

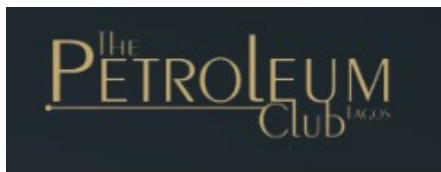
Petroleum Club Lagos: Policy Committee – Monthly Industry Recap for November 2024

No	News Item	Summary
1.	Africa Energy Bank to take off by January 2025 (Reported by Nairametrics on 03 November 2024)	The Federal Government of Nigeria (“ FGN ”) has set 28 January 2025, as the deadline for operationalising the US\$5 billion Africa Energy Bank (“ AEB ”) in Abuja. Speaking at the 19th Executive Board Meeting of the African Petroleum Producers Organization (“ APPO ”) in Yaoundé, Cameroon, Nicholas Agbo Ella, Nigeria’s Permanent Secretary for Petroleum Resources, reaffirmed Nigeria’s commitment to APPO’s goals and AEB’s establishment.
2.	Chevron plans more oil exploration, drilling in Nigeria, others (Reported by Punch on 05 November 2024)	Chevron Corporation (“ Chevron ”) has announced plans to expand its exploration efforts in African oil-producing nations, including Nigeria and Angola, to capitalize on untapped hydrocarbon potential. Vice President of Global Exploration, Liz Schwarze, highlighted West Africa’s underexplored richness and Chevron’s commitment to boosting production. Chevron has also acquired deep-water blocks in Angola and initiated new exploration campaigns in Egypt and Namibia.
3.	Nigeria, Morocco, ECOWAS advance talks on \$26 billion African Gas Pipeline Project (Reported by Nairametrics on 05 November 2024)	The FGN, Economic Community of West African States (“ ECOWAS ”), Morocco, and Mauritania have reaffirmed their commitment to advancing the US\$26 billion African Atlantic Gas Pipeline project, aimed at connecting 13 African nations to drive regional economic growth. At an ECOWAS Inter-Ministerial Meeting in Abuja, Olalekan Ogunleye of the Nigerian National Petroleum Company Limited (“ NNPC ”) emphasised the transformative potential of the initiative and highlighted significant progress in front-end engineering, environmental assessments, and land acquisition.
4.	Shell, ExxonMobil, others not exiting Nigeria – minister assures (Reported by News Express on 07 November 2024)	Nigeria’s Minister of State for Petroleum Resources (Oil), Heineken Lokpobiri, clarified that international oil companies (“ IOCs ”) like Shell and ExxonMobil are not exiting Nigeria but are shifting focus to offshore operations. Speaking at the African Energy Week in Cape Town, he emphasized that this strategic move reflects their preference for secure, stable environments away from local challenges. He further clarified that divestment involves transferring onshore and shallow water assets to indigenous



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		operators, as opposed to a departure from the country. He reiterated that all IOCs remain committed to Nigeria's energy sector.
5.	<u>FAAC Revenue Hits N6.28 trillion In Q2 2024, Offsetting Low Oil Earnings With VAT And Import Levies</u> (Reported by The News Chronicles on 07 November 2024)	The Federation Account Allocation Committee (“ FAAC ”) recorded earnings of ₦6.28 trillion in the second quarter of 2024, largely driven by Value Added Tax, customs and excise duties, which collectively contributed to 72.42% of the total earnings of FAAC. Non-oil revenue surged to ₦4.55 trillion, reflecting a 32.22% increase from the previous quarter and surpassed the FGN's target by 23.07%. Meanwhile, oil revenue contributed to 13.23% of FAAC's total earnings, amounting to ₦1.73 trillion, but falling short of projections due to low production levels of 1.27 million barrels per day (“ Bpd ”), impacted by theft and pipeline vandalism.
6.	<u>Nigeria's NNPC signs 10-year gas sale deal with Dangote Refinery</u> (Reported by Thomson Reuters on 13 November 2024)	The NNPC has entered a 10-year agreement (with an option to renew and expand), to supply 100 million standard cubic feet of natural gas daily to Dangote Refinery in Lagos, with 50 million cubic feet guaranteed and 50 million on a flexible basis. This collaboration, spearheaded by NNPC Gas Marketing Limited, supports domestic gas utilization, industrial growth, and energy security.
7.	<u>IOCs' divestment won't hinder Nigeria's first floating LNG project — Julius Rone</u> (Reported by Nairametrics on 13 November 2024)	Julius Rone, the Chief Executive Officer of UTM Offshore, has reassured Nigerians that the ongoing divestment by IOCs will not affect the development of Nigeria's first floating liquefied natural gas (“ FLNG ”) project. He emphasised that NNPC, the majority owner of the joint venture, remains committed to the success of the project. The project, primarily developed by indigenous stakeholders, including UTM Offshore, NNPC, Seplat Energy, and the Delta State government, aims to utilize gas from OML104 and enable the transfer of stranded offshore gas to onshore fields, enhancing gas exports, generating revenue, and creating employment opportunities.



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8.	Nigeria wants term buyers for new Utapate crude, seeks to double output (Reported by Reuters on 20 November 2024)	Nigeria has launched its new crude oil grade, Utapate, with plans to increase production from 40,000 Bpd to 80,000 Bpd by the end of 2025. NNPC and its venture partner, Natural Oilfield Services, aim to secure term contracts with refineries in Europe and the United States given strong demand for Utapate. The grade, with an American Petroleum Institute (API) gravity of 44 and low sulphur content, will compete with other Nigerian grades like Amenam and Agbami, as well as international benchmarks such as Azeri Light.
9.	Port Harcourt Refinery Commences Crude Oil Processing (Reported by Channels TV on 26 November 2024)	After a series of rehabilitation efforts, the Port Harcourt Refinery is finally back in operation, as was confirmed by the Chief Corporate Communications Officer of the NNPC, Femi Soneye. He further stated that the NNPC is working tirelessly to resuscitate the defunct Warri and Kaduna Refineries.
Comments from the Petroleum Club Policy Committee.		<p>From the selected news items, the following are our key takeaways:</p> <ul style="list-style-type: none"> • The FGN is committed to advancing major energy projects, including the US\$5 billion Africa Energy Bank, the US\$26 billion African Atlantic Gas Pipeline, and Nigeria's first floating LNG project, which will enhance regional economic growth and energy security. • It was notable that Nigeria's Minister of State for Petroleum (Oil) clarified that oil giants like Shell and ExxonMobil are not leaving the country but are instead refocusing on offshore operations. This clarification comes at a critical time as Nigeria seeks to boost its oil production, which dipped to 1.27 million bpd in the second quarter of 2024. The shift could be a strategic move to navigate local



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		<p>challenges, potentially opening up opportunities for local operators to take a more significant role in managing onshore and shallow water assets.</p> <ul style="list-style-type: none">• Furthermore, the deal between NNPC and Dangote Refinery to supply natural gas and the development of Nigeria's first floating LNG project by UTM Offshore indicates a bullish move toward tapping into domestic energy resources.