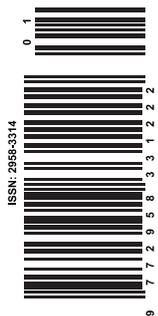


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INTERVIEW

EXCLUSIVE

# Interview with Philippe Groueix

BarrelReporters

TotalEnergiesPhoto

On Thursday, July 27, 2023 Barrel Magazine met Philippe Groueix, the General Manager TotalEnergies EP Uganda and Country Chair TotalEnergies in Uganda, at TotalEnergies EP Uganda Head Office in Kampala for an interview.

**B** Bonjour Monsieur Groueix, first of all, thank you for granting us this interview! Can you tell us a little about your professional background and how you ended up joining the oil industry?

**P:** I was attracted by the pioneering spirit in this industry and the hi-tech as well. Each project is a technical and human adventure. I have worked outside France, for most of my career. I have spent a lot of time in Africa, with my family and my kids; we lived in Gabon and Nigeria for 7 years. I have also worked in South America, Asia and Europe—everywhere.

I have a Masters in Electronics. My background is in field operations, on large scale projects. My last assignment before coming here (Uganda) was in Denmark where I was managing director. It was a very complex operation, with a workforce of more than 1,000 people. Before that I was managing director in Bolivia, in a completely different context—gas production—in a very sensitive environment, very deep in the mountain. There was a lot of social community engagement. Before Bolivia, I was in Indonesia, on the largest operation that we ever had in the company, with more than 10,000 people working every day. It was oil and gas. I've really had the chance to be exposed to such large-scale operations. When I came here, of course, I brought the best that I picked from each experience and adapted it to the challenges we have in Uganda. Apart from my operational experience, I spent 6 years in the middle of my career as a petroleum architect. I was in Paris in charge of studying the future developments of our discoveries in the Americas and Africa.

**B** You are the Country Chair of TotalEnergies in Uganda and concurrently the General Manager TotalEnergies EP Uganda. What does a typical workday look like for you?

**P:** Just to explain what being Country Chair means; TotalEnergies has been in this country for more than 40 years through our downstream activities, we have more than 200 service stations across the country, selling petroleum products including lubricants and Liquefied Petroleum Gas (LPG). We now have these oil and gas development activities, referred to as upstream and midstream activities. We are also working to develop renewable energy activities in Uganda. With all this, you need to have coordination to be seen as one company when dealing with the authorities. That is the purpose of a Country Chair, to represent all the activities of the company in the country. But my main role remains to lead our upstream business in Uganda, and I am also Chairman of the Board of EACOP (the pipeline company).

What does my day look like? Waking up early, arriving early in the office, leaving late. I have a heavy schedule, full of internal or external stakeholder meetings. What am I doing? Balancing day-to-day activities, oriented to solve issues and long-term, vision anticipation. I have regular meetings with the management team, as well as regular site visits.

The human resource aspect is an important part, we have been recruiting a lot, completely changing the size of our company in Uganda. It takes a lot of effort to make sure everything is flowing adequately, to be able to accommodate such growth. We moved from an organization of 150, at the end of 2021, to 700 by the end of this year. It has been quite a big undertaking to identify talent, to recruit, to interview people and bring them on board. The rest of my time is spent on external engagements. I engage regularly with external stakeholders, authorities, regulators, the ministry, contractors, NGOs, the community and journalists. The challenge is to condense everything into one day!

**B** On Monday, June 12, 2023, a video was posted on Twitter X where you toured one of the 105 replacement houses, which TotalEnergies handed over to Project Affected Persons (PAPs) at the Tilenga Project Industrial Area and the Ngiri3 well pad site. In addition, 100 more houses are scheduled for completion and handover to PAPs by end of August 2023 making 205 houses in total. How many more PAP houses do you intend to build and what were your impressions of the PAP houses constructed so far?

**P:** Before delivering the 105 houses, we had already delivered 30. We will deliver an extra 100 before the end of the year, making a total of 235 houses. The houses offer an improved way of living, when compared to the original structures the primary residents stayed in before—mostly huts, with no water, no electricity and no pit latrine. While I was interacting with one of the PAPs, he said, “My day-to-day concern was to have enough money to repair my hut. Whenever there was heavy rain, I needed to change the roof, I needed to repair the walls, I couldn’t think about anything else, other than having enough money to repair my hut—but now you have built a house that will be there for 50-100 years! I will die and that house will still be there for my children, so now I can start focusing on something else.”

The PAPs choose which location they want to live; they select where they want us to build the house; we buy the plot for them, we build the house. The individual cost of each house is between \$40,000-\$50,000 each. They have a rainwater collection system, which means they have water in their houses; they have electricity, with a solar panel on the rooftop; they have an external kitchen and an external pit latrine. For most of them, it is really a big change in their lives. They have all expressed gratitude and are proud of their houses.

**B** What are some of the measures that TotalEnergies EP Uganda is taking to minimise environmental impact and curb CO2 emissions in the Tilenga and EACOP projects?

**P:** Our overall approach is based on 3 main pillars: **Avoid - Minimise - Compensate**. These are implemented in two stages, first through engineering and studies. If I may take the example of the footprint in Murchison Park, at the design stage, you ought to minimise your footprint. You cannot avoid the footprint completely because you need to drill some wells, therefore ‘*minimise*’ means you make sure you drill the minimum number of wells in the well architecture to collect as much oil as possible. Once you have done that, you try to minimise the surface footprint. Instead of drilling a well here and there, you group them at the surface and then drill horizontally below, which is more costly and more complex to execute. The main objective is to minimise the surface footprint, which means you embed that in the early stage of your project design. If you say, “I don’t want to see any flare, I don’t want to burn or vent any gas.” All hydrocarbons produced has to be utilised or recovered and you put that as a principle from the initial stage and that is exactly what we have done. The second stage is the execution stage, where you control everything in terms of the impact on the environment, safety and greenhouse gas emissions. The most important part is at the design stage.

In order to reduce greenhouse gas emissions, there will be zero flaring. We will use part of the gas to generate some of the power that we need, but instead of burning the gas as it is produced, we will extract the LPG first, C3-C4, and burn only the methane part. This contributes to reducing

greenhouse gas emissions. Once we connect to the grid, the power generated with the produced gas will be complemented by power from the grid and also power from solar installations. We will install the first step of 15 megawatts solar power inside the plant, which will be increased during the second stage by another 35 megawatts solar installation. If you look at CO2 in a broader way, deforestation is a big issue in Uganda. So we said, "How can we protect the remaining forest and contribute to reforestation?" and this has been incorporated in our Biodiversity Action Plan. We will support the National Forestry Authority (NFA) to protect the 10,000 hectares of remaining Budongo Forest. Additionally, we will reforest 1,000 hectares of corridor for chimpanzees in Budongo Forest.

Another contribution, to limit deforestation, is through promoting use of LPG. Why do we see deforestation today? It is because the main energy used in Uganda is biomass; biomass to cook using wood, or charcoal from wood. If you propose a substitute for that, you will limit the pressure on the forest. To do so you need to propose an alternative, which is affordable LPG. If we are able to do so with a volume that will produce (around 80,000 tonnes per year) on Tilenga only, compared to the current consumption of between 20,000-30,000 tonnes per year, we will contribute greatly to reducing the pressure of biomass on the forest.

### **What are some of the things that TotalEnergies EP Uganda is doing to deepen national content and how successful have you been?**

**P:** It is a bit difficult to say because there are so many initiatives! The first part is employment, as I said, we moved from 150 to 700 employees. We are currently recruiting and training 200 future operators and technicians. All these are Ugandans, trained and developed through different capacity building plans. We now have senior Ugandan drillers, we managed to send them abroad for training in other countries for a number of years way before the project started. This was to ensure that when we started drilling activities we would have senior Ugandan drillers, senior geologists and senior geophysicists.

Over USD 9.8 million has been spent on training programs for staff in Health, Safety and Environment (HSE), technical and personnel development courses. It is about developing our people first. It is an important component of our operations, so we continue training and exposing our people. A peak of 8,174 Ugandans (representing 92% of total staff) are employed by TEPU and all contractors and subcontractors. Over 3,706 of these are from the host communities employed as casual and semi-skilled workers at the camps and industrial area; for example, construction workers, house-keeping and catering etc.

When we speak about impact, with the objective to maximise national content, we are also speaking about using local contractors and buying local goods and services. Today over 150 Ugandan suppliers have been engaged by TEPU, while TEPU Contractors have achieved 1,174 procurement engagements with Ugandan suppliers at Tier 2 level, which includes joint ventures and Micro, Small and Medium Enterprises (MSMEs). The estimated value of locally obtainable goods and services in all procurements awarded to both Ugandan and Non-Ugandan companies (estimate of national content) is USD 830 Million; of which USD 642 Million has been achieved on the Tilenga Project.

#### **Our other achievements in capacity building Ugandans include:**

- Over 13,000 Ugandans participated in the Tilenga MOOC (Massive Open Online Course) from which 200 Ugandans were selected to undertake training in productions at Uganda Petroleum Institute Kigumba (UPIK) and abroad as part of the Tilenga Academy Training Program.
- Over 1,500 Ugandans have undergone training and certification in various vocational trades/skills, including but not limited to: heavy goods vehicle driving, scaffolding and working at heights, coded welding, Quality Control (QC) inspection and Non-Destructive Testing (NDT), HSE training etc.

- 255 government officials have received various local and international training.
- 16 Ugandans have received international scholarships for master's degree programs in oil and gas courses.
- 12 internships and 35 graduate trainee placements for Ugandans currently.

**B TotalEnergies EP Uganda has been at the forefront of Corporate Social Responsibility (CSR) in Uganda, offering scholarships to Ugandan students, training skilled and non-skilled Ugandans. How have these programmes performed so far and to what extent have Ugandans benefitted from them?**

**P:** A lot of initiatives have been already embedded in the project to ensure positive impact for surrounding communities, such as economic empowerment, through agriculture support and vocational trainings. Similarly, on biodiversity the project has a net positive impact commitment that will be achieved through various actions on the different habitats (savannah, wetlands and forest). On top of that, TotalEnergies EP Uganda has developed its own CSR strategy around education and youth empowerment, access to energy, access to water, healthcare and road safety. We have a programme to renovate schools within the region, in the districts of Buliisa, Hoima and Pakwach. On scholarships, we targeted girls, to offer them the opportunity to continue their education and we start from O Level, A Level, to the university. This year, we celebrated our 10-Year Anniversary for the scholarships. Recently, with the French Embassy, we selected some Ugandan beneficiaries for a master's degree in France—but not in oil and gas. We want to support this country (Uganda) to develop experts needed for the future, in areas other than oil and gas.

We have a programme 'access to electricity.' We are discussing, with the Ministry of Energy and Mineral Development, how to expand the grid where possible and where you have a concentrated population in villages. However, in the Tilenga region you have a lot of small, dispersed huts everywhere. It is difficult to imagine that there will be a grid connection, within a very short period of time. So we are thinking about individual solar systems for these people.

In collaboration with the Ministry of Water and Sewage Cooperation, we are currently working on the national water access programme, where we will provide clean water for more than 4,000 households. It is about drilling wells, putting solar panels, retention of water and the distribution network to bring water, not to each individual home, but to an access point in each village, so that the women and children do not have to spend the day fetching water, but they can do something else like business.

The last thing I would like to mention is road safety. Road safety is very important in Africa. So many people are dying on the roads! In collaboration with the Ministry of Education, we are promoting a road safety awareness campaign. We are promoting this in all countries where we operate, mainly through education in schools. We launched a big campaign, where we distributed free helmets and educated the drivers. It is a lot about sensitisation.

Finally, is the support to local health infrastructure; we have upgraded Avogera Health Centre III. We will be providing drugs, in collaboration with the Ministry of Health, to make sure it is running smoothly and aligned with the ministry objective and working with local government. We want to make a positive impact on the people who live there. It is not only about producing oil, but also about making a positive change for the local people.

**B It was reported in the media that TotalEnergies EP Uganda has issued contracts up to the tune of \$10 billion to Tier 1 contractors, for both EACOP and Tilenga projects. Have Ugandan companies equitably benefited from this?**

**P:** National content and shared values remain a priority for TotalEnergies EP Uganda, as the company is committed to contributing to the socioeconomic growth of Uganda. \$10 billion is being invested in phases, until around 2028 when drilling will be concluded and out of this \$4.5 billion will be spent on the Tilenga Project, out of which more than \$700M is expected to be spent in Uganda. Government has ring-fenced certain services to be provided by only Ugandan companies: logistics, camp management, catering, medical, information technology and communication, security, civil works, manpower and training services, social and environmental services, accommodation, legal services, land surveys among others. We are in the middle of the construction phase, with over 5,000 people working with our contractors. Beyond this, we are also undertaking various initiatives to directly impact the local communities surrounding the Tilenga Project positively. For example, we are building a big market near Tilenga Camp where contractors can purchase food directly from local farmers. The farmers have access to the market, close to our camp, where they bring their crops. We are engaging a number of players in maintenance, big mechanical workshops and well servicing. We are also supporting the creation of joint ventures.

**B** **It was reported in the media that the Central Processing Facility at Tilenga will produce 80,000 tonnes per year of LPG. Current national consumption is 30,000 tonnes per year and only about 1% of Ugandan households use LPG for cooking. Do you have any thoughts on how we can increase uptake?**

**P:** More than 75% of the energy consumption in Uganda is coming from biomass (firewood and charcoal). Uganda is currently importing LPG from international markets at 20,000-30,000 tonnes per year and indeed its usage remains quite limited within the Ugandan population. The transition from biomass to LPG, for household usage and also for industrial usage, will be the key to unlock the growth of domestic LPG usage. This need for change is well understood by the Ugandan authorities and we are fully supporting MEMD action on this point. Of course, beyond some infrastructure for logistics and storage, the attractiveness of LPG will come with its affordability, we think that LPG can compete with charcoal. It will be a collective effort.

**B** **What is the current status of TotalEnergies EP Uganda projects in Africa?**

**P:** Uganda is the biggest project we have in Africa currently for the company. As we await the restart of Mozambique LNG, which is bigger than Tilenga, and the result of exploration efforts in Namibia, we have additional developments in oil producing countries like Angola, Nigeria and Congo. We have no project in DRC.

**B** **What is the current status of the two main projects—Tilenga and EACOP?**

**P:** Tilenga Project execution can be evaluated on the following main components: enabling infrastructure, EPSCC of surface facilities, drilling and wells.

**Enabling Infrastructure:** Site preparation of the Industrial Area was at 88% by the end of May. Road upgrades and new construction to support project execution is in progress with several roads already complete e.g. C1, N2, A1 West roads and Buligi track diversion. Well pad site preparation is at various stages of completion for the respective well pads depending.

**Engineering, Procurement, Supply, Construction and Commissioning (EPSCC) of Surface Facilities:** This is on the critical path to Ready for Start-Up (RFSU) date, which is a precursor to First Oil. This component includes works at the Industrial Area, as well as all other surface facilities outside the Industrial Area (off-sites). The Industrial Area consists of permanent facilities, such as the Central Processing Facility (CPF), Operations Support Base (OSB) and Operator's Camp (OC). Temporary facilities are being set up to support construction and installation of the permanent facilities, these include Construction Camps (CC), Construction Support Bases (CSB) and Drilling Support Bases (DSB) etc. Pipe rack concrete foundations are being poured, structural steel frames

are being erected at the CPF etc. Off-sites EPSCC component includes flowlines and pipelines network, lake water abstraction, horizontal directional drilling at the Nile River Crossing and facilities at the well pads. Over 71% of the detailed engineering, for both Industrial Area and off-sites, had been achieved by the end of May. Right of Way preparation for the flowlines and pipeline network is currently under construction.

**Drilling & Wells:** Three rigs will drill over 400 wells that are planned for the Tilenga Project. Drilling activities commenced on the first well pad (JBR05) at the end of June, on the 28<sup>th</sup> day of the month, and the second well pad Ngiri 3 at the beginning of August. For the third rig, all rig loads have been mobilized; Gunya 1 well pad and drilling activities are expected to start at the beginning of November.

**EACOP:** For EACOP, the pipeline fabrication has started in China and the first delivery is expected before the end of the year. The peak of activities will be reached in 2024 and Tanga Terminal construction is ongoing as per plan.

**B How do you rate Uganda as destination for expatriates?**

**P:** Kampala is a very vibrant city; the country is wonderful and the people are very peaceful and welcoming. I am very happy to be here.

**B Despite your busy schedule, have you found time for tourism activities in Uganda? Would you recommend Uganda as a tourism destination?**

**P:** I can only speak about Kampala and Murchison Falls. I have not visited any other places. When you are an expat, in this position, it is difficult; but I cannot imagine leaving Uganda without visiting Queen Elizabeth, Kibale National Park, Bwindi, Mt. Elgon etc — I will go to all these famous places, for sure!



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