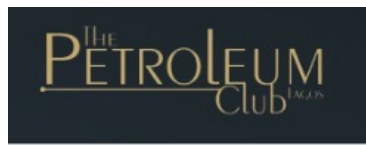




## Petroleum Club Lagos: Policy Committee – Monthly Industry Recap for October 2024

No	News Item	Summary
1.	<b><u>Federal Government removes VAT on diesel, cooking gas and others</u></b> (Reported by Punch on 02 October 2024)	The Federal Government of Nigeria (“ <b>FGN</b> ”) introduced Value Added Tax exemptions on key hydrocarbon products such as Diesel, Feed Gas, Liquefied Petroleum Gas, Compressed Natural Gas (“ <b>CNG</b> ”), Electric Vehicles, Liquefied Natural Gas infrastructure and clean cooking equipment, as well as incentives for deep offshore oil and gas production.
2.	<b><u>Nigeria’s crude oil production in September drops by 33,000 barrels- OPEC</u></b> (Reported by Nairametrics on 14 October 2024)	Nigeria’s average crude oil production in the month of September declined by as much as 33,000 barrels to 1.405 million barrels per day (“ <b>Bpd</b> ”) This information was revealed by the Organization of Petroleum Exporting Countries (“ <b>OPEC</b> ”) in its October market oil report. Nigeria has also been struggling to increase oil production to meet both its OPEC quota and local refinery demands. Since the beginning of the year, Nigeria’s output has hovered between 1.2 and 1.3 million Bpd. Despite this decline, Nigeria remains the largest oil exporting country in Africa,
3.	<b><u>Belemaoil resumes oil production at OML55 three years after theft halted operations</u></b> (Reported by Nairametrics on 15 October 2024)	Nigerian independent oil producer, Belemaoil Producing (“ <b>BelemaOil</b> ”), has resumed operations at its Oil Mining Lease (“ <b>OML</b> ”) 55 after a 3-year shutdown caused by facility damage resulting from theft. The arrival of the first floating oil storage vessel in October 2024 marked a major milestone in the company’s efforts to resume production.
4.	<b><u>Incentives in oil and gas sector have attracted \$3 billion to the economy — Wale Edun</u></b> (Reported by Nairametrics on 16 October 2024)	The Minister of Finance and Coordinating Minister of the Economy, Wale Edun, has revealed that the recently unveiled incentives in the oil and gas sector have attracted \$3 billion to the economy. He made this disclosure while speaking on the sideline of the Nigerian Economic Summit in Abuja. He also stated that in addition to the \$3 billion investment, ExxonMobil Corporation (“ <b>Exxon</b> ”) has announced plans to invest approximately \$10 billion in Nigeria’s deep-water operations.
5.	<b><u>Shell’s \$1.3bn Oil Assets’ Sale Not in ‘Waiting Room’ as Federal Government Rejects</u></b>	Earlier this year, it was announced by Shell Plc that, subject to the FGN’s approval and the satisfaction of other regulatory obligations, it had reached an agreement to



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	<b><u>Renaissance’s Bid</u></b> (Reported by ThisDay on 17 October 2024)	sell its Nigerian onshore subsidiary, the Shell Petroleum Development Company of Nigeria Limited (“ <b>SPDC</b> ”) to Renaissance, a consortium of five companies, comprising four exploration and production companies based in Nigeria and an international energy group. However, the FGN has reportedly rejected the \$1.3 billion deal after the Nigerian Upstream Petroleum Regulatory Commission revealed that the group of companies lacked the requisite qualifications to manage SPDC’s onshore assets.
6.	<b><u>NNPC, Chevron discover oil in Niger Delta</u></b> (Reported by The Punch on 18 October 2024)	The Nigerian National Petroleum Company Limited (“ <b>NNPC</b> ”) - Chevron Nigeria Limited Joint Venture (“ <b>NNPC- CNL JV</b> ”) made a significant near-field oil discovery with the successful drilling of the Meji NW-1 well, within the shallow offshore area of the Western Niger Delta. This development was disclosed in a statement released by Chevron’s General Manager, Policy Government and Public Affairs, Olusoga Oduselu, where the NNPC-CNL JV expressed its commitment to collaborate with the FGN and other stakeholders to ensure the continued development of Nigeria’s oil and gas resources.
7.	<b><u>Nigeria targets FID on Shell-operated Bonga North oil project before 2025</u></b> (Reported by S&P Global Commodity Insights, 21 October 2024)	Nigeria and its foreign oil partners including NNPC, ExxonMobil, TotalEnergies, Eni and Shell are expected to make a final investment decision on the Bonga North offshore oil project by the end of 2024. Partners in the Bonga North offshore oil project include the state-owned NNPC, ExxonMobil, TotalEnergies, and Eni and Shell. The project aims to unlock approximately 350 million barrels of oil and extend the operational life of Shell's Bonga floating production vessel by 15 years.
8.	<b><u>Dangote withdraws N100bn suit against NNPC, others over licenses</u></b> (Reported by Daily Trust on 21 October 2024)	The Dangote Group has withdrawn a suit seeking the award of N100 billion in damages against the Nigeria Midstream and Downstream Petroleum Regulatory Authority for allegedly proceeding to issue import licenses to the NNPC and other companies. It was previously reported that the Dangote Petroleum Refinery and



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No	News Item	Summary
		Petrochemicals FZE had asked a Federal High Court in Abuja to void all licenses recently issued for the importation of petroleum products into Nigeria.
9.	<b><u>Nigeria approves Exxon-Seplat deal after more than two years</u></b> (Reported by Reuters on 21 <sup>st</sup> October 2024)	The FGN has approved the sale of Exxon's onshore assets to Seplat Energy ("Seplat") more than 2 years after the \$1.28 billion deal was first agreed. The sale had been under scrutiny as it awaited regulatory approval since February 2022. With this deal, Seplat will own 40% of 4 OML's and associated infrastructure, including the Qua Iboe export terminal, and 51% of Bonny River natural gas liquids recovery plant previously owned by Mobil Producing Nigeria Unlimited, Exxon's local unit.
10.	<b><u>In a Landmark Development, EERC Assumes Full Regulation of Enugu Electricity Market</u></b> (Reported by ThisDay 23 on October 2024)	The Enugu State Electricity Regulatory Commission ("EERC") has assumed full regulatory oversight of the Enugu State electricity market following the transfer of regulatory oversight from the Nigeria Electricity Regulatory Commission to the state agency. This landmark development makes Enugu state, the first state in Nigeria to commence the development of a sub-national electricity market.
11.	<b><u>CNG: Dangote Invests 280m in Conversion, Others</u></b> (Reported by Punch on 28 October 2024)	The Dangote Group says it has invested over \$280 million in Compressed Natural Gas technology and infrastructure, highlighting its support of Presidential CNG initiative. The Group Managing Director of Dangote Cement Plc, Arvind Pathak, stated that the \$280 million investment is aimed at acquiring 100% CNG trucks as part of a long-term plan to transition its entire fleet to CNG.
<b>Comments from the Petroleum Club Policy Committee.</b>		<p>From the selected news items, the following are our key takeaways:</p> <ul style="list-style-type: none"> <li>Nigeria is taking significant steps toward energy diversification, with the introduction of VAT exemptions on clean energy products amid rising fuel prices.</li> </ul>



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No	News Item	Summary
		<p>These incentives show promising results, attracting approximately \$3 billion into the economy and drawing interest from more foreign investors.</p> <ul style="list-style-type: none"><li>• In the event that the Bonga North offshore project moves forward, it would significantly boost Nigeria's oil sector, particularly in terms of production longevity and resource availability. Unlocking 350 million barrels of oil would bolster Nigeria's reserves and support the country's export capacity, potentially attracting more foreign investment and generating significant revenue.</li><li>• The Dangote Group's \$280 million investment in CNG infrastructure underscores its dedication to advancing sustainable energy practices within Nigeria. Such substantial investments in sustainable practices are crucial for enhancing energy security and promoting economic growth. It is anticipated that this development will boost investor's confidence in CNG investment in Nigeria.</li></ul>