

Uganda's long awaited ambitious plan to build a \$4 billion oil refinery is finally taking shape toward transforming the country from a crude exporter to a refined oil producer.

After years of delays and negotiations, the government says it is now on track to reach a final investment decision (FID) by July 2026. The refinery, to be located in Kabaale, Hoima District, will process up to 60,000 barrels of oil per day once completed.

At the heart of the project is a partnership between the Uganda National Oil Company (UNOC) and Alpha MBM Investments, a firm from the United Arab Emirates. The new joint venture, Kabaale Refinery Company Limited, will see Alpha MBM hold a 60 percent stake, with UNOC retaining the remaining 40 percent.

Officials say early groundwork has been done. The preliminary design and configuration studies are complete, and UOP Honeywell has been selected as the technology licensor. The front-end engineering design (FEED) and environmental and social impact assessment (ESIA) are expected to begin by mid-November 2025.

If all goes to plan, the refinery could be operational by 2030, processing crude oil from Uganda's Tilenga and Kingfisher oilfields, which together have a production potential of around 230,000 barrels per day.

Unlike earlier attempts that stumbled over financing, this project is taking a more grounded approach. Rather than relying heavily on international debt, the model now focuses on equity financing, with both partners directly contributing capital. Officials say this will help keep the project sustainable and under greater local control.

Still, industry experts are cautious. The timelines are tight, the FEED process, slated for just seven months, is seen as ambitious. There are also lingering concerns around logistics, environmental impact, and coordination with the East African Crude Oil Pipeline (EACOP) project in neighbouring Tanzania.

If successful, however, the refinery could change Uganda's economic landscape. Projections suggest it could contribute up to \$3.4 billion annually to GDP, create ****tens of thousands of jobs**, and significantly reduce fuel imports.

For Uganda, the project represents more than an industrial milestone, it's a

statement of intent. After years of watching its crude flow elsewhere, the country is now determined to take control of its own oil story.

As the world's attention turns increasingly toward Africa's energy potential, Kampala's challenge will be to turn promise into production, and prove that this time, the refinery dream will not fade.