

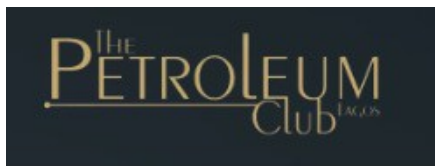
## Petroleum Club Lagos: Policy Committee – Monthly Industry Recap for February 2025

No.	News Item	Summary
1.	<a href="#">Appeal Court Upholds NorthWest Petroleum &amp; Gas Company Limited's 69.6% Equity Stake in Ede Marginal Field</a> (Reported by Nairametrics on 01 February 2025)	The Court of Appeal in Abuja upheld NorthWest Petroleum & Gas Company Limited's ("NorthWest Petroleum") 69.6% equity stake in the Ede Marginal Field (" <b>Marginal Field</b> "), overturning a previous ruling by the Federal High Court. The dispute arose after Gab and Nuella Concept Ltd and Brinitup Hydrocarbons Ltd failed to pay the required signature bonus within the stipulated 45 day-period, resulting in the reallocation of their stakes in the Marginal Field. The Federal High Court had initially ruled against NorthWest Petroleum, but the Appeal Court found the suit statute-barred under the Public Officers Protection Act, affirming the validity of the equity awarded by the then Director of Petroleum Resources (DPR).
2.	<a href="#">How Inconsistent Naira-to-crude Initiative Disrupts Crude Supplies for Dangote, other Local Refineries</a> (Reported by Nairametrics on 03 February 2025)	The Federal Government of Nigeria's (FGN) Naira-to-crude initiative, aimed at supplying local refineries with crude in Naira, has faced inconsistent implementation, leaving refineries like Dangote Refinery struggling for adequate crude supplies. Nairametrics has reported that, despite President Bola Ahmed Tinubu's (the " <b>President</b> ") directive, NNPC's reduced allocations and dollar sales continue to undermine the policy, forcing Nigeria to import crude and exposing consumers to price volatility.
3.	<a href="#">Nigeria to Block Oil Export Permits for Producers who do not fill Refinery Quotas</a> (Reported by The Thomson Reuters on 03 February 2025)	Nigeria's upstream oil regulator has warned that it will deny export permits to oil producers who fail to meet domestic crude supply quotas. The move, in line with the Petroleum Industry Act (PIA), aims to ensure local refineries receive sufficient crude before exports. While refiners blame producers for non-compliance, producers have argued that local refiners are not offering competitive prices, forcing them to seek alternative markets. However, Gbenga Komolafe, the Chief Executive Officer (" <b>CEO</b> ") of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), has warned that diverting designated crude oil will lead to penalties.
4.	<a href="#">Nigeria Sets Oil Production Target of 2.7 Million barrels per Day by 2027</a> (Reported by	According to Olu Verheijen, Special Adviser on Energy to the President, Nigeria aims to increase its oil and condensate production to 2.7 million barrels per day (" <b>bpd</b> ") by 2027.



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	<b>IAfrica on 05 February 2025)</b>	She emphasized that the projected growth will be primarily driven by condensates, which are exempt from the Organization of Petroleum Exporting Countries' ("OPEC") crude quotas. She further noted that the country's production has already risen from 1.1 million bpd in 2022 to 1.67 million bpd by December 2024, signalling steady progress toward this goal.
5.	<b>Net-Zero Targets Unrealistic, Overlook Energy Poverty in Developing Countries – OPEC Chief (Reported by Nairametrics on 11 February 2025)</b>	The Secretary General of OPEC, Haitham Al Ghais, has criticized global Net-Zero policies referring to them as having unrealistic targets and timelines that overlook energy poverty in developing nations. In an article on OPEC's website, he warned against the demonisation of fossil fuels, arguing that discouraging fossil fuel investments threatens global energy security, as oil, gas, and coal still make up over 80% of the energy mix. Al Ghais further noted that with oil demand expected to exceed 104 million bpd in 2025, there is a need for a balanced transition that includes fossil fuels alongside renewables.
6.	<b>NMDPRA Shuts Seven Fuel stations in Kogi for Under-dispensing (Reported by Punch Newspapers on 13 February 2025)</b>	The Nigerian Midstream and Downstream Petroleum Regulatory Authority ("NMDPRA") has sealed 7 fuel stations in Kogi State for under-dispensing fuel and unauthorized branding. During an inspection of 50 stations, officials found violations at Solag Resources Limited Ankpa, Hismus Oil and Gas Obajana, Riyeinic Global Limited Oke-Ibukun Kabba, S.O.T Nigeria Limited Omuo Kabba, Marktot Oil and Gas Kabba, and Nigerian Independent Petroleum Company (NIPCO) filling station Phase 1 Lokoja. Additionally, 4 stations were shut down for operating without a license. The Kogi State Coordinator of NMDPRA, Ogbe Godwin, condemned the actions of the relevant fuel stations and warned that marketers engaging in fraudulent practices will face penalties and legal action.
7.	<b>NCDMB Insists on Local Involvement in Major Oil and Gas Projects (Reported by SweetCrudeReports on 18 February 2025)</b>	The Nigerian Content Development and Monitoring Board ("NCDMB") has reaffirmed its commitment to local involvement in major oil projects, urging international oil companies (IOCs) to utilize Nigerian facilities as mandated by the Nigerian Oil and Gas Industry Content Development (NOGICD) Act. During visits to Samsung Heavy Industries Nigeria (SHIN) and Africoat Nigeria Limited ("Africoat"), NCDMB Executive Secretary, Felix Omatsola Ogbe emphasised the board's role in fast-tracking approvals while ensuring local



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		firms receive a significant share of contracts. Ogbe also urged Africoat to resolve its legal dispute to revive its \$42 million pipe coating facility, which has been idle since 2017.
8.	<b>NNPCL has not Imported Petrol in 2025 — Mele Kyari</b> (Reported by Daily Post on 18 February 2025)	The Group CEO of NNPC, Mele Kyari, has denied reports that the NNPC imported any petrol in 2025, refuting claims of a 200 million-litre import in late February. Speaking at the 60th Nigerian Mining and Geosciences Society (NMGS) Conference in Abuja, Mele Kyari dismissed the allegations as false and misleading, asserting that all fuel in circulation meets quality standards. He also dismissed viral claims of substandard NNPC fuel as bad marketing tactics, reaffirming NNPC's compliance with industry regulations.
9.	<b>Local Refinery Currently Meets 50% of Daily Petrol Consumption – NMDPRA</b> (Reported by Daily Trust on 20 February 2025)	The NMDPRA disclosed that local refineries currently meet only 50% of Nigeria's daily fuel consumption, necessitating continued Premium Motor Spirit ("PMS") imports to meet demand. The Executive Director, Distribution, Systems, Storage, and Retailing Infrastructure of NMDPRA, Ogbugo Ukoha, clarified that Oil Marketing Companies ("OMCs") that own refineries in the country, have not imported PMS this year. Instead, other OMCs are importing PMS to cover the shortfall, as local refineries supply less than 50% of Nigeria's daily petrol needs. He also dismissed social media claims about inferior fuel quality, emphasising that all imported and locally refined fuel undergo strict regulatory testing.



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10	<p><b>Nigeria's Oil Refining Sector Posts First Growth in Five Years, Driven By Dangote Refinery Expansion (Reported by Tekedia Capital on 27 February 2025)</b></p>	<p>According to a report by the National Bureau of Statistics (NBS), Nigeria's oil refining sector recorded its first quarterly growth in 5 years, by 9.59% in Q4 2024. This marks a significant reversal from the sector's continuous decline since Q4 2018 (based on Nairametrics Research), when it last experienced a 33.6% growth. The recovery is primarily attributed to the commencement of operations at the 650,000 bpd Dangote Refinery in 2024 which has significantly transformed Nigeria's refining landscape, enhancing both domestic fuel supply and international fuel exports. However, it is noted that, while local refining has improved trade balance and eased forex pressure, full benefits are yet to be realised, as fuel imports continue.</p>
<p><b>Comments from the Petroleum Club Policy Committee.</b></p>		<p>From the selected news items, the following are our key takeaways:</p> <ul style="list-style-type: none"> <li>● Nigeria's refining sector is showing signs of resilience, primarily driven by the Dangote Refinery's operations. This development signals progress toward energy self-sufficiency, reducing import dependence and positioning Nigeria as a competitive player in the global refined petroleum market.</li> <li>● Beyond refining, Nigeria is strategically positioning itself as a key global energy player by targeting 2.7 million bpd in oil and condensate production by 2027. With a focus on deep-water exploration and new investments, this expansion is set to boost revenue generation while ensuring compliance with OPEC production limits.</li> <li>● Regulatory bodies are tightening oversight in the oil and gas sector by enforcing compliance with domestic crude supply obligations and cracking down on market violations. Additionally, the NCDMB's strict local content policies are driving greater industry participation by Nigerian firms, stimulating industrial growth and creating</li> </ul>



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		employment opportunities.