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True Perspective

Afam Paulkinson Umeano

0805 244 2020

afam@nogspeed.com, afamumeano@gmail.com

Energy future: looking stiffer, but brighter!

In the last few months, it was a galore of change in the topmost administrative positions in the most influential players in the oil and gas industry.

From the job of the number one man in the petroleum industry, the top brass at the main engine house oil and gas corporation, to the topmost position in the largest indigenous oil and gas multinational conglomerate, the uppermost position at one of top three oil majors. to the top office of a giant public-quoted indigenous energy company, and perhaps others not announced, the industry was awash with change of guards that signals a resetting of the business landscape in the industry in the coming years.

Certainly, the cumulative energy that would naturally ensue from these new leaderships would obviously have a different impact on not only the psyche of the industry, but on outcomes in the Nigeria's oil and gas business. At the moment it is difficult to speculate what these outcomes would be and which side the pendulum of the impact would swing. For me, it would be for the better because a new broom always sweeps better as my mother would say.

When I attended the 20th anniversary of the Nigerian Gas Association (NGA) I looked forward to yet another come-together-sit-around-and-jaw-jaw on the same exact issues bedecking the industry and bemoan the lack of positive actions from those who should raise the industry just as one of the top speakers at the forum casually remarked about the seemingly wastefulness of the time recycling industry problems that never get solved, until we had a chat with the President of NGA who factually not only poured soothing oil on the troubled water, but raised the hope for a brighter future for Nigeria gas industry which in truth is the next real economic frontier for Nigeria, if the needful is done and done now.

And as the local content board unceasingly continues to make the industry a veritable investment haven for all players, foreign and indigenous, we could not frankly keep pace with the chain and pace of activities it spurns in every facet of the industry. We could only report and analyze so much.

Please don't take my word for it, simply flip through the pages in your hands. It has indeed been a good period of work for us getting here.

I am

Afam

Global Crude Oil Production Rankings by Volume (2019)

	COUNTRY	OIL PRODN (bbl/day)		COUNTRY	OIL PRODN (bbl/day)
	WORLD PRODTN	80,622,000			
1.	USA	15,043,000	50	Uzbekistan	52,913
2.	Saudi Arabia (OPEC)	12,000,000	51.5	Cuba	50,000
3.	Russia	10,800,000	53	Turkey	49,497
4.	Iraq (OPEC)	4,451,516	54	Tunisia	48,757
5.	Iran (OPEC)	3,990,956	55	Germany	46,839
6.	China	3,980,650	56	Peru	40,266
7.	Canada	3,662,694	57	New Zealand	35,574
8.	United Arab Emirates (OPEC)	3,106,077	58	Ukraine	31,989
9.	Kuwait (OPEC)	2,923,825	59.5	Ivory Coast	30,000
10.	Brazil	2,515,459	59.5	Syria	30,000
11.	Venezuela (OPEC)	2,276,967	61	Belarus	25,000
12.	Mexico	2,186,877	62	Mongolia	23,426
13.	Nigeria (OPEC)	1,999,885	63	Albania	22,915
14.	Angola (OPEC)	1,769,615	64	Yemen	22,000
15.	Norway	1,647,975	65	Poland	20,104
16.	Kazakhstan	1,595,199	67	Congo, Democratic Republic of the	20,000
17.	Algeria (OPEC)	1,348,361	67	Philippines	20,000
18.	Oman	1,006,841	67	Serbia	20,000
19.	Libya (OPEC)	1,003,000	69	Netherlands	18,087
20.	United Kingdom	939,760	70	Suriname	17,000
21.	Colombia	897,784	71	France	16,418
22.	Indonesia	833,667	72	Austria	15,161
23.	Azerbaijan	833,538	73	Myanmar	15,000
24.	India	715,459	74	Hungary	13,833
25.	Malaysia	661,240	75	Croatia	13,582
26.	Ecuador (OPEC)	548,421	76	Niger	13,000
27.	Argentina	510,560	77	Guatemala	8,977
28.	Romania	504,000	78	Mauritania	5,000
29.	Egypt	490,000	79	Chile	4,423
30.	Congo, Republic of the (OPEC)	308,363	80	Bangladesh	4,189
31.	Vietnam	301,850	81	Japan	3,918
32.	Australia	289,749	82	Greece	3,172
33.	Thailand	257,525	83	Spain	2,667
34.	Sudan and South Sudan	255,000	84	Czech Republic	2,333
35.	Turkmenistan	230,779	86	Belize	2,000
36.	Equatorial Guinea (OPEC)	227,000	86	Lithuania	2,000
37.	Gabon (OPEC)	210,820	86	South Africa	2,000
38.	Denmark	140,637	89	Barbados	1,000
39.	Chad	110,156	89	Bulgaria	1,000
40.	Brunei	109,117	89	Kyrgyzstan	1,000
41.	Ghana	100,549	91	Georgia	400
42.	Cameroon	93,205	92	Israel	390
43.	Pakistan	80,000	93	Slovakia	200
44.	Italy	70,675	94	Taiwan	196
45.	Timor-Leste	60,661	95	Tajikistan	180
46.	Trinidad and Tobago	60,090	96	Morocco	160
47.	Bahrain	40,000	97	Jordan	22
48.	Bolivia	58,077			
49.	Papua New Guinea	56,667			

Bbl = barrel of oil per day

Source: Wikipedia

COURTESY VISIT:
Victor Okoronkwo, Group Managing Director, Aiteo E&P and Hon. Femi Gbajabiamila, Honourable Speaker, Federal House of Representatives during a courtesy visit.

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EDITORIAL TEAM: CHIEF EDITOR: Afam Paulkinson Umeano RESEARCH: Becky Martins, Blessing Osuji STAFF WRITERS: Stella Bassey, Harry Anga, Kabir Mohammed, Ubong Nelson NIGER DELTA BUREAU: Gerald Ngobili SOUTH AFRICA BUREAU: Chuks Brown Umeano WASHINGTON BUREAU: Emeka Mbah ART & DESIGN: Design Bureau Services, Kola Okusolubo, Ikechukwu Onuoha CONSULTANTS: Vin Ofomata, Engr. Charles Ilоegbunam, Kevin Ushi INITIATIVE/PRODUCTION: The Harry Fame Communications Ltd.

A Harvest Of New Leaderships In Nigeria Oil & Gas

Afam Umeano

At no one time has the oil and gas industry experienced several change-of-guards in various areas of the sector almost at the same time as it has in the past few months.

The question would be, what does it portend for the overall long-term and short-term interest of the industry. Will it prove the proverbial expectation that a new broom should sweep cleaner?

What is each person bringing to the table of oil and gas value chain? To what extent will they follow existing plan and process established by their predecessors or will they come with entirely new pattern, operation, concepts and reforms to drive their own leadership style for their organizations? For those in the public sector, it would seem pretty easy to presume that they would have the freedom to set up entirely fresh platforms and approach to achieve positive results for their organization and impart the industry as is often the case with public concerns, but one may not expect similar unrestricted freedom from those in the purely private, profit-oriented organizations whose leadership, decisions and actions are influenced by seen and unseen business-minded boards who are the investors and core stakeholders in the business and whose interests are guided by return on investments, goals, growth projections and the like.

Therefore, with the new "chaps" on the block, what should one expect in the light of prevailing business climate in the oil and gas industry? From our research and enquiry, we found out some of the key reasons some were made to ascend the height of the positions they now occupy in their various companies – ranging from inevitable statutory retirement policies, the need for reorganization or repositioning, their clear suitability for the role, better and more advantageous astuteness and business ability, sharp intelligence, industry knowledge and how it works, higher professional skill sets, a keener understanding of the system, process, and so on. Some of these new industry bosses have already hit the ground running as some are already many months into their new positions and frankly, they all seem quite hot and well suited for the leadership roles they individually are playing for their organizations.

Here are some of their pedigrees and positioning in the oil and gas scheme of things:

Chief Timipre Sylva
Hon. Minister of State for Petroleum Resources

Sylva was born in Brass, Bayelsa. He was a member of the Rivers State House of Assembly in the 1990s. Sylva graduated from the University of Port Harcourt with distinction in English (Linguistics) in 1986.

He did his National Youth Service with Shell Petroleum Development Company in Warri, Delta State.

His working career started with the National Minority Business Council, Port Harcourt as the Executive Secretary. Between 1991 – 1992 he was elected, member of the Rivers State House of Assembly, a tenure that was later truncated by a military take over.

Thereafter, he went into private business. He later went back to politics and was one of the founding members of United Nigeria Congress Party, UNCP, where he served as the State Financial Secretary.

He was appointed political adviser to the late former Governor of Bayelsa State, D.S.P. Alamieyeseigha, an appointment he later resigned in 2002.

Till 2004, he was also member of the Governing Council, Federal University of Agriculture, Umudike Abia State.

He was a Special Assistant to the Minister of State for Petroleum Resources.

Mele Kolo Kyari
Group Managing Director (GMD), NNPC

Mele Kolo Kyari, born 8 January 1965 is Geologist, unionist, crude oil marketer and the 19th Group Managing Director (GMD) of the Nigerian National Petroleum Corporation (NNPC).

Before this appointment, Kyari was the Group General Manager, Crude Oil Marketing Division of the NNPC and the Nigerian National Representative at the Organization of Petroleum Exporting Countries (OPEC) since 2018. He obtained a bachelor of science (BSc) in geology and earth science from the University of Maiduguri

Mr Kyari possesses a rich profile of professional and service credentials and is a crude oil and gas marketer with outfield pedigree in petroleum economics trading.

With over 32 years of experience traversing the entire oil and gas value chain, the Crude Oil Marketing Division of the NNPC recorded noticeable transformation in management and sales via an infusion of transparency and automation of the processes,"

Between 1988 and 1991, he worked with the Nigerian Geological Survey Agency before joining the NNPC subsidiary, Integrated Data Services Limited (IDSL), where he worked as a Seismic Data Processing Geophysicist in the Data Processing Department.

By 1998, Mr Kyari was the

Exploration Geophysicist Production Sharing Contract (PSC) of the National Petroleum Investments Management Services (NAPIMS) until 2004 when he became the Abuja Operations Manager of NAPIMS.

In 2006, he was appointed Supervisor PSC, Crude Oil Marketing Department (COMD) of the NNPC, rose to Head, and Manager of Production Contracts Management of the COMD between 2007 and 2014, respectively.

Mr Kyari was appointed General Manager Oil Stock Management, COMD where he worked till 2015 before being appointed Group General Manager, COMD and later Nigeria's National Representative at OPEC.

He is a recipient of very numerous honors, recognitions and awards

Victor Okoronkwo
Group Managing Director (GMD) Aiteo E&P

As Dr. Chike Onyejekwe retired from the mantle of leadership fell on Sir Victor Ikechukwu Okoronkwo as the GMD of the Aiteo group – a move seen across the industry as a square peg in a square space.

With over 30 years in the Oil and Gas industry, Victor had been with the Shell Group where he held various positions including, Power Asset Manager, Gas Commercial Manager, Gas and Power Business Development Manager as well as General Manager, Gas.

Victor joined the AITEO Energy Group in 2015 the same year AITEO acquired 45% interest from Shell, Total and Agip in the prolific OML29 and the 97km 48" 600kbpd Nembe Creek Trunk Line (NCTL) in Nigeria's Niger Delta, in what was considered the 2014 oil and gas "deal of the year" in sub-Saharan Africa.

At takeover of OML29 Assets, and the NCTL, total production from the asset was under 28kboe/d, but by November 2016, AITEO had achieved an enviable production peak of over 100kboe/d launching itself into the league of major oil and gas producers in Nigeria.

Victor play very active role in the Nigeria oil and gas sector and has held various key positions in the development of Natural Gas as key fuel for the Nigeria economy through the development of the Nigerian Gas Master Plan (NGMP).

He was pioneer Asset Manager of Afam Integrated Gas and Power Plant, generating 650MW of ca.18% of Nigeria's total power generation. The first Vice zzPresident and council member of the Nigeria Gas Association and a board member, Gas Aggregation Company Nigeria Ltd, Victor has also been a member of the Steering Committee of West Niger Delta Gas Central Processing Facility.
He was a Two-term Chair, the Gas Committee of the Oil Producers Trade Section (OPTS) as well as Head, Power Work Stream of OPTS that heralded the industry collaboration with Nigeria National Petroleum Company on the development of Nigeria Gas Master Plan (NGMP)

A recipient of numerous awards for philanthropic and community services, Victor holds the prestigious Ugwu-Aro Award, the highest honor from the ancient Arochukwu Kingdom.

Victor holds a B.Sc. in Surveying Engineering and an MBA. He is an alumnus of the ISEAD Business School and Oxford/Princeton College of Energy Studies.

A Knight of the St. Christopher (KSC) of the Anglican Communion, Sir Victor is married to Lady Ann Okoronkwo and blessed with children and a granddaughter.

Nicolas Teraz
Vice President, Africa-Total E&P

The board of directors of Total E&P Nigeria in September 2018 appointed Mr. Nicolas Terraz as Senior Vice President, Africa, Total E&P, who had previously, in September, 2015, succeeded Mrs. Elisabeth Proust as Managing Director/Chief Executive of Total E&P Nigeria Ltd. (TEPNG)

Mr. Nicolas Terraz is a graduate of French Engineering schools Ecole Polytechnique and Ecole Nationale des Ponts et Chaussées. He also earned a master's of science in technology and policy from the MassachusettsInstitute of Technology (MIT) United States.

He joined Total in 2001, after working for seven years with the Trench Government, in the Ministries of Industry and Public Works and Transportation.

In his career in Total, Mr. Terraz acquired extensive experience in operations and management of various projects in our affiliate companies in many countries including Myanmar, Qatar and France.

He served as Managing Director of Total E&P Myanmar and Total Group Representative in Myanmar (2008 to 2011) and as Managing Director of Total E&P France (2011 to 2013).

Mr. Terraz was appointed Vice President new Ventures & Asset Management for Total Exploration and Production on March 1st, 2014. He is coming to Nigeria from his present position as a top executive in the new business unit in France.
Born in 1969, he is married with four children.

Roger Brown
SEPLAT Petroleum Development Company Plc

Seplat Petroleum Development Company PLC (SEPLAT) announced the retirement of its pioneer Managing Director and later CEO, Mr. Austin Avuru who retires, July 2020 after 10 years of leading the company.

Seplat plans a repositioning that would see to the expansion of its footprint in the energy business and to pursue offshore assets as well as opportunity-driven entry into different geographies. With a belief that a corporate transition, modified organizational structure, people skills set and mentality is imperative to competing well in the expanded space. To attain this its board has selected Mr. Roger Brown to succeed Mr. Avuru as CEO. Meanwhile, during the transition, the CEO designate will lead the restructuring between now and the final exit of Mr. Avuru on 31 July 2020.

Mr. Brown joined SEPLAT in 2013 as the CFO and played a key role in the successful dual listing of the Company in 2014. Similarly, he has played significant roles in various asset acquisitions by the Company.

Mr. Brown brings to the CEO role, a deep knowledge of the Company in his 6 years as the CFO and a member of the Board. He has strong financial, commercial and M&A experience as well as proven people skills which will be an asset as the Company embarks on the next phase of its growth plan.

Prior to joining SEPLAT, Mr. Brown was an advisor to the Company since 2010 while he was the Managing Director and head of EMEA Oil and Gas at Standard Bank Group. During his time at the bank, he was instrumental in providing advice and deploying capital across the African continent in the Oil & Gas, Power & Infrastructure and the renewable energy sectors.

NCDMB's E.S Lays Foundation For Pe Energy Centre For Excellence

Harry Anga

The Nigerian Content Development and Monitoring Board (NCDMB), recently performed the foundation laying of PE Energy Centre for Excellence in Port Harcourt, Rivers State.

The facility which seats on a 10,800 square meters of land will provide services such as Valves assembling & Automation, HIPPS Assembly and Integration, Metering Skids Assembly and Calibration, Automation and Control Solutions, Process Solutions, Integrated Services including packaged substations & Control Panels.

zSpeaking at the occasion, the Executive Secretary, NCDMB, Engr. Simbi Wabote commended PE Energy limited for their contribution to the growth of the Nigerian Oil and Gas sector and Nigerian Content and stated that the centre will also assemble Early Production Facilities (EPF's) and Mobile Production Units (MOPU's) which are very essential in our country's aspiration to increase oil and gas production.

According to him, "Instrumentation Control and Automation is a key area of interest to the Board and has a very wide application beyond the oil and gas industry. When completed and fully operational would be utilized as a Center of Excellence for Human Capacity Development in the area of Instrumentation Control and Automation".

He also applauded the company for contributing to the resurgence of Trans Amadi as an industrial area where investors should move into for their businesses to thrive.

Wabote appreciated the International Operating Companies for their support in the successful implementation of Nigerian Content and encouraged them and other Oil and Gas service providers to see investments as a means of cost reduction and enhancement of the reliability and availability of their production facilities.

In his remarks, the Chief Executive Officer, PE Energy Limited, Engr. Daere Akobo commended NCDMB for its strategic implementation of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act 2010, noting that PE Energy limited is a Nigerian wholly owned establishment.

He sought for more support from other international oil and servicing companies in the development of the facility so it would become a hub for Original Equipment Manufacturers (OEMs).

Potential Game Changer, Critical Issues In Nigerian Gas Economy Over 2 Decades

An Exclusive Insight into the potentials of Gas.

An exclusive interview with the President, Nigerian Gas Association (NGA), Mrs Audrey Joe-Ezigbo on the occasion of the 20th Anniversary of the Association.

Q. As the PNGA when the Association turns 20 years, what is your message to all the stakeholders in the industry on this milestone anniversary?

As we mark our 20th Anniversary, one thing that is clear is that the NGA has come of age as the voice of the gas industry in Nigeria. The NGA has grown from a small association of international oil companies and the Nigerian National Petroleum Corporation, to a large organization with membership across the vast gas value chain, from upstream exploration and production, midstream processing and transportation, to downstream distribution, power generation and distribution companies, all the way to end user gas-to-feedstock and gas-to-fuel companies, as well as broad range of industry affiliate members such as legal firms, financial service institutions and the several gas industry professionals who are individual members. We have made remarkable strides in ensuring a robust engagement and representation of the NGA in all issues relating to the industry, working hard over the last twenty years to ensure the progress of the gas industry with end benefits accruing to our members and the nation at large. We have elevated NGA to the level of a global gas association and chartered member of the International Gas Union (IGU). What this means is that we are recognized by the international coalition of country gas associations and present a formal voice for Nigeria in the global discourse of Natural Gas. We have successfully created cross-border and regional networks and investment opportunities for many of our members and positioned the NGA clearly as the leading gas association in the region.

> ***We are recognized by the international coalition of country gas associations and present a formal voice for Nigeria in the global discourse of Natural Gas.***

Q. What policy direction do you propose as the next industry game changer in the next two decades?

Good question! Now while the approval of the National Gas Policy is a landmark in itself, it then brings us to the conversation of what is a clear gap that has yet to be addressed twenty years later, and that is the Petroleum Industry Bill. Any conversation about the future direction of policy that does not start from here would be remiss and I dare say almost irresponsible. When you speak of game-changers, the PIB was to be just that. Indeed, this is the missing piece that if legislated, would, in essence, codify the provisions of the NGP into law. Indeed, it would bring together in a coordinated manner the several different, sometimes near divergent, pieces of policy/regulation/legislation that the gas industry has been constrained to operate with for several decades now. It is most unfortunate that we have been on the issue of the PIB since 2008 when it was first presented to the National Assembly. After several iterations and the eventual breaking of the original PIB into four bilzls, one of the bills - The Petroleum Industry Governance Bill PIGB was passed by the legislature in 2018 but as you may know, the President denied assent when the PIGB was sent to him.

> **When you speak of game-changers, the PIB was to be just that. Indeed, this is the missing piece that if legislated, would, in essence, codify the provisions of the NGP**

As the NGA, we are very keen to see the passage of all four bills. We are keen to see the approval of the National Fiscal Policy as well, the reason being that these will provide much-needed clarity around the gas investment landscape for both existing and potential future projects. Clarity around the fiscal regime for gas, going forward, will help the modelling, assurance and sustainability of especially larger and longer-term gas projects; and we expect that this will also bring E & P of our Non-Associated Gas resources to the fore in the nearer term, among other benefits. With over 600Tcf of unproven gas reserves, and with domestic gas demand far outstripping domestic gas supplies, it is imperative for us to create the investment climate that will lead to a deliberate production and monetization of our NAG resources. This then is another key aspiration of the NGA and we will continue to push for these approvals in order to ensure a more robust, vibrant and successful gas industry. By the time we gather to mark our next decade as an Association, we want to see game-changing projects that have been established as a result of the attainment of these approvals.

Further, it is imperative that policy direction moves towards the liberalization of the gas market. We cannot continue to operate under excessive regulation of gas prices. NGA and our members believe that the industry is ripe for Willing Buyer – Willing Seller based transactions, many of which are already happening, quite frankly. In the face of a severe infrastructure deficit and the need to bring in several billions of dollars into the industry to enable its growth and the multiplier growth across other gas dependent sectors of the economy; the economics of gas projects must be assured and sustainably so. Gas projects are typically much more expensive but with slower payback periods than typical oil projects, and the continued constraining of prices below what is attractive to investors needs to be discontinued. Policy that signals liberalization will be a welcome development, and of course, we will then hope that any such policy is legislated upon in a timely manner as well.

We still have quite a long way to go. Our industry is very much in a state of flux. We have been able to get some things to work well, but a myriad of issues still need to be addressed in order to better ensure the security of our individual and collective investments and protection of stakeholder interests. On behalf of my entire Executive Council, I want to assure our members and industry stakeholders that we will continue to engage broadly, seeking for the adoption of


President, Nigerian Gas Association (PNGA), Mrs Audrey Joe-Ezigbo

actionable resolutions to both our legacy issues, as well as issues unfolding more recently in the face of current economic and global realities. Our approach is highly collaborative and so I also use this opportunity to again request members and stakeholders to engage more closely with the NGA, to approach us freely where there are specific challenges which they might want us to address, to share with us any specific advocacy areas which they believe we need to focus on or do more about; the proviso being that our interventions must benefit the industry as a whole and not just one specific company, individual or sector.

Q. What is the one policy you would hail as the game-changing piece of regulation for the Industry In the last 20 years?

It would be hard to speak to anyone singular piece of policy that has been a game-changer in the industry and that is our unfortunate truth. I would rather speak to specific policy interventions that created and have the potential to create major shifts in the industry.

First (since we are looking at a 20-year horizon) would be the 2008 National Domestic Gas Supply and Pricing Policy and subsequent Regulations which was targeted at ensuring the growth of a vibrant domestic market for gas. Under these regulations, and in consonance with the then Gas Master Plan and infrastructure blueprint, Domestic Supply Obligations were introduced, and producers obligated to make volumes of gas available to the domestic market as determined by the Gas Aggregation Company of Nigeria (GACN). The essence of the aggregation concept was to engender price neutrality among producers between the export and domestic markets. In addition, the domestic market was segmented into three divisions (gas-to-power, gas-as feedstock and gas-as-alternative fuel) based on their ability to bear varied gas prices. While till date, the DSO framework and aggregation continue to have challenges in terms of implementation, there is a myriad of projects which were enabled and came on-stream as a result of this regulation. Whilst it is true that appreciably more progress could have been made in the interval between 2008 to date, the extent of domestic gas utilization projects that exist today, as well as the significant flare down from over 2Bscf/d a little over a decade ago to approximately 0.8Bscf/d of gas as at 2018, can be attributed in large part to this piece of regulation.

Fast forward several years, and mention must be made of the National Gas Policy (NGP) which was approved by the Federal Executive Council in June 2017. The NGP sets out a clear framework for Natural Gas as a stand-alone fiscal resource and industry in its own right. The overarching objective of the NGP is to move Nigeria from a crude oil export-based economy to a gas-based industrialized economy. It has created a much-needed decoupling of the upstream and midstream sectors of the gas industry, which will enable critical midstream infrastructure investments in the industry. It also provides a pathway for the institutional, commercial, legal and regulatory reforms that would be required to attract much-needed investments into Nigeria's gas industry. It creates a specific recognition and direction for deepening Liquefied Petroleum Gas (LPG) penetration, and so much more. The imperative, however, remains for the nation to ensure a steady systematic implementation of the provisions of the policy if we are to see the expected results unfold in a timely manner.

Lastly and at this time, it would be good to make mention of the National Gas Flare Commercialization program which is underpinned by the National Flare Gas (Prevention of Waste and Pollution) policy and regulation of 2018. This regulation encapsulates the government's aspiration to achieve flares out by 2020, by taking gas for free at the flare point and selling same to investors who are then able to apply various technologies to channel the gas to other productive uses. While undoubtedly, there will likely be refining that needs to happen as the program begins the trek to the project implementation stage, this regulation creates a framework based on which Nigeria can deal with the existing flares. In addition, however, it also creates a mechanism which, if handled effectively, can guarantee minimal to zero flaring on future gas development projects. The multiplier effects of a successful implementation of this regulation will not just be financial, but also environmental and with several other socio-economic benefits to the nation and people of Nigeria.

It is most unfortunate that we have been on the issue of the PIB since 2008 when it was first presented to the National Assembly.

Q. The commercial structure of the Natural Gas Industry remains problematic; what is the Association currently doing?

Indeed, the commercial landscape of the gas industry in Nigeria is fraught with a litany of issues militating against the rapid growth of the industry. As NGA we are very aware of what the issues are, being that ours is an association made up of industry players. Our Executive Council also comprises experienced individuals who are themselves operators and participants across the gas industry value chain, so we are not at all removed from the issues. As the voice of the gas industry in Nigeria, NGA is the industry's principal advocate for the advancement of the Natural Gas industry. Our advocacy efforts are aimed at ensuring there is a heightened understanding across board as to what the issues are, proposing solutions to address them, and working to foster a more collaborative approach to their resolutions. We are a solution-focused organization so, in as much as we are not afraid to critique any areas we feel a party is not doing well, we are quicker still to laud efforts worthy of commendation, and proffer our own basket of solutions to areas we believe need to be addressed. Our focus is always on ensuring that we find workable middle ground positions and alignment between the interests, objectives and aspirations of our stakeholder groups. Our approach is to engage in extensive consultation with critical industry stakeholders, from our members, the executive and legislative arms of government, the various government MDA's, as well as national and international interested parties in the industry. At a point in time in the nation such as we are currently, where a new administration has just come in, with new appointees across the various arms of government and its gas-facing MDA's, the import of the work we do in this regard becomes even more apparent, bringing the new players into a better position of understanding as to the underlying commercial and other issues from an industry point of view.

It is our role to enhance the understanding about gas and the peculiarity of commercial gas operations so that it is easier for our regulators, legislators, government MDA's and indeed the general public to appreciate the intricate workings of our industry and operations better.

NGA is also very big on thought leadership, knowledge and capacity building and so we will continue to organize several programs, some open to the public, some sector-specific, and some targeted at the government in particular; where we work to address pending commercial and related issues in the industry. We understand that it is our role to enhance the understanding about gas and the peculiarity of commercial gas operations so that it is easier for our regulators, legislators, government MDA's and indeed the general public to appreciate the intricate workings of our industry and operations better. Over the past two years, we also introduced specific learning sessions focused on addressing legal, commercial and financial issues relating to gas investments. Indeed, we also have a Legal, Policy and Regulatory Study Group that is expressly charged with researching issues in that space and developing white papers with recommendations for industry and government consideration. We are also liaising very closely with other sector-specific industry associations to foster a shared understanding and more collaborative approach to engagement with our members on one hand, and with our policymakers, regulators and legislators on the other hand.

Q. What is the Association's next strategic steps that would galvanize and shape the gas industry in relation to infrastructure, policy and operational efficiency?

We will remain unwavering in our focus on ensuring the right policy reforms for the industry, and the push to get the enabling legislation in place. As it stands, we don't have clear frameworks underpinning the midstream and downstream legs of the gas industry, so this is also work that we are taking on board. We want to see the PIGB, the PIAB, and the other two bills passed and we will continue to engage with the executive and legislature in these regards.

We will also not relent in our efforts to ensure a liberalization of the gas market. Appropriate pricing for gas is critical and we are working in concert with our members, partner associations and institutions to ensure detailed research is done to develop a gas pricing framework and methodology which we hope the country will adopt, as this will provide much-needed clarity for investors.

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Three Decades After, Nigeria LNG Waxes Even Stronger

A Brief Insight Into the Journey.

Stella Bassey

At the palace of the King of Bonny, the Nigeria Liquefied Natural Gas (Nigeria LNG) recently marked 30 years of operations where it flagged off what it called the 'Next 30 Years', highlighted by a N75 billion development fund to be released at the rate of N3 billion per year.

Why Nigeria LNG came to be

It is important to interrogate the reasons that led to the berthing of Nigeria LNG. Prior to its coming on, there was large-scale gas-flaring, which had continued for decades, and have been a major source of concern for environmentalists on account of its notable potentials for large-scale environmental pollution, climate-change and health implications in the host communities.

Hence, the need for a gas-using project – from which arose the benefits to the host communities of natural gas-utilising projects and invariably the country at large. The Nigerian Liquefied Natural Gas (LNG) project is strategically designed to utilise the abundant gas resources of the nation, which were paradoxically being wasted through decades of flaring and its associated adverse consequences on the regional and international climates.

The existing cleared plant site and residential area on Bonny Island were allocated to Nigeria LNG. The subsequent on-site activities involved the relocation of Old Finima by the federal authorities and a purpose-built new town was provided. The relocation to New Finima town took place in 1991, after which the site was levelled and covered with hydraulic fill to raise the site to the correct levels for construction. The relocation of indigenous populations and confiscation of coastal areas, especially known to be breeding grounds for marine species, portends major ecological danger and cultural trauma to man and loss of vital habitat used for centuries by animal species.

All over the world, gas extracting and processing facilities are springing up. The number of LNG projects has increased faster than crude oil refineries, as crude oil reserves dwindle across the globe. The environmental, socio-economic and health implications are not presently adequately known as is the case of crude oil refineries worldwide.

A successful model to attract FDI

In the face of dwindling income from crude oil and falling tax revenues, which are causing the federal government to miss its targets, Nigeria needs to explore creative models to fund huge infrastructure required to revamp a broken economy.

One of such proven models is Nigeria LNG. Since 1999, the Nigeria LNG has fully paid the $5.45 billion taken from its shareholders to build its six existing LNG trains. The company has also paid as much as $36 billion to its shareholders as dividends over the years, in addition to paying joint venture (JV) gas suppliers $28 billion for feed gas supplies.

Much of its success is derived from its unique structure. The government, represented by the Nigerian National Petroleum Company, owns 49 percent of Nigeria LNG while Shell owns 25.6 percent, Total Gaz Électricité Holdings owns 15 percent and Eni owns 10.4 percent.

The ownership structure makes it an independent incorporated joint venture, guaranteeing an independent board of directors, effective decision-making as well as funding for its projects. The Nigeria LNG is run based on international best standards with all the parties carefully scrutinising every decision to ensure benefits are maximised.
Nigeria LNG's unique ownership and operating model has also made it difficult for the National Assembly to amend the Act that established it; because of its incorporation charter, with companies and their countries being represented, the Nigeria LNG Act has been elevated almost to the status of a treaty and all parties are required to amend it.

The Nigeria LNG could not kick off after it was first proposed in 1968 because of the huge capital investment required which Nigeria did not have. Investors wanted assurances and guarantees that they would recoup their investments. In 1990 Nigeria granted the investors a ten-year pioneer status as well as generous concessions that prohibited further taxation and levies. The charter came with strong terms involving joint agreement before any amendment.

Therefore, to finance big infrastructure projects like road networks, rail lines and airports we encourage partnerships and funding, ownership and management structures like the Nigeria LNG.

Kabir Mohammed

NAOC, NCDMB Hold Workshop For Oil Sector Contractors

The Nigerian Agip Oil Company (NAOC) and its joint venture partners, with the support of the Nigerian Content Development and Monitoring Board (NCDMB), have organised a two-day workshop on compliance with the provisions of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act.

The workshop, held in Port Harcourt recently, sought to enlighten contractors on the regulations, policies and laws that are applicable in the oil and gas industry and encourage compliance.

Delivering the keynote address, the executive secretary of the NCDMB, Engr. Simbi Wabote represented by the General Manager, Projects Certification and Authorisation Division (PCAD), Engr. Paul Zuhumben commended NAOC/ENI for hosting the workshop annually.

He stated that the Board developed the Nigerian Content 10-Year Strategic Roadmap hinged on five strategic pillars and four enablers, to enable it achieve the desired goal of growing the Nigerian Content level in the industry from the current 30 percent to 70 percent in 2027. According to him, "domiciliation of value adding activities is one of the key objectives of the Board.

We are excited that operators and service companies now heed our call to develop human capacity of Nigerians through workshops like this."

Engr. Zuhumben charged the participants to familiarise themselves with the Nigerian Content Act and the Board's 10-Year Strategic roadmap.

In his welcome address, the vice chairman/ managing director of NAOC, Mr. Lorenzo Fiorillo, represented by the General Manager – District, Mr. Alessandro Tiani, said the workshop was organised to develop the capacity of Nigerian-owned companies to actively participate in the oil and gas industry and achieve the objectives of the NOGICD Act.

He further stated that this year's workshop is the 6th edition and was designed to re-educate the contractors on the provisions of the NOGICD Act in order to raise their level of compliance as well as empower and enhance the capacities for favourable bids and execution of projects in the industry.

In his remarks, the Head of Government and External Relations, Oando, Mr. Adeyemi Oreagba, who represented the Chief Executive Officer, Mr. Wale Tinubu, commended NCDMB for the giant stride it made in the implementation of the Act.

He assured that Oando will continue to collaborate with the joint venture partners to support the promotion of Local Content, community contractors and vendors in doing business in the oil and gas industry.

NCDMB Trains Project 100 Companies on Project Management

The Nigerian Content Development and Monitoring Board (NCDMB) has concluded Project Production Management (PPM) training for the first batch of Project 100 beneficiaries.

The training held for one week in Lagos and demonstrated the Board's commitment towards the realization of the objectives and aspirations of Project 100 and the targets of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act 2010 and the Nigerian Content 10- Year Strategic Roadmap.

In his welcome address, the Executive Secretary, NCDMB; Engr. Simbi Wabote represented by the Director, Planning, Research and Statistics, Mr. Patrick Daziba Obah explained that the training would help to address the current gaps in project delivery, project failure and inculcate in the beneficiaries the capacities for effective project delivery and Project Production Management.

According to him, "As part of the mandate of the Board, we have over the years invested significant resources in project management training either through the direct intervention or project based training, all with a singular objective that we crown our excellent plan with quality delivery to ensure steady flow of investment in country. He added that "you cannot build a reputation based on the best plans; you have to compliment your plans with quality delivery."

Also speaking, the General Manger, Capacity Building NCDMB, Dr. Ama Ikuru explained that Project 100 seeks to nurture 100 Nigerian wholly owned oil and gas service providers in a competitive and sustainable manner and through targeted interventions into larger scale players that create high impact. In her remarks, the Managing Director, Wider Perspective, Mrs. Edughom Hanson thanked the Board for initiating the training and encouraged beneficiaries to actively participate and be fully equipped in tackling project management so as to add more value to the Nigerian oil and gas industry.


Executive Secretary NEITI, Mr. Waziri Adio

Beneficial Ownership Register Ready By December 12 — Neiti

Ubong Nelson

Nigerian Extractive Industries Transparency Initiative (NEITI) has disclosed that it would unveil the beneficial ownership register for the oil and gas industry by December 12.

Executive Secretary of NEITI, Mr. Waziri Adio stated this in Abuja during the visit of the head of the International Secretariat of the global Extractive Industries Transparency Initiative, EITI. According to Adio, the beneficial ownership register would contain information on the actual owners of companies in the extractive industries irrespective of the names of those who manage them in trust for their principals.

Adio, who was represented by the Director of Communications and Advocacy, Dr. Orji Ogbonnaya Orji, noted that NEITI was seeking to exchange views on EITI implementation in Nigeria and the ongoing reforms in the oil, gas mining sector.

In her remarks, Minister of Finance, Budget and National Planning Mrs. Zainab Ahmed said that NEITI has been working to ensure more data update so that the government can use such data for developmental purposes.

Commending the EITI for its efforts at empowering more sectors, she noted that Nigeria has realised that just following international protocol would not be enough, due to environmental differences. "EITI mandate is more about reporting standards, improving process, systems, identifying loopholes and leakages," she argued.

"Fighting corruption should be left for the anti corruption agencies."

Ahmed also observed that though government agencies are on data-automation they do not interface with each other. This, she explained, accounts for their different figures and is also the reason President Muhammadu Buhari has asked a committee to reconcile government revenue since 1999, which is now being done on a weekly basis with more realistic data and information from different reporting agencies.

"In order to enhance open disclosure, government has a template on remittances and disbursement, thereby giving citizens room to ask questions, if need be," she said.

In his remarks, the Head of International Secretariat of the global EITI, Mr. Mark Robinson, emphasised the need for NEITI to ensure that it adhered to the revised standards of the global body, adding that by 2020 all information about business in the sectors must be disclosed and transparent.

According to Robinson, the Group Managing Director, Nigerian National Petroleum Corporation, NNPC, told him that the corporation is looking into that remediation issue, which has been recurrent in the NEITI audit reports. The NNPC, he said, is addressing a lot of the issues that the NEITI reports have indicated over the years.
Speaking in the same vein, NEITI's Director of Technical, Dr. Dieter Bassi noted that NNPC has been very helpful to the watchdog organisation in its operations. He revealed that there are community development agreements that are being signed by the companies and there are always issues about who signs on their behalf.

NEITI's report, according to him, also covers the revenue from the minerals sector. But, added that there are limitations about accessing the location of the illegal miners. Hence, the reports only cover companies that make regular payments. Since the reports cover industrial minerals miners such as limestone, he said, it is only states that host such companies that benefit from the 13 per cent derivation.

FRESH FID To Be Taken On NLNG Train 7 In December — Kyari

Group Managing Director of the Nigerian National Petroleum Corporation, NNPC, Mallam Mele Kyari, yesterday, disclosed that the Final Investment Decision, FID, for NLNG Train 7 would be executed next month.

Kyari who stated this in Abuja, during the visit of the Chairman and Group Chief Executive Officer, Total Group, Patrick Jean Pouyanné and other top management of the Group, stated that this was part of the concerted efforts to further grow the business of the NLNG in the country. Kyari stated that the NNPC would continue to align its business processes with its partners in accordance with global best practices for the benefit of the investments and for the good of Nigerians who remained its key shareholders.

He said, "We see Total Exploration and Production as a total partner. Total is one of the few multinational oil companies in Nigeria that are fully integrated with their visible footprints from the upstream to the downstream oil and gas sector."
He described Nigeria as the best nvestment destination in Africa iwith the largest growing economy and with a population of over 200 million that made it the largest market for oil and gas products in Africa. Kyari applauded President Muhammadu Buhari for creating an enabling investment environment for the oil and gas industry and urged the Total Group and other international oil and gas companies to take advantage of the abundant conducive opportunities in the petroleum sector.

The NNPC boss assured the Total Group of the corporation's unflinching partnership and implored them to bring to fruition all their ongoing investment portfolios for the benefit of the Joint Venture.

Also speaking, the Chairman and Group Chief Executive Officer, Total Group, Pouyanné, said Nigeria was very important to the Total Group, saying that the Egina FPSO was currently producing 200,000 barrels per day. He reassured that the Total Group would continue to invest in more deep-water projects in Nigeria and described the NLNG project as a very important asset that his company was deeply committed to.


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NNPC, NLNG Sign $2.5bn Gas Supply Agreement

Afam Paulkinson Umeano

The Nigerian National Petroleum Corporation, NNPC, has signed a $2.5 billion pre-payment agreement with the Nigerian Liquefied Natural Gas, for the development of upstream gas projects to supply gas to Trains 1 – 6 of the NLNG.


Group Managing Director NNPC, Mallam Mele Kyari

In a statement in Abuja, Group Managing Director of the NNPC, Mallam Mele Kyari, said the agreement would help resolve issues around gas supply to Trains 1 – 6, stressing that there was need to fast-track action on the process of bringing more trains on stream.

Kyari, who was speaking at the agreement signing ceremony, disclosed that the pre-payment gas supply agreement was a milestone which aligned with the Federal Government's aspirations of monetizing the nation's enormous gas resources and protecting the federation's investment in the NLNG.

He added that the agreement would ensure full capacity utilization — 22 million tonnes per annum, MTPA, Liquefied Natural Gas LNG and five mtpa Natural gas Liquids, NGL — of Trains 1-6 plants; generating employment, and provide new vistas of growth opportunities in the nation's LNG sector.

He challenged shareholders of the NLNG to work very quickly towards expanding the production capacity of the company beyond Train 7 to take advantage of developments in the global LNG market.

He noted that though NLNG has been a huge success as a company, it must go beyond its current achievements and initiate other viable projects capable of generating better return on investment.

He said, "Here at NNPC, we are thinking beyond Train 7; if your ambition is Train 7. Actually, our thinking should be on what else we can do or what other projects we can work on as quickly as possible to take advantage of the enormous potential in-country.

"There is also the need for us to take advantage of what is happening in the global market and do things very differently. There are opportunities there and our company must move into those locations and we must move fast."

Earlier in his address, the Managing Director of NLNG, Engr. Tony Attah, noted that the signing of the gas supply pre-payment agreement was a significant step towards ensuring the company's business sustainability and competitiveness.

He called for support to ensure that the Final Investment Decision on the Train 7 Project is taken this year without fail, adding that the project was no longer an ambitious one in the light of developments in the global LNG market.

Highpoint of the occasion was the signing of the gas supply pre-payment agreement which was witnessed by the Country Chairman of Shell Companies in Nigeria, Mr. Osagie Okunbor, and representatives of Total, Eni/NAOC, amongst others.

In another development, NPDC, the upstream subsidiary of the NNPC, Friday, reported a fire incident which occurred at Oil Mining Lease, OML 20 at Egbema-West, Imo State on Monday, October 7, 2019.

Managing Director of the NPDC, Mr. Mansur Sambo, stated that preliminary investigation revealed that a spark, which ignited the fire during a bunkering activity by vandals, might have caused the incident, which occurred in Well–18T, located within the flooded part of Abacheke Community.

Further report released by the Community Liaison Officer in charge of Abacheke Community indicated that no fatality was recorded.

NPDC stated that appropriate action to minimize the impact of the fire and ensure safety of the community had been taken.
The Upstream company said following successful aerial surveillance carried out Wednesday 9 October, the company was mobilizing and employing the services of a reputable Safety consultant to completely put out the fire.

NPDC advised members of Abacheke community and its environs to avoid the affected area and stay calm, promising to update the general public on the incident soon.

NLNG Pays $904.5m Dividend To NNPC

Afam Paulkinson Umeano

The Nigerian Liquefied Natural Gas, NLNG, has paid $904.5 million, an equivalent of N280.4 billion, as dividends to the Nigerian National Petroleum Corporation, NNPC, for its 2018 financial year.

The amount is 36.2 per cent of the $2.5 billion the Federal Government is currently seeking to borrow from the World Bank. According to reports obtained from the NLNG, the dividends payment made to the NNPC was for its 49 per cent stake in the NLNG.

The NNPC received the money on behalf of the Nigerian federation. The money was paid to the NNPC between the first and second quarter of 2019. The dividends paid to the NNPC in 2018 was 13.33 per cent higher than the $798.14 million, about N247.42 billion, dividends paid to the corporation by the NLNG for its 2017 fiscal year.

According to the documents, the NNPC had received total dividends of $17.407 billion from 2004 to 2018. Though this amount had been subject of controversy, as the Nigerian Extractive Industries Transparency Initiative, NEITI, had consistently accused the NNPC of diversion of the funds instead of remitting same to the Federation Account.

The NLNG recorded total revenue of $6.87 billion in the 2018 financial year, while its $372.82 million on capital investments, while the report further stated that the NLNG expended $990.42 million on the purchase of gas from the NNPC in 2018, compared to $835.58 billion recorded in 2017.

The NLNG also paid in to an escrow account $148.622 million for the purchase of gas in 2018; while $864.074 million and $34.85 million was paid as Company Income Tax, CIT/Education Tax, and Pay As You Earn, PAYE respectively in 2018, compared to $606.67 million and $15.04 million respectively in 2017.

The NLNG, the report also revealed, also paid $195.52 million as withholding tax, compared to $173.84 million in 2017; $23.62 million as Value Added Tax, compared with $23.16 million in 2017; while taxes to states and local government areas stood $729,346.16, compared to $764,357.19 in 2017. The report further noted that the NLNG paid $41.986 million for regulatory fees and levies, among others, while it paid $460.44 million to local contractors for goods and services in 2018, compared to $509.17 million in 2017.
Giving a breakdown of payments to various government agencies for licences and fees, the report noted that the NLNG paid $192.34 million and $12.58 million for state and local government levies; while payments to the Department of Petroleum Resources, DPR, stood at $66.57 million.

Payments by the NLNG to the Nigerian Ports Authority, NPA, Standards Organisation of Nigeria, SON, Niger Delta Development Commission, NDDC and other ministries, department and agencies, MDA, stood at $126,617.18, $41,076.51, $34.67 million and $672,727.69 respectively.

The NLNG, the report noted, also paid $23,309 and $6.38 million for other fees and permits and customs duties respectively. The Nigeria Liquefied Natural Gas Company, NLNG, had announced SCD Joint Venture, JV, Consortium, comprising

Saipem of Italy, Japan's Chiyoda and Daewoo of South Korea, has emerged the preferred bidder for its Liquefied Natural Gas Train 7 project.

With the presentation of the Letter of Intent to the SCD JV Consortium by the NLNG, the group had been awarded the contract to undertake the Engineering, Procurement and Construction, EPC, for the Train 7 project. The NLNG explained that with the issuance of the Letter of Intent, the NLNG was now closer to the signing of the Final Investment Decision, FID, of the Train 7 project, which he disclosed would be attained before the end of October.

It disclosed that the company had concluded arrangements to ensure that after the signing of the FID, the project would be completed within four to five years, as this would be critical to it remaining competitive and profitable in the global market. The NLNG said the Train 7 is the company's sure way to attaining the 35 per cent increase in its production capacity, from 22 million tonnes per annum, MTPA, to 30 MTPA.

The company noted that at construction phase, the NLNG Train 7 project would

attract an investment of over $7 billion; boost Foreign Direct Investment, FDI, profile of the country, and provide about 10,000 jobs during the construction stage.

Oil Firms Flare N100bn Gas In Five Months

Stella Bassey

Nigeria lost $327.39 million between January and May 2019, as oil and gas companies operating in the country flared 109.13 billion standard cubic feet, SCF, of gas in the five-month period.

This was in spite of the targets set by the Federal Government to end gas flaring in the country.

According to data obtained from the May 2019 Monthly Financial and Operations Report of the Nigerian National Petroleum Corporation, NNPC, the volume of gas flared in the five month period represented 9.06 per cent of total gas produced in the five-month period, which is 1.204 trillion SCF of gas.

The NNPC report noted that in the months of January, February, March, April and May 2019, the oil firms flared 18.3 billion SCF, 21.22 billion SCF, 24.95 billion SCF, 24.82 billion SCF and 19.84 billion SCF respectively.

The average gas price in the period under review was $3 per 1,000 SCF of gas, while the average exchange rate was N306 to a dollar.

According to the report, the volume of gas flared from January to May 2019 represented 21.82 per cent of total non-commercialised gas of 500.19 billion SCF.

Other components of non-commercialised gas included 330.23 billion SCF of re-injected gas and 60.82 billion SCF of fuel gas.

On the other hand, 187.29 billion SCF of gas was utilized as domestic gas, comprising 112.22 billion SCF supplied to the power sector and 75.1 billion SCF supplied to the industrial sector.

In addition, oil and gas firms exported 516.98 billion SCF of gas, representing 42.9 per cent of total gas produced in the period under review.

In the gas export segment, 9.39 billion SCF of the commodity was exported through the West African Gas Pipeline; 36.92 billion SCF was exported through the Escravos Gas to Liquid project; Natural Gas Liquid/Liquefied Petroleum Gas accounted for 18.16 billion SCF of gas export; while 452.48 billion SCF of gas was exported through the Nigerian Liquefied Natural Gas, NLNG.

The report stated that, "Out of the 221.21 billion SCF of gas supplied in May 2019, a total of 124.29 billion SCF of gas was commercialized consisting of 36.25 billion SCF and 88.04 billion SCF for the domestic and export market respectively.

"This translates to a total supply of 1,294.57 million SCF per day of gas to the domestic market and 2,934.78 million SCF per day of gas supplied to the export market for the month.

"This implies that 56.69 per cent of the average daily gas produced was commercialized while the balance of 43.31 per cent was re-injected, used as upstream fuel gas or flared. Gas flare rate was 8.87 per cent for the month under review, that is, 661.47 million SCF per day compared with average Gas flare rate of 9.25 per cent; that is 725.73 million SCF per day for the period May 2018 to May 2019."

It added that, "Total gas supply for the period May 2018 to May 2019 stood at 3.051 tillion SCF out of which 466.39 billion SCF and 1.316 trillion SCF were commercialized for the domestic and export market respectively. Gas re-injected, fuel gas and gas flared stood at 1.268 trillion SCF.

Continued from page

An interview with the President, Nigerian Gas Association (PNGA), Mrs Audrey Joe-Ezigbo on the occasion of the 20th Anniversary of the Association.

In terms of infrastructure development, our Investment Promotions and Export Promotions subcommittee is charged with communicating the positive narrative about Nigeria's gas industry potentials and creating necessary handshakes between existing and potential investors in-country, across the continent and globally. We have engaged with the NIPC, various embassies, high commissions, industry trade groups and chambers of commerce/industry within and outside of Nigeria. We will continue to showcase Nigeria at global gas conferences and events, speaking at every opportunity to the investment opportunities within the country. It can sometimes be a hard sell as the world is not immune to or unaware of the many challenges posed in our domestic gas landscape and economy in general; but our role is to continually showcase the many success stories that do exist and offer ourselves also as the platform and partner for potential investors to align with as they do decide to come in. We will not relent in this regard. In terms of operational efficiency within the industry, our members are quite sensitized in their individual companies as gas operations typically demand the highest levels of quality and safety, with a focus on resource and asset efficiencies. That said, NGA is undertaking a project which will in no small way contribute to improving the landscape of efficiencies within the industry, and this is by way of the Gas academy which we are currently building the framework for. We believe that it is imperative that we champion gas-specific trainings and certifications to support the up-skilling of the industry workforce.

NCDMB, Acquires $1.2m Seismic Software To Grow Human Capacity

Stella Bassey

Nigerian Content Development Monitoring Board, NCDMB, and Danvic Petroleum International Nigeria have acquired a $1.2 million seismic interpretation software and geosciences workstations for six Nigerian universities to promote knowledge in oil and gas exploration in Nigeria.

Speaking in Abuja, during the opening ceremony for the training of university lecturers on the OpendTect *seismic interpretation software*, Executive Secretary of the NCDMB, Engr Simbi Wabote, stated that the six universities include the Niger Delta University, Wilberforce Land, Bayelsa State; Federal University of Technology, Owerri, Imo State and Federal University of Technology, Minna, Niger State.

Others, he said, are Ahmadu Bello University, Zaria, Kaduna State; Federal University of Technology, Akure and the University of Maiduguri, Borno State.

He noted that the software and geosciences workstations were provided for the institutions of learning by ExxonMobil, South Atlantic Petroleum, Sapetro and Chevron.

He said, "We will continue to partner with Danvic Petroleum and her overseas partner, dGB Earth Sciences, Netherlands. We are indeed pleased that dGB Earth Sciences provided the OpendTect seismic interpretation software free of charge. It is worthwhile emphasising that the cost of this software for the six universities amount to over $1.2 million."

Wabote further disclosed that the NCDMB was sponsoring the training of 18 lecturers from the six universities on the use of the software and as part of support for improving education in the area of geosciences/geology.

Also speaking, Managing Director of Danvic Petroleum, Dr. Mayowa Afe, explained that the decision to train the lecturers was in view of the fact that the knowledge of the software by the university lecturers, would certainly lead to the enhancement of the training of students in geology and geophysics.

He noted that this would make the students more employable and relevant to the needs of the oil and gas industry after graduation.

Afe declared that Danvic Petroleum and its partner were committed to the provision of subsequent upgrade at no cost to the universities, adding that they would continue to give the necessary support to the university free of charge after training the lecturers.

He explained that by the end of the training programme, Danvic, its partner and the NCDMB, would have been able to increase the employment potentials of students after graduation, thereby reducing their exposure to violent and criminal activities.

It would also enable them validate the skills and knowledge of the country's lecturers for effective training and teaching of future geoscientists, as well as deepen specialisation with a widely-used automated tool in the oil and gas market.

He called on the federal government and its agencies, as well as other stakeholders to continue to invest more in Nigerian universities rather than only sending out graduates to foreign universities for advanced studies.

He said, "It is also important that our university curriculum is reviewed to reflect the realities of today and the needs of present day employers. This will help increase the employment potentials of our graduates. This is a proposal I will put forward for NCDMB consideration."

UNN Student Wins NCDMB 3rd Edition Essay Competition

A second-year student of Medical Rehabilitation at the University of Nigeria, Enugu State, Mr. Isaac Fredrick Sunday, has emerged the winner of the third edition of the annual national oil and gas essay competition organised by the Nigerian Content Development and Monitoring Board (NCDMB).

The essay submitted by the 21-year-old was adjudged the best amongst over 3000 entries and he was rewarded with a cash prize of Five Hundred Thousand Naira (N500,000), a new laptop and a plaque. He had emerged as one of the top 10 finalists in the 2018 edition of the competition.

The other top four finalists included Miss. Melex Tamaradoubra, a 200-level student of Medical Laboratory, Rivers State University, Port Harcourt; Mr. Nater Akpen, a 200-level Medical student of Benue State University, Makurdi; and Miss Zeenat Magaji, a 200-level student of Cyber Security Science, Federal University of Technology, Minna. They received varying cash prizes for their efforts.

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NCDMB and OPTS Plan to Develop Oil Industry Marine Vessel Standards

Afam Umeano

The Nigerian Content Development and Monitoring Board (NCDMB) will partner with the Oil Producers Trade Section (OPTS) – the umbrella body of major oil producing companies to develop an oil and gas industry marine vessels standards.

The Executive Secretary of NCDMB, Engr. Simbi Kesiye Wabote gave the hint on Tuesday in Abuja when received the new executive committee of the Shipowners Association of Nigeria (SOAN) led by the President, Dr. Mkgeorge Onyung.

The standards will be applied in marine tenders by all oil and gas operators and will specify uniform technical specifications that must be met by marine vessels that will work in the oil and gas industry.

The conceptualization of the standards will have inputs from relevant stakeholders and will enhance business opportunities for marine operators and stimulate capacity building, efficient maintenance of vessels and optimum service delivery, Wabote explained.

He added that NCDMB was desirous to promote the development of shipyards and would collaborate with the shipowners or any group that would submit a bankable proposal on how to domicile that important capacity in-country.

Responding to a request by the shipowners for the Board to relax certain conditions which made it difficult for them to access the Nigerian Content Intervention (NCI Fund), the Executive Secretary insisted that existing conditions on the NCI Fund would remain.

He clarified that the Board instituted those conditions, including the demand for Bank Guarantee from the applicant's commercial bank, so as to guard against failure of the loans and the entire credit scheme. “We set tight conditions because we do not want the Fund to fail,” he added.

He described the NCI Fund as phenomenal success, noting that 90 percent of the funds have been accessed by oil and gas companies that met the set conditions.

Earlier in his remarks, President of SOAN, Dr. Mkgeorge Onyung stated that the visit was aimed to familiarize the Board with the new executive of the association and seek innovative ways both organisations could collaborate for the good of the industry.

He commended NCDMB for the impactful implementation of the Nigerian Content Act, which has led to the exponential growth of indigenous marine sector.

He also lauded the Board for developing the revised Marine Vessel Categorization Scheme and expressed hope that it would lead to more industry contracts for their members.

Onyung stated that some members of the association were working with foreign partners to start ship building and repair centres in Nigeria and will require support and collaboration from NCDMB.

He declared that shipping consisted of 90 percent of global trade and SOAN wanted to contribute its quota to national economic development. He said the association was planning to organize a national conference and would use the forum to showcase how Nigerian Content had provided an enabling environment for shipping to thrive.

In their contributions, other executive members of SOAN sought the Board's intervention towards getting international oil companies to change the 10-year age restriction they placed by on marine vessels that would be hired in the Nigerian oil and gas industry.

According to them, it took an average of 5-6 years for a contracted vessel to break even, hence it would be highly unprofitable if such a vessel barred from working shortly after it clocked ten.

They also proposed a partnership arrangement with NCDMB whereby the Board would sponsor cadets to gain seatime onboard vessels owned by SOAN members.

They noted that the association operated a similar scheme with the Maritime Academy Oron, Akwa Ibom State and presently had 59 cadets onboard ships, with the school paying a discounted rate for the opportunities.

The also pleaded with the Board to compel the Nigerian National Petroleum Corporation (NNPC) to use indigenous owned tankers for transhipment of its products. They regretted that only one Nigerian owned tanker was engaged by the NNPC in contravention of Nigerian Content dictates.

Responding, the Executive Secretary stated the Board's readiness to partner with SOAN to provide seatime experience to young Nigerians and charged the association to submit a detailed proposal on the idea.

He also stated that NCDMB was already exploring an arrangement whereby ExxonMobil Nigeria would deploy a training vessel as a Capacity Development Initiative (CDI). The training vessel would have extra deck spaces for cadets and operate under a sustainable arrangement.

He also challenged SOAN to engage the Nigerian Maritime Administration and Safety Agency (NIMASA), NNPC and Nigerian Ports Authority (NPA) on some of its demands, which border on the mandate of those agencies.

NCDMB Visits PTI

Exec Sec. Promises Support For Facility Upgrade

By Harry Anga

NCDMB's executive secretary, Engr. Kesiye Wabote paid a visit to the Petroleum Training Institute, Effurun, Delta State to assess the facilities in the institute and determine areas the Board could assist towards upgrading its operations.
In his remarks, the executive secretary stated that the visit was in furtherance of the directive by the Minister of State for Petroleum Resources Chief Timpre Sylva during the recent Ministerial Retreat for active collaboration between the agencies within the ministry.

He promised that NCDMB would collaborate closely with PTI and add value with a view to bringing PTI back to its glory days. He recalled that PTI was set up to develop middle level manpower and technicians for the oil and gas sector, adding that the institution provided most of the production technicians, instrumentation and other skilled personnel in the industry before it began to decline

Responding to the requests made by the principal of the PTI, Prof Sunny Iyuke, the executive secretary confirmed that the demands cut across some interventions of the NCDMB and would be looked into. He, however, charged the institution's management to articulate the demands properly and make them specific, with particular reference to the establishment of a centre of excellence within the institution. Noting that NCDMB was already promoting Centres of Excellence on a number of areas. Engr. Wabote also said that "it will be nice if PTI will articulate which area it wants to focus on so that it can be made a foremost centre of excellence."

He therefore promised to support PTI's plan to establish a modular refinery which would serve as a teaching aid to students. He argued that if Nigeria had focused early on research and development with regards to refineries, the petroleum sector would have been able to keep its three refineries working optimally. According to him: "Our refineries are suffering because we do not have, perhaps the technical know-how to fix them and the manpower to research and innovate on things that will keep them running."
In the area of capacity-building, Wabote said the state of the facilities in PTI will determine if the Board's decision would be to continue to send candidates for training and re-training to PTI or if the facilities would first be upgraded to the desired level.

Earlier in his speech, Prof Sunny Iyuke stated that the Minister of State for Petroleum Resources had charged NCDMB and PTI to collaborate in carrying out research and development on the use of local materials for production optimisation and to produce locally-formulated drilling fluids for enhanced recovery. According to him, the minister also charged the two bodies to serve as a data bank and training centre for the Nigerian oil-refining and human capacity- building; to carry out research and development on technology to curb smuggling of petroleum products across the nation's borders and to develop enabling governance framework and regulatory environment on Clean Development Mechanism (CDM) technology for Nigeria that will generate emission credits through projects in various sectors of the oil and gas industry and reduce greenhouse gas emission and flaring.

Other assignments from the minister, Iyuke said, included building and operating a 2500 barrels per day modular refinery integrated with fluid catalytic cracker (FCC), to provide low-level manpower certification and training for the focal areas of the oil industry and to be involved in basic skills development programmes.

Continued from page 17

UNN Student Wins NCDMB 3rd Edition Essay Competition

The Executive Secretary of NCDMB, Engr. Simbi Wabote, represented by the Manager, Corporate Communication, Barr. Naboth Onyesoh explained that the essay competition had become a signature event for the Board and serves to promote liberal arts education and development of vital soft skills required in the workplace and business in the emerging digital world economy. According to him, "This program will continue to generate interest and awareness especially among undergraduates about the criticality of Nigerian Content philosophy and law in the oil and gas sector as a national economic agenda for job creation, poverty reduction, industrial development and economic growth."

He commended the growth trajectory of the programme and the high ethical standards it had maintained over the years.

Mr. Onyesoh added that the programme is comparable with the Boards sponsored Science Quiz Competition for high school students, conceived to stimulate interest in Science, Technology, Engineering and Mathematics (STEM) education.

He encouraged the top 10 finalists to continually improve their writing competencies because it comes with numerous benefits. Chairman of the occasion and Vice Chancellor, Niger Delta University, Prof. Samuel Edoumiekumo represented by the Deputy Vice Chancellor (Academics), Prof. Allen Agih, commended NCDMB for impacting positively on NDU and the society in general.

He sought for more competitions to improve creativity and research, so as to enable students gain requisite practical experiences and become employable upon graduation.

AFRICA

Senegal, Mozambique Mull Licensing Rounds

Senegal's Oil And Energy Ministry Set To Offer Three Blocks Under The Country's First Licensing Round.

Senegal's Oil and Energy Ministry will offer three blocks under the country's first licensing round, according to a report by the publication Offshore.

The statement was credited to the country's Oil and Energy Minister Mahamadou Makhtar Cisse, who was speaking at Africa-Oil Week. According to Cisse, the round would be promoted at conferences in London, Houston and Dakar, with interested parties given from end-January to end-July 2020 to assess the blocks' potentials.

The Offshore report also revealed that Angola's new national oil, gas and biofuels agency, ANGP, had also at the conference announced the formation of a consortium with five IOCs, including Eni and Chevron, to develop LNG for the onshore Soyo plant at an initial cost of $2 billion, with first LNG production expected by 2022.

Ghana, the report further disclosed, is revising its laws on oil and gas licenses in a bid to drive new production. To this end, the government plans to revoke licenses held by four companies that have not developed their assets.

The country's Deputy Minister for Petroleum Mohammed Amin Adam was reported to have said that the proposed changes would allow companies producing in blocks to explore elsewhere in the same area without having to obtain a new license.

Also, Equatorial Guinea's Oil Minister, Obiang Lima, said his country would award seven to eight blocks on offer under the country's current licensing round at the end of November, with a data room to be opened for companies interested in the offshore Zafiro oilfield license.

Meanwhile, Carlos Zacarias, chairman of Mozambique's upstream regulator, INP, Carlos Zacarias, said his country's sixth licensing round will be launched early next year.

USA

BSEE/BOEM Report Outlines Strategy To Revive Shallow-water Gulf Of Mexico E&P

New research indicates the need to define the Gulf of Mexico Shallow Water Province as a distinct province to avoid stranding more than $20 billion of the United States' oil and natural gas resources.

New research released from the Bureau of Safety and Environmental Enforcement (BSEE) and Bureau of Ocean Energy Management (BOEM) indicates the need to define the Gulf of Mexico Shallow Water Province (water depth less than 200 meters) as a distinct province to avoid stranding more than $20 billion of the United States' oil and natural gas resources, Offshore reported.

The Shallow Water Province, the report explained, is a historically energy-rich area that now primarily serves as a natural gas province, accounting for 33% of the Gulf's natural gas production and just over 10% of its oil production. Production and infrastructure investment used to be substantially higher in the Shallow Water Province, but over the last 20 years, development has moved onshore or to deepwater operations. The number of wells drilled has decreased 89% over the last 10 years, and approximately 100 platforms a year are being removed with no new platforms being installed. If this trend continues, the report added, the lack of development will potentially strand 179 million barrels of oil and 4,567 billion cubic feet of natural gas that have an estimated worth of $20 billion. The joint research report, "Gulf of Mexico Data and Analysis/ Leasing, Drilling and Production, Gulf of Mexico Shallow Water Potential Stranded Assets", evaluates the contributing factors for this decline and recommends using an updated discount rate for the two distinct provinces.


Global Reports - USA - Courtesy BSEE

Offshore quoted BSEE Director Scott Angelle as saying: "This research provides critical information that energy development in the Gulf of Mexico should not be managed with a 'one size fits all' approach in how we avoid stranding our nation's valuable energy resources," said BSEE Director Scott Angelle. "Although reversing the natural decline may not be entirely possible, promoting the recovery of the remaining oil and natural gas resources in the Gulf of Mexico Shallow Water Province, while protecting the interests of the American public, is an obligation this administration is taking action on." "Once the infrastructure is removed, we will not be able to recover these resources," Angelle continued. "The nation is essentially on a 'shot clock' to make sure that does not happen."

BOEM Acting Director Walter Cruickshank said: "BOEM estimates that $20 billion in oil and natural gas resources could be stranded in the Gulf of Mexico Shallow Water Province if the current trends continue. To ensure maximum resource recovery, BSEE and BOEM are working together to encourage increased activity consistent with the resource conservation policy established by Congress under Outer Continental Shelf Lands Act."

The research has laid the groundwork for two actions that encourage increased activity in the province. They include: (1) BOEM's publication of updated discount rates for the two distinct provinces of the Gulf of Mexico; namely, the Shallow Water Province and the Deepwater Province (the discount rate for the Deepwater Province also applies to all other OCS areas that that will be used for BSEE's special case royalty relief evaluations); and (2) verification that BSEE has authority to consider applications for royalty relief on a "per project" basis. These projects can include exploratory wells in order to promote development of discovered resources.

The updated discounted rate for the Shallow Water Province will apply to special case royalty relief applications and will only be applicable for new wells and production in the region.

BRAZIL

Brazilian Analyst Calls For Tax, Licensing Reforms To Boost Brazil Bid Rounds

Wood Mackenzie has issued more thoughts on the low-key response to Brazil's Transfer of Rights Surplus round, for which a Petrobras-led consortium lodged the sole bid.

Wood Mackenzie has issued more thoughts on the low-key response to Brazil's Transfer of Rights Surplus round, for which a Petrobras-led consortium lodged the sole bid, according to a report by the publication Offshore.

Analyst Juliana Miguez, according to the publication, pointed out that although a record 17 companies registered for the PSC auction, the majors and small cap companies were not attracted to the acreage on offer.

Marcelo de Assis, head of Wood Mackenzie's Latin America upstream research, added: "We live in a world where there is focus on capital discipline and on value instead of volume. And with the energy transition on the horizon, there is no appetite for an oil carnival at any cost.

"Considering yesterday´s partial success and today's disappointment, we should start discussing a broad positive agenda for the future of the Brazilian offshore.

"In my view, a number of topics deserve attention, including clarity over the country's fiscal regime. It is far from ideal to open a bid round when major changes are being discussed."

This was the country's sixth presalt auction and the fourth and last of this year's Brazil bid rounds.

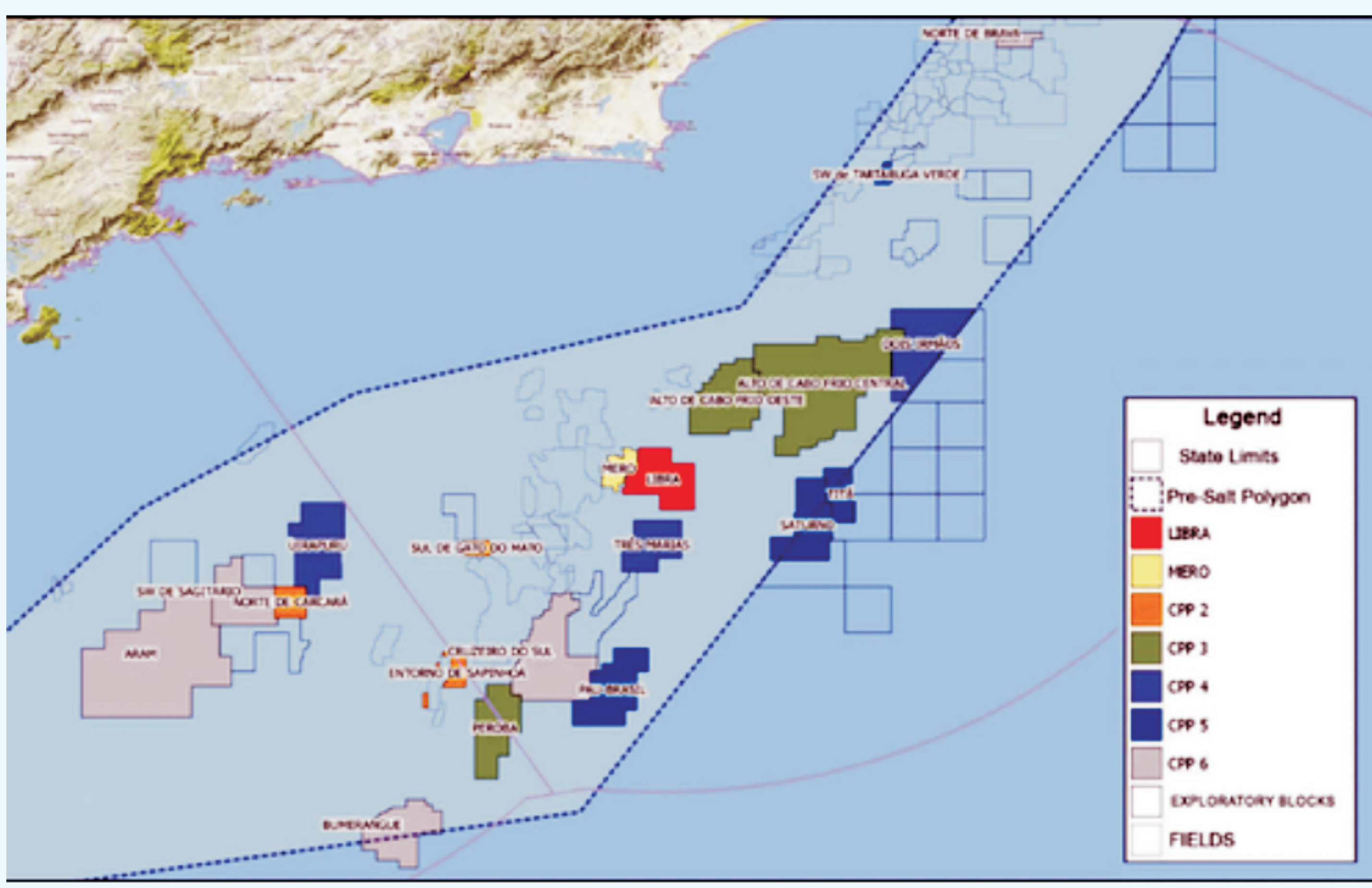
PSC Round 6 offered 8,638 sq km (3,335 sq mi) across four large and prospective Santos basin presalt blocks and a smaller Campos basin block, with combined prospective resources estimated at 40 Bbbl. Petrobras secured the Aram block, with a $1.25-billion signature bonus.

Miguez commented: "The dry well at Peroba, which was awarded to Petrobras, BP and CNPC in PSC Round 3 in 2017, may have put companies off. The only discovery to date from blocks awarded via PSC rounds has been Mero." She added that the majors have since built up their holdings in Brazil, and may not feel the need to take on fresh acreage at this point.

In addition, the higher government take throughout project lifetimes under a PSC impacts full-cycle breakeven prices and may lead to some blocks being relinquished or discoveries left undeveloped, she claimed. De Assis added: "This is not enough to boost interest in the upcoming rounds. The potential to deliver commercially-viable volumes can be restricted by continued licensing and permit issues.

"ANP and IBAMA should be manned and equipped to deal with licensing and guidelines in an expedited manner.

Simplification of the Brazilian tax regime beyond Repetro-SPED is also an issue that needs to be addressed urgently."



Analyst calls for tax, licensing reforms to boost Brazil bid rounds - Courtesy Pre-Sal Petroleo

U K

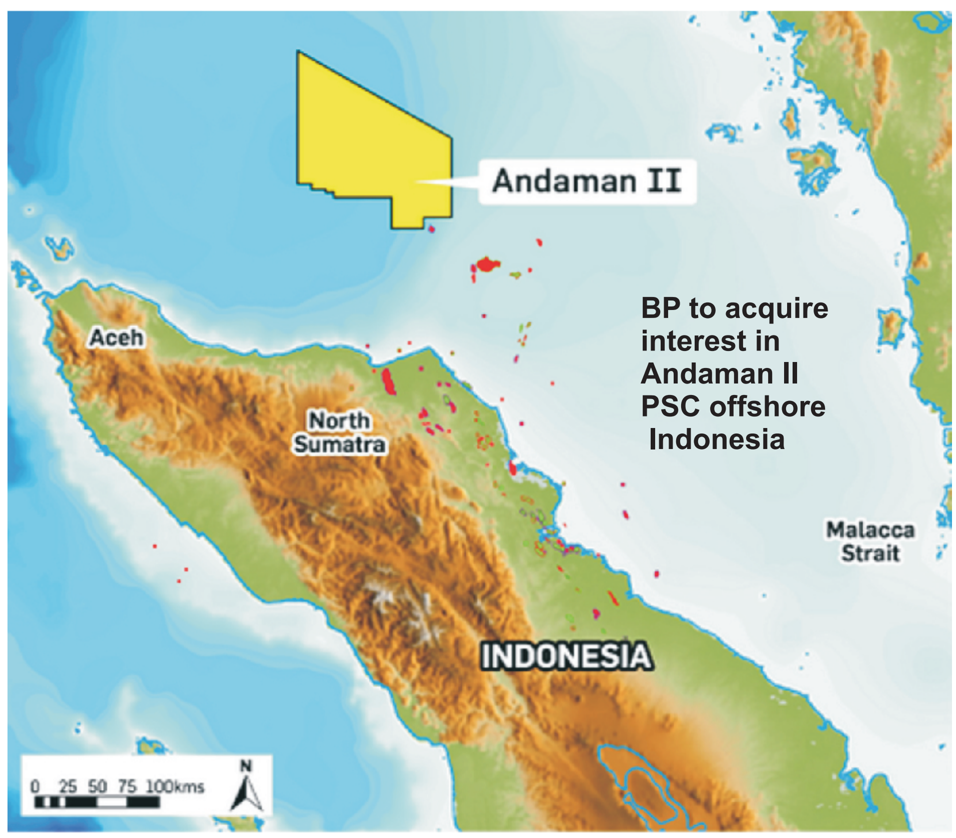
UK Opposition Pledges Oil And Gas Windfall Tax

Oil & Gas UK has responded to a new windfall tax proposed by the opposition Labour Party ahead of Britain's election next month.

Oil & Gas UK (OGUK) has responded to a new windfall tax proposed by the opposition Labour Party ahead of Britain's election next month, Offshore reported.

In its manifesto, Labour has pledged to raise more than £11 billion ($14.17 billion) via a tax on oil and gas companies, with the money used partly to retrain 37,000 personnel in the industry for new roles in clean energy.

The report quoted Deirdre Michie, chief executive of OGUK, as saying: "Our industry supports over 270,000 highly skilled, well-paid jobs the length and breadth of the UK and delivers £24 billion [$30.9 billion] of value to the UK economy. The recently published, independent report from the Committee on Climate Change confirms that oil and gas will remain an important part of the UK's energy mix for decades to come. "Any increase in tax rates affecting our UK activities will drive investors away and damage the competitiveness of the UK's offshore oil and gas industry. This tax has the potential to affect security of energy supply for the UK and increase our reliance on imports, effectively passing the buck for production emissions to other countries. Neither do imports sustain UK jobs or the supply chain companies whose expertise we need to enable the energy transition." Michie pointed out that the UK oil and gas sector has been "one of the first to step forward in response to the government target of net zero with a clear plan, 'Roadmap 2035 a blueprint for net zero,' to reduce our own emissions and help to develop the technology essential industry. This tax has the potential to affect security of energy supply for the UK and increase our reliance on imports, effectively passing the buck for production emissions to other countries. Neither do imports sustain UK jobs or the supply chain companies whose to enable the UK to achieve net zero. "Our industry's expertise and investment is needed as part of the solution," she added. "We look forward to working with the next government, whoever wins, and will play our part with others in society."



BP to acquire interest in Andaman II PSC offshore Indonesia - *KrisEnergy Ltd. has entered into a conditional sale and purchase agreement with BP Exploration Operating Co. Ltd.*

SINGAPORE – KrisEnergy Ltd. has entered into a conditional sale and purchase agreement with BP Exploration Operating Co. Ltd, Offshore reported. BP will acquire KrisEnergy's 30% non-operated working interest in the Andaman II production-sharing contract in the Malacca Strait, Indonesia. The transaction is subject to obtaining all necessary approvals including from the government of Indonesia for the assignment of the working interest. The Andaman II PSC is a 7,400-sq km (2,857-sq mi) block over the North Sumatra basin. Operator Premier Oil has 40% interest, and Mubadala Petroleum holds 30%.

MIDDLE EAST | **Aramco Commits To Zero Flaring**

Saudi Aramco is joining the World Bank Initiative: 'Zero Routine Flaring by 2030'.

Saudi Aramco is joining the World Bank Initiative: 'Zero Routine Flaring by 2030", according to a report by Offshore. The company, according to the publication, said it is strongly committed to reducing flaring, which accounted for less than 1% of its total raw gas production during the first half of this year.

Ahmad A. Al-Saadi, senior vice president Technical Services said the company had already invested in a range of flaring reduction technologies and programs to achieve the reduction. "Beyond this initiative, we are also investing in advanced technologies to enable greater efficiency and lower emissions in fransport, carbon-free hydrogen uels, and carbon capture, utilization and storage."

The company claimed its 2018 upstream carbon intensity figure was among the lowest worldwide at 10.2 kg of CO_2 equivalent per boe.

WINNING AGAINST ALL ODDS

Star O&G Company

Extraordinary performances as well as the outstanding behind-the-scene efforts and accomplishments displayed by a company, organization or individual in the energy industry within a given period are the distinguishing factors setting them apart NOGSpeed offers recognition, encouragement and promotes to inspire other practitioners in the industry. Honour is given by NOGSpeed to remarkable individuals, companies, groups or organizations identified for consistent exceptional efforts and contributions in the industry by the investiture of Star O&G Man, Company, Regulator or organization, which the awardees/recipients rarely see coming. We celebrate their distinguishing contributions to the growth and progress of energy industry without prior notice.

Aiteo E&P has clearly marked itself out as an outstanding company, not only as a survivor, but a highly distinguished, never-relenting success story with an indigenous origin that has stood well the test of time through thick and thin, in and out of not-so-appealing perceptions, local and global turbulent oil and gas production times and yet has remained undaunted, instead has been going strong amid all the hurly-burly industry challenges.

One remarkable fact about Aiteo seems its dynamism, flexibility the ability to reinvent itself through the wavering times, but most of all, its massive diversification as a conglomerate multinational.

Aiteo Eastern E&P Company Limited is the operator of the NNPC-Aiteo Joint Venture on Oil Mining Lease No. 29 (OML 29).

It is also a major infrastructure provider as the operator of the 117 km Nembe Creek Trunk Line (NCTL), which serves as an evacuation pipeline for produced crude oil from 4 other oil companies along the stretch of Bayelsa to the Bonny Terminal in the eastern delta region with 600,000 bbls/d design capacity.

The Aiteo Group was rebranded from Sigmund Cummenecci, an oil product supply and trading company founded by Nigerian entrepreneur, Benedict Peters in 1999. The Group has grown to become a Pan-African integrated energy-focused conglomerate with interests in Oil and Gas, Electricity generation, Mining, Agriculture and Real Estate.

Aiteo Eastern E&P Company Ltd (AEEPCO) its subsidiary, was founded in 2014 as a special purpose vehicle, SPV to participate in the SPDC competitive bid divestment exercise. The Aiteo Consortium emerged the preferred bidder for OML29 and the Nembe Creek Trunk Line (NCTL), having fulfilled all selection criteria including but not limited to assessment of its technical and financial capacity, KYC as well as comprehensive integrity and due diligence checks. Consequently, Aiteo Eastern E&P Company Limited acquired the 45% equity holdings of Shell, TOTAL and AGIP in both assets and is currently the Operator of the NNPC/AITEO JV. The acquisition was through a combined offshore and onshore syndicated loan arrangement from eight financial institutions including six Nigerian deposit money banks- the first of its kind in the nation's history. The acquisition won the Oil and Gas Deal of the Year award 2016 by The Business Year Review.

Aiteo's CEO / Vice Chairman, Benedict Peters

The company has taken its place at the top of Nigeria's fast rising NOCs by making key investments in seasoned and experienced leaders, as evident in rapid production growth, and deploying best practice in commercial excellence.

Aiteo E&P is guided by the principles of sustainability: environmental-consciousness, inclusive operations and superior health and safety policies.

Aiteo E&P, despite operating in a business environment characterized by great volatility and frequent disruptions kept faith with the business and surviving against all odds.

Despite facing the challenges of energy security, sustainability and severe economic Impact of NCTL Infractions, Aiteo sees it as imperative to be more dynamic in transforming their capabilities to meet its corporate objectives

In numerical terms, the NCTL's shut in cost the nation a whopping $90 million in revenue. This year alone, this critical economic asset has been

Victor Okoronkwo, GMD, Aiteo Eastern E& P Co. Ltd shut in 61 times, and about 200 times in the last 4 years.

SOCIAL INVESTMENTS

Through the years the Aiteo Group has contributed to various local initiatives and social development programs across the continent. The company's philanthropic efforts focus on creating sustainable value to the Nigerian society and addressing burning local issues such as national unity, youth empowerment and community development. As an energy giant that is focused on delivering the future, Aiteo is committed to reinforcing unity as a launch pad for collaboration in Nigeria, through a common language; Football.

Its investment in sports in Nigeria is one of the major planks of its social responsibility programme, which is its commitment to giving back to the communities where it operates.

Today, Aiteo's support for sports transcends the shores of Nigeria, especially with its multi-million-dollar sponsorship deal with the Confederation of African Football, CAF, for the African Footballer of the Year Award – rewarding excellence in the game on a continental level.

Aiteo currently sponsors the Nigerian Federation Cup, plus a touted adoption of Nembe City FC, playing in the Nigerian Nationwide League.

In April 2017, Aiteo signed a multi-billion-naira five-year sponsorship deal with the Nigeria Football Federation to boost football development in Nigeria with exclusive rights to cover all NFF local and foreign financial obligations for its main teams as well as providing an unprecedented support to the country's flagship national football team, the Super Eagles in its history. Aiteo has provided various huge financial motivators to the Nigerian team leading to its near-perfect qualification in FIFA World Cup, Russia 2018 and support of

President of Ghana, Nana Akufo-Addo congratulating Aiteo's CEO / Vice Chairman, Benedict Peters, While African Statesmen, Ex- Presidents Olusegun Obasanjo of Nigeria & Jerry Rawlings of Ghana watch on.

ailing goal keeper, Carl Ikeme.

In its corporate social investment: corporate philanthropy, education, and local community supports, Aiteo makes annual donations to churches, registered charities, and not-for-profit charitable organizations. It is involved in various social investment projects with its core funding in areas such as education; improved political awareness and governance; arts, culture and community development.

In education, Aiteo is committed to promoting the study of engineering in the communities within which it operates with commitment to providing annual scholarships for higher-level education. In June, 2019 the group donated about N1 Billion to the Bayelsa State Education Trust Fund and Primary Health Care Scheme.

With its stated vision to become the largest integrated energy focused conglomerate in Africa, leveraging expansive infrastructural investment, innovation and engaged workforce to deliver safe and clean energy to the continent, the future is AITEO

NOGSpeed attests that the company is indeed passionate about its drive to be on the forefront of the energy industry in Africa, guided by its use of cutting-edge technology as well as taking calculated risks that is rapidly growing its market share and challenging its competitors to push the boundaries of oil and gas exploration and production.

National Energy supplier: Nigeria Super Eagles in Aiteo branded livery, captained by Skipper Mikel Obi, in a warm up before their FIFA world Cup qualifier against Cameroun. Nigeria won 4:1 courtesy of a $50,000 /goal bonus guaranteed by Official Optimum Partners , Aiteo.

It was found out that this is a position it aims to maintain by leveraging its three-pronged approach, comprising – People, Process and Technology.

NOGSpeed found out that AITEO has previously received several innumerable reputable recognitions and awards for its outstanding performance in the energy industry and its commitment to social development and sustainability has attracted several awards including, but not limited to:

2019 **Oil & Gas Company of the year** - Marketing Edge.
2019 **Award of Excellence** – African Institute for Science Policy & Innovation, Obafemi Awolowo University, Ile-Ife.
2019 **Foremost Sponsor of Football in Nigeria** – Super Eagles Supporter's Club.
2018 **Oil and Gas CSR/Sustainability Company of the Year** (Upstream) – The Guardian Newspaper
2018 **Oil and Gas Company of the Year** (Upstream Indigenous) – The Guardian Newspaper
2018 **Oil and Gas CEO of the Year** (Upstream Indigenous) – The Guardian Newspaper
Corporate Sponsor of Football Award – Nigeria Pitch Awards
2017 **Company of the Year** – New Telegraph Newspaper.
2017 **Company of the Year** – Leadership Newspaper.
2017 **Company of the Year** – Business Day Newspaper.
2017 **Indigenous Company of the Year Award** – Nigeria Oil & Gas Summit / CWC
2017 **Oil Industry Leadership Award** – Petroleum Technology Association of Nigeria, PETAN/ OTC
2017 **Corporate Sponsor of Football Award** – Nigeria Pitch Awards

The Nigerian Oil & Gas Special-edition Publications and Harry Fame Communications Limited heartily congratulate Aiteo Eastern E&P Company Limited on a most-earned Star Oil and Gas Conglomerate, 2019.

Local Content Is the Hope to Reduce Nigeria's Crude Production Cost - Sylva

Gerald Ngobili

The Federal Government will deepen the implementation of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act because it is an effective strategy for lowering Nigeria's high crude oil production cost, the Minister of State for Petroleum Resources, Chief Timpre Sylva has said.

zThe Minister stated this on Thursday at the conclusion of his first working visit to NCDMB's head office in Yenagoa, Bayelsa State, its new 17 storey headquarters building and other project sites.

Emphasizing that Government's primary target in the sector is to significantly reduce the unit cost of producing per barrel of crude oil, Sylva stated that "local contractors tend to be cheaper than expatriates and international contractors and that's why we want to encourage Local Content and give more opportunities to local contractors. By extension we will reduce the cost of doing business in the oil and gas industry in Nigeria.

"Local Content is part of cost reduction strategy. That's why I came here, to encourage more local participation in the activities of the industry."

The Minister also lauded the NCDMB for epitomizing its mandate by using an indigenous contractor to develop its new headquarters. He described the edifice as world class and a clear demonstration of the capacity of Nigerians contractors. Such superlative performance on projects would pave way for the engagement of other local contractors in the oil and gas and construction sectors, he suggested.

"When you have seen one contractor perform this good, you are encouraged to patronize more local contractors."

He expressed confidence that the new NCDMB structure will attract a flurry of oil industry activities to Bayelsa State. He noted that "the problem we have had over the years was that the region where oil production takes place did not have proper structures to promote lots of events. That why you see oil and gas events going to Abuja and Lagos. But when you have a befitting facility here, going forward there will be a lot of oil and gas related activity in the Niger Delta."

The Minister commended the NCDMB for the numerous achievements it had recorded in the implementation of the NOGICD Act. He said, "I am quite impressed with what they have done in a very short time of

existence. The new headquarters building is a testament to that impressive performance and of course, you have the 10 mega watts independent power plant. It is a modular plant that can be increased up to 25 megawatts."

In his remarks, the Executive Secretary of NCDMB, Engr. Simbi Kesiye Wabote confirmed that Local Content implementation lowers the cost of crude oil production, particularly in the long run. He listed other key elements that contribute to high crude oil production cost in Nigeria to include security and infrastructural challenges as well as protracted contracting cycle.

He affirmed that several Nigerian oil service companies had executed several projects at costs much lower than their international counterparts. He also clarified that countries like Brazil, Malaysia and Norway that had practiced Local Content in their oil sector for decades had long enjoyed significant cost reduction in their per barrel cost.

Wabote also explained that Local Content serves as an opportunity cost for the Federal Government to empower its citizens and get them involved in the activities of the oil and gas industry.

He added that Local Content guarantees security of supply in the industry, recalling that local service companies and skilled Nigerians personnel ensured that operations of the oil and gas industry continued apace during the height of restiveness in the Niger Delta region a few years ago, when most foreign companies and their staff had pulled out.

Providing details on the new NCDMB facility, the Executive Secretary reiterated that it will be ready in December 2019 but relocation of staff will be in phases.

He stated that the project recorded huge impact on the local community. According to him, "when we started, we took about 50 youths from the host communities and trained them in carpentry, masonry, laying of tiles and other skills. Today, those youths are working on the facility and because of the skills they have acquired, the contractor will take them to other projects.

"In terms of Corporate Social Responsibility, we worked with the contractor and built a town hall for the Swali community which we commissioned last year. Many members of community also supplied sand, granite and other inputs. They have been an integral part of the construction."

The Executive Secretary also informed that NCDMB had developed a sustainability plan for the facility, which includes renting out some of the floors to reputable oil and gas organizations. "Currently we have two applications from operating companies."

Nigerian Content Act Amendment: NCDMB, Reps to collaborate

Kabir Mohammed

The House of Representatives has promised to work closely with the Nigerian Content Development and Monitoring Board (NCDMB) to amend the Nigerian Oil and Gas Industry Content Development (NOGICD) Act and extend it to other critical sectors of the national economy.

Chairman of the Nigerian Content Development and Monitoring Committee (NCDMC) in the 9th National Assembly, Rt. Honorable Legor Idagbo made the pledge at the inaugural meeting of the Committee with the Nigerian Content Development and Monitoring Board (NCDMB) held at the National Assembly recently. He conveyed the committee's determination to ensure that the gains recorded in the Oil and Gas Industry through the implementation of the Act in the last nine years gets replicated in other key sectors of the economy.

While admitting that other sectors had their peculiarities, Idagbo noted that the amendment would take those uniqueness into consideration.

He hinted that the current committee was different from its predecessor in the 8th assembly, adding that the name was changed from Local Content Committee and the mandate was expanded to other sectors in line with the Executive Order 5 issued by President Muhammadu Buhari.

He announced that the committee will oversight the activities of every ministry, department and agency to ensure compliance with Executive Order 5.

The chairman confirmed that the committee had drawn up its work programme, which would guide its activities into 2020. According

to him, the committee had a large membership because many members of the House of Representatives were interested in attracting the benefits of Nigerian Content to their constituents.

In his presentation, the Executive Secretary, NCDMB, Engr. Simbi Kesiye Wabote lauded the committee's interest in extending the NOGICD Act to other sectors and affirmed that the nation would derive several benefits if the move becomes a success.He clarified that the focus of Nigerian Content implementation was not Nigerianization of the oil and gas sector but rather domiciliation and domestication of industry activities. He also explained that Nigerian Content implementation was distinct from corporate social responsibility and does not compromise standards.

Wabote indicated further that the development of major oil and gas projects was critical to the growth of Local Content. "If we don't have an enabling environment and we don't catalyze more projects and Final Investment Decisions, we cannot increase Local Content," he said.

He informed that Nigerian Content grew from below 5 percent before the passage of the NOGICD Act in 2010 to the current level of 30 percent. He also stated that NCDMB introduced the Nigerian Content 10 Year Strategic Roadmap in 2017, with the target to grow Nigerian Content to 70 percent by 2027.

The Executive Secretary however stressed that "the idea is not to achieve 100 percent. We want to claw back as much as possible and push the boundary for Nigerians to do so much. No one country has 100 percent technology and capacity in the oil and gas industry."

Some returning members of the committee commended the Board for the achievements it had recorded with the implementation of the Nigerian Content Act, notably in the reduction of non-compliance against the Act. They also described the NOGICD Act as a blessing to the country and called for the extension to other sectors as quickly as possible.