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Tanzania, Uganda sign \$20bn Tanga Energy Hub MoU

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Tanzania and Uganda have signed a Memorandum of Understanding to develop Tanga as a regional energy hub, with Tanzania's Energy Minister stating the agreement could attract investment exceeding USD 20 billion. The MoU was signed at State House on 6 August 2026 by the Uganda National Oil Company, the Tanzania Petroleum Development Corporation, and Vitol Bahrain E.C.

The agreement covers petroleum storage, refining, logistics, and distribution infrastructure at the port of Tanga. The initiative builds directly on the East African Crude Oil Pipeline, positioning Tanga as the downstream and logistics anchor for hydrocarbon flows from Uganda's landlocked oil fields to the Indian Ocean coast. The inclusion of Vitol Bahrain E.C., a trading and energy infrastructure entity, signals commercial intent beyond a bilateral political gesture, though the MoU remains an early-stage instrument and no contracts have been signed or financing confirmed.

The breadth of the scope — storage, refining, logistics, and distribution — indicates that if the hub advances toward project definition, it would generate a substantial package of engineering, procurement, and construction requirements across multiple disciplines. Refining and storage infrastructure at a coastal port of this scale would typically involve tankage, marine loading and offloading systems, pipeline tie-ins, and potentially gas handling, depending on how Uganda's upstream output mix evolves. None of these technical specifics have been confirmed in the current agreement.

For now, the MoU establishes a framework for the three parties to conduct studies, align regulatory and commercial structures, and progress toward binding

agreements. The USD 20 billion figure cited by Tanzania's Energy Minister represents the minister's investment ambition for the hub as a whole, not a committed project budget or contract value. Norwegian service companies should treat this as an early market signal requiring monitoring rather than immediate commercial action.

East Africa's energy infrastructure corridor — anchored by the EACOP and now potentially extended into Tanga's port facilities — is becoming one of the continent's most strategically significant development zones. The involvement of a commercial trading house alongside two national oil companies suggests the hub concept has backing beyond government aspiration, but the distance from MoU to FID in this region is typically measured in years and subject to financing, regulatory, and geopolitical variables. Saga Advisory will continue to track study appointments, FEED contract awards, and any formal procurement launches as the project matures.

Why this matters to partners and clients of Saga

This is an MoU — no procurement is open and no contracts are available to bid. Norwegian service companies with capabilities in pipeline infrastructure, port-based petroleum storage, and marine terminal systems should monitor this corridor closely and consider relationship-building with TPDC and UNOC as the project moves toward feasibility and FEED stages. Any appointment of a PMC or engineering consultant to lead pre-FEED studies would be the first actionable signal for supplier engagement.

PARTNER ANGLES

- **Pipeline:** The hub's tie-in to the East African Crude Oil Pipeline creates potential future scope for pipeline interconnection, metering, and integrity services at the Tanga terminal end.
- **Subsea/FPSO:** Marine loading and offloading infrastructure at Tanga port may require offshore or near-shore mooring and loading systems — monitor FEED scope definition for buoy or SPM requirements.
- **LNG:** If Uganda's upstream gas volumes are incorporated into the hub's long-term scope, LNG storage or small-scale liquefaction could enter the design brief — worth tracking as project definition advances.

- **Service:** Pre-FEED and FEED engineering contracts for a multi-discipline hub of this ambition would be substantial; Norwegian firms with East Africa presence should engage TPDC and Vitol early to position for study work.
- **Drilling:** No drilling scope is indicated at this stage, but expanded refining capacity at Tanga could indirectly support increased upstream development activity in Uganda's Lake Albert basin over time.

[Original source: TanzaniaInvest - Energy \(Tanzania\) →](#)

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