



WORLD  
RESOURCES  
INSTITUTE

# Biodiversity Impacts of Chinese Investment in Africa

Africa Biodiversity Collaborative Group

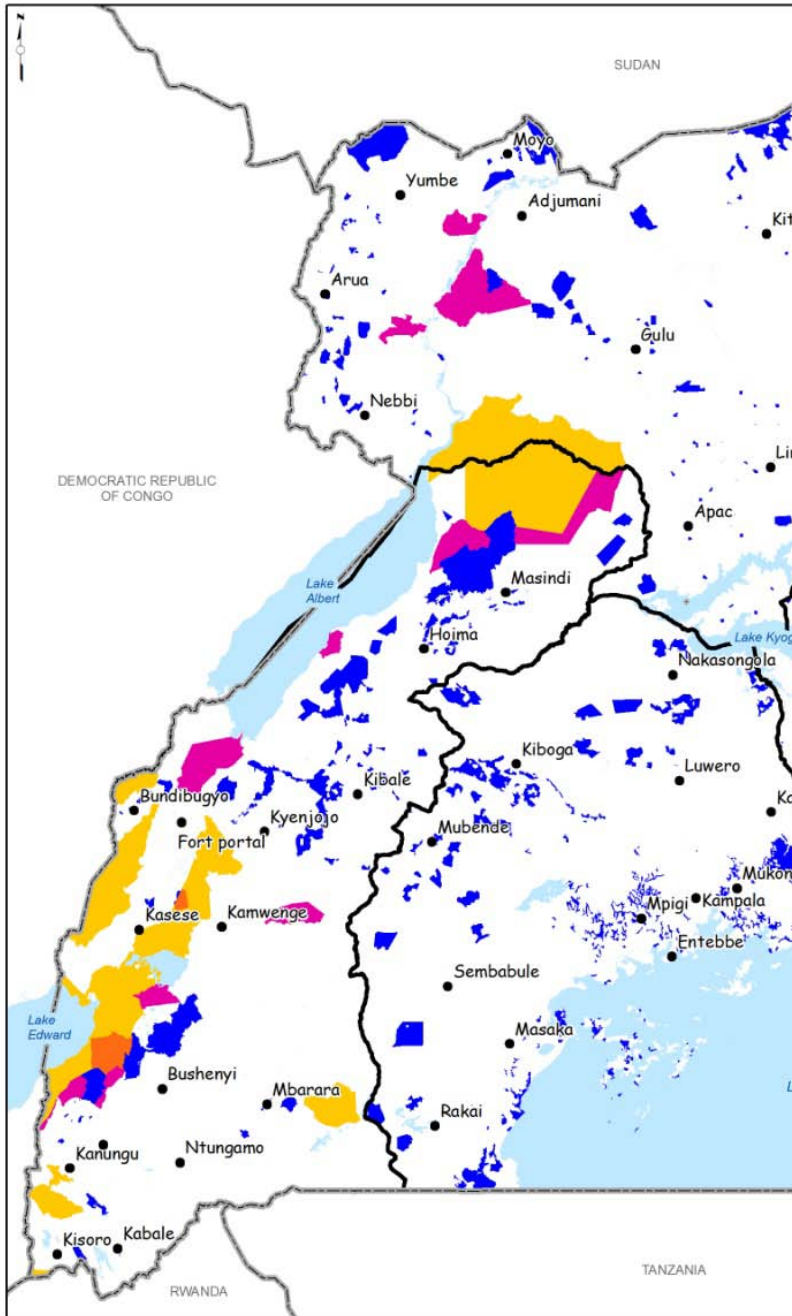
5 May 2010

9:30-12:30

# Meeting Questions

- What is the scope of Chinese investment in African countries, and what is the impact on biodiversity?
- Who are the key actors and stakeholders? How are Chinese companies and the Chinese government linked to extractive industries and impacts on biodiversity?
- What challenges (including transparency and non-interference) are faced by conservation groups working with new actors in the region?
- How can conservationists leverage opportunities for biodiversity conservation with non-traditional partners, including growing interest in corporate social responsibility?





**Figure 1: Blocks and fields around Lake Albert**



# Exploration Companies



End of 2009 – 4 companies; more than \$700 million in exploration investment.



*Heritage* selling its stake in 2 blocks. \$1.5 billion deal with Eni in November 2009, but Tullow exercised right to match offer.



*Tullow* to sell 2/3 stake of its 3 blocks to Total and CNOOC. Also seeking listing on Uganda stock exchange.

**Tower Resources**

*Neptune Petroleum* (Tower Resources) exploring Block 5. 1<sup>st</sup> well abandoned June 2009; 2nd well in February 2010.



*Dominion* signed 2<sup>nd</sup> 2-year exploration period in July 2009 covering 1/2 the original area (Block 4B). No drilling to date. Interested in selling its stake.



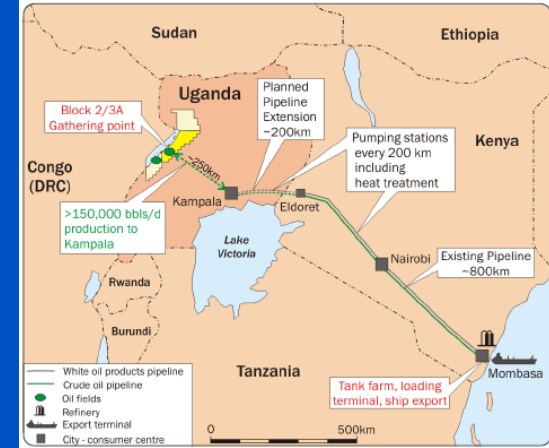
# Oil and Biodiversity



- Drilling in ecologically-sensitive areas, including national parks -  
Heritage is drilling Murchisons Falls NP
- Small refinery was to be established in Kabwoya Wildlife  
Reserve in Hoima
- Uganda Wildlife Authority, has accused workers contracted by  
Tullow Oil' of poaching and threatened to evict the company's  
exploration camps from the Kabwoya Wildlife Reserve



# China in Uganda's Oil Sector



In March, Tullow agreed to a three-way deal with France's Total and the *China National Offshore Oil Corporation (CNOOC)* to develop the oil fields in these three blocks. The deal is awaiting government approval.

China Petroleum Pipeline Engineering Corp. is one of three finalists for the bid to build the pipeline to Kenya.

Tullow is registered on the US Security Exchange Commission and would be subject to Extractive Industries Transparency Disclosure Act in US.

Social and environmental standards in China – in financial institutions and government licenses

