



Petroleum Club Lagos: Policy Committee – Monthly Industry Recap for July 2024

No	News Item	Summary
1.	<u>Nigeria plans roadshow to woo oil companies to onshore sector</u> (Reported by Reuters, 1 July 2024)	Nigeria aims to host an oil and gas roadshow to woo back international energy companies that quit its onshore sector. As it has struggled to raise production after international oil companies exited its onshore fields. The Federal Government of Nigeria (FGN) had hoped local oil companies would reverse the output decline from the Niger Delta.
2.	<u>NUPRC announces the completion of Oando, Nigeria Agip Oil Company acquisition deal</u> (Reported by Nairametrics, 3 July 2024)	The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has announced that Oando Plc has completed its divestment agreement with ENI for the acquisition of 100% (one hundred percent) shares of Nigerian Agip Oil Company Limited.
3.	<u>FG urged to restore 40% import fees on LPG cylinders</u> (Reported by Vangaurd, 8 July 2024)	During a panel session at the 2024 Nigeria Oil and Gas (NOG) conference, the Group Managing Director of Techno Oil Limited, Mrs. Nkechi Obi, called on the FGN to restore the 40% (forty percent) import duties policies on the importation of Liquefied Petroleum Gas, LPG, and Compressed Natural Gas (CNG) cylinders. Mrs. Obi explained that the FGN needed to discourage importation by reversing its recent zero import policy on LPG, and CNG to boost local manufacturers.
4.	<u>Nigeria Cuts Deal with Producers to Supply Oil to Refiners at Market Price</u> (Reported by Oilprice, 11 July 2024)	The NUPRC reached an agreement with oil producers to supply crude oil to domestic refineries at market prices ending a supply dispute that had strained relations with international oil companies.
5.	<u>Nigeria to be net exporter of petroleum in December — NNPC</u> (Reported by Punch, 15 July 2024)	The Group Chief Executive Officer of Nigerian National Petroleum Company Limited (NNPCL), Mele Kyari, announced that Nigeria will be a net exporter of petroleum by December. This is due to the Port Harcourt Refinery starting production next month, followed by the Warri Refinery, and the Kaduna Refinery by December. Kyari stated that oil production will reach 2,000,000 (two million) barrels per day as all necessary measures have been implemented.



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6.	Total Energies strikes \$860 million deal to sell Africa assets (Reported by Upstream, 17 July 2024)	TotalEnergies has struck an \$860,000,000 (eight hundred and sixty million United States Dollars) deal to offload its 10% (ten percent) stakes in a Nigerian joint venture to Mauritius-registered Chappal Energies. TotalEnergies has signed a sale and purchase agreement with Chappal covering its 10% (ten percent) interest in the Shell-operated SPDC JV, an unincorporated joint venture that controls 18 licenses in the Niger Delta. In addition, TotalEnergies will also transfer to Chappal its 10% (ten percent) interest in the three other SPDC JV licenses— OMLs 23, 28, and 77 which are producing mainly gas, while retaining a full economic interest in these licenses because they currently supply 40% (forty percent) of the feedstock for Nigeria LNG.
7.	Lokpobiri meets Dangote, NNPC, NMDPRA, NUPRC chiefs to resolve issues (Reported by PMNews, 22 July 2024)	Nigeria’s Minister of State for Petroleum Resources (Oil), Heineken Lokpobiri has met with Aliko Dangote and chiefs of NNPC, the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), and NUPRC to resolve the issues stirred by Dangote Refinery. Lokpobiri, in a statement on his “X” (formerly Twitter) handle on Monday said he convened a high-level meeting with top executives from Dangote Group, NMDPRA, NUPRC, and NNPC to address the ongoing issues surrounding the Dangote Refinery.
8.	FGN moves to combat oil theft (Reported by Daily Post, 25 July, 2024).	The NUPRC has inaugurated Metering Audit and Advance Cargo Declaration project teams, to promote transparency and accountability in the upstream oil and gas sector. The aim is to combat crude oil theft and boost revenue, aligning with the mandates of the Petroleum Industry Act 2021. The projects would be executed by PE Energy Limited and P-Lyne Energy and must be completed before the 4 (four) month deadline.



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9.	Crude supply: N’Assembly probes \$10bn oil theft, summons NNPC, Dangote (Reported by Punch, 26 July 2024)	Between January and July 2024, Nigeria lost an average of 437,000 (four hundred and thirty-seven thousand) barrels of crude oil daily, worth about \$10,000,000,000 (ten billion United States Dollars) due to theft, vandalism, and other criminal activities. In response, the House of Representatives Special Committee on Oil Theft and Losses, commenced investigations into the illegal lifting of crude oil in Nigeria, as the Senate Ad-Hoc Committee to Investigate the alleged economic sabotage in the Nigerian Petroleum Industry summoned the NNPC, Dangote Refinery, and other major stakeholders in the oil sector for interrogation.
10.	Dangote-NNPC rift: Petrol imports from Malta hit \$2bn (Reported by Business Day, 26 July 2024)	Nigeria's petroleum imports from Malta surged to \$2.08 billion in 2023, a 43-fold increase from \$47.5 million in 2013. This significant rise has sparked controversy, with Aliko Dangote alleging that some NNPC personnel and traders have established blending plants in Malta. NNPC's Chief Executive Officer, Mele Kyari refuted these allegations.
11.	ICYMI: Dangote, local refineries to end fuel importation (Reported by Punch, 26 July 2024)	Owners of local refineries in Nigeria, including the Dangote Petroleum Refinery, say they can help the country stop the importation of refined petroleum products in 18 (eighteen) months if the FGN works with their plans. According to the Crude Oil Refiners Association of Nigeria, CORAN, other refineries are at different stages of completion to join the 650,000-capacity Dangote Petroleum Refinery in satisfying the fuel needs of the nation.
12.	Nigeria’s oil production hits 1.6 million bpd, NUPRC says (Reported by The Guardian, 27 July 2024)	Gbenga Komolafe, Chief Executive of NUPRC has disclosed that Nigeria now produces about 1,600,000 (one million six hundred thousand) barrels of crude oil per day (Bpd). The production is still 180,000 (one hundred and eighty thousand) Bpd short of the projected 1,780,000 (one million seven hundred and eighty thousand) Bpd in the 2024 budget.



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	Comments from the Petroleum Club Policy Committee.	<p>From the selected news items, the following are our key takeaways:</p> <ul style="list-style-type: none">• The oil and gas industry has seen notable initiatives that may present valuable opportunities such as the agreement between NUPRC and oil producers to supply crude oil to domestic refineries at market prices, the Port Harcourt Refinery commencing production early next month, which will be followed by Warri refinery after, and the Kaduna refinery latest by December this year.• Operational challenges such as crude oil theft and infrastructure vulnerabilities continue to plague Nigeria's oil industry. Notably between January and July 2024, Nigeria lost an average of 437,000 (four hundred and thirty-seven thousand) Bpd, worth about \$10,000,000,000 (ten billion United States Dollars) due to theft, vandalism, and other criminal activities. These issues, coupled with the backlash from the removal of petrol subsidies, have heightened social and economic pressures. While the FGN has inaugurated Metering Audit and Advance Cargo Declaration project teams, to combat crude oil theft and boost revenue, the persistent operational and social challenges require careful and strategic action from industry stakeholders.