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# FUNDING THE NIGERIAN ENERGY MIX FOR SUSTAINABLE ECONOMIC GROWTH



## NOG 2022 COMMUNIQUE

4 - 7 JULY 2022 | ABUJA, NIGERIA

## WELCOME ADDRESS

ODIRI UMUSU

dmg Nigeria Events Ltd



- U. Since the enactment of the Nigerian Oil and Gas Industry Content Development (NOGICD) Act 12 years ago, the Nigerian oil and gas industry has made remarkable progress in capacity development, technology transfer and increased opportunities under the auspices of the Nigerian Content Development and Monitoring Board (NCDMB)
- U. During this period, the Nigerian Content Seminar has served as a platform for the education of stakeholders on the Act.
- U. In 2021, the 7 Ministerial Regulations were drafted and translated to provide pragmatic strategies for the implementation of key sections of the NOGICD Act.
- P. The theme of the 2022 Nigerian Content Seminar is "Strengthening Nigerian Content Implementation with the 7 Ministerial Regulations."
- P. The essence of the theme is to enable stakeholders to see the opportunities and have a deeper understanding of the Regulations.
- P. This is imperative as the world grapple with the fragile tightrope of the new difference in the global energy space.

## OPENING ADDRESS

### STRENGTHENING NIGERIAN CONTENT IMPLEMENTATION WITH THE 7 MINISTERIAL REGULATIONS

ENGR. SIMBI WABOTE

Executive Secretary

NCDMB



- P. Oil and gas industry is dynamic, hence, the need to work with one another to jointly proffer solutions and policies to minimize the negative impact of the current tightening market on our businesses and people.
- P. One of the lessons in the last one year is the need to develop indigenous capacities and capabilities to tackle issues of energy security, food shortages, insufficient vaccines and other socioeconomic disruptions.
- P. Tightening oil market is threatening subsidies in Africa as it puts pressure on the public debt profile.
- P. The need for global energy security has been brought to the fore following the Russian invasion of Ukraine.
- U. The 7 Ministerial Regulations were made in line with section 40 of the NOGICD Act, which empowers the Minister to do so.
- U. Regulation 1 (Training in the Nigerian Oil and Gas Industry) provides for the minimum standards, facilities, personnel, and technology for training in the oil and gas industry and modalities for involving operators and service providers as partners in training and development.
- U. Regulation 2 (Further Growth of Indigenous Capacity) sets out targets to ensure full utilization and steady growth of indigenous companies engaged in the exploration, seismic data processing, reservoir studies and other facilities.
- U. Regulation 2 reinforces the principle of First Consideration for Nigerian-made goods and services and details compliance waiver management and the deployment of Capacity Development Initiatives (CDIs) as a tool for the growth of indigenous capacity.

- U. Regulation 3 (Registration of Oil and Gas Professionals with Nigerian Professional Bodies) stipulates the requirements for any operator or company or professional employee.
- U. Regulation 4 (Establishment of Operations in Nigeria 2021) requires an operator to set up facilities or other operations within Nigeria for the purposes of carrying out any services otherwise imported into Nigeria.
- P. Regulation 4 is aimed at involving the operators in eradicating the importation of goods by jointly developing CDIs to close identified gaps and stipulates the procedure for securing tax and other fiscal incentives for compliant operators.
- U. Regulation 5 (Nigerian Oil and Gas Industry Technology Transfer) promotes the development of technology in the Nigerian oil and gas industry through the transfer of technology to Nigeria and to establish guidelines, standards and methods for such technology transfer.
- U. Regulation 6 (Nigerian Oil and Gas Research and Development) provides the requirements and targets for the growth of Research and Development in the Nigerian oil and gas industry.
- U. Regulation 7 (Nigerian Oil and Gas Industry Enforcement and Compliance) provides for direct sanctions for breach, without the need to apply section 68 of the Act that would have required a criminal trial.
- P. Regulation 7 addresses failure to submit Nigerian Content Plan, failure to obtain a Certificate of Authorization, failure to give First Consideration and comply with minimum Nigerian Content, expatriate quota violations, among others.
- U. With regards to insurance of assets and liabilities, NCDMB in collaboration with the National Insurance Commission (NAICOM) developed the Oil and Gas Insurance Guidelines, to guide the insurance of assets and liabilities in the oil and gas industry.
- U. Sections 49 and 50 of the NOGICD Act require players in the Nigerian oil and gas activities to engage local insurance companies for insuring their assets and liabilities.
- P. The guidelines will contribute significantly towards promoting the development of insurance services in-country and driving the retention of financial spending in Nigeria thereby contributing towards reversing capital flight.
- P. The guidelines will also help to create a database of all insurance programs procured by operators, project promoters, alliance partners, and Nigerian indigenous companies, to enable the Board to monitor the utilization of in-country insurance capacity.
- P. The goal of the 7 Ministerial Regulations and the Insurance Guidelines are not to create additional impediments but to create job opportunities and in-country value retention to address threats to our socio-economic stability.

## ADDRESS

### PRESENTATION/SHOWCASE OF THE NCDMB/NAICOM INSURANCE GUIDELINES

OLORUNDARE SUNDAY THOMAS

Chief Executive Officer

NAICOM



- P. There is a need for collaboration.
- P. Insurance industry has a big role to play in increasing local content in the Nigerian oil and gas industry.
- P. NAICOM looks forward to effective compliance with the Insurance Guidelines.
- P. Compliance has been made very simple; it is not burdensome, and it is going to add a lot of value to the system.
- U. The implementation framework has been developed.
- P. The implementation framework would be made available to all the operators in the oil and gas industry.



- P. There is no doubt that Africa has become increasingly influential in shaping global energy trends. However, there is a critical need to address the persistent lack of electricity and clean cooking as well as the unreliability of electricity supply.
- P. The momentum driving current policy and investment plans falls short of meeting the energy needs of Africa's teeming population.
- P. Nigeria has become synonymous to Africa not only because the country is Africa's largest economy, but it also has the dominant population.
- P. By the Federal Government's projection, 80% and 85 % of Nigerians, respectively will have access to electricity while the percentage will be 28% and 38% for access to clean cooking by 2030.
- P. But the International Energy Agency (IEA) estimates that about \$445 billion is required in investment to achieve the government's energy supply targets.
- P. TotalEnergies is a willing and competent partner here and will be happy to work with the government to achieve this important objective as long as the business environment is friendly.
- P. The role and importance of Nigerian content both as a concept and more importantly as a deliberate policy in realizing an energy mix that guarantees sustainable economic growth, cannot be overemphasized.
- P. Strengthening the implementation and enforcement of Nigerian content through the instrumentality of the 7 Ministerial Regulations is key.
- P. The Regulations are a product of intense negotiations, consultations and collaborative efforts involving all key industry stakeholders.
- P. As the global push toward energy transition intensifies, TotalEnergies has projected a production and sales mix of 50% gas, 35 % oil and 15 % electricity by 2030.
- P. By 2050, the sales mix could be 40% renewable power, 40% gas and 20 % liquid products.
- U. Over 1.5 million people in Nigeria have been impacted by the sale of 400,000 TotalEnergies solar lamps since 2013, according to Global Lighting Off-grid Association estimates. Worldwide, 10 million people have been impacted.
- P. Out of TotalEnergies' more than 530 service stations across the country, not less than 112 have been solarized to date. It's an ongoing programme and the company's target is to ensure that its stations all become solarized.
- P. TotalEnergies investment in the NLNG from the beginning till now, is partly derived from its commitment to the production of cleaner and better energy.
- P. Natural gas is one of TotalEnergies' focus areas to meet growing energy demand worldwide while helping fight climate change.
- P. TotalEnergies has chosen to integrate across the entire gas value chain, from production and liquefaction to marketing and distribution to end customers.
- P. The company has been a major global player in liquefied natural gas (LNG) for 40 years and is the world's No.2 today, targeting sales of close to 50 million metric tons per year.
- P. The pursuit of zero-carbon energy will encourage infrastructure development, especially infrastructure that will support the provision of facilities for the use of renewable energies.

## 2 PANEL DISCUSSION

## IMPLEMENTATION OF THE NIGERIAN OIL AND GAS INDUSTRY CONTENT DEVELOPMENT COMPLIANCE AND ENFORCEMENT REGULATION

### MODERATOR



**TAYO AKINKUNMI**  
Chairman  
**PCTS**

### PANELISTS



**AKINTUNDE ADELANA**  
Director – Monitoring  
& Evaluation  
**NCDMB**



**BAR NABOTH ONYESOH**  
Head – Legal Services  
**NCDMB**



**ABDULKADIR AHMED**  
Managing Director &  
Chief Executive Officer  
**NLNG Ship  
Management Limited  
(NSML)**



**STELLA DURU**  
Partner  
**Banwo & Ighodalo**

### SUMMARY

Panelists noted that the 7 Ministerial Regulations were introduced to provide clarity on the implementation of the NOGICD Act.

Panelists also noted that the Regulation, which fine-tuned the NOGICD Act, addresses specific subject matter.

Panelists stated that the Regulation came as a result of feedback from the industry.

Panelists highlighted that the local content law is a special law, which makes the regulator's (NCDMB) interpretation the first port of call.

Panelists stressed the need for interagency collaboration to ensure seamless implementation of both the NOGICD Act and the Regulation.

Panelists agreed that the Regulation is a collective responsibility to achieve a collective impact on local content development.

Panelists also agreed that there are measures in place to standardize the interpretation of the Regulation.

Panelists identified ambiguity of terms as a possible challenge towards effective implementation of the Regulation.

To avoid sanctions, panelists urged players to ensure that their contractors understand their local content policies and are compliant.

### MODERATOR



**OBEHI OJEAGA**  
General Manager Business Development & Corporate Affairs  
**Nigeria Machine Tool**

### PANELISTS



**PATRICK OBAH**  
Director – Planning,  
Research & Statistics  
**NCDMB**



**VASSILY OYE BARBEROPOULOS**  
Chairman  
**MAN Local Content Group**



**GEORGE ONAFOWOKAN**  
Managing Director  
**Coleman Cables & Wires**



**OLANREWAJU OLAWUYI**  
General Manager –  
Nigeria Content Development  
**Shell Nigeria**



**CHRIS IJELI**  
Executive Director –  
Project & Commercial  
**Nivafer Steel Construction Company**

### SUMMARY

Regulation 6 of the 7 Ministerial Regulations is about technology transfer. Panelists agreed that it will deepen local content in the Nigerian oil and gas industry.

Panelists explained that the introduction of the Nigerian Content Equipment Certificate (NCEC) is helping in the area of transfer of skills.

Panelists noted that the introduction of NCEC has created a demand for Nigerian companies in the industry.

While the implementation of local content law has been very successful in the upstream sector, panelists regretted that not much success had been recorded in the midstream and downstream sectors, adding that the 7 Ministerial Regulations give clarity on key areas in the NOGICD Act.

Panelists encouraged operators and service providers in the midstream and downstream sectors to see local content as a partnership for growth.

Panelists also appealed to NCDMB to do enough publicity on the 7 Ministerial Regulations.

Panelists agreed that to domiciliate technologies in-country, there is a need for more collaboration between the regulator and the industry.

Panelists also noted that if government agencies strengthen their monitoring and control, it will create more opportunities for indigenous companies.

Panelists acknowledged that technology transfer cannot be gotten on the platter of gold, and therefore, suggested reverse engineering for the industry.

To increase opportunities and transfer of technology, panelists stated that commercial banks and other financial institutions have roles to play.

Panelists also agreed that there are huge opportunities for the ease of doing business, adding that streamlining processes through interagency collaborations will create more opportunities for indigenous companies.

With the growing number of refineries under construction in the country, panelists noted that there are value to retain in-country from the development of these refineries.

### MODERATOR



**ALERO ONOSODE**  
Chairman - Diversity  
Nigerian Content Consultative Forum

### PANELISTS



**DR AMA IKURU**  
General Manager -  
Capacity Development  
NCDMB



**JONGSEOK KIM**  
Managing Director  
Samsung Heavy  
Industries Nigeria



**FOLAKE SOYANNWO**  
Deputy Managing Director  
Prime Atlantic Safety  
Services



**GODWIN IZOMOR**  
Group Managing Director  
MG Vowgas



**ALEX AGHEDO**  
Executive General Manager  
of Contracts, Procurement &  
Nigerian Content  
TotalEnergies EP Nigeria

*Represented by*  
**CYPRIAN OJUM**  
Deputy General Manager, Partners,  
Authorities & Nigerian Content (PANC)  
TotalEnergies EP Nigeria

### SUMMARY

To develop capacity for future energy demands, panelists noted that players must follow the provisions of the NOGICD Act and policies around it religiously.

Panelists agreed that oil and gas will remain relevant, at least through to 2050, adding that there are more opportunities for players to grow.

Panelists noted that human capacity development is the springboard for the development of a nation and industries, and Nigeria needs its own capabilities for the future.

Panelists also agreed that local content cannot be achieved without investment, noting that investments lead to capacity development, which in turn results in economic development.

Panelists stated that skills and technology transfer will be more effective through the building of dedicated skills acquisition centres by companies in the industry.

Panelists emphasized the need for skill acquisition programmes by companies to focus on the current trends (energy transition) and industry demands.

Panelists also noted that for capacity development programmes to yield the desired results, sanctioning of projects which will provide opportunities for the trainees to hone their skills is very important.

Panelists also emphasized the need for the Government to improve on the ease of doing business, adding that this will encourage companies to invest in the country, thereby helping Nigeria to become a true producer of services, values and products that the industry will need.

Panelists suggested the involvement of Nigerian companies as part of building consortium in future projects like Train 8, and FPSOs, noting that this will ensure easy transfer of skills to Nigerians.

Panelists also agreed that there are programmes in place by companies to mentor, guide and increase female participation in the energy sector.

## ADDRESS

### THE LATE MUHAMMED SANUSI BARKINDO

Former Outgoing OPEC Secretary General  
& Honorary Conference Chair



- U. The global oil and gas industry needs regular investments at adequate levels.
- U. 11.8USD trillion in investments is needed by the global oil and gas industry through 2045 to meet up current and future demands.
- P. Global energy demand is expected to expand by 28% in the period leading to 2045 with gas being 24%, while oil grows at 28%.
- P. More than half the energy mix will continue to be made of oil and gas for decades to come.
- P. A global policy that allows the re-entry of Iran and Venezuela into the world's oil industry will ease the tightening effect of the market by some margin.
- P. Technology, huge logistics, and capital will continue to play a major part in revitalizing the industry.
- U. Despite the increase in refining capacity from China, India and Africa, worldwide refining capacity dropped by 330,000 barrels per day year on year in comparison with 2020 and remains below pre-pandemic levels.
- P. For stability of the global oil market, OPEC shall continue to expand data exchanges, technical capacity and high-level cooperation with oil-producing countries, producers, and institutions.
- U. The policy narrative pushed towards COP26 was heavily distorted against hydrocarbon and divorced from reality.
- U. UN Secretary-General had unfairly accused the oil industry of irresponsibility towards climate change and global policies on climate change.
- U. In contrast, G7 countries called for oil exporting countries to increase production, and for additional investments in fossil fuels to meet world energy needs. However, they ought to translate these words into policy actions and support an investment climate that makes it possible.
- P. P. COP27 coming up this year offers a prime opportunity for a return to a balanced and holistic process to address critical issues like mitigation and adaptation, and means of implementation through climate finance and technology.
- U. U. Sister organisation, OPEC Fund International Development, has helped in funding projects in the southern hemisphere.

## ADDRESS

### MR ABDULRAZAK ISA

Chairman

Independent Petroleum Producers Group (IPPG)



- U. Nigeria's indigenous operators have the capacity to fill the void being created by the divesting IOCs.
- U. Federal government had previously issued about 30 oil licenses to indigenous firms with 17 producing today.
- U. The IPPG had spent an aggregate of 30 billion US dollars on the acquisition and capital expenditure in the last 10 years on these divested assets.
- P. There should be a high-level dialogue between the government, its institutions, and indigenous producers that have demonstrated the capacity to produce in order to chart the best path forward.



- P. Short to the medium-term goal of the nation should be to quickly channel its hydrocarbon towards socio-economic transformation of the economy, and towards energy security.
- P. Government should use its existing energy resources to fund its energy transition.
- P. The collaboration between the government, private investors, and the host community will successfully drive the economy forward.

## ADDRESS

**ADEWALE TINUBU**

Outgoing OPEC Secretary General  
& Honorary Conference Chair



- U. Amongst several others, Scotland was already sourcing 90 per cent of its entire electricity needs from renewables which understates the reality, hence Nigeria should be prepared to transit also.
- U. Being that the OECD countries consume about 70 per cent of the petroleum product, they are in the position to determine the policy direction for the future.
- P. All industry stakeholders should join hands with the government in order to figure out ways to fix the financing challenge.
- P. Businesses to explore the bond market which presently is worth about 40 trillion US dollars.
- P. Oil and gas companies should explore sustainability-linked financing for companies with sustainability projects, he pointed out.
- P. Industry should focus on exporting hydrocarbon resources as it is a core earner of foreign exchange for the nation.
- P. While positioning for the energy transition in the long term, the industry should focus on acquiring the finance in the mid-term and by all means, the nation should safeguard its current production.
- P. Not just for economic reasons, efforts should be doubled to stop oil theft as a result of the adverse environmental damages to the ecosystem.
- U. A very difficult situation from shutting in wells is the erosion of value; so, everything should be done to avoid disruption of production which costs tens of millions of US dollars to bring back to optimal levels.
- P. A holistic approach to resolving oil theft must be followed as against everyone operating in silos with a different solution from the others.

## ADDRESS

**MELE KYARI**

Group Chief Executive Officer  
**NNPC Limited**



- P. On the 19th of July, the NNPC would be unveiled as a limited liability entity and the largest capitalised company in Nigeria.
- P. NNPC to acquire and manage choice assets as it sets its targets on robust returns on investments for its shareholders.
- P. The state-owned firm shall be delving into new forms of energy, including renewables.
- U. NNPC to stay committed to the national target of achieving net zero by 2060.
- U. Firm is constantly engaging with multilateral agencies and international institutions involved in the energy transition narrative in order to get the best support.

- U. Inadequate investments from 5 to 10 years back were already coming to hunt the industry before Covid-19 happened and worsened the state of things.
- P. Companies are encouraged to rework their financing model at this stage in order to reflect the current transition realities.

## ADDRESS

**H. E. OTUNBA RICHARD ADENIYI**  
Minister of Trade & Investment  
**Federal Ministry of Industry, Trade &  
Investment Federal Republic of Nigeria**



- U. Government had introduced several schemes which have led the gas subsector to be one of the most incentivised sectors in Nigeria as the government is deliberate about attracting investors.
- U. Through NADDC the ministry is currently promoting one automotive industrial parks for the assembly of vehicles and attraction of investments.
- P. Ministry to continue supporting FG industrialisation agenda to locate industrial parks in 6 different locations of the country.
- P. The ministry is willing to partner with investors who fancy the potential in oil palm production with a market opportunity of about 1 billion US dollars in oil palm production and its derivatives.
- P. With over 95 per cent of the cassava starch in Nigeria is imported, the ministry is willing to partner with investors towards a huge chunk of the estimated market opportunity of over 290 million US dollars.
- P. Nigeria to become of of the top economies come 2050 with a 4-trillion-dollar economy, surpassing countries like Canada, South Korea and Saudi Arabia.
- U. Nigeria boasts of over 40 million MSMEs but there's still a need for the creation of more.

## ADDRESS

**H.E. TIMIPRE SYLVA**  
Honourable Minister of State for Petroleum Resources  
**Federal Republic of Nigeria**



- P. PIA will attract much-needed investments and strengthen national institutions.
- P. The PIA will provide the needed reforms and regulatory and fiscal framework the industry needs.
- P. PIA guarantees cost recovery and returns on investment (ROI).
- P. The government's strengthened reliance on gas will provide about 2 million jobs annually, enhance technology transfer, and growth in GDP.
- U. Government is in continuous pursuit with initiatives to maximize gas flare and to electrify the country.
- P. National Gas Expansion Programme (NGEP) will boost natural gas utilization in the short and medium term.
- P. The Autogas Scheme will drive Nigeria's adoption of gas as an alternative source to fueling cars.
- U. Government is committed to developing the nation's infrastructure like OB3 pipeline, AKK pipeline, and the implementation of the gas transportation Network Code.
- P. Government policy implementation largely depends on the private sector's support in achieving the policy agenda.



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- P.** NNPC roadmap is hinged on the PIA and the same Act provides for the incorporation of NNPC Ltd which will provide opportunities for indigenous participation.
  - U.** PIA provides the opportunity for enhanced revenue with a return on investment.
  - P.** NNPC Ltd to pursue assets and infrastructure towards meeting decarbonisation and energy transition targets.
  - U.** NNPC is pursuing SDG through its commitment to National Gas Expansion Programme.
  - U.** NNPC has embarked on a greenhouse gas commission audit with a deliberate view to amass carbon credit and reduce carbon footprint.
  - P.** NNPC will also focus on carbon tradable certificates which offer immense potential for investments in funding environmental projects.
  - P.** NNPC is in consultation as it considers new security architecture for the industry.
  - P.** To consider physiological characteristics of the reservoir and available engineering, and operating options to enhance oil and gas recoveries in some of the abandoned and non-performing assets.
  - Q.** To provide gas processing and evacuation facilities, and monetise the flare gas to add value to the gas resource in the country.

### MODERATOR



**DR. TIMI AUSTEN-PETERS**  
Chairman  
Dorman Long Engineering

### PANELISTS



**BALA WUNTI**  
Group General Manager  
National Petroleum  
Investment Management  
Services (NAPIMS)



**ISAAC YALAH**  
Director - Finance &  
Personnel Management,  
NCDMB

*Represented by*  
**OBINNA OFILI**  
General Manager  
Nigerian Content  
Development Fund (NCDF) &  
Treasury Management



**ALEX IRUNE**  
Chief Operating Officer  
Oando Energy  
Resources



**OLADUNI OWO**  
National President  
Women in Energy, Oil and Gas  
CEO  
Blackgold Energy Authorities

### SUMMARY

Panelists identified business readiness and bankability to attract funds as one of the challenges hindering Nigeria from attracting funds into its oil and gas industry.

Panelists noted that with the global push towards energy transition posing a threat to funding, the country needs to rejuvenate, and redesign itself to attract investment.

Panelists emphasized the need for Nigeria not to focus on petrol alone, but also on other crude products such as bitumen, naphtha, and petrochemicals, among others.

Energy transition is shaping up policies around energy investments. Panelists stated that petroleum products will remain relevant at least going into the near future, because there is no renewable for naphtha, polyester, or cosmetics, among others.

Panelists agreed that harnessing other crude products will make the country's oil and gas industry more attractive for investment.

The Petroleum Industry Act (PIA) was enacted in 2021. Panelists noted that if the law is properly implemented, and the country gets its policies and regulations right, in the next 10 years all things being equal, Nigeria will be an investment destination across all the value chain.

Panelists also stated that energy transition was an issue prior to the Covid-19 pandemic, it is still an issue and will continue to be an issue.

Panelists hammered on the need for the country to achieve energy security, financial security and growth security. And for this to happen, they said the country's policies and actions must be in tandem with the current happenings in terms of demands.

Panelists noted that statistically, hydrocarbons will contribute about 52% of the global energy mix by 2045, with oil and gas accounting for 27% and 24%, respectively.

Panelists also noted that gas is not just a bridge fuel, but a destination point.

With the growing acceptability of gas as a transition fuel, and Nigeria being a gas nation with some spikes of liquids, panelists enjoined the country to take advantage of this by making investments in the gas sector attractive.

Panelists further stated that with gas as a bridge fuel, the country must not only ensure energy security, financial Security and economic development, there must be the security of that supply and there must be sustainability of that supply.

Instead of abandoning its huge oil and gas resources in order to be in tune with the global push towards energy transition, panelists suggested the deployment of the right technologies to reduce carbon footprint with regard to exploration and production activities.

Panelists noted that adaptation and mitigation must be operationalised.

Panelists explained that even though nobody loves emission, there must be a balance between emission and energy. To make this happen, they said funding must be made available for investment.

Panelists also suggested that instead of gas being a revenue earner for the government, it should be an energy provider; have a pool of revenue from gas for a number of years and use it to fund oil and gas industry projects.

Panelists listed weak infrastructure in the country as an opportunity for investors.

Panelists noted that the war in Ukraine has provided opportunities for Nigeria and the country needs to provide fiscal incentives for would-be investors and see how the Central Bank of Nigeria (CBN) can play actively in terms of providing funding.

Panelists also noted that the country has no business abandoning its oil for renewables until it has taken all the oil out of the ground, and the reason is that there are available technologies that can reduce emissions around exploration and production activities.

### MODERATOR



**OLU VERHEIJEN**  
Managing Director  
Latimer Energy

### PANELISTS



**ABDULKABIR AHMED**  
Group Executive Director  
- Gas & Power  
NNPC



**PHILIP MSHELBI**  
Managing Director &  
Chief Executive Officer  
Nigeria LNG



**ED UBONG**  
President  
Nigerian Gas Association  
Managing Director  
Shell Nigeria Gas



**ADEMOLA ADEYEMI-BERO**  
Managing Director &  
Chief Executive Officer  
First E & P



**JULIUS RONE**  
Group Managing Director  
UTM Offshore



**ROGER BROWN**  
Chief Executive Officer  
Seplat Energy Plc

### SUMMARY

Panelists agreed that oil and gas is a dominant factors that will continue to be in spheres of our lives for a very long time to come.

Panelists commended the Federal Government for the Decade of Gas initiative, which aims to make Nigeria a gas-powered economy by 2030, as well as for the enactment of the PIA in 2021.

Panelists noted that the Decade of the Gas initiative will unlock more gas volume into the domestic market.

Panelists also noted that though there are opportunities, what the country has now is a complex problem and the worse thing you can do with a complex problem is to approach it with a complex solution, a complex plan and complex execution; and suggested that the solutions can be framed while starting with the easiest of the solutions.

Panelists explained that a significant number of Nigerians do not have access to electricity and clean cooking fuels and addressing this problem is a big opportunity.

Panelists agreed that the Ajaokuta-Kaduna-Kano gas pipeline project creates ample opportunities that investors can tap into.

Identifying the challenges of effectively implementing gas policies, panelists hammered on the need for a cost reflective gas pricing.

Enabling the liberalization of the domestic gas market, panelists agreed, will foster growth and development in the country.

Panelists stressed the need for the Federal Government to address the issue of legacy debt that producers are being owed, which is close to a billion dollars.

Panelists further agreed that paying up the legacy debt will encourage producers to continue to produce, thereby ensuring the stability of supply and sustainability.

Panelists averred that the country has not had the right policies around pricing, return on investment and recalibration of that return back to the investment, which does not make the country attractive to investors.

Panelists explained that whereas more investors are interested in investing in Nigeria, they see the country's currency as an issue -- having to invest in dollars and remit in naira, adding that the country needs to address issues around repatriation of capital.

Panelists advocated for public-private partnership, adding that it will create stability, which is key to investment.

# 4 INDUSTRY REGULATOR'S PANEL (PRESENTATIONS)

## I. PROVIDING REGULATORY OVERSIGHT IN THE PIA ERA

ENGR GBENGA KOMOLAFE

Commission Chief Executive

Nigerian Upstream Petroleum  
Regulatory Commission (NUPRC)



- U. Nigeria's oil and gas industry has moved from an industry governed by uncertainties to an industry governed by a specific law
- U. PIA has introduced incentives to grow the country's reserves.
- P. NUPRC has been working to ensure the effective implementation of the PIA.
- U. PIA recognizes the importance of the host communities.
- P. NUPRC in its regulatory focus is currently engaging operators in the reading of field development plans, identifying declining and shut-in wells aimed at enhancing oil and gas production optimisation, gas flaring elimination and monetisation.
- U. NUPRC has finalized regulations in six priority areas, which include gas pricing; midstream and downstream decommissioning and abandonment; environmental regulations for midstream and downstream operations; environmental remediation fund; midstream and downstream gas Infrastructure fund; and natural gas pipeline tariff.

## II.

FAROUK AHMED

Authority Chief Executive

Nigerian Midstream and Downstream  
Petroleum Regulatory Authority (NMDPRA)

Represented by KELECHI UKOHA

Executive Director, Distributions System, Storage and Retail Infrastructure



- U. NMDPRA has introduced 10 new regulations for consideration by the industry.
- P. The essence of these regulations is to comply with the statutory provision that 21 days post publishing, the Authority has to engage the industry as a feedback loop before enforcement.
- U. Enactment of PIA is timely, especially with the current geopolitical tension in Europe.
- U. Globally, every country is now facing the challenge of how to guarantee energy security to its people.
- U. The Authority houses the Midstream and Downstream Gas Infrastructure Fund, which is meant to be a catalyst for developing fuel.
- P. The Authority is in the process of operationalizing the Midstream and Downstream Gas Infrastructure Fund.
- P. Operationalisation of the Midstream and Downstream Gas Infrastructure Fund will contribute to making equity contributions, de-risk projects and give comfort to investors.
- P. There are so many investment gaps in the gas sector, and filling those gaps will lead to the transformation of the country.



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- P. For years, the focus has been on the upstream end; now the country needs to begin to create a new business model.
  - P. Ministry of Petroleum Resources is working on setting up a one-stop-shop centre for investment enquiries in the petroleum industry.
  - P. The task before every one of us now is to breathe life into the flesh already built by the PIA to play our roles as regulators and opportunity enablers.
  - P. This will be through direct collaboration with all relevant stakeholders in the operationalisation of the PIA to prevent impediments in operations and processes.



### MODERATOR



**FUNMI OGBUE**  
CEO, **Zigma**  
President, **Women in Energy Network**

### PANELISTS



**OLUMIDE ADEOSUN**  
Chairman  
**MOMAN**  
Chief Executive Officer  
**Ardeva Plc**



**GBITE FALADE**  
Managing Director &  
Chief Executive Officer  
**Niger Delta E&P**



**ADETUNJI OYEBANJI**  
Managing Director  
**11 Plc**



**ABUDUGANIYU ADEBOMEHIN**  
Surveyor General  
**Federal Government of Nigeria**



**IROGHAMA OGBEIFUN**  
Managing Director &  
Chief Executive Officer  
**Starzs Investments Company Limited**

### SUMMARY

Panelists agreed that the Infraco model can bridge the infrastructure gap in the Nigerian energy sector, but it will require a great investment climate to work.

Panelists noted that collaboration will be key to leveraging Infraco model to address infrastructural problems in the country.

Panelists insisted that Nigeria with a population of about 200 million should at this point have gas infrastructure of at least 10,000km, as against the current 3000km.

On oil theft, panelists noted that the country needs to have adequate policies in place to address it, leveraging technologies and community bargaining.

Panelists also noted that aside from the deployment of technologies to address oil theft, strong policies and judiciary is needed to tackle it headlong.

Panelists also explored the possibility of situating modular refineries in oil-bearing communities as part of CSR, so that the people can put good use of their natural skills, adding that this, if haven't been considered, could help in curbing oil theft and pipeline vandalism.

Panelists also agreed that massive investments in transportation will help to reduce the country's dependence on petrol.

Panelists further agreed that investment in alternative sources of energy such as autogas will reduce over-dependence on petrol.

Panelists identified the government's continuous insistence on owning infrastructure as an obstacle to private sector involvement in infrastructural investment.

Panelists informed that there are investors who are interested in playing in the Nigerian renewable space, but regretted that the regulatory and investment framework in this space is unclear, thereby discouraging investors.

Panelists noted that the bulk of infrastructure that Nigeria has is owned and funded by the government, and the country has an imbalance sheet to bridge the infrastructural gap. They urged the government to pull back as funder and investor in order to attract private capital.

Panelists identified the regulation of prices by the government as a key challenge affecting investment in energy infrastructure in the country.

As part of measures to bridge the infrastructure gap in the energy sector, panelists charged industry players across the value chain to collaborate.

Panelists noted that security, contract sanctity and fiscal regime stability are catalysts required for investment in the midstream sector.

## INDUSTRY LEADERS: THE FUTURE OF NIGERIA'S ENERGY SECTOR IN THE PIA ERA.

### MODERATOR



**YEMI ANYANECHI**  
Legal Adviser  
Nigerian Upstream Petroleum  
Regulatory Commission

### PANELISTS



**OSAGIE OKUNBOR**  
Managing Director  
SPDC



**RICHARD KENNEDY**  
Chairman **OPTS**  
Managing Director  
Chevron Nigeria



**MIKE SANGSTER**  
Managing Director  
TotalEnergies EP  
Nigeria Ltd



**RICHARD LAING**  
Managing Director  
ExxonMobil Nigeria

Represented by  
**OLADOTUN ISIAKA**  
ED of Development

### SUMMARY

Panellists noted that the lingering oil theft and vandalism of infrastructure would require a concerted effort comprising key stakeholders from the government, the private sector and the communities for a lasting solution.

Panellists affirmed that the PIA, though with some imperfections, has brought about the needed clarity and stability that helps with investment decisions.

Panellists noted that several assets have either been shut down or aren't producing anything significant.

Panellists also stated that the PIA would need some supporting regulations that will enforce the clauses in the bill and that operators are ready to work with the regulators on that.

Security of investments, the sanctity of contract, and basic security are very important elements that need to be fixed in order to make the country attractive to investors, panellists noted.

Panellists noted that the PIA will drive energy transition as it has provisions for emission reduction.

Regarding future investments, panellists noted that the handling of security issues today is a huge determinant.

Panellists averred that there's a need to push for an improvement in Nigeria's ease of doing business index.

Panellists pointed out that Nigeria loses an average of 10 million US dollars daily from taxes and royalties to oil theft.

Panellists stated that a lot of benefits would accrue to the nation if the laws were tweaked to allow midstream to stand alone.

Panellists insist that penalties won't necessarily function as deterrence to gas flaring because operators are determined and they already have internal mechanisms to drive decarbonisation.

Panellists insist that investors would appreciate the right mechanism and fiscal terms in order to deliberately move from associated to non-associated gas.

Panellists advised that in order to ramp up production to meet the OPEC quota, there's a need to address security while pursuing optimisation, and the use of appropriate technologies.

Panellists noted that there should be an urgency to fixing the oil theft challenge, describing it as an existential threat as 2 of the nation's most critical pipelines are shut down.

Panellists called for continued consultations, collaborations, and partnerships amongst all stakeholders, including the government, in fixing the challenges of the industry.

## MODERATOR



**VICTOR UDE**  
Managing Director  
**VURIN**

## PANELISTS



**ELOH AIBONI**  
Managing Director  
**SNEPCo**



**EBERECHUKWU ORJI**  
Managing Director  
**ND Western**



**OLALEKAN OGUNLEYE**  
Deputy Managing Director  
**NLNG**

*Represented by*  
**ADELEYE FALADE**  
GM Production

## SUMMARY

While in pursuit of cleaner energy, traditional energy is needed to fund the energy transition.

Panellists restated commitments to increase the production of gas for domestic markets but decried the illiquidity issue.

Panellists called for an intervention by the government for legacy debts owed companies to be paid.

Panellists noted that the appetite for investment is low seeing that there's hardly a clear route for repatriation of borrowed capital.

From producers to transporters, panellists urged that policies be made to facilitate the delivery of gas.

Panellists opined that the industry is allowed to charge a market rate as against a heavily regulated gas market in Nigeria.

Citing the 2006 to 2009 disturbances era and the eventual amnesty solution, panellists called on all stakeholders, including the federal government to seek a lasting solution to the threat.

Calling for a new regulation that relaxes the barriers to listing on the capital market, panellists express the possibility of some level of funding within the country for the industry.

Panellists called for the use of technologies to standardise gas operations listing carbon capture and electrification among others.

As against the expansion of production capacity, panellists noted that some new projects should be designed strictly to focus on greenhouse gas reduction or efficiency.

Noting that several manufacturers of industrial equipment and component parts are already switching businesses and abandoning the essential line of business, panellists opined that oil firms in Nigeria should recognise the inevitable and adjust to accommodate it.

Panellists noted the sanctity of contracts as pivotal to attracting investors and expanding the current level of investments in-country.

Panellists noted that combined resources can be used by private stakeholders to erect industrial parks which would attract manufacturers leading to massive employment and developments.

Panellists urged private stakeholders in the industry to join hands with the government and to introduce special arrangements where highly skilled professionals could engage in secondment with government outfits.

The training was identified as critical to the development of the sector as panellists stated that the companies should sponsor R&D as well as specialised training programmes towards upskilling, reskilling, and education.

Panellists advocated for a piece of government legislation to spur investment decisions on tieback projects which are easily made and have the capacity to keep the teeming youths employed and busy while electioneering is ongoing.



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