



## Megan Rodgers

CDH

Sector Head: Oil & Gas sector



INCORPORATING  
KIETI LAW LLP, KENYA

### Q *What is your area of specialty?*

A Mergers and acquisitions in the upstream oil and gas sector and project development in the upstream, midstream and downstream oil and gas sectors.

### Q *Highlight your experience, especially in the deal making space?*

A I have advised on acquisitions of exploration assets in sub-Saharan Africa and East Africa and acquisitions of oil producing assets in West Africa. Over the course of my career I have advised on the F-A Gas Field Development and Ibhubesi Gas Field Development in South Africa as well as the Kudu Gas Field Development project in Namibia. I am part of the team awarded the 2010 Oil and Gas Deal of the Year Award, the 2014 Oil and Gas Legal Advisor of Year Award by African Investor and was named as an IFLR1000 Women Leader in 2021 and 2022.

I led the CDH team that advised Africa Energy Corp (TSX Venture: AFE) (Nasdaq First North: AEC), an oil and gas company with exploration assets offshore South Africa and Namibia, on its transfer of operatorship and a dual sale of an aggregate 62.5% participating interest in Block 2B South Africa. In transaction one, Africa Energy farmed-out a 50% participating interest and transferred operatorship in Block 2B to Azinam Limited ("Azinam"), a wholly owned subsidiary Eco (Atlantic) Oil and Gas a TSX-V and AIM-quoted Atlantic Margin-focused oil & gas exploration company with offshore license interests in Guyana, Namibia, and South Africa. In transaction two, Africa Energy farmed-out a further 12.5% participating interest in Block 2B to Panoro Energy

ASA (Panoro), an Africa-focused independent oil and gas exploration and production company listed on the Oslo Stock Exchange. We successfully negotiated the commercial terms (well carry and cash considerations) and successfully negotiated the acquisition agreements (farm-out agreements, the escrow agreement and joint operating agreement). We achieved simultaneous close on these transactions which paved the way for the Gazania-1 exploration well to be spud in Block 2B this year. The Gazania-1 well is a drill up-dip of a previous oil discovery in Block 2B, with the well targeting 349 million barrels of oil (Best Estimate Gross Prospective Resources). Block 2B is regarded as having the potential to provide the first major oil production offshore South Africa and if successful would be the first oil production in the Orange Basin South Africa. Post the transaction phase we were appointed by the new operator Eco (Atlantic) Oil and Gas on behalf of Azinam to advise on the drilling operations of the Gazania-1 well which spud this month. I am also the external legal advisor to the National Oil Company of Namibia (NAMCOR) and recently advised on its acquisition of oil producing assets from Sonangol in Angola which, once completed, will immediately transform the National Oil Company into an oil-producing NOC.

### Q *Thoughts on Energy/ESG as a whole in SA?*

A Energy in South Africa should be viewed from an Africa perspective. It should never be viewed separately or isolated from regional developments. Africa has great energy potential, both in hydrocarbons and renewable energy resources. Regional integration through shared infrastructure domestics the use of natural



resources, it promotes bankability and changes the value proposition for investors by providing access to a larger market. Through a just transition, the continent must be allowed to optimise value from its hydrocarbon endowments to support sustainable development of a green energy base. Africa, requires a combination of energy sources in order to meet its energy consumption needs. Although the urgency for action to mitigate the risks of climate change is no longer debatable, the need to eradicate energy poverty on the continent and the recognition that developed and developing countries have different socioeconomic challenges and have, as a result, contributed disproportionately to GHG emissions is equally not debatable. The solutions for developing and developed nations are by no means one size fits all. The landscape for each country is diverse and there is no single strategic response that will make sense for all. In the International Energy Agency's SDS and the Shell Sky Scenario, aggressive decarbonization forecasts, there remains an ongoing, long-term role for oil and gas, particularly gas. The environmental credential of gas differs significantly depending on the country, whether the resource is in current usage and the time frame being considered. In South Africa, the use of indigenous gas as base load, is a critical path toward achieving a reduction in our emissions. Now is not the time for African governments to disincentivise investment into hydrocarbon exploration and production. The nations which have already developed their economies on the back of hydrocarbon endowments will do that for us. To balance this, African governments will need to incentivise investment into hydrocarbon exploration and production whilst simultaneously incentivising investment into renewables and the delivery of low carbon fuels, power and technology.

**Q** *What are some of the hurdles/challenges in this sector?*

**A** The oil and gas resources sector in South Africa and Africa cannot mature without foreign investment. The legal framework that embodies the fiscal regime under which energy companies operate, together with geological, geographical and political factors, make a country

or region more or less attractive for investors. There is the caution that African countries must, when developing their domestic legal framework and fiscal regime, consider the deal being offered by neighbouring countries. These neighbouring countries are its competitors to attracting the foreign investment required to develop its domestic oil and gas sector. The question is then, how can we enhance South Africa's legal framework whilst competing with neighbouring countries for foreign investment and how do we compete in the race for investment in an era of climate change which will see such investments decline over time? Have we done enough to ensure our competitiveness on our path to energy sovereignty and energy security for future generations? How have we balanced these needs against the recognition of climate change and the need to reduce emissions? In South Africa, the Upstream Petroleum Resources Development Bill which will see a separation of oil and gas from the mining sector, will move the sector into uncharted waters. The Upstream Petroleum Resources Development Bill aims to promote sustainable development of our oil and gas resources. It is currently before Parliament and whilst this parliamentary process is underway, regulatory uncertainty is a challenge for the sector.

**Q** *How did you get into this specialty?*

**A** I completed my LLB and LLM degrees at the University of the Western Cape. Whilst completing my LLM degree I took up a graduate lecturing assistant position at the University of the Western Cape. I trained as an upstream M&A lawyer and for the past decade I have been fortunate enough to have a fulfilling fast-paced career in a unique area of law. The M&A processes in the upstream oil and gas sector are unique, technically complex and highly specialised. As an oil and gas lawyer in the upstream oil and gas sector, I work with frontier energy companies, major and supermajor energy companies and have developed a skill set that is cross-border and translatable. I have had the opportunity to work on transactions and oil and gas development projects in over thirteen countries across four continents. ♻️