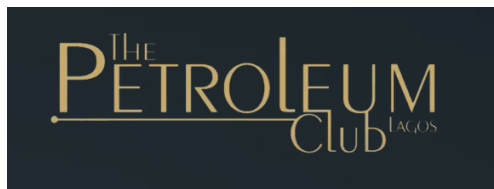


## Petroleum Club Policy Committee – Monthly Industry Recap for April 2024

No.	News Item	Summary
1.	<p><b><u>NNPCL, Partner Reopen 12,000bpd Production from Awoba Field (Reported by The Nation, 23 April 2024)</u></b></p>	<p>The Nigerian National Petroleum Company Limited (NNPCL) and its joint venture partner, Newcross Exploration and Production Ltd., have successfully restarted operations at the Awoba Unit Field, which had been shut down since February 2022 due to evacuation issues and crude oil theft. Olufemi Soneye – Chief Corporate Communications Officer noted that since the restart on April 13, 2024, the Awoba field has been averaging 8,000 barrels per day, and production is expected to ramp up to 12,000 barrels per day within the next 30 (thirty) days.</p>
2.	<p><b><u>NNPCL, First E&amp;P Achieve 20,000bpd Production At OML 85 (Reported by Channels, 19 April 2024)</u></b></p>	<p>NNPCL and its joint venture partner in OML 85, First Exploration and Petroleum Development Company Limited (First E&amp;P), have commenced oil production from the asset also known as Madu Field. Production from the field which is located in shallow waters offshore Bayelsa State and operated by First E&amp;P is expected to be at an average of 20,000 barrels per day. A statement signed by NNPCL's Chief Corporate Communications Officer, Olufemi Soneye, in Abuja on Friday, 19 April 2024 said the achievement is a testament to the commitment of President Bola Tinubu administration to optimise production from the nation's oil and gas assets through the provision of enabling environment for existing and prospective investors.</p>
3.	<p><b><u>FG to Sign GSPA on \$3.8bn Brass Methanol Project in May (Reported by The Sun, 18 April 2024)</u></b></p>	<p>The Federal Government of Nigeria (Federal Government) has announced that the Gas Supply and Purchase Agreement (GSPA), to support the final investment decision (FID) for the \$3.8 billion brass methanol project (Project) is to be executed in May 2024. This was disclosed by the minister of state petroleum resources (Gas), Ekperikpe Ekpo, in Abuja on Wednesday, 17 April 2024 after a meeting with key stakeholders of the Project in his office. The Project, located on Brass Island in Bayelsa State, is promoted by Brass Fertilizer and Petrochemical Company Limited (BFPCL) and is made up of a gas processing plant, methanol production and refining plant, and product export facilities, among others. The Project is a joint venture between DSV Engineering Limited, NNPCL, and the Nigerian Content Development &amp; Monitoring Board (NCDMB).</p>



## Petroleum Club Policy Committee – Monthly Industry Recap for April 2024

No.	News Item	Summary
4.	<b><u>FG Ready to Collaborate with PETAN for Development of Nigeria's Oil, Gas Sector</u></b> (Reported by The Champion Newspaper, 17 April 2024)	The Minister of State for Petroleum Resources (Oil), Heineken Lokpobiri, has expressed the Federal Government's readiness to collaborate with the Petroleum Technology Association of Nigeria (PETAN) to increase the country's oil production and revenue. Heineken Lokpobiri said that the partnership became necessary to address the dwindling oil production and the need to drive investment in the country's oil and gas sector. The minister gave the assurance during his visit to members of PETAN in Lagos on Wednesday, 17 April 2024.
5.	<b><u>Nigeria mandates Oil Sales to Domestic Refineries</u></b> (Reported by BusinessDay, 16 April 2024)	Nigeria, Africa's largest oil exporter, is shaking up its oil industry by mandating oil industries to supply a portion of their crude oil to domestic refineries before exporting it. This new policy, outlined by the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), aims to boost domestic refining capacity and reduce reliance on imported petroleum products. According to Gbenga Komolafe, the chief executive of NUPRC who disclosed this during a press briefing in Abuja, the move aligned with Nigeria's commitment to bolster its domestic refining capacity and ensure the sustainability of its oil industry.
6.	<b><u>Oil Production Plunge caused by Pipeline Problem – FG</u></b> (Reported by Punch, 13 April 2024)	Heineken Lokpobiri, Nigeria's Minister of State For Petroleum (Oil), says the shortfall recorded in crude oil production in the first quarter of 2024, was due to issues encountered on the Trans Niger Pipeline, coupled with maintenance activities carried out by some oil companies operating in Nigeria. The Minister, disclosed in a statement issued in Abuja by his special assistant on media and communications, Nneamaka Okafor, that measures are being taken to address the situation to, not only restore production to previous levels but to also increase the same.
7.	<b><u>Libya Overtakes Nigeria as Oil Output Hits Eight-Month Low</u></b> (Reported by BusinessDay, 11 April 2024)	Recent data from the Organisation of Petroleum Exporting Countries (OPEC) has indicated that Libya was the top African crude oil producer for March 2024. According to the April 2024 Monthly Oil Market Report (MOMR) published by OPEC, Libya recorded 1.24 million barrels per day of crude production in March, a 5.7 increase from 1.17 million barrels per day in February 2024. Nigeria recorded an output of 1.23 million barrels per day in March compared to 1.32 million barrels per day in February. The April output figure represented the lowest production rate the nation has recorded since July 2023.



## Petroleum Club Policy Committee – Monthly Industry Recap for April 2024

No.	News Item	Summary
8.	<b><u>NSCDC Operatives Bust Illegal Tapping of Crude at Egbema</u> (Reported by The Nation, 06 April 2024)</b>	The Nigerian Security and Civil Defence Corps (NSCDC), operatives have successfully clamped down on illegal bunkering of crude oil belonging to the NNPC. This was disclosed by the Public Relations Officer of the NSCDC, Babawale Afolabi, who noted that the directives of the Commandant General (CG), Dr. Ahmed Audi to all Commands, Surveillance, Monitoring and Intelligence Units regarding activities of oil theft are yielding the desired results. Mr. Afolabi revealed that operatives of the CG’s Surveillance and Intelligence Unit uncovered a massive illegal refining site with over 95,000 illegally refined Automotive Gas Oil (AGO) in Otulu Community, Egbema Council Area of Imo State.
9.	<b><u>Dangote Refinery Begins Supply of Diesel, Aviation Fuel to Oil Marketers</u> (Reported by Nairametrics, 02 April 2024)</b>	Nigeria’s Dangote oil refinery has commenced the supply of petroleum products to the domestic market. This was confirmed by Devakumar Edwin, the group executive, who disclosed that the company has begun distributing diesel and jet fuel to the domestic market. According to Abubakar Maigandi, the head of the Independent Petroleum Marketers Association of Nigeria (IPMAN), local oil marketers set the price at ₦1,225 (\$0.96) per litre for diesel after securing a bulk purchase agreement, prior to adding their mark-up.
10.	<b><u>Nigeria’s Oil Producing Fields Rise To 246 – FG</u> (Reported by Independent, 02 April 2024)</b>	The Federal Government has revealed that Nigeria now produces crude oil from over 246 fields across the country and operates 188 production stations/platforms. Data obtained in Abuja on Friday from the NUPRC indicated that Nigeria’s oil-producing fields have been on the rise since the first commercial oil discovery in the country by Shell Darcy at Oloibiri, Bayelsa State, in 1956. The NUPRC reiterated the importance of deliberate protection of the country’s oil and gas assets given the prevailing security challenges.
<b>Comments from the Petroleum Club Policy Committee</b>		<p>From the selected news items, we note the following key takeaways:</p> <ul style="list-style-type: none"> <li>The Nigerian crude oil and gas sector is facing significant productivity challenges, with the first quarter of the year witnessing the lowest production rate since mid-2023. As a result of these low production levels, Nigeria has been overtaken by Libya as the top crude oil producer in Africa.</li> </ul>



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No.	News Item	Summary
		<ul style="list-style-type: none"><li>• Notwithstanding the above, there have been positive developments in the sector in terms of production over the last month. The NNPC is spearheading efforts to kickstart production in the Awoba field which can potentially produce 12,000 barrels of crude oil per day. Additionally, the NNPC and its partners have commenced crude oil production at OML 85.</li><li>• Furthermore, the Nigerian gas sector continues to attract significant attention and investments. The Federal Government expressed its willingness to partner with PETAN to boost the country's production level and drive-up investment in the gas sector. The Federal Government also announced that the GSPA, for the \$3.8 billion Brass Methanol Project will be executed in May 2024.</li></ul>