



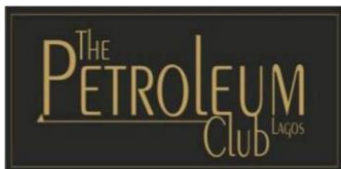
Petroleum Club Policy Committee – Monthly Industry Recap for October 2023

No.	News Item	Summary
1.	NMDPRA seals illegal gas outlet, arrests operator in Delta (Reported by PUNCH, 17 October 2023)	<p>The Nigerian Midstream and Downstream Petroleum Regulatory Authority's (NMDPRA) Warri Zonal Office has acted against an illegal gas outlet operator in Warri, Delta State. Following the violation of a previous seal placed on the facility, the NMDPRA coordinated with local authorities to arrest the operator. The NMDPRA, in line with the Petroleum Industry Act 2021 (PIA), is committed to prosecuting those who contravene oil and gas laws. The NMDPRA emphasized the importance of proper licensing and the safety of operations in the oil and gas sector. They urged consumers to report any violations or sharp practices in the industry to the NMDPRA for appropriate action. The NMDPRA will continue its surveillance and regulatory activities in the region to ensure that businesses adhere to the law and maintain safety standards.</p>
2.	NUPRC launches digital reporting app to ease regulatory compliance (Reported by Premium Times NG, 14 October 2023)	<p>The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has launched an online platform called 'HostComply' to streamline regulatory compliance and oversight functions in the oil and gas sector. According to the NUPRC, HostComply aims to facilitate compliance with environmental, social, and governance (ESG) management requirements as mandated by the PIA. It also offers transparency and eliminates human interference in the Host Community Development Trust (HCDDT) management and ESG reporting. It assists in compliance with regulatory requirements and provides tools for project management, data analysis, and monitoring. Failure to comply could lead to sanctions, including license revocation.</p>
3.	NMDPRA seal 4 filling stations in Calabar (Reported by Vanguard, 13 October 2023)	<p>The NMDPRA has sealed at least four filling stations in Cross River State due to irregularities and operating without valid licenses. During a routine inspection of over 50 filling stations across the state, the NMDPRA found that one station was operating without a valid license, while three others were sealed for under-dispensing products. The authority emphasized the importance of protecting consumers from being cheated by fuel operators and ensuring that operators adhere</p>



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		to industry standards. They also highlighted the significance of proper licensing for environmental protection and safety. Most of the sealed filling stations were located in Calabar South and Municipality Local Government Areas of the state.
4.	<u>NUPRC Optimistic Exxon Mobil, Seplat, NNPC Will Follow Due Process in Asset Sale Deal</u> (Reported by ThisDay, 13 October 2023)	The Commission Chief Executive of the NUPRC, Engr. Gbenga Komolafe, is optimistic that parties involved in the sale of Exxon Mobil's local unit will follow Nigerian law and due process. The NUPRC had initially rejected the \$1.28 billion sale, a deal seen as crucial for investment in Nigeria's oil and gas sector. Engr. Gbenga Komolafe emphasized that the current stalemate is a commercial issue rather than a regulatory one and urged co-venturers the Nigerian National Petroleum Company Limited (NNPC) and Exxon Mobil to adhere to the law. If completed, this transaction would be one of the largest divestments in Nigerian history since energy majors started selling off assets in the late 2000s.
5.	<u>NUPRC grants first petroleum exploration license under PIA</u> (Reported by Nairametrics, 13 October 2023)	The NUPRC has issued the first Petroleum Exploration License under the PIA to TGS-PetroData Offshore Services Limited. This license allows for the acquisition of approximately 56,000 square kilometres of 3D seismic and gravity data and is expected to attract investment in the oil and gas sector. The data acquired will be used for non-exclusive petroleum exploration operations on a multi-client basis within the licensed area, thus benefiting exploration companies.
6.	<u>Upstream Operations: NUPRC Unveils 7 Draft Regulations, Engages Stakeholders</u> (Reported by Leadership NG, 11 October 2023)	The NUPRC has introduced seven additional draft regulations to enhance operational and regulatory efficiency in the country's upstream oil and gas industry. The regulations include: Draft Upstream Commercial Operations Regulations, Upstream Petroleum Code of Conduct and Compliance Regulations, Upstream Petroleum Development Contract Regulations, Upstream Revocation of Licences and Lease Regulations, Petroleum Assignment of Interest Regulations, Nigerian Upstream Petroleum (Administrative Harmonisation) Regulations and Amendment to



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		the Nigerian Upstream Petroleum Host Communities Development Regulations 2022. The NUPRC is actively engaging with stakeholders in two segments of public hearings to gather inputs and ensure these regulations are aligned with industry needs. This aligns with section 216 (1) of the PIA, which mandates stakeholder consultations before finalizing or amending regulations to create a conducive business environment for petroleum operations.
7.	<u>Shell Nigeria Invests \$56.13m for Trust Funds in 2023</u> (Reported by Energy focus Report 9 October 2023)	Shell Companies in Nigeria (SCiN) are committed to spending \$56.13 million in the current financial year as a statutory contribution to the Host Communities Development Trusts (HCDT). This contribution will be made by two of its subsidiaries, the Shell Petroleum Development Company of Nigeria Limited (SPDC), and Shell Nigeria Exploration and Production Company Limited (SNEPCo) for the benefit of host communities. Additionally, the companies have spent \$34.29 million in direct social investment during 2022. The companies funded academic scholarships, supported healthcare programs, and helped young Nigerians through the Shell LiveWIRE youth program. Furthermore, they are investing in renewable energy and clean power initiatives to support Nigeria's vision of providing reliable, affordable energy to its people. Their commitment extends to environmental efforts, including oil spill clean-up and mangrove planting in the Ogoniland community of Bodo. The companies have paid substantial taxes and royalties to the government and have awarded contracts to Nigerian registered contractors.
8.	<u>NUPRC Introduces Advanced Cargo Declaration to Tackle Oil Theft</u> (Reported by Major Waves Energy Report, 9 October 2023)	NUPRC, in its effort to combat oil theft, introduces the Advanced Cargo Declaration for transparency in upstream petroleum operations. They also plan to reactivate dormant oil wells to boost production. These steps were unveiled at the National Association of Energy Correspondents (NAEC) Annual International Strategic Conference. The initiative assigns unique identifiers to oil and gas cargoes, preventing illegitimate exports. This aligns with the



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		conference theme, "Nigeria's Energy Transition: Enhancing Investment Opportunities and Addressing Challenges in the Oil and Gas Sector."
Comments from the Petroleum Club Policy Committee <p>These news updates highlight several critical points in Nigeria's oil and gas sector.</p> <ul style="list-style-type: none"> NMDPRA's actions, including taking measures against an illegal gas outlet in Delta and the sealing of four Cross River State filling stations, emphasize the critical significance of enforcing oil and gas regulations and ensuring consumer protection while upholding industry standards. This enforcement sets the stage for increased adherence to the PIA and its safety standards; NUPRC's introduction of 'HostComply' signifies a commitment to the use of technology to achieve streamlined compliance with ESG requirements. The optimism surrounding the Exxon Mobil asset sale is of paramount significance for the Nigerian oil and gas sector, representing a critical juncture for investment; The issuance of the first Petroleum Exploration Licence under the PIA holds the potential for bolstering investments and elevating crude oil production; The unveiling of seven draft regulations signifies a proactive approach to enhancing operational efficiency in the upstream oil and gas sector. Through stakeholder consultations, the NUPRC is ensuring that these regulations align with industry needs, fostering a conducive business environment for petroleum operations; Shell's commitment to invest in Host Communities Development Trusts aligns with broader social initiatives, renewable energy projects, and environmental endeavours, reflecting a holistic corporate responsibility; and The endeavours to combat oil theft through the introduction of the Advanced Cargo Declaration and revitalizing dormant oil wells emphasize the industry's commitment to cost-efficiency and responsible practices. 		