



Petroleum Club Policy Committee – Monthly Industry Recap for November 2023

No.	News Item	Summary
1.	<u>Tinubu Retains Kyari As NNPC GCEO, Appoints Akinyelure As Board Chairman</u> (Reported by Channels 27 November 2023)	President Bola Tinubu has announced significant appointments in the Nigerian National Petroleum Company Limited (NNPCL), adhering to Section 59 (2) of the Petroleum Industry Act, 2021 (PIA). Mele Kyari is retained as the Group Chief Executive Officer (GCEO), while Pius Akinyelure assumes the role of Non-Executive Board Chairman. Effective from 1 December 2023, the newly appointed board and management, including Alhaji Umar Isa Ajiya as Chief Financial Officer and Mr. Ledum Mitee, Mr. Musa Tumsa, Mr. Ghali Muhammad, Prof. Mustapha Aliyu, Mr. David Ogbodo and Ms. Eunice Thomas as Non-Executive Directors to oversee the company. Tinubu, anticipating compliance with his administration's performance-driven energy policy, emphasizes the monetization of existing oil and gas resources and the exploration of cleaner energy sources. Additionally, permanent secretaries for the Federal Ministry of Finance and the Ministry of Petroleum Resources have been appointed.
2.	<u>Ministers, Oil and Gas Industry Captains Converge on Yenagoa for 2023 PNC Forum</u> (Reported by Premium Times 27 November 2023)	The 12th Practical Nigerian Content (PNC) Forum 2023 is scheduled to kick off on 4 December 2023 at the Nigerian Content Tower in Yenagoa, hosted by the Nigerian Content Development and Monitoring Board (NCDMB). Key figures, including the Minister of State for Petroleum Resources Senator Heineken Lokpobiri and his Gas counterpart Hon Ekperikpo Ekpo, will discuss Federal Government perspectives on Nigerian Content and investment strategies. The four-day forum will cover topics such as "Enabling Investment in the Energy Sector" and "Decarbonisation and Domestic Gas Utilisation." Presentations by industry leaders, including NNPC's Mallam Mele Kolo Kyari, will focus on collaboration, partnership, and evaluation of local content practices, with emphasis on emerging opportunities in divestments and industry decarbonisation.
3.	<u>Argentina expresses interest to NUPRC to explore Nigerian gas</u> (Reported by Oil Review Africa 27 November 2023)	The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has attracted investment interest from Argentina, with the country's ambassador, His Excellency Alejandro Herrero, expressing Argentina's willingness to explore opportunities for partnership and investment in Nigeria's gas fields. During a courtesy visit to NUPRC, Herrero conveyed Argentina's interest in the exploration and production of gas in Nigeria. Engr. Gbenga Komolafe, CEO of NUPRC, emphasized the Commission's commitment to strengthening the Nigerian oil and gas sector through robust regulations and policies, aligning with global best practices. Komolafe highlighted



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		the shift to production sharing contracts (PSC) in Nigeria's petroleum fiscal systems and announced the upcoming auction of uncommitted gas fields in the country within weeks.
4.	<u>IPPG, OPTS Engage N/Assembly to Address Nigeria's Oil Production Crisis</u> (Reported by Vanguard 27 November 2023)	The Independent Petroleum Producers Group (IPPG) and Oil Producers Trade Section (OPTS) are collaborating with the National Assembly (NASS) to address Nigeria's oil production crisis, as the country's output of 1.35 million barrels per day in October falls below the 2023 budget target. The initiative, sealed at a capacity-building workshop for NASS members, aims to combat crude oil theft, enhance security in the Niger Delta, and tackle challenges in the oil and gas sector. Senate President Godswill Akpabio, represented by Chairman of the Senate Committee on Upstream Petroleum Etang Williams, expressed lawmakers' commitment to addressing sector challenges and increasing daily oil production to 1.8 million barrels. OPTS Chairman Rick Kennedy emphasized the importance of information sharing for informed decision-making, and IPPG Chairman Abdulrazaq Isa underscored the urgent need to boost oil and gas production for economic stability.
5.	<u>More Oil, Gas Assets for Sale as Tinubu Approves Conduct of Fresh Marginal Field Bid Round</u> (Reported by ThisDay 23 November 2023)	President Bola Tinubu has approved a new bid round to sell oil and gas fields abandoned by international oil companies, lying idle for over a decade in Nigeria. The Minister of State for Petroleum, Senator Heineken Lokpobiri, announced the decision during a facility tour of Waltersmith Petroman Oil Limited's modular refinery in Ibigwe, Ohaji-Egbema Local Government Area of Imo State. The bid round aims to boost Nigeria's oil and gas production, create jobs, and contribute to community development. Lokpobiri emphasized the need for companies to invest in awarded fields.
6.	<u>Seplat Fuels Nigeria's Energy Future with \$250m Sapele Gas Plant</u> (Reported by BusinessDay, 22 November 2023)	Seplat Energy Plc (Seplat) has announced a \$250 million investment in a new gas processing plant in Sapele, Delta State, to strengthen Nigeria's energy sector and establish it as a regional gas hub. This commitment aligns with Seplat's vision for sustainable economic growth and energy transition. The investment reflects a broader trend of heightened investor interest in Africa's largest economy's energy sector. Seplat also highlighted the completion of its Imo State gas processing facility by December, emphasizing the vital role of the private sector and government support in fostering sustainable growth. Energy costs, constituting over 30 percent of business expenses in Nigeria, pose challenges further exacerbated by recent petrol price increases, particularly affecting struggling Micro-, Small and Medium-sized Enterprises (MSMEs).



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7.	<u>Nigeria's Rig Count Drops 13% as Oil Output Rises to 1.4m bpd</u> (Reported by Vanguard, 22 November 2023)	Nigeria's rig count experienced a notable month-on-month decline of 13.3%, dropping from 15 in September 2023 to 13 in October 2023, indicating limited investment and activities during the period, according to the November 2023 Monthly Oil Market Report (MOMR) from the Organisation of Petroleum Exporting Countries (OPEC). However, on a year-on-year basis, the nation's rig count increased by 62.5% from 8% in October 2022 to 13% in October 2023. Algeria leads African nations with 43 rigs, while Gabon has the lowest count at two. The report also notes a marginal month-on-month increase in Nigeria's oil output by 1.2% to 1.416 million barrels per day in October 2023. Engr. Gbenga Komolafe, CCE of the NUPRC, attributes the increased activities to the positive impact of the PIA, emphasizing its role in fostering institutional governance, efficient administration, attractive fiscal regimes, and benefits for host communities, creating a favorable atmosphere for investment and operations. The NUPRC is collaborating with TGS-Petrodata to provide enhanced data clarity for investors.
8.	<u>Nigeria, Saudi Sign MoU on Energy Cooperation</u> (Reported by Punch, 10 November 2023)	Nigeria and Saudi Arabia have signed a Memorandum of Understanding (MoU) to enhance collaboration, information exchange, and technology transfer in the oil sector. The MoU, signed by Nigeria's Minister of State for Petroleum Resources and Saudi Arabia's Energy Minister, aims to facilitate technological exchange, boost Nigeria's energy operations, and attract foreign direct investment into the country's oil and gas sector. The MoU includes joint research, knowledge-sharing, and capacity-building initiatives, emphasizing environmental sustainability and responsible resource management. Saudi Investment Minister Khalid Al-Falih announced the intention to make "game-changing" investments in Africa. The deal was announced as President Bola Tinubu arrived in Riyadh for the Saudi-Africa summit, highlighting efforts to attract foreign investment and mobilize capital for infrastructure development in Nigeria.
9.	<u>FG Launches New Nigerian Content Reporting Template for Oil and Gas Industry</u> (Reported by the Guardian, 02 November 2023)	The NCDMB has introduced a new monitoring and evaluation reporting template for stakeholders in the country's oil and gas sector. Aligned with relevant legislation and strategic roadmaps, the template aims to simplify reporting, encourage collaboration, and achieve the 70% Nigerian Content target by 2027. Unveiled at a sensitization workshop organized recently by the Monitoring and Evaluation Directorate of the NCDMB in Lagos, the template addresses reporting challenges introduces new formats, and prepares for automation. Stakeholders are encouraged to provide feedback until the end of November 2023, with assurances that their input will be considered before the final template is issued for implementation. The initiative seeks to facilitate



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		automation and real-time reporting on the NOGICJQS platform, streamline reporting processes, and enhance Nigerian Content in the oil and gas industry, supporting the goals of the Nigerian Content 10-Year Strategic Roadmap.

Comments from the Petroleum Club Policy Committee

The carefully selected articles shed light on critical policy decisions, industry collaborations, and strategic investments, providing insights into the current state and future prospects of the nation's energy landscape. Some of the major points are highlighted below:

- The appointments and strategic focus outlined by President Tinubu at NNPC reflect a commitment to stable leadership and a clear strategic direction. This is essential for the petroleum industry, providing confidence in effective management and long-term planning, crucial for navigating the complexities of the energy sector.
- The international interest from Argentina and the Saudi-Nigeria MoU highlights a growing trend of global engagement and collaboration in the Nigerian petroleum industry. This reflects the industry's recognition of the need for partnerships, investments, and technological exchange on a global scale to address challenges and foster growth.
- Initiatives such as the collaboration between IPPG, OPTS, and NASS, the new bid round for idle fields, and Seplat's \$250 million investment in a new gas processing plant underscore a collective effort to boost oil and gas production, maximize resource utilization, and align with sustainable practices.

In a nutshell, these selected stories reflect a commitment to economic development, job creation, and the long-term viability of the Nigerian petroleum industry, emphasizing both private and collaborative contributions. Whether it is teaming up with other countries, tackling production challenges, or making smart investments for the future, the industry seems to be on the move.