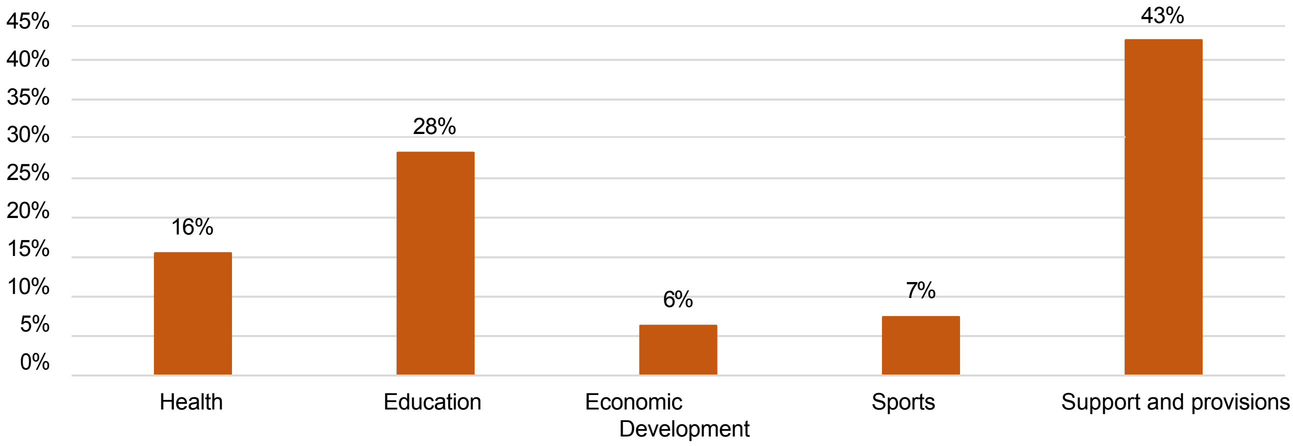
As identified, projects related to gender equality totaled around USD 2 million (AKZ 911 million), with funding for the "100 women in demining" social project standing out. In addition, community projects, which totaled 4.45 million USD (2,024 million AKZ), accounted for 19% of all social projects.

Subsidies and funds for public companies accounted for 60% of all social projects disclosed, totaling around 14 million USD (7,093 million AKZ), representing the category with the greatest weight in total social projects.

Other Mineral Resources Sector

During the 2022 period, social responsibility programs totaled approximately USD 57 million (AKZ 25,942 million). As can be seen in Figure 27, the most representative area was interventions in the context of support and provisions (43%), followed by interventions in the area of education (28%).

Figure 27: Social projects in 2022



In terms of absolute data, expenditure by area of intervention is broken down as shown in Table 111.

Table 111: Social Projects by Intervention Area[109]

Areas of Intervention	2022 (Millions of USD)
Health	8,84
Education	16,09
Economic and Social Development	3,59
Sports	4,22
Support and provisions	24,22
Total	**56,97**
Total (Million AKZ)	**25 942**

It should also be noted that the area of intervention with the greatest weight over the total was support and provisions, accounting for around 43%, followed by education, accounting for around 28% of total social investment in the other mineral resources sector.

In addition, and potentially falling within the scope of compulsory social expenditure, the sector's entities make periodic contributions for the training of Angolan staff. As this is revenue paid via CUT, this amount has been covered and disclosed, including payment details, in section 8.2.1.

[109] MIREMPET Sector Report 2021 and 2022

10.2 Parafiscal expenditure (Requirement 6.2)

Requirement 6.2 of the 2019 EITI Standard requires disclosure of quasi-fiscal expenses incurred by state-owned enterprises for the respective reporting period.

The definition of parafiscal expenditure defined by the EITI refers to the IMF's concept of parafiscal expenditure, which is the identification of public expenditure carried out by public bodies in place of the state, either through the direct execution of that expenditure or through transactions below market prices.

In this , in accordance with the discussions held with EITI's CNC, with particular emphasis on State-Owned Enterprises, no transactions have been identified which are the responsibility of the State and which are to be carried out by State-Owned Enterprises without there being an expectation of a future counterpart from the State and that this information will be disclosed. There is, however, expenditure that could potentially be classified as incurred outside state budgets until it is settled by the state in terms of the State Budget, with the credit balance identified in the company's accounts.

It should be emphasized that, in this context, state companies' transactions with the state were analyzed, as highlighted in section 8.6, with an emphasis on the state's accounts receivable and payable, in the state companies' reports and accounts, which could reflect amounts that could be considered parafiscal expenses.

As far as the state-owned companies in the diamond subsector are concerned, no accounts receivable were reported in the reports and accounts of SODIAM, E.P. and ENDIAMA - E.P., which could potentially present parafiscal characteristics, since the observable balances are essentially related to activity as a taxpayer.

As far as Sonangol, E.P. is concerned, there is a large group of accounts receivable from the state, as highlighted in section 6.7, among which the following stand out due to their materiality and because they are considered to potentially have the characteristics of parafiscal expenses:

Table 112: Transactions between Sonangol, E.P. and the State[110]

Headings	2022 (Millions of AKZ)	2021 (Millions of AKZ)
State subsidies	2 096 836	1 907 521
PNUH State - Centralities	473 675	549 658
Total	**2 570 511**	**2 457 179**
Total (Millions of USD)	**5 645**	**3 940**

National Urban Planning and Housing Program

According to Sonangol Group's accounts, the amount of AKZ 473.675 billion (USD 1.040 billion), relating to the PNUH repayment, is recognized as current debt, due to the fact that it is fully due and because an agreement to repay the PNUH debt for the period from January to December 2020 was signed between Sonangol in December 2021,
E.P. and MINFIN, which defines the possibility of this debt being paid in cash by MINFIN, under terms and conditions to be defined by the parties. On the balance sheet date, an additional settlement of USD 50 million (AKZ 22,768 million) was made under this agreement.

The PNUH is an initiative of the Executive of the Republic of Angola, partially implemented by Sonangol, E.P., with recourse to debt contracted with the International Bank, and which corresponds to the debt of the Angolan State, related to the transfer of housing under the PNUH to the sphere of IMOGESTIM S.A., which took place in 2014. Although there is transparent disclosure of the state's debt and there is a payment agreement between the state and Sonangol, E.P., the CNC agreed that

[110] Sonangol Report 2022

although it is judgmental due to the significance of the amounts, this expenditure should be disclosed in this requirement.

Fuel price subsidies

As of 2020, PD no. 283/20, of October 27was approved, which establishes, in article
Article 8 states that market prices are set on a monthly basis, based on import or export parity, as the case may be, by applying the MFA. This subsidy is calculated from the difference between the market selling price (calculated as indicated above) and the selling price charged.

The amount of AKZ 2 096 836 million (USD 4 605 million), as shown in Table 113, is representative of the amount to be received by Sonangol, E.P. in relation to state subsidies on fuel prices. During 2022, there was an increase of AKZ 189 315 million (USD 1 546 million), which generally represents the impact of the movements that took place during the 2022 period. The movements in the item include the increase in the grant for 2022 and the decrease in the balance relating to the offsetting of tax and non-tax debts against non-tax credits, which resulted in the offsetting of the 2020 and 2021 grants. With the most significant increase in USD resulting from the exchange rate appreciation of the kwanza mentioned above

Table 113: State subsidies to be received by Sonangol, E.P.

Headings	31/12/2021	Increase	Decrease	Currency translation adjustment DF	31/12/2022
Subsidies	1 777 918	1 979 210	(1 777 918)	-	1 979 210
Implicit subsidy for exchange rate differences	129 604	-	-	(11 978)	117 626
Total (Million AKZ)	**1 907 521**	**1 979 210**	**-1 777 918**	**-11 978**	**2 096 837**
Total (Millions of USD)	**3 058**	**4 346**	**-3 904**	**-26**	**4 605**

Furthermore, it should be noted that the balance of subsidies owed as of December 31, 2022, amounting to AKZ 2,096,837 billion, will be recovered from the state through the regular mechanism for offsetting balances, and the Board of Directors of Sonangol, E.P. expects that the amount included in the State Budget will be paid to the Sonangol Group by the end of 2023.

These subsidies, for the reporting period, also represent the state's responsibilities towards Sonangol Group companies, with regard to the adjustments between market prices in the distribution of fuel and the actual selling prices of fuel, which, despite being judgemental, can be interpreted as parafiscal expenses, as they are not yet included in the State Budget. However, as mentioned in the previous paragraph, these amounts may no longer be considered parafiscal expenses in future reports, according to expectations that they will be paid to Sonangol, E.P. in the future.

10.3 Contribution of the extractive industry to the economy (Requirement 6.3)

Size of the Extractive Industry

World inflation during the 2022 period was marked by geopolitical events of great magnitude, which exerted a decisive influence on energy markets worldwide. The strategic position of certain countries in the supply of essential resources, such as energy, triggered a chain of reactions that was reflected in a substantial increase in the prices certain *commodities*.

Whats more, in the oil market, after the price peaked in March 2022, it followed a downward trajectory in the following months, however, constantly above the prices shown during 2021. This downward movement in prices was influenced by a combination of factors, including the stabilization of global economic activity, the easing of restrictions imposed by the COVID-19 pandemic and the increase in oil production.

Due to the impact of the COVID-19 pandemic, in 2020 Angola and China agreed to the temporary suspension of Angola's debt, in line with the G20 Debt Service Suspension Initiative. The agreement, which ran from the 2nd semester of 2020 to the 1st quarter of 2023, allowed Angola to relieve its debt service by more than 6 billion USD. Even with the suspension, Angola stuck to its debt commitments, prepaying around 1.2 billion USD to China in 2022.

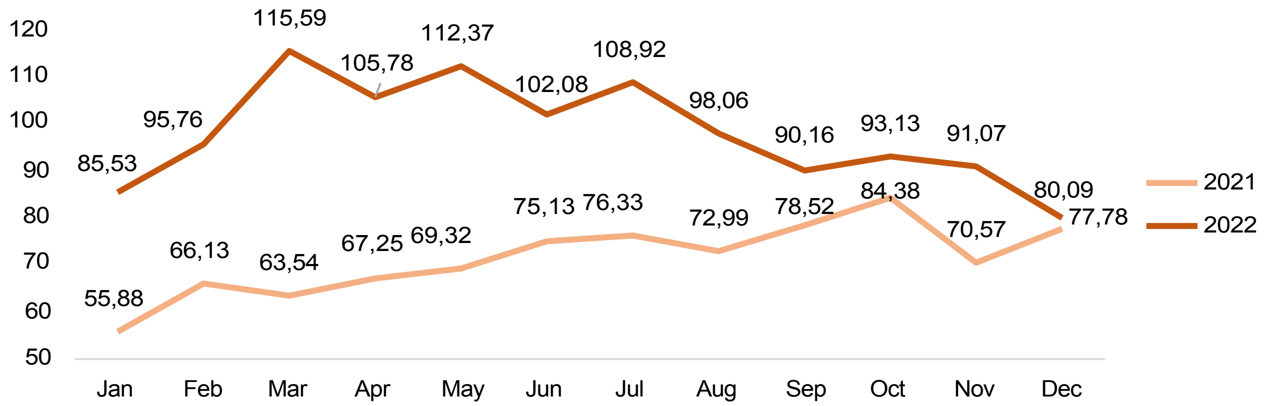
President João Lourenço's visit to China resulted in an agreement that eases the pressure on the Angolan National Treasury, without constituting a moratorium. The agreement makes it easier to set up guarantees based on oil supplies for the 10 billion USD contracted with the BDC, reducing the volume of the *escrow account* and allowing Angola to access an additional 150 to 200 million USD every month.

Angola's debt to China remains at 17 billion USD, representing 27.41% of the total government debt of 62 billion USD. The Angolan president's visit to China has resulted in more favorable debt management for Angola.[111]

As mentioned above, the Brent price, the benchmark for Angolan crude, recovered in 2022, with a minimum price of 80.09 USD in December and a maximum of 115.59 USD in March of the same year.

In 2022, the average selling price of *Brent* oil was above 98 USD.

Figure 28: Barrel price (USD)[112]



The price increase has made a positive contribution to Angola's position in 2022 as
67.ª world economy (80.ª in 2021) in terms of GDP (USD current prices), including all sectors. This contribution, in turn, is underpinned by the economy's subjection to the volatility of international *commodity* prices, with particular emphasis on the price of crude oil.[113]

According to the data highlighted in Figure 29, there was a significant drop in GDP in 2014 and this trend continued until 2016, mainly due to the sharp drop in oil prices after 2014. In 2021, the national economy resumed growth, after a period of recession over the last 5 years, additionally impacted by the

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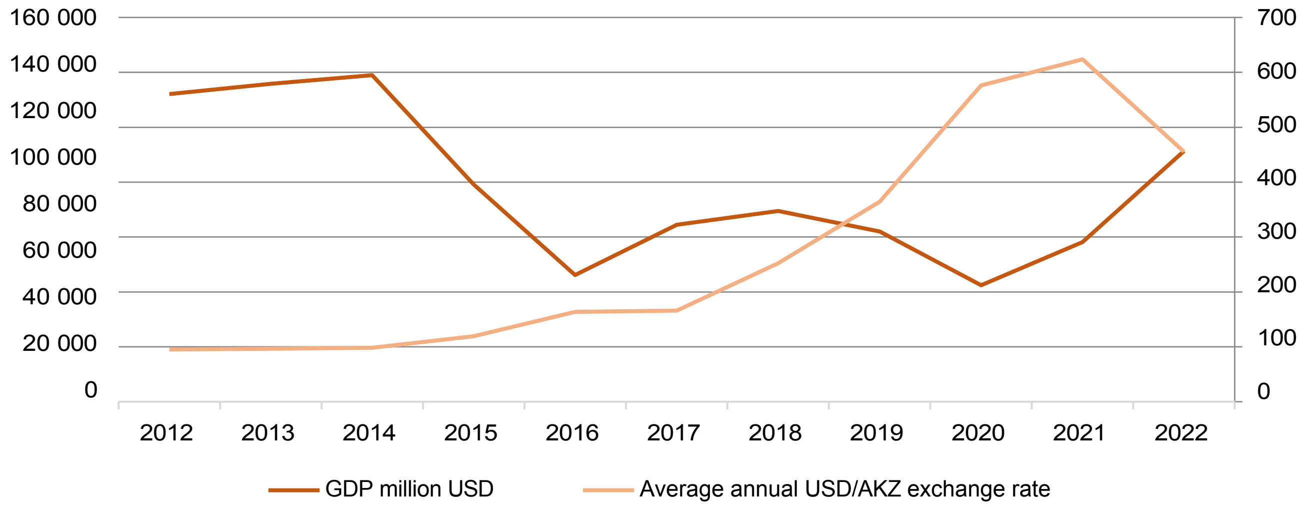
[111] https://ugd.minfin.gov.ao/PortalUGD/#!/press-room/articles/13143/the-importance-of-china-in-dividing-sovereign-of-angola
[112] CGE 2022 & https://pt.investing.com/commodities/brent-oil-historical-data & ANPG Management Report 2022
(113)https://oec.world/en/profile/country/ago & https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?end=2022&start=1960&view=chart&year=2018

COVID-19 pandemic in 2020. In the 2022 period, there was an increase GDP due to increased demand for oil from Western countries. On the other hand, the USD/AKZ exchange rate fell significantly compared to the same period last year, i.e. there was a favorable appreciation of the Kwanza against the US Dollar.

Figure 29: Evolution of GDP and Exchange Rate



Since 2012, Angola has experienced a complex dynamic between the exchange rate and GDP. As mentioned above and according to Figure 29 and Table 114, GDP is directly interlinked with fluctuations in oil revenue, influenced by the volatility of the oil price. In this sense, Angola has tried to diversify its economy in order reduce its dependence on oil and subsequently stabilize economic growth, as has been mentioned throughout the report. The dynamics of currency devaluation over the years have a direct impact on the trade balance, which in turn influences the country's GDP performance. According to Table 114, it can be seen that since 2017, the extractive industry has accounted for more than 30% of Angola's total GDP, however for the 2022 period, oil GDP has remained below this weight, which demonstrates the country's commitment to diversifying state revenues, particularly in the areas of transport, electricity, trade and construction.

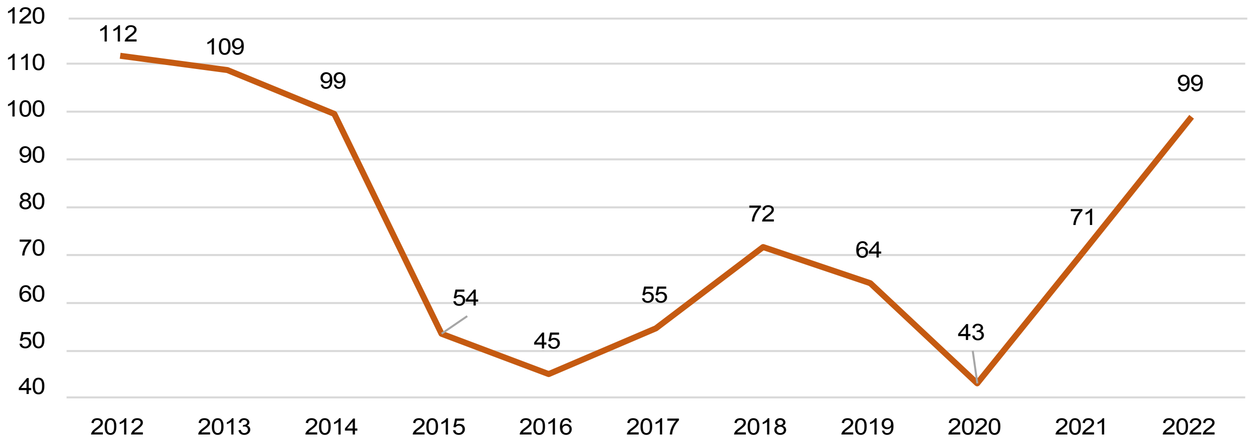
Table 114: Evolution of GDP 2011-2022[114]

Years	GDP (current prices Million USD)	Weight (%) Oil and minerals GDP	Weight (%) GDP other sectors
2011	111.790	No disaggregated information	
2012	128.053	No disaggregated information	
2013	132.339	28%	72%
2014	135.967	23%	77%
2015	90.496	22%	78%
2016	52.762	21%	79%
2017	73.690	31%	69%
2018	79.451	31%	69%
2019	70.898	30%	70%
2020	48.502	34%	66%
2021	66.505	31%	69%
2022	104.400	26%	74%

[114] The GDP figures in millions of USD published in the 2nd EITI Report may differ from those reported in the 1st Report because they include changes in market prices due to inflation.
https://data.worldbank.org/country/angola & Information provided by the National Directorate of Socio-Economic Studies

Despite the diversification in revenues, the impact of the oil sector continues to be significant for the country, once again demonstrated by the clear behavior of oil prices on the country's GDP.

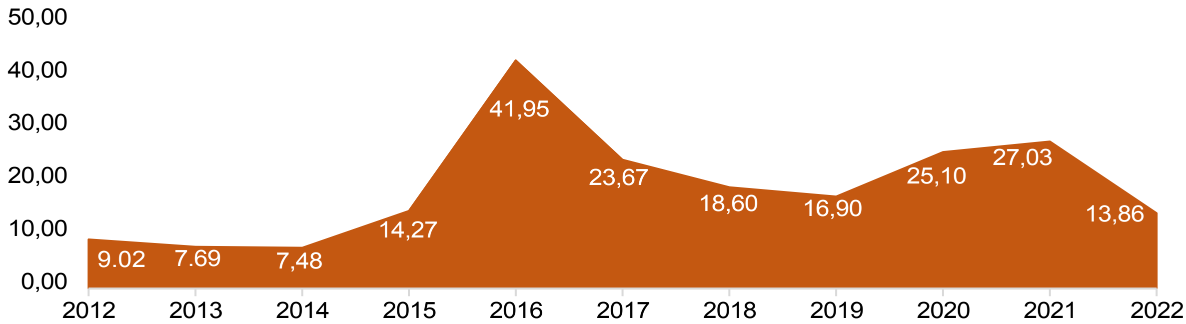
Figure 30: Average Annual Price of a Barrel of Oil (USD)[115]



Given the weight of oil revenue in government revenue, the sector also directly influences the performance of the Kwanza on the market, as a result of the increase in the price of oil, which leads to more currency in circulation and more foreign currency entering the country, which reinforces its importance for the country.

Between 2012 and 2014 there was a decrease in the rate of inflation in the Angolan economy, as during this period annual inflation fell from 9.02% to 7.48%. During the period from 2015 to 2019 there were several intervals and difficult circumstances for Angolan society, with inflation reaching 41.95% in 2016, representing the highest rate in recent years. In 2021, inflation continued to accelerate as it did in 2020, with 27.03% in December 2021 and 25.10% in 2020. One of the factors associated with growth in 2021 was the strong limitation in supply worldwide, caused by the COVID-19 pandemic. In 2022, the recovery and stabilization of the markets after the COVID-19 pandemic, the reduction in food prices worldwide, the appreciation of the Kwanza and the efforts made by the central bank to restrict monetary policy were the main factors the decrease in the accumulated inflation rate, which reached 13.86% in December 2022.

Figure 31: Evolution of the Accumulated Inflation Rate



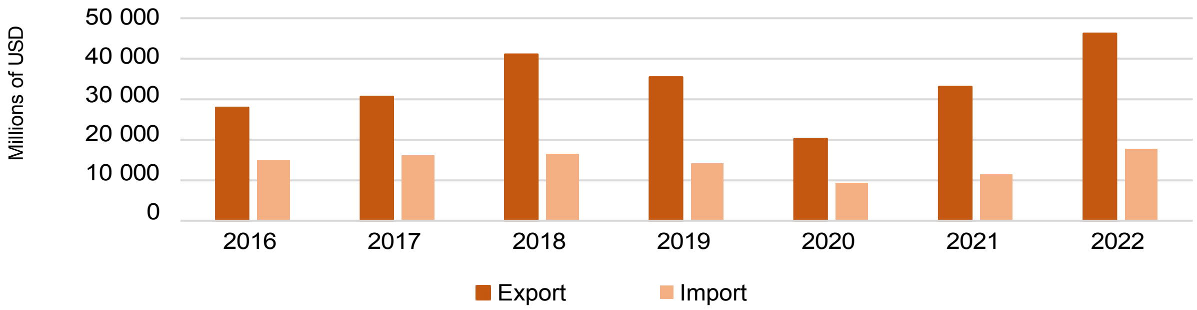
115 https://pt.investing.com/commodities/brent-oil-historical-data

Trade Balance

During the 2022 period, Angola recorded around 46.225 billion USD (approximately 21.05 billion AKZ) in exports and 17.687 billion USD (8.05 billion AKZ) in imports, ending this period with a positive trade balance of approximately 28.538 billion USD (13 billion AKZ).

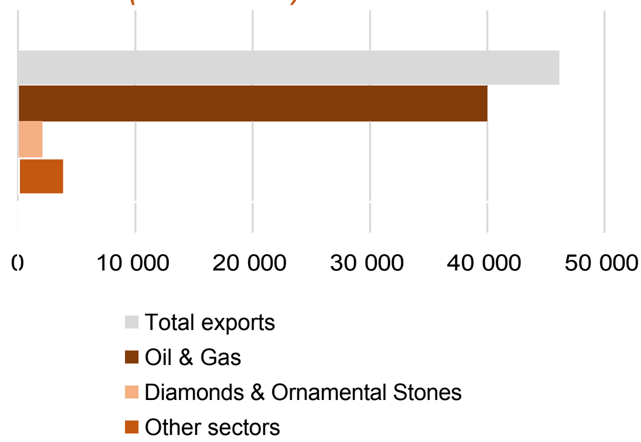
Compared to the same period last year, Angola saw a 40% increase in exports (2% in AKZ) and a 54% increase in imports (12% in AKZ), thus recording a growth of around 32% in the trade balance, equivalent to a 3% decrease in AKZ. The largest number of exports in 2022 went to China, India and France, while imported goods essentially came from China, Portugal and the Republic of Korea.

Figure 32: Angola's Exports and Imports[116]



However, it should be noted that exports associated with the extractive industry in 2022 accounted for approximately 87% of total exports, while the value of imports in the industry is not very significant. In this sense, there is a significant of the extractive sector in total exports, shown in Figure 33 (Trade Balance). , the Trade Balance, excluding the extractive industry sector, will be negative, which demonstrates, as mentioned above, the criticality of the industry for the country.[117]

Figure 33: Extractive Industry Exports vs. Trade Balance 2022 (Millions USD)



Following on from the information released on Angola's Trade Balance, it is important to highlight the data on exports associated with the extractive industry, in greater detail, identifying the amounts coming from the P&G sector, as well as other mineral resources.

Analysis of employment in the sector

According to Requirement 6.3 of the 2019 EITI Standard, Angola must disclose employment data in the extractive industries in order to highlight the industry's contribution to the economy during the reporting period.

The number of workers in the oil sector in 2022 totaled around 33,024 workers, broken down according to the data shown in Table 115.

(116) https://agt.minfin.gov.ao/PortalAGT/#!/statisticas/estatistica-do-comercio-externo

(117) MIREMPET Sector Report 2022

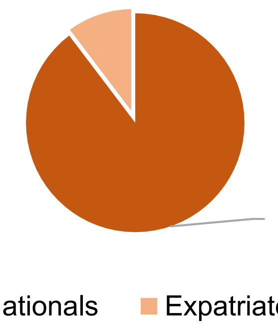
According to the Report on the Employment Survey in Angola, carried out by INE Angola, in the 4th Quarter of 2022, the employed population aged 15 and over was estimated at 11,682,309 people (employment rate of 63.1%), with workers in the Oil and Gas sector accounting for 0.28%.[118]

Table 115: Employability in the Oil and Gas Sector[119]

Type of company	Origin of the worker	2022 (No. of workers)	Weight
Sonangol Group	National	7 917	23,97%
ANPG	National	620	1,88%
IRDP	National	39	0,12%
National Petroleum Institute (INP)	National	285	0,86%
Subtotal		**8 861**	**26,83%**
Operators	National	4 692	14,21%
	Expatriates	581	1,76%
Subtotal		**5 273**	**15,97%**
Service providers	National	16 058	48,63%
	Expatriates	2 832	8,58%
Subtotal		**18 890**	**57,20%**
Total		**33 024**	**100%**

As shown in Figure 34, during 2022, a total of 29,611 national workers and 3,413 expatriates were identified as working in the oil sector.

Figure 34: Number of nationals and expatriates in the oil sector in 2022



In the 2022 period, the number of workers in the other mineral resources sector totaled 27,997 workers, broken down according to the data shown in Table 116. This increase in the number of national workers reflects the result of the ongoing development of local content policies.

[118] https://www.ine.gov.ao/Arquivos/arquivosCarregados//Carregados/Publicacao_638121322876246525.pdf
[119] MIREMPET Sector Report 2022

Table 116: Employment in the Other Mineral Resources Sector[120]

Description	2022	Weight
ENDIAMA (Headquarters+ Delegations)	457	1,63%
ENDIAMA Mining - Administration	40	0,14%
Projects in Production	8 124	29,02%
Projects in the pipeline	2 118	7,57%
Cooperatives	4 499	16,07%
Indirect workforce	4 365	15,59%
SODIAM, E.P.	139	0,50%
Lapidary Factories	646	2,31%
Subtotal	**20 388**	**72,82%**
Gold	855	3,05%
Manganese	117	0,42%
Iron	363	1,30%
Phosphate	7	0,03%
Ornamental stones	1 094	3,91%
Rare Earths	32	0,11%
Inert	4 850	17,32%
Subtotal	**7 318**	**26,14%**
ANRM	88	0,31%
IGEO	196	0,70%
Kimberley Process	7	0,03%
Subtotal	**291**	**1,04%**
Grand Total (No. of Employees)	**27 997**	**100,00%**

For the reporting period, the largest number of employees in the other mineral resources sector is associated with projects in production.

As previously mentioned, for the 2022 period, the entities selected within the scope provided information on employability data, using *templates*. In this sense, the information presented below comes directly from the entities in the industry sector.

[120] MIREMPET Sector Report 2022

Information from *templates*

Table 117: No. of employees of extractive industry entities in the scope of

Entities Mining	Companies	National Men	National Women	Expatriates Men	Expatriates Women
Sonangol, E.P.	Sonangol, E.P. and Subsidiaries	5 124	2 388	2	0
Sonangol P&P(3)		569	241	0	0
TotalEnergies	TotalEnergies EP Angola - Angola Branch	872	332	192	23
Azule Energy[1]	Azule Energy Angola S.p.A	170	98	94	6
	Azule Energy Angola (Block 18) B.V.	364	72	38	3
	Subtotal	**534**	**170**	**132**	**9**
ESSO*	Esso Exploration Angola (Block 15) Limited	446		57	
Equinor		9	8	1	1
Chevron	CABGOC	1 444	348	196	23
Maurel & Prom Angola**		2			
Somoil[2]		0	0	0	0
Acrep, S.A.		9	10	0	0
Cockatoo		2 127	167	141	7
Chitotolo		966	69	114	3
Cuango		592	61	78	1
ENDIAMA Mining		57	20	1	0
ANPG***		620			
ANRM		54	33		
Total (No. of Employees)		**16 460**		**981**	

*Gender-disaggregated information was not provided in the ESSO *template*.
** Information taken from Maurel & Prom's 2022 Financial Statements.
*** Information taken from the ANPG 2022 Management Report.
[1]In March 2022, an agreement was signed between BP and ENI to up an independent joint venture in Angola, called Azule Energy. https://anpg.co.ao/noticias/bp-e-eni-criam-azule-energy-para-operar-em-angola/#:~:text=15%20of%20March%20of%202022%20%7C%20Agency,joint%20venture%20independent%20in%20Angola%2C%20denominated%20Azule%20Energy.
[2]In April 2023, it was announced that SOMOIL would change its name to Etu Energias. https://etuenergias.co.ao/noticias/somoil-e-agora-etu-energias/44
[3]Sonangol, E.P.'s corporate model was reorganized, with Sonangol P&P S.A. becoming the Sonangol Exploração & Produção, S.A. business unit (see section 6.7.1 for more information).

It should also be noted that the ANPG's Management Report 2022 identified that 43% of all employees are women (approximately 267 women), 34% of whom hold management positions (around 91 women).[121]

In addition, Somoil did not have a workforce at Somoil Block B.V. in 2022 and therefore reported zero figures. , Maurel & Prom Angola also shared, through its 2022 Financial Statements, that there are a total of 2 employees in the Angola branch.

[121] ANPG Management Report 2022

Table 118: Summary of Entities that filled in the template - No. of Employees

Information on the number of employees	Number
Entities that provided complete information on the number of workers	13
Entities that provided incomplete information on the number of workers	1
Entities that did not provide information on number of workers	2
Entities unable to obtain *contact/template*	5*
Total	**21**

* It should be noted that of the 5 entities, 3 could not be contacted in good time (GALP, SSI and INA) and 2 did not respond (Prodoil and Nafta-Gas).

Other additional considerations

As has been mentioned throughout this report, it is imperative to recognize the importance of the extractive industry sector which, since its discovery, has played a leading role as a primary source of energy and a driving force behind industrial development.

In Angola, the history of oil is intrinsically linked to the economy and, in this sense, the first discoveries, in mid-1957, led the country to draft specific legislation for the sector.

The early days of regulation were characterized by the issuing of initial decrees, which were subject to a continuous process of revision and legislative strengthening. This evolution was followed, for example, by Law No. 13/78 of August 26, later repealed by Law No. 10/04 of November 12, as amended from time to time, and by Law No. 13/04 of December 24, as amended from time to time. The need for legislative renewal, which arose during the 21st century, was inevitably motivated by the exponential growth in oil production and exports.

At the same time, and due to Angola's historical, economic and social particularities, as well as the specificities of its legal system, non-oil geological and mining activity was initially regulated by a set of individual pieces of legislation, spread over various laws, decrees and other normative acts, which reflected the socio-economic circumstances of the time. It was only in 2011 that CM Law no. 31/11 of September 23 was published, which established a comprehensive regulatory framework for geological and mining activity that is still in force today.

The absence of consolidated legislation and effective control and inspection mechanisms over a long period, combined with periods of financial crisis and instability in the country, has contributed to an increase in informal mining, commonly known as "garimpos", especially in the diamond subsector. This practice has consistently been classified as illegal.

In line with the reform and restructuring that has been carried out in the mineral resources sector, it should be noted that in 2024 the National Assembly approved Law No. 8/24 - Law to Combat Illegal Mining Activity (see section 11.2 for more information), which aims to criminalize conduct that amounts to illegal mining activity, relating to strategic minerals and related crimes, for the purpose of holding the respective offender criminally liable, as well as establishing swift mechanisms for declaring the loss, in favour of the state, of the instruments, products and advantages of the crime. In terms of penalties, the law also decrees that the punishment may be a minimum of 1 year and a maximum of 8 years.

In this sense, and considering the above, it should be noted that informal mining is considered illegal and, for this reason, there is no official statistical data on this activity, due to its illicit nature. In addition, according to the ANRM, the activity not expected to be material, despite the lack of a specific quantitative analysis of the size of the sector.

Finally, in the context of monitoring the activities carried out by mining cooperatives, the Minister of Mineral Resources, Oil and Gas issued Order No. 00001/2021 of January 27, setting up a working group, which includes MIREMPET, ANRM, ENDIAMA - E.P., SODIAM, E.P. and CESME, with the aim of improving the structure of semi-industrial diamond mining activity, among other issues, in accordance with the following assumptions:

I. Legal conversion of Minas Gerais cooperatives into commercial companies;

II. Adjustment of tax and social security obligations;

III. Technical adjustments to equipment and human resources to conform to industrial activity.

According to Order No. 00001/2021 of January 27, it is essential to monitor the transformation of mining cooperatives into commercial companies, ensuring efficient institutional coordination to prevent and resolve conflicts, as well as adjusting their tax and social security obligations.

In order to meet their needs in a more effective and integrated way, the aforementioned working group held consultation meetings with the cooperatives, periodic internal meetings and physical visits to the cooperatives, allowing for closer monitoring of the activities carried out. In the end, a report was drawn up based on the observations and analyses made throughout these processes.

The working group identified 208 paralyzed cooperatives and 56 active ones, of which 29 are in the prospecting phase and 27 in the production phase. Taking into account PD No. 85/19 of March 21, and after analyzing the reports submitted by the cooperatives and the observations made during the extraction activities, the working group identified the reasons why this number of cooperatives are paralyzed, including a lack of technical and financial capacity, conflicts with local authorities and a shortage of qualified technicians.

Finally, it should be noted that SODIAM, E.P. presented, in the final report of the working group, the following actions developed in the context of the new paradigm marketing diamonds from semi-industrial production:

- The installation of SODIAM, E.P. offices near the mining cooperatives where there is the greatest flow of production to facilitate the purchase of diamonds;
- Interaction with the cooperatives to ensure that the inclusion of SODIAM, E.P. technicians in the cooperatives' processes goes smoothly.

10.4 Environmental Impact (Requirement 6.4)

10.4.1 Environmental legislation

Requirement 6.4 of the 2019 EITI Standard states that implementing countries are encouraged to disclose an overview of the relevant legal provisions and administrative rules relation to environmental management and the monitoring of the environmental impact of extractive investments in the country.

Legislation:

- **Law no. 5/98**, of June 19 - Basic Law on the Environment;
- **Decree no. 39/00**, of October 10 - Regulates environmental protection in the course of petroleum activities;

- **Executive Decree no. 11/05**, of January 12 - Regulations on Spill Notification Procedures;
- **Law no. 31/11,** of September 23 - Approves the CM;
- **Executive Decree no. 87/12**, of February 24 - Approves the Regulations for Public Consultation of Projects subject to Environmental Impact Assessment;
- **DP no. 190/12,** of August 24 - Regulation on Waste Management;
- **DP no. 117/20**, of April 22 - General Regulation on Environmental Impact Assessment (EIA);
- **Law no. 8/20**, of April 16, amended by **Law no. 12/21**, of May 7 - Amendment of the Environmental Conservation Areas Law;
- **DP no. 51/24**, of February 6 - Regulation on the Exercise of Activities for the Exploration of Mineral Resources, Oil and Gas in Conservation Areas.

In accordance with the legislation identified above, it is important to highlight some fundamental concepts for a correct understanding of it, as follows:

Environmental licensing: Administrative procedure that verifies the legal and technical conditions, licenses the location, installation and operation of undertakings and activities that use natural resources that may be polluting or may create degradation or modification of the environment;

Environmental installation license: A document issued by the responsible entity for the purpose of authorizing the implementation and alteration of the work;

Environmental license: A document issued by the responsible entity that establishes the conditions, restrictions and environmental control measures to be observed by the entrepreneur;

Environmental operating license: A document issued by the responsible entity for the purpose of starting the operation of the project, after verifying that all the requirements of the EIA have been met.

Environmental decommissioning license: License required by the responsible entity for the closure of developments at the end of their activity, in order to avoid significant impacts on the environment.

ToR: Document that contains the parameters and specific information that must govern the preparation of the EIA, Simplified Environmental Impact Assessment or Monitoring Report for an activity, submitted by the applicant.

Law no. 5/98, of June 19th - Basic Law on the Environment

The experience accumulated in recent years, both internationally and nationally, has produced a new global awareness of the environmental implications of human development, characterized by greater responsibility on the part of society in the face of these implications. Law no. 5/98, of June 19th, defined environmental policies that fit in with this global awareness.

As all citizens have the right to live in a healthy environment, with access to the benefits of the rational use of the country's natural resources, it is up to the state to implement a national environmental management program.

The government should also create economic or other incentives to encourage the use of technology, production processes and natural resources in the spirit of sustainable development.

Law no. 5/98, of June 19, establishes that all projects whose activities interfere with the interests of the community, with the ecological balance and use natural resources that may cause harm to third parties, must be subject to EIA processes.

The law also stipulates that the government must ensure that environmental heritage, particularly natural, historical and cultural heritage, is the subject of permanent measures to defend and enhance it, through the appropriate involvement of communities, in particular environmental protection associations.

Decree no. 39/00, of October 10 - Regulates environmental protection in the course of petroleum activities

Considering that under the terms of the Constitution, the Basic Environmental Law (***Law no. 5/98, of June 19)*** and the LAP (Law no. 10/04, of November 12), the protection of the environment is a priority objective of the Angolan state, which must guarantee its preservation with a view to promoting sustainable development.

Decree 39/00 of October 10 stipulates that CN and its associates, through the operator and other oil companies, must take the necessary precautions to prevent the negative effects pollution. The instruments are a set actions and practical measures that must be applied in order to prevent these activities from causing negative environmental impacts in the country.

Decree 39/00 of October 10 aims to inform citizens and companies about existing contractual deadlines, recovery policies, information in the event of spills and other relevant applicable regulations.

Executive Decree no. 11/05, of January 12 - Regulation on Spill Notification Procedures

Law no. 31/11, of September 23 - Approves the CM

Law 31/11 of September 23 also establishes the conditions for the protection and conservation of flora and fauna in mining areas. According to articles 13 and 14, the Executive Branch is responsible for defining which areas are considered available for the purposes of granting mining rights and other areas excluded or conditioned for geological-mining activity.

According to Article 24 of the CM, the legal regime for the recognition, prospecting, research and evaluation, exploitation, processing and commercialization established in the aforementioned Code is applicable to mineral resources existing in the territorial sea, continental shelf and exclusive economic zone, which must take into account the factors described in paragraph 4 of the aforementioned article.

For all mining projects, the environmental impact assessment must consider the following aspects:

- Assessment of the effects of the project on the environment;
- Environmental management plan;
- Follow-up program;
- Environmental audits;

- Environmental rehabilitation programs;
- Abandonment plan;
- Financial charges;
- Water use plan;
- Waste management and control of hazardous substances.

Executive Decree no. 87/12, of February 24 - Approves the Regulations for Public Consultation of Projects subject to Environmental Impact Assessment

Executive Decree 87/12 of February 24 establishes the rules for holding public consultations on public or private projects subject to an EIA. Its purpose is to gather opinions/suggestions and ensure the participation of interested parties, identifying in a broader format all the relevant aspects of the implementation of the project subject to public consultation. The aforementioned Executive Decree No. 87/12, of February 24, additionally stipulates that the information gathered must be disclosed and made available to the public.

What's more, the environmental installation and operating licenses must be renewed on time and any changes that are not included in the previous description of the project must be indicated by the holder. Each time the license is renewed, an environmental audit is carried out.

With regard to the expiry and validity of licenses, according to article 32 of Executive Decree 87/12 of 24 February, all licenses whose activity is not started within 2 years of issue are void. Permits for category A projects are valid for 3-5 years, renewable for the same period.

DP no. 190/12, of August 24 - Regulation on Waste Management

The aim of DP 190/12, of August 24, is to establish general rules on the management of solid waste generated, except that of a radioactive nature. The law applies to all natural and legal persons, public or private, who carry out activities likely to produce waste or are involved in waste management under the terms of the Angolan Waste List (LAR).

DP no. 190/12, of August 24, also provides the classification of waste and its categories, as well as the obligations of the entities that handle it. In terms of waste management, MINAMB is responsible for the following:

⇒ Issuing and disseminating the mandatory rules on the procedures to be followed in waste management, whether hazardous or non-hazardous;

⇒ Carry out environmental licensing of waste storage and/or disposal facilities or sites;

⇒ Accredit waste transportation operations, in coordination with the supervisory bodies;

⇒ Register public or private entities that handle waste.

DP no. 117/20, of April 22 - General EIA Regulation

PD no. 177/20, of April 22, establishes the rules and procedures governing the environmental impact assessment of public and private projects and the environmental licensing procedures for activities that, due to their nature, location or size, are likely to have a significant environmental and social impact.

The aforementioned PD no. 177/20, of April 22, also defines that the licensing of projects that have implications for environmental and social balance and harmony are subject to a prior EIA process that involves the preparation of an EIS to be submitted for approval to the competent authority responsible for the environment, via an online technological platform (SIA).

For the respective EIA process, certain categories are defined which may be subject to the carrying out of an EIA or EAS and its supervision by reviewers.

A

Category A activities

Actions that, given their complexity, location or irreversibility and the magnitude of the possible impacts, deserve not only a high level of social and environmental vigilance, but also the involvement of specialists in EIA processes;

B

Category B activities

Actions that significantly affect living beings and environmentally sensitive areas, their impacts are of greater duration, intensity, magnitude and significance;

C

Category C activities

Actions that do not affect living beings or environmentally sensitive areas, compared to Category B activities;

D

Category D activities

Actions that cause negligible, insignificant or minimal negative impacts, characterized by the absence of irreversible impacts, with the positive impacts being greater and more significant than the negative ones and exempt from the EIA and environmental licensing procedure;

According to the aforementioned PD, for category A projects (the category that includes mineral resource exploitation projects), the EPDA and ToR are to be carried out as a preliminary stage in the licensing and report preparation process. Subsequently, during the preparation of the EIA, public consultations are held, in accordance with Executive Decree 87/12 of February 24.

Environmental licensing for Category A projects

According to the aforementioned legislation, the project category is defined by MINAMB. However, within the scope of the extractive industry, all the projects correspond to Category A, in accordance with DP no. 117/20, of April 22, Annex I, no. 9, al. f), g) and h).

Phase 1: Pre-assessment
1) Identification of a category A project (according to Decree no. 117/20, of April 22); 2) Registration of the project in the EIS.
Phase 2: Report preparation
1) Complete and submit the online registration in accordance with the annexes to the aforementioned Decree and the form in the CIS; 2) Obtain confirmation of the category, ToR and collection note. ToRs can be proposed by the project proponent during project registration or as part of the EPDA.
1) Drawing up and submitting the EPDA through the SIA (as defined in article 12 of Decree no. 117/20 of April 22); 2) Approval of the EPDA by MINAMB; 3) Completion of the requested documents, namely the EIA and Non-Technical Summary (NTS).
Phase 3: Submission and approval
1) Online submission to MINAMB via the EIS; 2) Pre-licensing visit for the environmental installation license and post-licensing visit for the operating license; 3) Public consultation; 4) Technical opinion, followed by payment of the license fee. The project is then implemented and regular monitoring reports are drawn up, as established in the permit. If the project is partially rejected, it must be corrected according to the rejected issues and then resubmitted. If the project is rejected outright, an appeal can be lodged with the administrative courts.

During the licensing process, the consultant must carry out the following procedures:

- Describe the areas of influence and geographical borders;
- Summarize the legal and institutional framework;
- Present the environmental and social reference situation;
- Develop mitigation and compensation measures;
- Obtain primary and secondary data;
- Promote stakeholder participation;
- Conducting environmental and social impact assessments;
- Proposing the environmental and social management plan.

In addition, it may be necessary to obtain additional documents during the process:

⇒ Public consultation process to be followed;

⇒ Waste management plan and environmental education program;

⇒ Accident contingency and stakeholder participation plan;

⇒ Action framework for resettlement.

Law no. 8/20, of April 16 and amendment by Law no. 12/21, of May 7 - Amendment of the Environmental Conservation Areas Law

This Law no. 8/20, of April 16, aims to define the national system of environmental conservation areas in order to establish the criteria and rules for their creation, classification and management through principles that safeguard their preservation, conservation and sustainable use.

Purposes

a. Promote the sustainable management of flora and fauna in environmental conservation areas that ensures a balance with the protection of ecosystems and biological diversity;

b. Ensure the contribution of Environmental Conservation Areas, their biological diversity and the activities related to them, to sustainable development;

c. Contribute to the satisfaction of basic needs, the generation of income and jobs and the progressive improvement of the quality of life of present and future generations, taking into account the sustainable use of the resources that constitute the object of environmental conservation areas;

d. Establishing the general principles and rules for the conservation of flora and fauna in environmental conservation areas and their ecosystems;

e. To establish the general principles and criteria for the management of flora and fauna resources in environmental conservation areas in order to support and develop the relevant biological, technological, economic, social, cultural and environmental aspects;

f. To promote scientific research in the areas of environmental conservation relating to flora and fauna resources, biological diversity and ecosystems, and the dissemination of the resulting knowledge.

DP no. 51/24, of February 6 - Regulation on the Exercise of Activities for the Exploration of Mineral Resources, Oil and Gas in Conservation Areas

DP no. 51/24, of February 6, which applies to operators and holders of mining rights when carrying out activities to exploit mineral resources, oil and gas, establishes the rules, criteria and procedures associated with these activities in conservation areas.

In this sense, according to article 4, the applicant for mining rights, the ANPG and the operator must request a declaration of access, valid for 5 years and renewable for equal periods, for respective reserve or park, using the EIS. In addition, for the request it will be necessary to submit:

° Other mineral resources sector: Mining title or Certificate of registration of the mining concession application;

- P&G sector: Prospecting license.

Furthermore, article 7 provides for the competent bodies, namely MINAMB, MIREMPET, ANPG and ANRM, to monitor the exploration activities carried out in the area, as well as compliance with the terms of the environmental license, contracts and legislation in force. As a result of the collection of fees and emoluments, within the scope of environmental licensing in conservation areas, the allocation of this revenue is distributed in accordance with article 10 of the aforementioned law.

Other additional considerations

In addition to above-mentioned legislation, the following should be highlighted:

- **DP no. 110/24**, of May 9 - Approval of Fees for Access to and Use of Environmental Conservation Areas;
- **DP no. 50/24**, of February 2 - Approves the Regulation on Environmental Conservation Areas.

For more information on the environmental licenses active in 2022 in the extractive industry in Angola, see Annex AH.

10.4.2 Environmental reports released by companies

Sonangol, E.P. Sustainability and Energy Transition Report

According to Sonangol, E.P.'s 2022 Sustainability Report, they have contributed to the long-term development of the Angolan economy through major investments, job creation, profit generation and the well-being of almost 8,000 employees, their families, local communities and the entire value chain. Around 200 internal and external stakeholders were contacted to understand Sonangol, E.P.'s material issues and, based on sustainability, the Board of Directors approved the Organization's following strategic objectives for 2023-2027:

⇒ Producing electricity from renewable sources;

⇒ Control and reduce CO_2 emissions in exploration, production and refining operations; and

⇒ Increasing carbon sequestration by implementing the Sonangol Carbono Azul project, among other initiatives.

Thus, it is expected that sales of crude oil and derivatives, gas and green hydrogen, as well as renewable energies, mainly solar energy (photovoltaic), will constitute the company's main source of annual revenue, in line with the energy transition strategy (see Annex AI for more information).

Sonangol, E.P. is committed to reducing the volume of Greenhouse Gas Emissions from operations by 15% by 2030, considering the volume in 2022 and supporting Angola in fulfilling the commitment established in the 2021 National Determined Contribution (NDC).

Contributions National Determined (NDC - *Nationally determined contributions*). The NDCs are the national climate action plans to reduce greenhouse gas emissions that cause climate change and to achieve the goals of the Paris Agreement. They represent a point voluntary departure and not an imposition by the international community.

Sonangol, E.P. is also developing the Sonangol Carbono Azul project, in partnership with the NGO (Non-Governmental Organization) Otchiva, for the reforestation of mangrove areas in 3 provinces of the country. The main aim of this project is to offset part of the greenhouse gas emissions from the 's operations, while promoting the reduction of pollution in the sea and guaranteeing the continuity of marine life.

Furthermore, the entity has promoted sustainability by implementing social programs and promoting socio-environmental, cultural, sporting, scientific and technological sponsorships and partnerships. During 2022, the state-owned company invested around 20 million USD in internal and external Scholarship Programs that supported the training of more than 2,500 employees, over 14,568 hours, in safety, technical and management topics.

In this way, Sonangol, E.P.'s commitment to a sustainability strategy that values its governance, employees and society is evident. Faced with global demands for an energy transition, as stipulated by the Paris Agreement, the company recognizes the need to establish a clear strategy for the transition and effective reduction of greenhouse gas emissions. In Angola, Sonangol, E.P. is aligned with the national goal of limiting CO_2 emissions from 2025 and with the government's sustainability objectives, which aim to reduce economic dependence on oil and encourage the contribution of non-oil sectors.

Internally, Sonangol, E.P. is focused on financing its energy transition strategy, maintaining oil production as a source of revenue for a balanced transition from an economic and financial point of view. In this sense, the strategy is based on two pillars:

1) the absolute reduction in CO_2 emissions compared to 2022; and

2) diversification of the revenue collection portfolio.

In addition, the company is developing a roadmap for the energy transition and decarbonization, which involves the collaboration of internal and external *stakeholders*, taking into account global trends in the sector and the approaches of Sonangol, E.P.'s partners.[122]

Sustainability at SODIAM, E.P

The Angolan diamond industry, represented in part by SODIAM, E.P., also plays a crucial role in the country's economic, social, environmental and political sustainability. In this way, the state-owned company has strived for transparent and responsible management of mineral resources, following the guidelines of the National Committee of the Extractive Industry and MIREMPET. Furthermore, it promotes local development and social inclusion through corporate social responsibility initiatives. Adherence to the Kimberley Process was one of the significant steps taken to prevent conflicts and ensure that diamonds do not finance human rights violations or regional destabilization.

With regard to the marketing of diamonds, the Angolan state has established clear and objective principles for the sale of rough and cut diamonds. SODIAM, E.P., as the Public Trading Body, operates under a system of transparency and administrative efficiency, with classification criteria and prices in line with international standards. The marketing policy

[122] Sonangol Sustainability Report 2022 https://sustentabilidade.sonangol.co.ao/en/esg/

favors the priority sale of rough diamonds to national cutting companies, minimizing the need to import raw materials, as referred to in section 6.7.2.1. In addition, companies must issue a declaration of good practices, committing respect human rights, working conditions and environmental protection, as well as separation and adequate information on sales of natural, synthetic and treated diamonds.[123]

TotalEnergies Sustainability Report

In 2021, Total changed its name to TotalEnergies, reflecting the new ambition to become a benchmark company in terms of the energy transition, as well as achieving carbon neutrality by 2050, together with society. The company believes that everyone has the right to access reliable, low-cost energy, which is fundamental to economic and social development. At the same time, it recognizes the importance of the commitment that companies can demonstrate in preserving the climate for future generations.

TotalEnergies is transforming its operations to deliver tangible and sustainable solutions, providing more energy and fewer emissions. In 2021, shareholders broadly supported this vision, and the company published the Sustainability & Climate Progress Report - 2022 to demonstrate how its strategy and investment decisions reflect this ambition. The report also details the objectives for 2030 and the vision for 2050, including targets for reducing greenhouse gas emissions.

TotalEnergies aims to reduce greenhouse gas emissions related to sales of oil products by more than 30% by 2030, compared to the data observed in 2015. In addition, it has set gradual targets for reducing methane emissions and the total elimination of routine gas flaring at its operated assets by 2030. In addition, the extractive entity contributed to the development of renewable energies in 2021, with investments in renewables and electricity accounting for 25% of total investments. What's more, the company plans to direct half of its future investments towards the growth of renewables and gas, while maintaining its traditional production base. This will allow it to gradually build up an integrated portfolio of multi-energy assets, with low production costs and low $_{CO2}$ emissions.

It should also be noted that TotalEnergies is committed to fostering collaboration with customers, suppliers and start-ups as part of its carbon reduction initiatives, in order to facilitate an equitable transition that respects human rights and promotes a beneficial impact on communities. Finally, TotalEnergies is committed to ensuring a safe and welcoming working environment for all its employees, thus contributing to a balanced energy transition that meets society's expectations.[124]

Additional information on sustainability

In addition to the information disclosed by the aforementioned entities, it should be noted that a significant number of entities operating in the extractive sector in Angola publish Sustainability Reports and/or provide additional information on their *websites* about the main practices, objectives and rules concerning governance in environmental, social and corporate matters.

For more information, check out their *websites*.

[123] https://sodiam.co.ao/sustentabilidade/#movimento
[124] Sustainability & Climate 2022 Progress Report TotalEnergies (https://totalenergies.com/sustainability)

Table 119: Extractive companies' websites - Sustainability Reports

Extractive entity	*Website*
ENDIAMA - E.P.	https://www.endiama.co.ao/sustentabilidade/
SODIAM, E.P.	https://sodiam.co.ao/sustentabilidade/
TotalEnergies	https://totalenergies.com/sustainability
Azule Energy	https://www.azule-energy.com/pt/sobre-nos/
ESSO	https://corporate.exxonmobil.com/sustainability-and-reports
Equinor	https://www.equinor.com/sustainability
Chevron	https://www.chevron.com/sustainability
Etu Energies	https://etuenergias.co.ao/sustentabilidade/objectivos-estrategicos/

11. Other considerations

11. Other considerations

11.1 Additional Legislation Relevant to the Sector

In addition to the legislative context, tax regime and environmental legislation, it is important to highlight the legal diplomas identified below, as they are relevant to the extractive industry sector.

Legislation:

- **DL no. 10/07,** of October 3 - Approval of the implementation of the Angola LNG Project and legal framework;
- **Law No. 2/12**, of January 13 - Law on the Foreign Exchange Regime Applicable to the Petroleum Sector;
- **Executive Decree no. 140/22**, of February 24 - Regulation establishing the rules and procedures for the export of fuels;
- **Instruction no. 7/22**, of 17 August - Establishes the standardization of the nomenclature of basins, blocks, concession areas and fields, wells, geophysical programmes and seismic lines;
- **Law no. 5/20**, of January 27 - Law on Preventing and Combating Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction, amended by **Law no. 11/24**, of July 4.

DL no. 10/07, of October 3 - Approval of the implementation of the Angola LNG Project and legal framework

With the aim of making economic use of Angola's natural gas potential reducing flaring, Decree-Law no. 10/07 of October 3 was established to implement the Angola LNG Project. Decree-Law no. 10/07, of October 3, establishes the legal framework for the ALNG Project, including tax, customs and foreign exchange aspects.

Angola LNG Project

The Angola Liquefied Natural Gas (ALNG) project is one of the largest energy projects on the African continent and is Angola's first LNG project.

ALNG has a plant located 350 km north of Luanda, in Soyo, at the mouth of the Congo River, to receive and process gas in Angola, produce LNG and sell it.

their

ALNG is the result of a partnership between Sonagás (22.8%), CABGOC (36.4%), Azule Exploration (Angola) Limited (formerly BP) - (13.6%), Azule Energy Angola Production B.V. (formerly Eni) - (13.6%) and TotalEnergies (13.6%) to collect and process gas and supply 5.2 million tons of LNG per year to the global market. In addition, the project supplies natural gas to the Angolan market in order to help meet local industrial and energy needs and minimize the re-injection or flaring of gas, allowing the development *offshore* oil reserves in a more sustainable format, providing clean and reliable energy to customers and maximizing the return on investment.

The ALNG project has a dedicated fleet seven LNG ships and three loading jetties (LNG, liquids and compressed butane). ALNG, which is currently in operation, enables the safe, reliable and economical transportation of gas over long distances, connecting resources to various markets unlocking suspended gas reserves and helping to generate cleaner, low-carbon energy for industry and households. The project is currently in the process of connecting national, regional and international markets, with the aim of contributing to the growth of a truly global gas market.

The main source of gas initially came from gas associated with oil operations *offshore* in Blocks 15, 17 and 18 with later connection of Blocks 0 and 14, Block 31 and 32.[125]

Law no. 2/12, of January 13 - Law on the Foreign Exchange Regime Applicable to the Petroleum Sector

Considering that oil operations, due to their nature and characteristics, and the existence large volumes of investments, it would be justified for them to be carried out under a different exchange rate regime from that in force for other economic activities.

The existence of a multiplicity of foreign exchange regimes applicable to the oil sector has led to the need to standardize them, establishing a system of fair treatment for investors.

Law no. 2/12, of January 13, provides for the foreign exchange regime for the settlement of transactions involving goods, current invisibles and capital arising from the prospecting, research, evaluation, development and production of crude oil and natural gas.

In 2021, ***Notice no. 3/21, of April 12,*** was issued, later revoked by ***Notice no. 8/22***, ***of March 25,*** which updated the rules governing the aforementioned foreign exchange operations of entities operating in the oil sector, specifically in the prospecting, research, evaluation, development, production and sale of non-associated natural gas and its derivatives, such as condensates and liquids from non-associated natural gas and LNG and the provision of associated services.

Executive Decree no. 140/22, of February 24 - Regulation establishing the rules and procedures for the export of fuels

Executive Decree 140/22 of February 24 was published in order to monitor and facilitate the operation and control of the export of oil products. To this , it was necessary to establish a set of legislated rules and procedures for fuel export activity. One of the criteria implemented is the issue of prior authorization from the IRDP.

Instruction no. 7/22, of August 17 - Establishes the standardization of the nomenclature of basins, blocks, concession areas and fields, wells, geophysical programmes and seismic lines

Instruction no. 7/22, of August 17, applies to the ANPG and to all domestic and foreign entities that partner with it for the execution of petroleum operations or that provide goods/services for these same operations.

With the need to make it easier to insert information into databases, search for it and make it available, there is a need to standardize and standardize the nomenclature of basins, blocks, concession areas and fields, wells, geophysical programs and seismic lines, to guarantee the quality of the data made available, as well as optimizing the use of resources.

[125] https://angola.chevron.com/our-businesses/angola-lng & https://www.angolalng.com/about-angola-lng

Law no. 5/20, of January 27 - Law on Preventing and Combating Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction**, amended by **Law no. 11/24, of July 4

Law no. 5/20, of January 27, established preventive and repressive measures to combat money laundering, the financing of terrorism and the proliferation of weapons of mass destruction. Subsequently, Law no. 11/24, of July 4, was published, amending and conforming to the Legal Framework for Preventing and Combating Money Laundering, the Financing of Terrorism and the Proliferation of Weapons of Mass Destruction, approved by Law no. 5/20, of January 27, with the aim of ensuring the conformity and effectiveness of the national legal system in the face of the risk and impacts of the crime in question (see more information in section 6.6).

Other additional considerations

In addition to above-mentioned legislation, the following should be highlighted:

- **Notice no. 11/12,** of April 2 - Establishes the Angolan National Basic Interest Rate (BNA);
- **DP no. 44/22,** of February 11 - Authorizes the extension of the dates of the first oil survey in the Colorau, Manjericão and Cola Development Areas of Block 32;
- **Notice no. 7/22**, of March 15 - Establishes the rules applicable to payments under insurance and reinsurance contracts to which operators in the oil and gas sector are party;
- **DP no. 85/22,** of April 12 - Grants CN the mining rights for prospecting, research, development and production of liquid and gaseous hydrocarbons in the Block 24 Concession Area
- **Directive no. 7/23**, of June 2023 - Procedures for the Sale of Foreign Currency by Oil and Diamond Companies.

11.2 Legislation 2023/2024

Legislation:

- **Law no. 8/24**, of March 1 - Law to Combat Illegal Mining Activity;
- **Law no. 5/24**, of April 23 - Law to Combat Smuggling of Petroleum Products.

Law no. 8/24, of March 1st - Law to Combat Illegal Mining Activity

Law No. 8/24, of March 1, aims to tackle the growing problem of illegal mining activity in Angola, which negatively affects various sectors of the country. This Law No. 8/24, of March 1, establishes a strict legal regime to hold those involved accountable and recover assets related to this activity. , at all stages of the mining process (prospecting, research and extraction) a violation of this law is considered to have occurred if the appropriate license for the activity is held.

Law no. 8/24, of March 1, applies to all mining activities carried out illegally on national territory and to any person or entity involved in or facilitating such activities. It also applies to all persons or entities that support or finance illegal mining, as well as illegal operators and their collaborators.

Penalties range from 1 to 8 years in prison, plus fines depending on the activity and responsibility. As far as the process of appropriating assets is concerned, those related to illegal mining activities can be seized and transferred to the state. If the assets are difficult to move or pose a risk, they can be destroyed by court order.

Law no. 5/24, of April 23 - Law to Combat Smuggling of Petroleum Products

Law no. 5/24, of 23 April, establishes the legal framework for criminalizing the smuggling of petroleum products and related activities, applicable in national territory. In addition, this law defines specific crimes such as illegal import and export, the circulation of oil products for smuggling, illicit transhipment and falsification of authorizations. Furthermore, this law establishes prison sentences and special aggravation in certain cases, namely those related to national, regional or local energy shortages, among others. Law no. 5/24, of April 23, also establishes procedures for declaring assets forfeited to the state, guaranteeing rights of defense and appeal.

Other additional considerations

In addition to above-mentioned legislation, the following should be highlighted:

- **Executive Decree no. 227/23**, of 10 October - Authorizes equitable transfer of China Sonangol International Holding, Limited's entire 25% stake in CPP to Sonangol Pesquisa e Produção[126], Maurel & Prom Angola, Azule Energy, Etu Energias, Nis-Naftagas and Afentra Angola, Limited;
- **Executive Decree no. 242/23**, of November 17 - Amends Executive Decree no. 82/23, of June 5, which authorizes PTTEP (Angola) Corporation to transfer to Etu Energias Bloco 17/06 (SU), S.A. the entire participating interest corresponding to 2.5% that it holds in the PSC of Block 17/06.

[126] Sonangol E.P.'s corporate model was reorganized, with Sonangol P&P S.A. becoming the business unit of Sonangol Exploração & Produção, S.A. (see section 6.7.1 for more information).

12. Development of recommendations

12. Developing recommendations

The 2019 EITI Standard requires the EITI CNC, with the support of the IA, to identify and sustainably implement improvements that contribute to the development of transparency in the extractive industries sector in the country.

During the 2022 period, the Angola EITI CNC focused its activities on meeting the recommendations identified in the 1st Angola EITI Report. In addition to the work carried out in all the Technical Working Groups, extractive industry companies and government entities were committed to making available and providing the information required by the 2019 EITI Standard, within the provisions of the Law, in order to demonstrate not only the country's commitment, but also its focus on making the country more transparent with regard to the disclosure extractive industry activities.

Despite the ongoing and favorable efforts to implement the 2019 EITI Standard, mainly considering the country's legal constraints, in addition to all the developments and additional data collected for the 2nd EITI Report, there is still considerable room for improvement with regard to the scope of the report's disclosures. In this context, the EITI CNC is committed to continuing its work in preparing future reports and procedures, taking into account the mandatory requirements of the 2019 EITI Standard and, where applicable, the 2023 EITI Standard.

In this way, we list the recommendations that we believe are relevant to highlight, within the scope of the 2019 EITI Standard, and other additional suggestions, to promote continuous improvement with a view to proper implementation of the EITI in Angola.

The recommendations identified were broken down into two groups:

- Recommendations per requirement;

- Other general recommendations.

Recommendations per requirement

The recommendations below are the result of the IA's proposal and the CNC's contributions, with regard to improvements in the requirements, which are seen as essential for a continuous and sustainable plan to develop transparency in the extractive industries sector in Angola.

We have divided the recommendations into structural and complementary, with the aim of:

Structural recommendations - identification of requirements where it is understood that there is a need for structural work on compliance, without prejudice to some developments that have taken place in the past. 2nd report. Most of these were related to the need to evolve the Angolan legal framework to meet the transparency criteria demanded by the requirement.

Complementary recommendations - identification of complementary information for requirements for which a robust basis is understood to exist, but which could be supplemented with additional information, in the search for continuous improvement or as a result of the need to strengthen data compilation routines in line with the EITI Standard. This identification, while not exhaustive, prioritizes mandatory information in the report.

Structural recommendations

A. Requirement 4.1, 4.7 and 4.9 - Comprehensive Disclosure of Taxes, Revenues and Level of Disaggregation and Reliability of Data

Detail: In accordance with the limitations explained at length in this Report, there is a legislative and contractual impediment that makes it impossible to disclose payments by industry and receipts by the State broken down by entity and nature of taxes and fees. This limitation makes it impossible to comply with the requirement to disclose data and limits:

- A solid disaggregated view of the total government revenue generated by the industry, even though revenue information on perceived direct revenues is available as more material *(IRP, IPP, ITP, CN Sales,* Concession Revenue, Royalties, etc.);
- The definition of materiality in a robust way, taking into account the generality of payments, by tax and by taxpayer, in order to assess the coverage of the report on state revenue;
- The reconciliation exercise, which is a critical requirement of the 2019 Standard and lends credibility to the data presented.

In the 2nd EITI report, progress was made, namely by presenting the payments made by 2 Extractive Industry entities and the respective receipts by the Government. In addition, publicly available information on payments made to the government by companies resident in Europe and the UK was also released.

However, it was not possible to carry out the reconciliation exercise, for the reasons mentioned in section 8.2.3, namely the fact that information was provided by the Government in a currency other than the currency of payment, and the need to obtain granular information from the Government and the Extractive Industry.

Recommendation: The Working Group dedicated to legislative reform should prioritize the identification a mechanism to reverse/mitigate the limitations identified, with the aim of fully resolving the limitations or, in the second instance, showing robust progress through the possibility, for example, of unilateral disclosure of data through, for example, the issuing of declarations waiving the confidentiality of the data.

In addition, the Working Group could evaluate the possibility of signing a waiver between MINFIN and all the companies defined in the scope, as was done for the 2 companies selected to report financial information in the 2nd EITI Report.

In addition, it is critical that the players adapt their reporting routines and make data available in a format suitable for reconciliation, namely by ensuring that it is available in payment currency and with granularity that allows data to be compared in the reconciliation process.

This recommendation is a priority due to its broad impact on the report. If is impossible to obtain fully disaggregated information, the possibility of compiling payment information from the extractive industry should be assessed so that a more robust materiality determination mechanism can be developed.

Stakeholders: The MINFIN work team, ACEPA, together with the EITI National Secretariat in concert with the EITI CNC.

B. Requirement 2.4 - Disclosure of contracts

Detail: Requirement 2.4 contains a central objective of public disclosure of contracts, licenses and respective contractual terms signed after January 1, 2021, and currently in Angola there are legal limitations and confidentiality clauses in contracts which do not allow this component of the requirement to be met. The EITI CNC has set up a working group which is analyzing strategies to overcome these limitations (see work plan in section 6.5).

Recommendation: It is important to develop the tasks in accordance with the Roadmap outlined, as well as having it approved by the members of the EITI CNC. This analysis should also take into account the particularities of each sub-sector, as it is understood that there are substantially different contractual mechanisms, as set out in the report.

Stakeholders: Working group set up in conjunction with the CNC.

C. Requirement 2.5 - Full Beneficiary

Detail: Under the terms of requirement 2.5, a publicly available register must be kept of the BOs of the entities that apply for or hold interests in exploration or production licenses or contracts, as well as the legal owners and ownership interest, information that is currently not publicly available. In accordance with the methodology defined for the 2nd EITI Report, in section 6.6 of this Report, the BOs of the selected entities are disclosed in the templates that provided the information.

Recommendation: It is important to continue and develop the action plan defined in this report and to follow up with the entities involved in the legislative reform associated with BC/FT. The systematic dissemination of information will allow greater transparency in the dissemination of information in the sector, as well as the achievement of the respective requirement of the EITI Standard.

Stakeholders: Participants in the working group, UIF in conjunction with the CNC.

Additional recommendations

D. Requirements 2.2 and 2.3 - Grants of contracts and licenses and registration of licenses

Details: The EITI's CNC has generally demonstrated that it has information on the licenses in force in the country's extractive industry, via the regulatory and public entities with responsibilities in the sector.

With particular emphasis on the P&G sector, there is limited information about the competitors in a contract award process and about the specific technical criteria used to award licenses or transfers. These limitations make it difficult to carry out a more robust analysis of deviations from the legal framework as per requirement 2.2. arising from the process of transferring or awarding licenses.

Meanwhile, in the Other mineral resources subsector, despite the favorable evolution compared to the first report, there is still some unpublished information, not because it is unavailable, but because routines are being built to consolidate, report and update this data, on a recurring basis and in line with the requirements of the Standard. This information includes the identification of the coordinates of mining titles and some of the dates on which were applied for.

Recommendation: A strategy should be defined to obtain the remaining data, by license, and relating to the allocation and transfer process, as well as the analysis of deviations from the legal framework, specifically in the P&G sector, required by the 2019 EITI Standard, and to assess the existence of confidentiality limitations on their disclosure.

Stakeholders: The ANPG and ANRM regulators should play a central role in ensuring the fullness of information and defining a recurring dissemination strategy, in conjunction with the CNC.

E. Requirement 4.3 - Barter agreement

Detail: In accordance with requirement 4.3, the Report discloses considerable information about the loans related to Guaranteed Lines of Credit to Oil, however it was not possible to obtain information about the interest rates and maturities of the underlying loans in good time.

Recommendation: Evaluate the possibility of obtaining information on the interest rates and maturities of the loans relating to Guaranteed Lines of Credit for Oil and other information that is relevant to understanding the swap agreements.

Intervening Entities: The Debt Management Unit, UGD, (MINFIN) in conjunction with the EITI CNC.

F. Requirement 4.4 - Transport revenue

Detail: Pursuant to requirement 4.4, the Report discloses considerable information about payments for the use of the pipeline network (PUG Fee) connecting the blocks to ALNG. However, the terms for calculating the payment, implicit in the Investment Contract with the operator, are confidential and could not be disclosed.

Recommendation: Include the aforementioned Investment Contract in the scope of the work to be carried out for requirement 2.4 regarding the disclosure of contract terms in the industry.

Intervening Entities: Working group set up in alignment with the CNC, as per Recommendation Requirement 2.4.

G. Requirement 5.1, 5.2 and 5.3 - Distribution of income and management of income and expenditure

Detail: In terms of requirements 5.1, 5.2 and 5.3, Angola has made significant progress in demonstrating the main flows of payments and allocations to government bodies. The granularity of the amounts budgeted, received and executed from own resources in the CGD is insufficient to meet the requirement.

Recommendation: Evaluate the possibility of obtaining more granular information on the processes for allocating industry revenues to the various bodies (e.g. using the SIGFE system).

Stakeholders: MINFIN and MIREMPET could play a leading role in putting the requirement into practice in conjunction with the EITI CNC**.**

H. Requirement 6.1 - Social and environmental expenses

Details: The 2nd report evolves positively in terms of obtaining data on social and environmental expenditure, with a more extensive identification of social projects and environmental licenses issued and information required, however, there are still limitations in the aggregation of information by project (value and term) and on the classification of expenditure as voluntary or obligatory.

Recommendation: It is suggested that a centralized database be created in line with the requirements regarding social and environmental payments made by companies in the extractive industry.

Stakeholders: The ANPG and ANRM, in coordination with companies in the extractive industry and the EITI CNC, should promote the creation of a database to meet the requirement.

I. Requirement 6.4 - Environmental impact of extractive companies

Details: The CNC proposed the disclosure of information on the environmental impact of the Extractive Industry. Legislative information, licensing mechanisms and the industry's sustainability policies and list of licenses have been included in this report. However, the requirement provides for the disclosure of additional information about environmental impact studies and planned spending on environmental preservation.

Recommendation: Evaluate the possibility of systematically disclosing environmental licenses associated with the sector and information on environmental impact studies of projects in the country, and it is important to align this with other relevant information in the context of the updates to the 2023 EITI Standard (Energy Transition) which will serve as the basis for the next report.

Stakeholders: MINAMB and industry entities in liaison with the EITI CNC.

Additional recommendations

Extractive Industry

Subject: Insufficient regulatory framework associated with the EITI.

Detail: There is currently no legal framework defining the roles and responsibilities of those involved in the EITI process.

Recommendations: We recommend the enactment of an EITI legislative document. This law will provide a better understanding of the process associated with the EITI by all stakeholders and will ensure the successful dissemination of the required information, while also promoting the importance of the initiative.

Stakeholders: The National Secretariat, together with the EITI CNC and support from MIREMPET, could ~promote a strategy for the implementation of this regulatory framework.

Other mineral resources sector

Subject: Digital platforms associated with the dissemination of information with special emphasis on the sub-sector of other mineral resources.

Detail: During the development of the 2nd EITI Report, the IA found that the extra public information available on the other mineral resources sub-sector has evolved positively following the ANRM's recent launch of a digital platform to promote the disclosure of Regulator and Industry data. , there is still a lack of information on licenses and contracts currently reported in this report.

Recommendations: Promote the systematic disclosure of the data required by the EITI on the Digital Platform.

Intervening entities: The ANRM in conjunction with the EITI CNC.

We emphasize that the recommendations are not extensive in view of the legal limitations identified and recommendations for a sustained approach, considering that certain requirements of the 2019 EITI Standard contain not only mandatory assumptions, but also additional recommendations on the disclosure of information.