Standard Bank

NAMIBIAN OIL

An Independent Macroeconomic Study

Prepared by Standard Bank Namibia

24 November 2026

TABLE OF CONTENTS

1	EXECUTIVE SUMMARY	3
2	**SECTION 2 - REFERENCE CASE**	**5**
3	SECTION 3 - CBA RESULTS	9
4	**SECTION 4 - MACROECONOMIC RESULTS**	**12**
5	SECTION 5 – POLICY OPTIONS & DISCUSSION POINTS	30

01

EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

No.	Synopsis
1	Standard Bank Namibia has prepared a Macroeconomic Study (“**the Report**”) on the current public information for Namibian Oil production (“**the Projects**”). In preparing the Report, we have been assisted by CAPIC & Conningarth Economists
2	The Report is derived from Wood Mackenzie’s (“**Woodmac**”) current analysis of three fields (Venus, Capricornus and Mopane), with peak oil production of **436 KBPD** (2033). The Woodmac analysis then feeds an amended (public domain) Natural Resource Governance Institute (“**NRGI**”) financial model to produce a ‘’**Reference Case**’’
3	The Projects create a major positive economic impact. In a **no Sovereign Wealth Fund (‘’SWF’’) scenario**, they **annually** add **~US$18bn** to Namibia’s 2025 **US$ 15bn** GDP (**119% of 2024 GDP**); **~US$ 15bn** to 2025 Gross National Income (“**GNI**”) and up to **~US$55bn** to national capital formation
4	*Inter alia*, in the same scenario, the Projects (including Government of Namibia (‘’**GoN**’’) reinvestment) create up to **581k** job opportunities; annually benefits Namibia’s Balance of Payments (“**BOP**”) by up to **~US$6bn** and has over **~US$5bn** annual fiscal impact (both in the no SWF scenario)
5	After publication on **24th November 2026**, we propose **an annual Report update** for the then prevailing Woodmac analysis, e.g. potentially including other future projects which are currently exploring such as Shell, Chevron, Recon Africa, BW Energy).

02

REFERENCE CASE

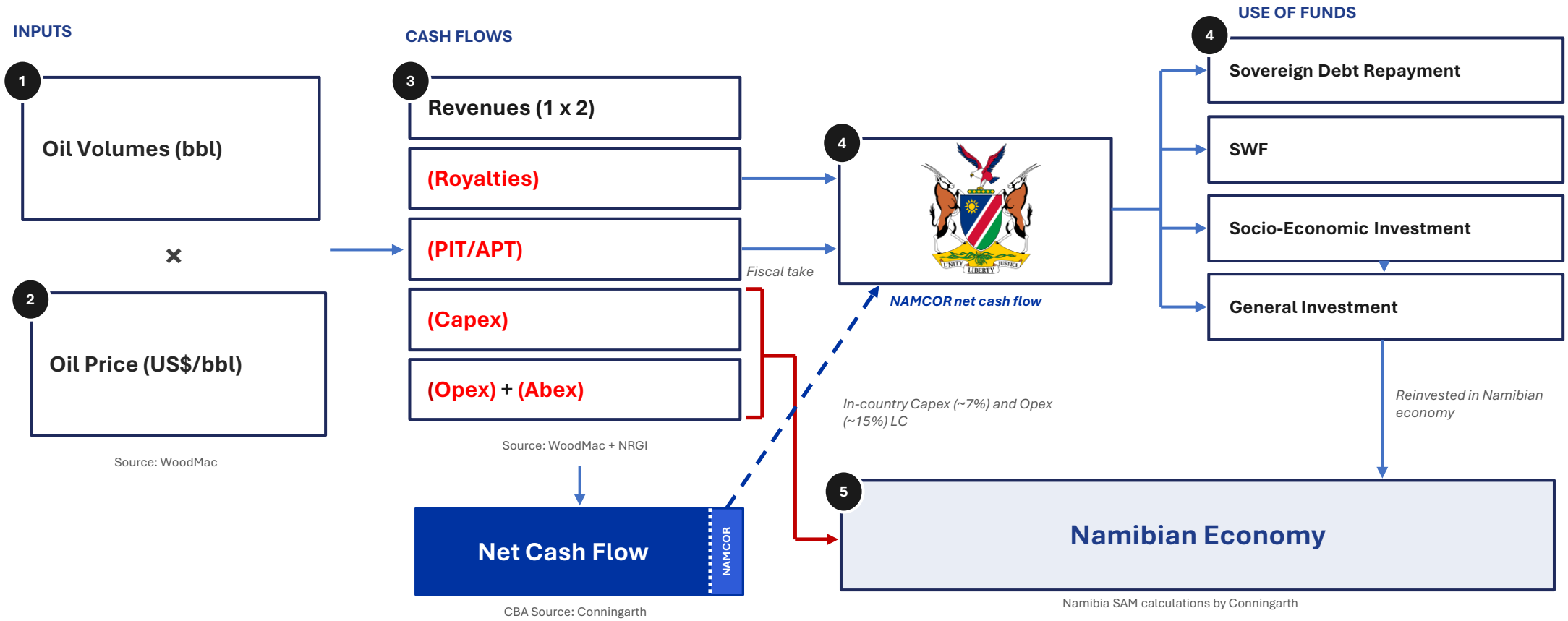


REFERENCE CASE SOURCES

No.	Information Source
1	Woodmac, Venus, Asset Report, October 2025 (0% gas revenues)
2	Woodmac, Capricornus Asset Report, May 2026 (0% gas revenues)
3	Woodmac, Mopane Asset Report, February 2026, (0% gas revenues)
4	Standard Bank have increased and included Exploration Costs, including future costs (Woodmac assume they are sunk costs)
5	Cash flows were calculated by the NRGI's (amended) model on Tunisian Petroleum Tax Analysis - https://www.resourcedata.org/dataset/tunisia-petroleum-tax-analysis/resource/1278d844-1e3b-4b2a-8480-3b8a31767d59

Source: Woodmac, NRGI, Standard Bank/CAPIC

THE GOLDEN THREAD: FROM THE WELLHEAD TO THE NAMIBIAN CITIZEN



Methodology

1 & 2	Projects' revenues derived from production volume (bbl) × price (US$), sourced from WoodMac
3	Project cash flows (Revenues, Capex, Opex, Abex, Royalties, PIT, APT) and Net Cash Flow modelled with WoodMac assumptions and amended NRGI Model
4 & 5	Royalties, PIT and APT accrue to GON; in-country Capex / Opex (Local Content (''**LC**'')) flows into the Namibian economy
5	GoN fiscal take is then allocated across sovereign debt, SWF, socio-economic investment and general investment

REFERENCE CASE CASH FLOW RESULTS (NOMINAL)

US$m unless stated	US$ 65 BBL (@ date of Asset Report)
Total Oil Production (bbl) (Venus, Capricornus & Mopane combined)	1,558 million
Total Gross Revenues	132,169
Total Costs	(50,978)
Total Pre-Tax Cash Flow	81,197
Of which:	
GoN Cash Flow (including NAMCOR)	40,461
Private Sector Cash Flow	40,804

01 Revenues are calculated on USD 65 bbl real (from 2030)

02 In discounted terms, GON takes 77% of nominal cash flow. In nominal terms, 50%

Source: Woodmac (production, revenues and costs)

03

CBA RESULTS



CBA ASSUMPTIONS

No.	CBA assumptions
1	The CBA takes account of financial and social time preference discount rate (Cost of Capital) assumptions
2	The CBA / Macroeconomic Impact Assessment Model ("**MIAM**") results are presented in US$ 2026 constant prices, as an annual average over a 25-year operational period (2026 – 2051), including the development / construction period
3	The assumed nominal financial discount rate is 10% p.a., inclusive of the assumed US Inflation rate (2.0% p.a.). The assumed real financial discount rate is 7.8% p.a. which then drives the MIAM
4	The assumed social time preference Real discount rate is 10% p.a.
5	Externalities and shadow prices are taken into account in deriving the economic discount rate modelled by Conningarth

CBA RESULTS

	NOMINAL FINANCIAL CBA	REAL FINANCIAL CBA	REAL ECONOMIC CBA
	(US$ Millions) 2026-2051		
COSTS			
Capex	(34 325)	(30 033)	(29 964)
Opex	(16 653)	(12 386)	(12 234)
TOTAL COSTS	**(50 978)**	**(42 419)**	**(42 198)**
TOTAL REVENUE / BENEFITS	**132 169**	**101 256**	**101 256**
NET REVENUE/BENEFITS	**81 191**	**58 837**	**59 058**
CBA RESULTS			
Discount Rate	10.00%	7.8%	10.00%
Net Present Value (''**NPV**'')	19 957	18 884	13 403
Benefit Cost Ratio (“**BCR**”)	1.7x	1.7x	1.6x
Project IRR (Pre-Tax)	23.28%	20.40%	20.51%

Notes:
The Results in this table are shown as pre-tax. Thus, the distribution of profits among the stakeholders (Private Sector, GoN/Namcor) have not taken place yet. All values are presented as totals for the period 2026-2051. The economic CBA plays little role in the Report as there is minimal shadow pricing in relation to an offshore oil development

As modelled, the CBA results are very strong. The Projects' generate a high pre-tax NPV, IRR and BCR. They add value to all stakeholders and should go ahead.

04

MACROECONOMIC RESULTS



NAMIBIA SAM

The latest available SAM for Namibia (2022) has been developed and updated by Conningarth to take into account the current national accounts data. In addition, economic data and information were obtained, inter alia, from the Bank of Namibia (''**BoN**''), the World Bank, DBSA and other sources. The SAM was therefore adjusted and modified to meet the specific requirements of the Report.

Given that Namibia does not have a significant manufacturing sector, and considering the size of the Projects, it is evident that most of the capital goods required for the Projects will have to be imported. As such, the import intensity of the Namibian economy is likely to increase significantly - an important assumption in this Report is that import intensity is likely to increase by approximately 50%. Conningarth also hypothesise that, towards the latter part of the Projects, import intensity is likely to decline (noting the development of the Namibian economy).

MACROECONOMIC RESULTS BENCHMARKING



The ExxonMobil 2024 Guyana Report (published 2025) was used in the review of the Report as a benchmark for the MIAM, as well as other ExxonMobil Guyana disclosures (noting various similarities between Guyana and Namibia). We also sighted the published Venus ESIA's macroeconomic study appendix, as well as the published Namibian Industrial Baseline Study

We also reviewed the NOIA Study as an example of a mature O&G offshore industry with high Local Content (''**LC**'') (namely, the Gulf Of Mexico)

CONSTRUCTION IMPACT ASSUMPTIONS

Assumed % Capex Breakdown for each Project (i.e. Namibian Deep Water Offshore/FPSO)

	Asset	Capital Structure
1.	Furniture	1%
2.	Rubber products	4%
3.	Structural Metal Products	15%
4.	Other Fabricated metal products	9%
5.	Machinery and equipment	27%
6.	Electrical machinery and apparatus	9%
7.	Manufacturing of transport equipment	4%
8.	Other manufacturing and recycling	3%
9.	Buildings	4%
10.	Civil Construction	7%
11.	Business activities (consultants, project management, attorneys, etc)	17%
	Total	**100%**

Assumed LC Capex

	(US$ Millions)	Projects'
Capital Investment	Total Capital Spending	30 033
	Goods & Services Produced in Namibia	2 162
	Goods & Services Produced in Namibia % (LC)	7.2%
	Goods & Services Imported	27 871
	Goods & Services Imported %	92.8%

Source: Standard Bank & Conningarth, reviewed by a leading industry costing consultant

OPERATIONAL IMPACT ASSUMPTIONS

Opex	Assumed Opex %
Agriculture	-
Mining	4%
Non-fuel chemicals incl. plastics and rubber	13%
Metal and non-metal mineral products	23%
Machinery equipment incl. transport	24%
Fuels	9%
Other manufacturing	0%
Electricity and water	-
Construction	2%
Trade, Catering and Accommodation	0%
Transport & communication services	2%
Financial & business services	21%
Social & community services	2%
Total	**100%**

The Report assumes that 84.6% of the original Opex will be imported and 15.4% will be sourced locally. In the initial years the Namibian portion will be lower.

Sources: Operational Structure: USA Use Matrix. All values are Presented as Average p.a. over the Period 2026-2051,US$ Million 2026 Constant Prices

ANNUAL CONSTRUCTION IMPACT (2026 - 2032)

	2026	2027	2028	2029	2030	2031	2032
	US$m (unless stated differently)						
Impact on GDP	**206**	**118**	**196**	**712**	**981**	**642**	**331**
Impact on GNI	**97**	**55**	**92**	**334**	**461**	**302**	**155**
Impact on capital formation	**225**	**129**	**214**	**776**	**1 070**	**701**	**361**
Impact on employment [Job Opportunities]	**4 629**	**2 646**	**4 407**	**15 982**	**22 025**	**14 426**	**7 423**
- Skilled employment	904	517	860	3 120	4 299	2 816	1 449
- Semi-skilled employment	2 049	1 171	1 950	7 074	9 749	6 385	3 286
- Unskilled employment	1 677	958	1 596	5 788	7 977	5 225	2 689
Impact on Households	**79**	**45**	**76**	**274**	**378**	**247**	**127**
- Low Income Households	16	9	16	57	78	51	26
- Medium Income Households	20	12	19	70	96	63	33
- High Income Households	43	24	41	147	203	133	68

Constant 2026 Prices. All values are presented as the annual impact of the Construction phase (91% of total Capex is expected to be incurred during the initial Construction period, 2026–2032)

DIRECT ECONOMIC IMPACT

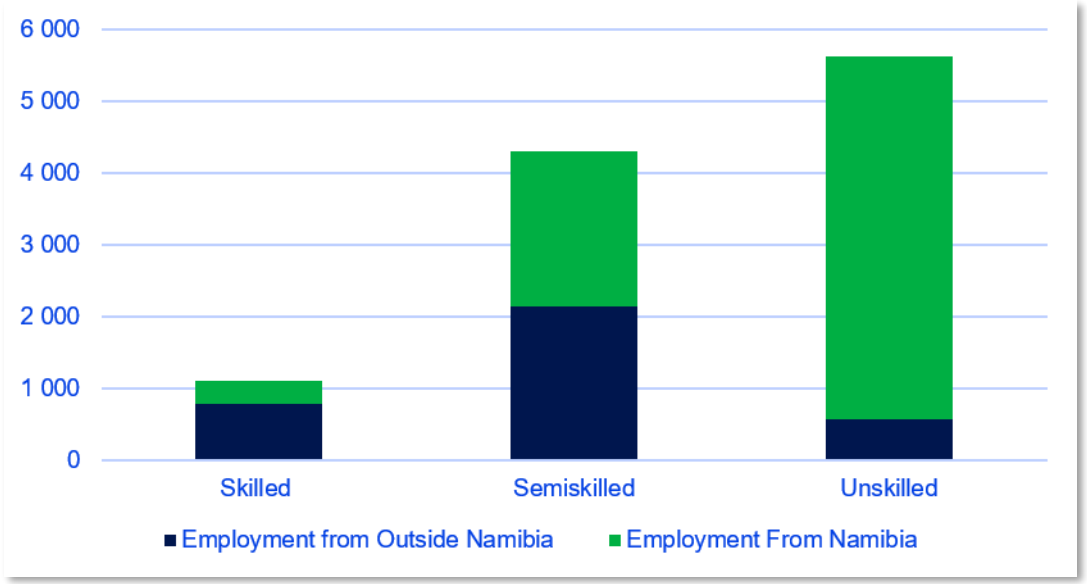
Main Economic Indicators

Economic Indicators	Projects'
Operational GDP (GDP) (US$ million)	4 893
Operational GNI (GNI) (US$ million)	2 084
Capital formation (US$ million)	30 033
*Employment [Man Years] Construction	24 000
Employment [# of job opportunities] Operational	11 062
Employment [# of job opportunities] Operational - Namibians	7564

All values are presented as average p.a. over the period 2026-2051,US$ Million 2026 Constant Prices

Direct operational employment

Number Employed per skill level	Total Employment	Percentage of Namibians Employed	Number of Namibians Employed
Skilled	1 115	30%	335
Semiskilled	4 306	50%	2153
Unskilled	5 640	90%	5076
Total	**11 062**		**7 564**



OPERATIONAL IMPACT RESULTS

	Direct Impact	Indirect Impact	Induced Impact	Induced
	US$m (unless stated differently)			
Impact on GDP	**4 893**	**31**	**1 086**	**6 010**
Impact on GNI	**2 084**	**31**	**1 086**	**3 201**
Impact on capital formation	**30 033**	**59**	**2 097**	**32 188**
Impact on employment [Job opportunities]	**11 062**	**763**	**46 872**	**58 696**
- Skilled employment	1 115	516	14 160	**15 792**
- Semi-skilled employment	4 306	926	30 615	**35 848**
- Unskilled employment	5 640	568	24 705	**30 914**
Impact on Households				**2 540**
- Low Income Households				**450**
- Medium Income Households				**725**
- High Income Households				**1 365**

Constant 2026 Prices. All values are presented as average p.a.

SWF ASSUMPTIONS

No.	SWF Assumptions
1	In 2022, Namibia set up the Welwitschia Fund which is presently being managed by the BoN. Separately, the GoN presently has around US$ 10.6bn of outstanding sovereign debt which we assume that GoN revenues should repay (boosting GoN credit quality). We expect the GoN will borrow additional sums before production starts in 2031.
2	The plan is for the Welwitschia Fund to received a specified % of GoN oil revenues. This number is not yet determined so the Report assumes four options, noting the existing US$ 10.6bn sovereign debt: **A (0%); B (20%); C (30%); and D (40%)**
3	In theory, the applicable % decision should be linked to the scale of oil discoveries/future production. Generally, the higher the potential oil production (from discovered resources), the lower the arguable SWF % (given development needs and outstanding debt). Namibia has **6bn BOE** (per Woodmac), of which it produces **1.6bn BBL** per this Study (**i.e. 27%**)
4	A second decision to make is what the SWF proceeds are invested in (we assume largely equities per Norway's SWF, we assume earning 7% p.a.) and whether the proceeds can be spent over time outside of emergencies, as in Guyana, or stay invested, per Norway or Mozambique.
5	We have received information from BoN on how the proposed Intergenerational and Savings Account may work. Given this, and the volumes of funds available to the GoN we have assumed no withdrawals for simplicity of analysis and discussion.

GON REVENUE REINVESTMENT IMPACT SCENARIOS

The Report assesses four (4) scenarios for the allocation of GoN revenues, focusing on achieving a sustainable balance between direct reinvestment (including sovereign debt repayment) and the proposed SWF

REVENUE ALLOCATION SCENARIOS								
US$m	A		B		C		D	
	% Distribution	PV	% Distribution	PV	% Distribution	PV	% Distribution	PV
Investment	100%	14 448	80%	11 579	70%	10 121	60%	8 752
SWF	0%	-	20%	2 869	30%	4 327	40%	5 696
Total Government Take	100%	14 448	100%	14 448	100%	14 448	100%	14 448

INVESTMENT ALLOCATION								
US$m	A		B		C		D	
	% Distribution	PV	% Distribution	PV	% Distribution	PV	% Distribution	PV
Sovereign Debt Repayment	42%	5 997	52%	5 997	59%	5 997	69%	5 997
Social & Economic Investment	41%	5 916	34%	3 908	29%	2 887	22%	1 929
Investment in the General Economy	18%	2 536	14%	1 675	12%	1 237	9%	827
Investment Split	100%	14 448	100%	11 579	100%	10 121	100%	8 752

SWF				
US$m	A	B	C	D
SWF PV 2026 Constant Prices	0	2 869	4 327	5 696
SWF 7% return compounded (2031- 2051)	0	16 820	25 365	33 354

Investment in the General Economy is intended to cover elements such as building out Walvis Bay's many growth industries and infrastructure requirements, national agriculture, water, electricity, roads, whereas social & economic Investment covers the likes of health care, education or child education grants

IMPACT OF MACROECONOMIC COMPONENTS BY STAGE – SCENARIO A

US$m (unless stated differently)	Operational Impact	Construction Impact	Reinvestment Impact	Total Impact
Impact on GDP	**6 010**	**176**	**11 750**	**17 936**
Impact on GNI	**3 201**	**83**	**11 750**	**15 033**
Impact on capital formation	**32 188**	**192**	**22 506**	**54 886**
Impact on employment [# job opportunities]	**58 696**	**2 893**	**519 077**	**580 666**
- Skilled employment	9345	607	121 768	131 720
- Semi-skilled employment	21 973	1 171	210 859	234 003
- Unskilled employment	27 378	1 115	186 450	214 942
Impact on Households	**2 540**	**68**	**9 664**	**12 272**
- Low Income Households	450	14	1 686	2 151
- Medium Income Households	725	17	2 589	3 331
- High Income Households	1 365	36	5 389	6 790

Note:
The Total Impact comprises three main components: the Construction Impact, the Operational Impact and the Reinvestment Impact. The Construction Impact is annualised over the 20-year operational period so that it can be combined with the Operational and Reinvestment Impacts on a comparable annual basis. All values are presented as average p.a. over the period 2026-2051,US$ million 2026 constant prices



As modelled, the construction period (with limited LC) has only a minor impact on Namibia. The Operational Impact (the Projects' revenues) generates the core wealth and facilitates reinvestment by the GoN. We reiterate the GoN's revenues – that are reinvested - are net of the repayment of historically incurred sovereign debt and include SWF contributions.

TOTAL SCENARIOS IMPACT

US$m (unless stated differently)	Scenario A	Scenario B	Scenario C	Scenario D
Impact on GDP	**17 936**	**13 946**	**11 920**	**10 017**
Impact on GNI	15 033	11 044	9 018	7 114
Impact on capital formation	54 886	47 245	43 364	39 718
Impact on employment [# job opportunities]	**580 666**	**404 436**	**314 920**	**230 834**
- Skilled employment	131 720	90 379	69 380	49 655
- Semi-skilled employment	234 003	162 415	126 052	91 895
- Unskilled employment	214 942	151 642	119 488	89 285
Impact on Households	**12 272**	**8 991**	**7 324**	**5 759**
- Low Income Households	2 151	1 578	1 287	1 014
- Medium Income Households	3 331	2 452	2 006	1 586
- High Income Households	6 790	4 961	4 031	3 158

Note:
The Total Impact comprises three main components: the Construction Impact, the Operational Impact, and the Reinvestment Impact. The Construction Impact is annualised over the 20-year operational period so that it can be combined with the Operational and Reinvestment Impacts on a comparable annual basis. . All values are presented as average p.a. over the period 2026-2051,US$ million 2026 constant prices

As modelled, the introduction of a SWF leads to a smaller immediate economic benefit to Namibia. However, it reduces the possibility of the Namibian economy being overheated, increases savings and provides access to externalised investments that can be sold to raise cash if required. For example, ~US$ 33bn per Scenario D, compared to a then GDP of ¬US$ 37bn (2051), **per Slide 27**. As such, the question is one of **short and long-term economic trade-offs** for policymakers to decide.

HOUSEHOLD INCOME (‘’HI’’’) IMPACT (NAMIBIAN CITIZENS)

NAMIBIAN HI

	A Current Population (Millions)	B Average Household size (Number)	C Household Income (US$ million)	D Income Per Household (US$) Calculation = (C / (A / B))	E Current Household Income + Scenario Household Income (US$) Calculation = D + Scenario
Current Situation	**3.2**	**3.8**	**11 803**	**14 016**	
Scenario A	**3.2**	3.8	12 272	14 573	28 589
Scenario B	**3.2**	3.8	8 991	10 677	24 693
Scenario C	**3.2**	3.8	7 324	8 698	22 714
Scenario D	**3.2**	3.8	5 759	6 839	20 855

HOUSEHOLD INCOME INCREASE PER SCENARIO (SCENARIO / CURRENT HI)

Scenario A
=
104%

Scenario B
=
76%

Scenario C
=
62%

Scenario D
=
49%

BOP IMPACT

SCENARIO A	Projects'	GoN Spending Impact	SWF	Total
Import Substitution	0	3 256		3 256
Exports	5 278	7 032	0	12 310
Direct Imports (Capital Goods)	(33)	(38)		(71)
Indirect Imports	(2 990)	(6 796)		(9 786)
BOP	2 255	3 454	0	5 709

SCENARIO B	Projects'	GoN Spending Impact	SWF	Total
Import Substitution	0	2 151		2 151
Exports	5 278	4 645	2 869	12 792
Direct Imports (Capital Goods)	(33)	(25)		(58)
Indirect Imports	(2 990)	(4 489)		(7 479)
BOP	2 255	2 281	2 869	7 406

SCENARIO C	Projects'	GoN Spending Impact	SWF	Total
Import Substitution	-	1 589		1 589
Exports	5 278	3 432	4 327	13 037
Direct Imports (Capital Goods)	(33)	(19)		(51)
Indirect Imports	(2 990)	(3 317)		(6 307)
BOP	2 255	1 686	4 327	8 268

SCENARIO D	Projects'	GoN Spending Impact	SWF	Total
Import Substitution	0	1 062		1 062
Exports	5 278	2 293	5 696	13 267
Direct Imports (Capital Goods)	(33)	(13)		(45)
Indirect Imports	(2 990)	(2 216)		(5 206)
BOP	2 255	1 126	5 696	9 077

All values are presented as Average p.a over the period 2026-2051,US$m 2026 Constant Prices

The BOP is presented as an annual average over the 20-year operational period, inclusive of sovereign debt repayment. It is positively impacted by the SWF

FISCAL IMPACT

	Scenario A	Scenario B	Scenario C	Scenario D
A. Project Related Taxes	1 564	1 564	1 564	1 564
VAT	48	48	48	48
Royalty payable	253	253	253	253
PIT payable – Private Sector	1 014	1 014	1 014	1 014
APT – Private Sector	0	0	0	0
Cash flow – NAMCOR	249	249	249	249
B. Project Indirect	3 858	2 829	2 306	1 815
B1.Indirect:Operational & Construction	827	827	827	827
B2. Savings Reinvestment (**the only delta**)	3 032	2 002	1 480	989
Total Fiscal (A+B)	**5 422**	**4 393**	**3 870**	**3 379**

All values are presented as average p.a over the period 2026-2051,US$m 2026 Constant Prices

The introduction of the SWF has a broadly similar impact fiscally as it does to GDP (in percentage terms). The only delta is Savings Reinvestment (which is impacted by the SWF)

POTENTIAL SOCIO-ECONOMIC INVESTMENT IMPACT

Additional educators	
Scenario A	15 358
Scenario B	10 143
Scenario C	7 495
Scenario D	5 008

Additional hospital beds serviced	
Scenario A	3 221
Scenario B	2 128
Scenario C	1 572
Scenario D	1 050

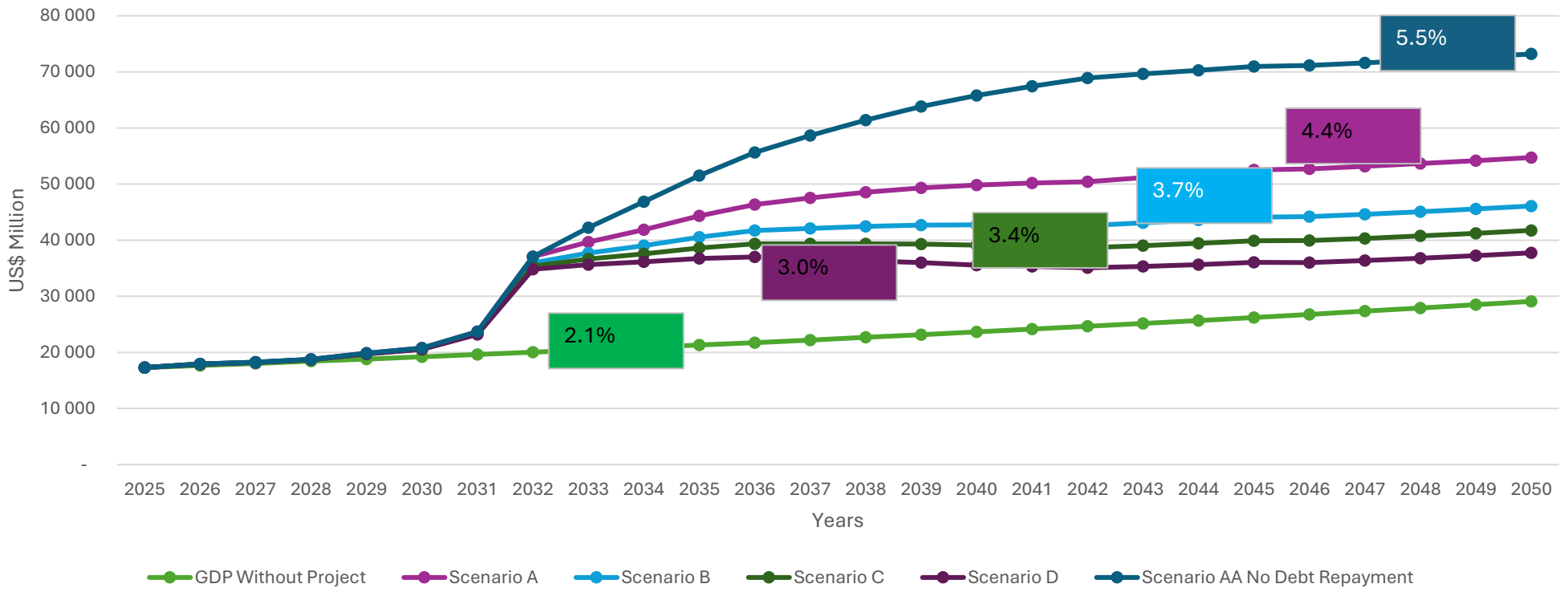
Additional doctors	
Scenario A	545
Scenario B	360
Scenario C	266
Scenario D	178

Low-cost houses built p.a.	
Scenario A	3 432
Scenario B	2 267
Scenario C	1 675
Scenario D	1 119

Basic School Grant Beneficiaries	
Scenario A	927 056
Scenario B	612 316
Scenario C	452 443
Scenario D	302 268

In emerging markets, increased social and educational provision will be a crucial public expectation from the Projects' GoN revenues. Such development needs will need to be balanced against other public policy targets, e.g. sovereign debt repayment, SWF. The school grant concept is a policy innovation taken from Guyana (''Because we care''). The numbers are derived from a SADC Budget Framework and are mathematical possibilities (e.g. Scenario A School Grant beneficiaries are more than the total Namibian children.

IMPACT OF OIL ON GDP GROWTH PER SCENARIO



This line graph illustrates GDP growth under the different SWF scenarios. The most significant increase occurs when oil production starts. From 2033 onwards, the GoN begins repaying its sovereign debt over a 10-year period except under Scenario AA, where 100% of the GoN's take is invested directly into the economy. As a result, GDP growth under Scenario AA follows a stronger trajectory compared with the other scenarios during this period. As a practical matter, we must also note (1) Woodmac assumptions for Mopane and Capricornus presently only extend to ~2045, shorter than the production licence period. This will change with more development maturity; (2) Future projects coming online (e.g. Shell, Chevron, larger Rhino) will materially change the shape of the lines and (3) natural gas production is likely to start ~7 years after oil production, also changing the shape of the lines.

7% Annual SWF Reinvestment Returns – Compounded 2026–2051

Scenario A = 0
(GDP 54 752)

Scenario B = 16,850
(36% of GDP 46 098)

Scenario C = 25,356
(61% of GDP 41 747)

Scenario D = 33,354
(88% of GDP 37 748)

SCENARIO E - STEPPED SWF

Assumptions for SWF Contributions		
▪10% of GoN Revenues (2031-2035)	▪20% (2036-2040)	▪30% (after 2040)

MACROECONOMIC IMPACT (US$ unless stated)	Operational Impact	Construction Impact	Reinvestment Impact	Total Impact
Impact on GDP	6010	176	8 678	**14 864**
Impact on GNI	3201	83	8 678	**11 961**
Impact on capital formation	32 188	192	16 622	**49 002**
Impact on employment [# job opportunities]	58 696	2 893	383 369	**444 957**
- Skilled employment	9 345	607	89 933	**99 885**
- Semi-skilled employment	21 973	1 171	155 732	**178 876**
- Unskilled employment	27 378	1 115	137 704	**166 196**
Impact on Households	2 540	68	7 138	**9 745**
- Low Income Households	450	14	1 246	**1 710**
- Medium Income Households	725	17	1 912	**2 654**
- High Income Households	1 365	36	3 980	**5 381**

COMPARED TO CURRENT GDP, GNI AND EMPLOYMENT	Project Impact	Current Situation	Percentage Impact
GDP	14 864	15 080	99%
GNI	11 961	14 200	84%
Employment	431 932	546 805	79%

HI (NAMIBIAN CITIZENS)	
Current Population (Number Millions)	3.2
Average Household size (Number)	3.8
HI (US$ million)	11 803
Income Per Household (US$)	14 016
Scenario HI (US$ million)	9 745
Income Per Household (US$)	11 573
Current HI + Scenario HI (USD)	25 589

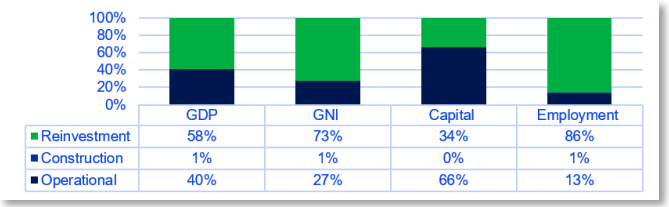
Household income increase per scenario

83%

BOP (US$m)	Projects	GoN Spending Impact	SWF	Total Impact
Import substitution	0	2 405	0	**2 405**
Exports	5 278	5 194	2210	**12 681**
Direct Imports (Capital Goods)	-33	-28	0	**-61**
Indirect Imports	-2 990	-5 019	0	**-8010**
Balance of Payments	2 255	2 551	2 210	**7 016**

FISCAL IMPACT (US$m)	
A. Project Related Taxes	**1 564**
Value-Added Tax	48
Royalty payable	253
CIT payable - Contractor	1 014
Additional Profit Tax - Contractor	-
Cash flow - SOC	249
B. Project Indirect	**3 066**
B1.Indirect:Operational and Construction	827
B2. Savings Re-Investment	2 239
Total Fiscal (A+B)	**4 630**

% impact of macroeconomic components by stage



All values are presented as Average p.a over the Period 2026-2051,US$ Million 2026 Constant Prices

SCENARIO F – TWO YEAR DELAY TO VENUS FID…

IN LINE WITH A RECENT WOODMAC ANALYSIS, A TWO-YEAR FID DELAY SCENARIO SHOWS THAT NAMIBIA LOSES MATERIAL VALUE

- In their recent Global Upstream Update (September 2026), Woodmac analysed **''Discovery to Payback: what separates frontier winners?''**
- Woodmac found that ''full-cycle value is won or lost before FID. Each year before FID delays cash flow and erodes value''. Fast Projects (i.e. 3 years to FID) secure full-cycle payback in 11 years. Medium Projects (>3 and <7 years) secure full-cycle payback in 16 years. Whereas Slow Projects (10 years to FID and beyond) take up to 24 years to achieve payback. Woodmac are clear ''pre-FID is not where most capital is spent, but where most value is lost''
- As it stands, Venus is over 4.5 years from first exploration discovery, so in the Medium category. Mopane was discovered in early 2024 and so will also be in the Medium category. Capricornus was discovered in early 2025 and so may be able to take FID within the Short category.
- The purpose of this scenario (a 2 year delay in each FID) is to show that project value is eroded by a material delay in Venus FID (as well as Capricornus and Mopane). This then flows on reduced GDP, GNI and so on. As well as cash flow being delayed, we also note that Namibia's outstanding sovereign debt will incur additional interest and its repayment will also be delayed

MACROECONOMIC REINVESTMENT IMPACT		
	Scenario A Reinvestment Impact	Delayed Reinvestment Impact
Impact on GDP	**11 750**	**10 106**
Impact on GNI	**11 750**	**10 106**
Impact on capital formation	**22 506**	**19 357**
Impact on employment [# job opportunities]	**519 077**	**446 429**
- Skilled employment	121 768	104 726
- Semi-skilled employment	210 859	181 348
- Unskilled employment	186 450	160 355
Impact on Households	**9 664**	**8 312**
- Low Income Households	1 686	1 450
- Medium Income Households	2 589	2 226
- High Income Households	5 389	4 635

CBA				
CBA Financial (Nominal prices –US$ Million)	Discount Rate	Scenario A	2 Year Delayed Scenario	Percentage Decline
Net Present Value (NPV)	10.0%	19 957	16 874	15.45%

SOVEREIGN DEBT REPAYMENT			
Total Cost of Debt Repayment (principal and interest) (Nominal prices –US$ Million)			
From 2033- Scenario A	From 2035- Delayed Scenario	Difference	Percentage Difference
16 466	19 924	3 458	21%

All values are presented as average p.a over the period 2026-2051,US$m 2026 Constant Prices

As modelled, the CBA NPV declines by 15%, sovereign debt costs increase by 21% and Scenario A Reinvestment declines by 14% (relative to the Reference Case)

05

POLICY OPTIONS & DISCUSSION POINTS



POLICY OPTIONS – OIL & NON-OIL ECONOMY (AND GAS READINESS…)

No.	Policy Options
1	Facilitate FID of each component project ASAP (when technically justified).
2	GoN to use oil revenues to pay down outstanding sovereign debt.
3	Develop a GoN economic and energy master plan.
4	Optimise the percentage contributions to the proposed SWF.
5	Solve Domestic Gas structure and design.
6	Ensure security of electricity generation/supply, through importing LNG and developing Gas To Power.
7	Develop Walvis Bay as a key, multi-faceted development priority.
8	Use Namibia to develop the Southern Africa region.
9	Flesh-out LC into a LC escalator.
10	Develop the Ludertiz area as a complement to Walvis Bay.

DISCUSSION POINTS

No.	Discussion Points
1	GoN should make more use of external advisers with recent experience of similar jurisdictions.
2	Namibia is a multi-Operator jurisdiction, so GON needs to be resourced accordingly.
3	Develop a Gas Master Plan.
4	Determine the planning, governance and execution structure around the pivotal Walvis Bay port/developments.
5	Evaluate petroleum contract publication, EITI entry and development of a Project Management Programme.

Thank You



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