



Petroleum Club Policy Committee – Monthly Industry Recap for February 2024

No.	News Item	Summary
1.	<u>Nigerian, Cameroonian Naval Forces Intercept Vessel Filled with 30,000 Litres of Stolen Crude</u> (Reported by Daily Post, 24 February 2024)	A joint operation by the Nigerian Navy and the Cameroonian Navy led to the interception of MV Jasmine (Vessel) laden with 30,000 litres of crude oil suspected to have been stolen from Nigeria. Commodore Rotimi Oderemi, the Commander, Nigeria Navy Ship, NNS Victory, informed journalists on Saturday, 24 February, at the inspection of the Vessel at Ibaka in Mbo Local Government Area of Akwa Ibom that the Vessel was spotted within Nigerian territorial waters following credible intelligence and collaboration with the Eastern Naval Command Centre.
2.	<u>Nigerian Military Recovers N2.6 billion Stolen Crude Oil In Two Weeks, Arrests 104 Suspects</u> (Reported by Sahara Reporters, 17 February 2024)	The Nigerian Defence Headquarters (DHQ), in Abuja, on Friday, 16 February 2024, stated that troops in the South-South region recovered stolen crude oil and other related products valued at N2.6billion. According to the DHQ, a total of 3,282,250 litres of stolen crude oil, 224,050 litres of illegally refined Automotive Gas Oil (AGO), and 5,925 litres of Dual Purpose Kerosene (DPK) were recovered between the period of January 27 2024 and February 16 2024. In addition, 131 dugout pits, 67 illegal refining sites, and 125 storage tanks were discovered and destroyed while a total of 104 suspected oil thieves were apprehended.
3.	<u>Nigeria Limits Dollar Repatriation by Oil Firms to Support Naira</u> (Reported by BNN Bloomberg, 15 February 2024)	The Central Bank of Nigeria (CBN) has restricted international oil companies (IOCs) operating in Nigeria from immediately remitting 100% of their forex proceeds to their parent companies in foreign jurisdictions. Going forward, international oil companies may only remit half their export earnings to their parent companies, with the balance to be repatriated 90 days from the date of inflow of the export proceeds.
4.	<u>Nigeria's Crude Oil Production Dropped in January – OPEC</u> (Reported by Punch, 14 February 2024)	The latest data from the Organisation of Petroleum Export Countries (OPEC) crude oil production for January reveals that Nigeria averaged around 1.427 million barrels of crude oil daily which is far below the 2024 budget target of 1.78 million barrels of daily production. According to the report, Nigeria's crude oil production for January saw an increase of 91,000 barrels when compared to the 1.33 million barrels daily production recorded in December 2023. OPEC stated that the figures were obtained from direct communication with operators in the country. However,



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		<p>based on secondary data obtained by the cartel, Nigeria’s average daily crude oil production stood at 1.419 million barrels daily- a drop of around 3000 barrels compared to the 1.422 million barrels recorded in the previous month of December 2023.</p>
5.	<p><u>Birth Of 14,000bpd Akpo West Field Excites NNPC</u> (Reported by Independent, 13 February 2024)</p>	<p>The commencement of production from the Akpo West field on the Petroleum Mining Lease (PML) 2 (formerly Oil Mining Lease (OML) 130), in Nigeria, has been officially announced by the Nigerian National Petroleum Company Limited (NNPCL). Olufemi Soneye, NNPCL’s Chief Corporate Communications Officer, who announced this in a statement, said the milestone will add 14,000 barrels per day (bpd) of condensate to the nation’s production. He added that this will be followed up by the production of about 4million cubic meters of gas per day (MMSCF) by 2028.</p>
6.	<p><u>Power Generation Receives Major Boost as NNPC-SPDC JV set for FID on Iseni Gas Supply Project</u> (Reported by Nigerian Tribune, 11 February 2024)</p>	<p>The Nigerian National Petroleum Company Limited – Shell Petroleum Development Company Joint Venture (NNPC-SPDC JV) has committed to take the Final Investment Decision (FID) on the Iseni Gas Project. This will facilitate the construction of a dedicated upstream facility to supply 100 million standard cubic feet of gas per day (MMSCF) to the domestic market for 10 years. The Chief Corporate Communication Officer (CCCO) of the Nigerian National Petroleum Company Limited (NNPCL), Olufemi Soneye, disclosed that adding 100 million standard cubic feet (MMSCF) of gas per day to the domestic market translates into feedstock capable of generating 400 Megawatts (MW) of electricity or 1.5 Metric Tonnes Per Annum (MTPa) of Urea.</p>
7.	<p><u>Shell Resumes Oil Supply to Nigeria's State Refinery Ahead of Restart</u> (Reported by Times Live, 10 February 2024)</p>	<p>Shell Nigeria has restarted crude oil deliveries from its Bonny export terminal to one of the country’s state-owned refineries in Port Harcourt, which is expected to resume operations this quarter after refurbishment. The dual-unit plant, which is undergoing a revamp and almost set for operation, will begin by processing 60,000 barrels per day (bpd) of oil, before ramping up to</p>



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		its full capacity of 210,000 bpd later this year. According to Shell Bonny terminal manager, Osita Nnajofofor, a total of 475,000 barrels of oil was delivered to the Port-Harcourt refinery in January 2024.
8.	<u>Gas Minister Meets Sector Operators, Seeks Affordable, Accessible LPG</u> (Reported by ThisDay, 07 February 2024)	The Minister of State, Petroleum Resources (Gas), Ekperikpe Ekpo (Minister), on Tuesday, February 6 2024, met with major stakeholders in the gas sector, to, among others reasons, find ways to make Liquefied Petroleum Gas (LPG), more affordable and accessible to Nigerians. During the engagement which took place in Abuja, the Minister promised that the federal government will intensify efforts to increase upstream gas production and bridge the significant gas supply gaps which continue to hamper the country's strategic economic sectors. Highlighting the importance of collective action, the Minister highlighted the necessity of mobilising additional resources to supply gas for power generation, exportation, and domestic purposes, which he believes is essential for driving economic growth, securing energy, and eliminating poverty.
9.	<u>Shell, Partners Seal 10-Year Gas Supply Deal For Dangote Plant</u> (Reported by Channels, 05 February 2024)	The Shell Petroleum Development Company of Nigeria Limited (SPDC) and its joint venture partners comprising the Nigerian National Petroleum Company Limited (NNPCL), TotalEnergies EP Nigeria Limited, and Nigerian Agip Oil Company (NAOC) have taken the final investment decision (FID) to build a dedicated upstream facility to supply 100 million standard cubic feet (MMSCF) of gas per day, to Dangote Fertiliser and Petrochemical Plant for 10 years. Revealing this information on Friday, February 2, in Port Harcourt, SPDC's Managing Director and operator of the joint venture, Osagie Okunbor, highlighted the FID as a crucial move towards backing the Nigerian government's Decade of Gas initiative.
10.	<u>Assets of Divesting Companies are still Unsold, NUPRC Clarifies</u> (Reported by BusinessDay, 03 February 2024)	The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) has denied speculations on social media that claim certain international oil companies (IOCs) have finalised the sale of their assets to local firms, clarifying that these assets cannot be considered officially sold. In a



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		<p>public notice issued on Saturday, February 3, Gbenga Komolafe, the Commission Chief Executive, stated that the NUPRC is currently carrying out due diligence on the transaction to ensure that the divestment does not result in unwarranted liabilities for the Federal Government of Nigeria.</p>
11.	<p>Again, Army Discovers 5-million Litre Capacity Illegal oil Bunkering Facilities in Rivers (Reported by Nigerian Tribune, 01 February 2024)</p>	<p>The 6th Division of the Nigerian Army has taken over a massive illegal refining camp with the capacity to refine 5 million litres of crude oil. Troops of the division raided the camp located along the Mirinwanyi channel of the Imo River at Komkom in Oyigbo Local Government Area. It was discovered that about five million litres of crude oil had already been stolen, to be refined in the camp before the troops of the division raided the area. Major Gen. Jamal Abdussalam, the General Officer Commanding the 6th Division of the Nigerian Army and Theatre Commander of Operation Delta Safe Land Component, revealed this operation to journalists, stating that it was executed following reliable intelligence about the suspected oil thieves' operations.</p>
	<p>Comments from the Petroleum Club Policy Committee</p>	<p>From the curated news items, we note the following key takeaways:</p> <ul style="list-style-type: none"> • Illegal bunkering and oil refining activities continue to plague Nigeria, presenting formidable obstacles to the country's oil industry and overall economy. Despite concerted efforts by the Nigerian Navy, collaborative operations with international partners, and the Nigerian Army's interventions, the challenge persists. • Amidst these challenges, there are encouraging developments to note. For instance, the Dangote Refinery's intention to export fuel cargoes holds promise for potentially mitigating fuel prices domestically. • Furthermore, initiatives like the Iseni Gas Project, the commencement of production at the Akpo West field, and the refurbishment of the Port Harcourt refinery signify sustained efforts to advance the nation's energy sector and enhance production capacities.



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		In summary, while the menace of bunkering activities and illegal oil refining persists, the Nigerian government and industry stakeholders remain actively engaged in addressing these issues and fostering sustainable development within the oil and gas sector.