



## Petroleum Club Lagos: Policy Committee – Monthly Industry Recap for January 2025

No	News Item	Summary
1.	<a href="#"><u>NNPC begins modernization of Kaduna and Port Harcourt refineries</u></a> (Reported by Nairametrics on 03 January 2025)	Nigerian National Petroleum Company Limited (“NNPC”). has announced a comprehensive overhaul of the Port Harcourt and Kaduna refineries to meet world-class standards. The Chief Corporate Communications Officer, Olufemi Soneye, disclosed this in response to former President Obasanjo’s comments on refinery rehabilitation. NNPC also stated that the Port Harcourt and Warri refineries are undergoing a full revamp beyond the traditional Turnaround Maintenance (TAM).
2.	<a href="#"><u>Global oil prices dip to \$76.23 after hitting October highs</u></a> (Reported by The News Chronicle on 06 January 2025)	Global oil prices fell on Monday, with Brent crude down 0.4% at US\$76.23 and WTI crude dropping 0.4% to US\$73.69. The fall was driven by a stronger United States (“U.S.”) Dollar, which made oil more expensive for international buyers. Geopolitical concerns, including sanctions on Iran and Russia, also weigh on the market. Additionally, the Organisation of Petroleum Exporting Countries (“OPEC”) market influence continues to decline amidst growing non-OPEC supply.
3.	<a href="#"><u>Seplat Energy targets 120,000 bpd in 6 months after acquisition of Mobil Nigeria</u></a> (Reported by Nairametrics on 07 January 2025)	Seplat Energy (“Seplat”) plans to at least double its crude oil production from 50,000 bpd to 120,000 bpd within 6 months through its recently acquired onshore assets from ExxonMobil. Seplat acquired Mobil Producing Nigeria Unlimited (MPNU) for US\$1.28 billion in December 2024, increasing its asset base to 11 onshore oil blocks and 48 oil fields. Seplat controls 16% of Nigeria’s production capacity and aims to rejuvenate idle wells in the new assets.
4.	<a href="#"><u>Dangote refinery retained 13% of Nigeria’s crude exports in 2024</u></a> (Reported by News Central TV on 08 January 2025)	The Dangote Refinery accounted for 13% of Nigeria’s crude oil exports in 2024, up from 2% in 2023, aiding the reduction of exports to Europe and boosting domestic oil supply. Despite being a major oil exporter, Nigeria imported 47,000 bpd of U.S. oil in 2024, partly due to the NNPC’s supply issues. The global crude export market saw a 2% decline due to weak demand and trade route changes, influenced by geopolitical tensions and sanctions on Russian and Iranian oil.



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5.	<a href="#"><u>NUPRC data reveals Nigeria produced 566 million barrels of crude oil in 2024</u></a> (Reported by Nairametrics on 14 January 2025)	Nigeria produced 566.8 million barrels of crude oil and condensate in 2024, according to the Nigeria Upstream Petroleum Regulatory Commission (“NUPRC”) data. In December 2024, Nigeria attained the highest production comprising of 46 million barrels of crude oil and 5.7 million barrels of condensate. The lowest production occurred in April 2024 with 43.4 million barrels. The highest daily average production was 1.69 million barrels per day in both November and December 2024. Daily production peaked at 1.79 million barrels in December 2024, with a low production of 1.57 million barrels.
6.	<a href="#"><u>First Bank of Nigeria secures court order to arrest crude oil cargo onboard FPSO vessel linked to GHIL</u></a> (Reported by Punch News on 16 January 2025)	First Bank of Nigeria Plc (“FBN”) obtained a Federal High Court (“Court”) order to arrest a cargo belonging to General Hydrocarbons Limited. The Court ordered the arrest of the entire crude oil cargo on the Floating Production Storage and Offloading Vessel Tamara Tokoni, located in Rivers State, pending a guarantee of US\$19.75 million. The motion was filed by FBN on 09 January 2025, seeking the arrest until a satisfactory guarantee is provided. The Nigerian Navy, NUPRC, Nigerian Maritime Administration and Safety Agency (NIMASA), and the Harbour Master were directed by the Court to assist in securing the vessel.
7.	<a href="#"><u>Rivers State Faces Potential Petrol Scarcity Due to Crisis in Oil and Gas Sector</u></a> (Reported by The News Central TV on 18 January 2025)	Petroleum Products Retail Outlets Owners Association of Nigeria (“PETROAN”) has warned the public of a potential fuel scarcity in Rivers State due to a growing crisis between oil distributors and transport operators. The dispute involves the Association of Distributors and Transporters of Petroleum Products (ADITOP), which PETROAN accuses of operating without proper protocols. The conflict, including a suspension of petroleum product lifting by National Union of Petroleum and Natural Gas Workers (“NUPENG”), could lead to significant fuel shortages and financial losses. PETROAN has called for the federal government of Nigeria’s intervention to resolve the issue, urging support for NUPENG and its Petroleum Tanker Drivers (PTD) branch.



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8.	<a href="#"><u>Chinese Firm backs Nigeria's \$20 billion Ogidigben Gas Project</u></a> (Reported by Nairametrics on 20 January 2025)	China National Chemical Engineering Co Ltd (“CNCEC”) has pledged support for Nigeria’s \$20 billion Ogidigben Gas Project in Delta State, strengthening bilateral economic ties. CNCEC President, Li Zhenyi confirmed the company’s commitment through restructured funding and partnerships during a meeting with the Nigeria-China Strategic Partnership (NCSP) delegation in Beijing. The initiative aligns with President Bola Ahmed Tinubu’s industrialization goals and falls within the Forum on China-Africa Cooperation (FOCAC) framework to boost investment and infrastructure development in Africa.
9.	<a href="#"><u>Nigeria Seeks WEF Partnership for African Atlantic Gas Pipeline, Lake Chad Recharging</u></a> (Reported by Arise News on 25 January 2025)	Nigeria has sought World Economic Forum (“WEF”) collaboration on the African Atlantic Gas Pipeline (AAGP) to enhance energy security by connecting Nigeria to Morocco and Europe. Vice President, Kashim Shettima, speaking at WEF in Davos, highlighted the project’s potential to address Europe’s energy challenges and growing demand due to Artificial intelligence and data storage. Shettima also emphasized that West African states are eager to join the pipeline, with undersea routes being explored for mutual benefits.
10.	<a href="#"><u>Onshore assets are best in the hands of indigenous oil players – Wale Tinubu</u></a> (Reported by Leadership News 27 January 2025)	Oando Plc’s Group Chief Executive Officer, Adewale Tinubu, emphasized that Nigeria’s onshore oil and gas assets are best managed by indigenous firms, leveraging local expertise, capital, and technology. Speaking at WEF in Davos, he highlighted the sector’s potential to boost production, economic growth, and foreign investment. He also advocated for a just energy transition, emphasizing Africa’s minimal emissions and Oando’s carbon capture initiatives.
<b>Comments from the Petroleum Club Policy Committee.</b>		<p>From the selected news items, the following are our key takeaways:</p> <ul style="list-style-type: none"> <li>● There is a growing emphasis on local ownership in Nigeria’s oil and gas sector. Seplat’s expansion and acquisition of ExxonMobil’s assets, alongside Oando Plc’s advocacy for indigenous firms to manage onshore oil assets, highlight the push for greater control by Nigerian companies.</li> </ul>



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		<ul style="list-style-type: none"><li>● Furthermore, Nigeria remains focused on improving its energy infrastructure, as demonstrated by the overhaul of the Port Harcourt and Kaduna refineries and the development of the Ogidigben Gas Project. These initiatives are part of Nigeria's broader strategy to enhance energy security, reduce reliance on oil imports, and boost domestic production capacity.</li><li>● Conclusively and as expected, Nigeria's oil sector is impacted by global market trends seen by the decline in OPEC's influence and the rise of non-OPEC production are reshaping the global energy landscape. This may require Nigeria to adjust its export strategies.</li></ul>