

PRESS STATEMENT - 22ND MAY 2026

STATUS OF PETROLEUM PRODUCTS SUPPLY AND OTHER KEY DEVELOPMENTS IN THE PETROLEUM SECTOR

The Ministry of Energy and Mineral Development wishes to reassure the country that Uganda continues to maintain stable and secure petroleum product supplies despite ongoing global market disruptions arising from the conflict in the Middle East.

As you are aware, continued instability in the Middle East, particularly disruptions affecting the Strait of Hormuz, has significantly impacted global oil supply chains and international petroleum product prices. The East African region has been particularly affected because a substantial proportion of petroleum imports originate from the Arabian Gulf. This has resulted in increased international prices for crude oil, petrol, diesel and Jet A-1, alongside rising freight and insurance costs.

Despite these challenges, Uganda National Oil Company (UNOC), working closely with its international supply partners, Vitol, has continued to secure petroleum products for Uganda from alternative global supply sources including West Africa, Europe, India and the Americas in order to guarantee continuity of supply.

Government is aware of the recent increase in retail pump prices across the country. These adjustments are largely being driven by global supply constraints, increased importation costs, regional demand pressures and exchange rate fluctuations.

The Ministry also observed increased cross-border demand for petroleum products due to Uganda previously maintaining relatively lower pump prices compared to neighboring countries. This created abnormal pressure on fuel stocks, especially in border districts, leading to temporary shortages in some areas. Government and UNOC have since restored supply stability and strengthened ongoing importation arrangements.

Uganda's fuel market remains liberalized and pump prices continue to be market-determined by Oil Marketing Companies (OMCs). However, Government continues to closely monitor the market to ensure continuity of supply, discourage smuggling and diversion of products, and protect consumers against exploitative practices.

Government and UNOC continue to engage closely with international supply partners to ensure uninterrupted fuel supply into the country. Uganda's supply partners do not rely on a single sourcing region and continue to secure products through diversified global supply routes and markets.

We therefore call upon the public to remain calm, avoid panic buying, and disregard misleading information circulating on social media regarding fuel shortages. Uganda continues to maintain adequate stock cover and regular product deliveries through both the Kenya and Tanzania supply routes.

STRATEGIC MEASURES TO ENSURE STABLE SUPPLY

Government continues to implement strategic interventions aimed at strengthening Uganda's long-term energy security, fuel supply resilience, and petroleum infrastructure capacity in response to evolving global supply uncertainties and increasing national demand.

As part of these efforts, Government, through Uganda National Oil Company (UNOC) and its partners, is expanding national petroleum storage infrastructure to improve strategic reserves and strengthen inland supply stability. This includes ongoing enhancement of the Jinja Storage Terminal, which serves as one of Uganda's key strategic fuel reserve facilities with an estimated storage capacity of approximately 30 million litres. The ongoing refurbishment aims to increase its capacity to 40 million litres.

Government has partnered with Lake Victoria logistics (Mahathi Infra Terminal) to improve efficiency, reduce transportation risks, and diversify supply routes for petroleum products into Uganda and the wider region. The facility has a capacity of 70 million litres. These interventions complement existing supply arrangements through Kenya and Tanzania and enhance Uganda's ability to withstand regional and international supply disruptions.

In addition, Government is progressing the development of the Kampala Storage Terminal and refined products reservoir at Namwabula in Mpigi District, which forms a critical component of Uganda's strategic petroleum infrastructure. The Mpigi terminal is being developed as part of the Uganda Refinery Project and the multi-products pipeline system that will transport refined petroleum products from Hoima to the national storage and distribution hub in central Uganda. The facility will have a capacity of 320 million litres.

Government also continues to make steady progress on the Uganda Refinery Project, a strategic national investment intended to significantly reduce Uganda's dependence on imported refined petroleum products. The proposed 60,000 barrels-per-day refinery, valued at approximately US\$4 billion, is progressing following the signing of key implementation agreements with Alpha MBM Investments of the United Arab Emirates.

The refinery project includes the refinery complex in Kabaale, Hoima District, a 211-kilometre multi-products pipeline, and the Namwabula storage terminal in Mpigi District. Once operational, the refinery is expected to substantially strengthen Uganda's strategic fuel reserves, stabilize long-term supply, support regional exports, and reduce the country's exposure to global supply shocks and international price volatility.

The refinery will also unlock significant downstream opportunities in fuel distribution, petrochemicals, fertilisers, LPG production and industrial development, while advancing Uganda's industrialisation agenda and value-addition objectives.

In parallel, Government continues to strengthen Uganda's upstream petroleum resource base through continued exploration activities and the planned launch of Uganda's Third Petroleum Exploration Licensing Round during the 2026/2027 Financial Year. The licensing round will offer new exploration blocks within the Albertine Graben and frontier basins as part of Government's broader strategy to secure future petroleum reserves and sustain long-term national energy security.

Uganda National Oil Company has also commenced additional seismic surveys in the Kasurubani area to identify new petroleum prospects and support expansion of the country's commercially recoverable petroleum resources.

The message is therefore clear: Government is not only preparing Uganda for petroleum production and refining, but is also strategically investing in storage infrastructure, supply diversification, refining capacity, and continued exploration to guarantee sustainable long-term energy security for the country.

POLICY AND REGULATORY DEVELOPMENTS

Government has finalized the development processes for the National Petroleum Policy 2025, which replaces the 2008 National Oil and Gas Policy, and will now commence the implementation. The new policy reflects over a decade of sector experience and aligns Uganda's petroleum industry with current realities including commercialization, technological advancement, regional integration, national content, environmental sustainability and the global energy transition.

The Ministry has finalized the Petroleum Supply (Liquefied Petroleum Gas Operations) Regulations, 2026, which is to be expected to be gazetted within this month. The Regulations are intended to strengthen regulation, safety, quality assurance and orderly growth of Uganda's LPG sector across the entire supply chain from importation and transportation to storage, filling, retailing and LPG reticulation systems.

The Regulations introduce stricter safety requirements for LPG handling, storage, transportation, filling and retail operations in order to reduce accidents, fires, explosions, leakages and loss of life or property. Operators will be required to install firefighting equipment, use approved cylinders and accessories, maintain safe facilities, and comply with national safety standards.

The Regulations prohibit illegal cylinder filling, decanting of gas from one cylinder to another, operation of unlicensed facilities, use of counterfeit or tampered cylinders and seals, and sale of underfilled cylinders.

The Regulations further strengthen consumer protection through mandatory use of calibrated weighing scales, proper cylinder sealing, transparent invoicing, cylinder traceability systems, and mandatory insurance and compensation mechanisms for injuries or losses arising from LPG operations.

All imported LPG will be required to comply with Uganda National Standards. The Regulations also require cylinder requalification, proper maintenance and inspection, product traceability, and rejection of substandard LPG imports.

Government also seeks to formalize and professionalize the LPG industry through clear licensing requirements, technical obligations, operational standards and compliance mechanisms to support fair competition, sector professionalism and sustainable growth.

The Regulations additionally introduce a framework for LPG reticulation systems to enable safe centralized piped LPG distribution to schools, estates, apartments, commercial buildings and industries, in support of Uganda's transition towards modern clean cooking and cleaner energy solutions.

Overall, these Regulations are intended to create a safer, more organized, transparent, investor-friendly and consumer-protective LPG sector while supporting Uganda's clean energy transition agenda.

CONCLUSION

Uganda's energy and petroleum sector continues to make steady and irreversible progress. Government remains fully committed to ensuring energy security, stable fuel supply, responsible petroleum development, and maximization of national benefits from our natural resources.

We thank all Ugandans for their continued confidence and cooperation.

For God and My Country.

Delivered By: Eng. Irene Pauline Bateebe (Permanent Secretary, Ministry of Energy and Mineral Development)