Road To Bumper Production:

The Making of Antan Producing Ltd

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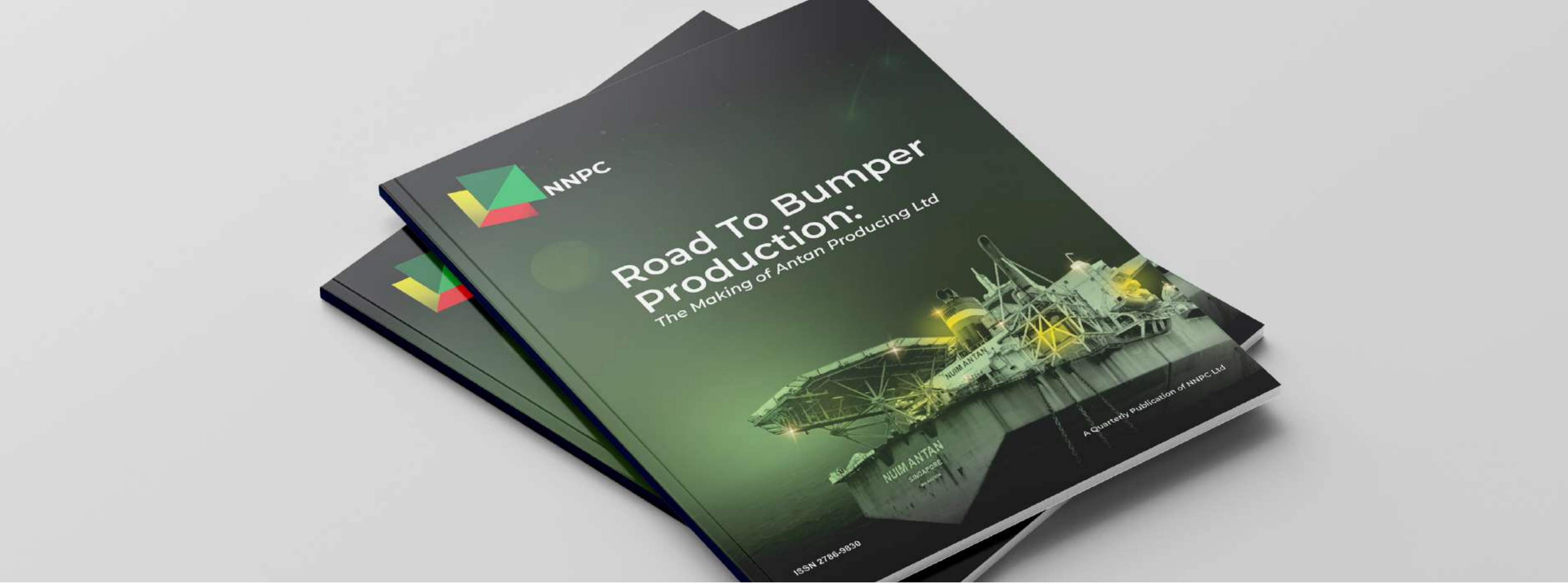

From the Editor

The Petroleum Industry Act (PIA) 2021 heralded an unprecedented level of progress in Nigeria's oil and gas industry. One of such milestones is the transition of NNPC as a Corporation into a limited liability company. It is my pleasure yet again to provide some insightful information and a variety of reports to highlight those major milestones happening in the NNPC within that period of time

This edition explores the many topical directions (what I will call progressive beginnings) of where our dear company is headed. You will be furnished with a clear picture of the Company's upward trajectory which depicts moving towards the right direction. Also in this publication, you will get to read the extensive story on the flagging off of the Wadi-B Exploration/Appraisal, which took place on the 23rd May, 2023 in Jere town of Borno State. The event signalled the commencement of drilling of an exploration well (Wadi-B) in the Lake Chad Basin. For years, exploration has been concentrated on the prolific Niger Delta Basin, with skeletal oil prospecting work carried out in the Inland Basins. The NNPC Ltd however decided to change that in its bid to diversify the nation's resource base, increase reserves, and boost production.

This edition also features the targeted 50,000bpd production from the Antan Producing Field. The Antan Producing is one of the business units where capacity building and expansion are taking place very fast. Recall that when the assets transfer agreement was signed, Antan took over a little above 7,000 barrels per day production. Currently, the field is producing about 15,000 barrels per day. You will find out how this came to be.

Hot on this menu also is the launch of the Ibefun Natural Gas City Gate targeted towards increasing domestic gas utilization and driving economic growth of the people of Ogun state and Nigeria in general. The 150MMscfd city gate station and gas distribution infrastructure will create jobs, enhance economic development and propel industrial growth within Ogun State's industrial corridor and beyond. Most importantly, the feat has also brought to reality the Federal Government's aspiration of deepening domestic gas utilization.

Outside gas and exploration, our esteemed readers will get first hand update on the Road Infrastructure Tax Credit Scheme (RITCS), which is an NNPC intervention towards supporting the Federal Government's efforts to provide quality, motorable roads across the country. Additionally, in this edition, we present the AVAR - Annual Value Assurance Review organised by NUIMS to evaluate the company's performance and set new targets. The AVAR turned out to be an occasion for high-profile endorsements for NUIMS and its parent company, the NNPC Ltd. Dignitaries with high business IQ graced the occasion and provided feedback on what is expected of NUIMS.

We did not end it yet, as we also serve you with the details of what you need to know about Fuel Subsidy and why it needs to go. NNPC Ltd was made to bear the financial burden of the subsidy as the Federal Government could not fund the budget on account of paucity of funds. You will read about the real reasons why subsidy payments had to stop.

Of course, there are lots of other stories to enrich your knowledge on the happenings and trends in the Nigeria Oil and Gas industry. From the recently concluded 2023 Nigeria Oil & Gas Opportunity Fair (NOGOF) where NNPC Ltd carted away the most Impactful Local Content Development Company Award to the Indispensable Power of Brand Equity and Understanding Demurrage in Oil, Gas Shipping Logistics etc.

Finally, we serve you a spellbinding experience – a travelogue titled Zambia, Zambezi & Ziplining. It is mind blowing and nostalgic as it reminisced on our childhood memories, captured elegantly by the writer.

Let me reassure you of our commitment to providing quality information, entertainment and innovative ideas, a token of our own contribution towards creating value for the over 200 million Nigerians and other stakeholders.
Ladies and gentlemen, grab your copy now and you won't regret you did.

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NNPC Ltd.'s Road to Bumper Production:

The Making of Antan Producing Ltd

NNPC Ltd.'s new upstream company, Antan Producing Ltd, is doing everything in and out of the book to live up to the production target it has set for itself based on long history of the assets on its plate.

By Alex Okumo, with additional report from Ayobami Abdullahi

Right from the get-go at his inauguration as the Group Managing Director of the Nigerian National Petroleum Corporation (as it then was) on 7th July, 2019, Mr. Mele Kyari made it abundantly clear that boosting crude oil and gas production and reserves was a cardinal objective of his management. He was very emphatic and specific about the production levels he wanted the country to achieve. "It is the intention of NNPC to support the industry to make sure that we achieve the production level of about three million (3,000,000) barrels per day and also to grow our reserves to at least 40 billion barrels", he stated in his inaugural address.

Since then, NNPC Ltd has deployed a number of concerted measures both within the company and across the industry to boost production. One of such measures was the aggressive resolution of protracted disputes over production acreages that led to production shut-ins and lack of investment in exploration and production projects. This led to the amicable resolution of a number of disputes. One of such was the resolution of the issues in the NNPC/NAOC/Oando Joint Venture which led to the novation agreement that resulted in the transfer of NNPC's interest in OMLs 60, 61, 62, and 63 to the NNPC Exploration and Production Ltd. Others included the resolution of the issues around Production Sharing Contracts (PSCs) which paved the way for the execution of Abo OML 125 Heads of Terms between NNPC Ltd and Nigeria Agip Exploration Ltd, and the resolution of the Shell/Belema Oil OML 25 community crisis. All these had very salutary effects on the production figures which have, unfortunately, been negatively impacted by the scourge of crude oil theft which is also being frontally tackled.

> ***"It is the intention of NNPC to support the industry to make sure that we achieve the production level of about three million (3,000,000) barrels per day and also to grow our reserves to at least 40 billion barrels."***

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INTERVIEW

We're targeting 50,000bpd Production from Antan Field

– Jajere, MD, Antan Producing

Antan Producing Ltd is a child of circumstance. It is the newest upstream subsidiary of the NNPC Ltd that arose from the debris of the dispute over the Production Sharing Contract assets operated by Addax. With the resolution of the dispute, Antan Producing was incorporated to operate the assets. The former NAPIMS General Manager, PSC, Engr. Sagiru Jajere, who is the Managing Director of the new company gives insight into the activities, achievements, and aspirations of Antan Producing. He spoke with Aliyu Abubakar and Stanley Ogadigo. Excerpts:

The former NAPIMS General Manager, PSC, Engr. Sagiru Jajerea

Congratulations on the successful resolution of the dispute with Addax and the consequent transfer of the assets to Antan Producing Ltd of which you are the pioneer Managing Director. This is obviously a different phase for you and your team coming from the regulatory end to production. What does this mean to you and NNPC Ltd?

Antan Producing represents a huge leap in the development and expansion of capacity for NNPC Ltd in terms of upstream operations. You would recall that the Covid-19 pandemic in 2020 affected production badly. When I got to NAPIMS as General Manager, Production Sharing Contract (PSC), I think our production was about 2 million barrels. And through the Covid-19 period, we came down to a little over 1 million barrels per day. Two years down the road in 2023 after the pandemic, have no justification for remaining low in production. We have no reason not to build capacity to boost production. That is why the Group Chief Executive Officer (GCEO) declared 2023 as the year of capacity expansion.

Antan Producing is one of the business units where capacity building and expansion are taking place very fast. We are actually an embodiment of capacity expansion. When we came in, production was very low, and with the effort we've put in and with the support of the GCEO, we've been able to raise production. We are still working to raise the company's capacity generally to produce more oil and gas. We are focusing on many areas ranging from human resources to facilities such as our Floating Production Storage and Offloading (FPSO). We are looking at other areas to build and expand capacity, and we are succeeding so far.

The transfer of assets from Addax to Antan Producing is like a bug leap into deepwater operations. How is Antan Producing faring and what has been your experience so far in the terrain?

You know, I worked in NAPIMS and I was the GM, PSC, NAPIMS overseeing several of these PSC assets. Addax

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> *We brought a Deep-Submergence Vehicle (DSV) which is a diving support vessel that enabled divers to go down to a depth of about 145meters to change the hydraulic and gas lift lines in OML 126 that failed and repair them.*

Not relenting on the objective of revving up production, NNPC Ltd took the game a notch higher in November 2022 when it got Addax Petroleum Development Nigeria (APDN) to agree to transfer the PSC assets under its operatorship that were not producing optimally as a result of protracted disputes. This followed months of negotiations after President Muhammadu Buhari had directed that the disputes over the OMLs 123, 124, 126/138 which had resulted in a series of court cases between the Federal Government

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> *We have no reason not to build capacity to boost production. That is why the Group Chief Executive Officer (GCEO) declared 2023 as the year of capacity expansion.*

was just one of them. We knew the problem with Addax and the assets, and we tried from NAPIMS to see how we could change things. But because we are not operators, we were not able to do what we would have loved to do. But now that I am saddled with the responsibility of looking at just one out of the many PSC assets that used to be under my supervision. So, I can tell you that it has difficult, but in a way, it has not been difficult. It has been difficult because we are now doing the work as operators. But because I know Addax very well and am familiar with the terrain, it has been relatively easy for me. And with the support we are getting from NNPC, we are gradually sorting out the problems. That is why you can see the results that have already been achieved.

Please, can you be more specific in terms of results and production increase you have achieved since Antan Producing took over the assets?

On the day the assets transfer agreement was signed when we took over, production was just above 7,000 barrels per day. But as of today, we are doing well over 12,000 barrels from OML 123 alone. We are doing another 3,000 barrels from OML 126. That is 15,000barrels per day, up from 7,000 barrels. So, it is clear that we are moving. I assure you that in the next week or two, we'll have additional 3,000 barrels from the OML 124 which we are working on now. It has been down because of vandalism on the lines and theft. We have been able to clear out the vandalized points. What we're doing now is to clamp all those points so that we can resume production. We have done a substantial part of the work, what we have left are about than three or four points to clamp. As soon as we do that, we will get clearance from NUPRC and other regulatory agencies and start producing. Three thousand additional barrels will come out of that. You can see that we are far away from where we were when we took over the assets.

Nigeria is still struggling with meeting up its OPEC quota of production. What is Antan Producing doing to boost production to meet our OPEC quota?

The only way to increase production in a sustainable manner is to get more investment. That is necessary for this business. We knew why we came down to the weak production status. But you can remember that at a time, we were producing well above our OPEC quota. In fact, there were times we were penalized for producing above our quota. Gradually, we saw the figures dropping. Apart from

the impact of the Covid-19 pandemic, the key issue here is the investment. There are fiscal terms which, I believe, have made some investors to drawback, they changed the allocation of their investments. I think that is the key thing. Unless we do something to attract investments, all these activities we're doing to bring up production to meet the OPEC quota will not amount to much. So, we are trying to make the business attractive so that people can come back and invest.

Are you saying that only foreign investment can help us achieve tangible production growth that can help us meet our OPEC quota? What of local investors?

We have been working with local investors since we took over the assets. We have not gone to NNPC Ltd to get funding. But you see, we have not gone anywhere. We have some investors willing to come in, and we have started talking with them, although there's a limit to that. If you are looking for Investments of this nature, usually it is from foreign investors we get enough to develop more and get more drilling rigs on the ground to be able to bring out more oil. But we are doing that right now. I believe we will gradually develop to a level where everybody will see that Nigerians are making efforts. Nigerians are investing in human resources too. You know I'm a total advocate of Nigerian content. That is where I spent most of my career in NNPC. I am always trying to see that we encourage Nigerians to come into the businesses. And that is what we are doing.

Antan Producing Ltd is a very young company. Where do you see the company in the next three to five years?

Yeah. When we came in, we did an assessment of our position and how we can hit the ground running. We developed a plan for short-term, medium-term and long-term development. The short-term is where we started from - the intervention projects. We had to re-enter some wells that were shut for no big reasons. We discovered that some wells were shut at the slightest challenge. So, we started with that, and we have achieved some additional volumes from those activities which are still ongoing. For the medium-term, we are trying to go back to drilling. We want to drill in OML 12 where we still have a lot of reserves. We believe that will give us a volume that will most likely take us to somewhere around 25,000 to 30,000 barrels per day. In the long-term, we are also looking at OML 137 which is also a big reservoir of oil with a lot of gas. This is a huge opportunity that we are is looking at. By the time we get there, the production from Antan will be somewhere above 50,000bpd, plus the gas we want to develop and commercialize.

What other insight would you like to share with NNPC Ltd and the world regarding your company and Antan Field?

Generally, I would say that the asset takeover is a good development for NNPC Ltd. It is a test case for us. We are working hard to see that we succeed so that it can be set as a template for handling other assets that may go this way. The issues with Addax were withdrawal of financial incentive package and lack of investments in the asset. Everything was going down. We saw it from outside. But you have to be in before you can see some things. The day I stepped into the office at Addax, that was when I realized how terribly bad things had gone. We saw that things were not going well and the company was not running as an international oil company. From the morale of the staff to the environment to the people on-site to the kind of complaints I heard, I knew we had a lot to do. So we started head long. That is why I wanted you to meet and talk to the former Addax staff that we inherited so that you can feel their excitement over the changes that have taken place since we took over. We are focusing on the human capacity expansion because we want to boost the battered morale of staff. When the staff heard from me during the town hall meeting I had with them, that we are going to focus on their training and development, they were all very excited. You can see that they are up to the task of growing this company. We look ahead to a glorious future.

INTERVIEW

Antan Producing has Justified the Assets Takeover – Iroro

The Head, Business Services Directorate of Antan Producing Ltd. Mrs. Victoria Oghenekome Iroro, takes a long walk down memory lane to review the management of the Production Sharing Contract (PSC) assets (OMLs 123, 124, 126, and 137) under the various companies that have had course to operate them since the days of Ashland Oil Company through Addax to Sinopec and Antan Producing Ltd.

It's good to know that you are one of the few staff of Antan Producing Ltd who have been around since the days of Ashland through the days of Addax and Sinopec Addax. Can you to give us a bit of the history of how we got to the present from the Ashland?

The company has gone through a remarkable metamorphosis over the years right from when it was operated by the Americans, then the Europeans, the Swiss to be precise, and then the Chinese, and now it has come back home to Nigeria. It all started in 1973 when Ashland, an American oil company, came into Nigeria and established a subsidiary, Ashland Oil Company Nigeria. That company was the first to sign a Production Sharing Contract (PSC) with the Federal Government represented by the NNPC Ltd. PSC simply means that the company that is operating the contract will bring all the funding. It recoups its investment after the royalty, taxes, and the cost oil have been taken out. What is left is shared in proportion as set out in the PSC agreement. Prior to that time, what was prevalent was the Joint Venture (JV) arrangement in which all the parties were required to fund their equities. It was more profitable for the government to operate the PSC.

Ashland Oil operated from 1973 up until 1997 it exited because the parent company in Kentucky, USA, which was more of a downstream operator that deals in petrochemicals, wanted to streamline the company along that line away from upstream operations. They sought to divest their upstream investments and began talking to other companies and in the process breached the provisions of the contract which led to the government revoking their license. This happened at just about the time the government came up with the policy banning companies that didn't have upstream operations from lifting crude oil. That was how Addax, a Swiss company, which was already involved in lifting crude on behalf of the government, came in and acquired the operatorship of the assets from Ashland. That deal was sealed in 1998 and Addax went ahead to sign the Production Sharing Contract with the NNPC. Addax operated up until 2008.

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and Addax be resolved amicably.

With the breakthrough in the signing of the settlement and exit agreement by Addax on 31st January, 2023, a new company, Antan Producing Ltd, was born by the NNPC Ltd to take over the operatorship of the assets. The company, made up of a nucleus of NNPC Upstream Investment Management Services (NUIMS's) staff and Addax's staff who had earlier been constituted into a committee to ensure that the assets continue to produce while negotiations were ongoing, was eventually consolidated taking full charge of the assets on 1st February, 2023. The import of all this is that NNPC, as the concessionaire of the assets, took over the operatorship of the assets using a special purpose vehicle, Antan Producing Ltd. with the aim of ensuring continuous and optimal producibility of the assets.

Seven to eight months down the road, how far have the objectives of sustaining and growing production from the assets been met by Antan Producing Ltd? Speaking on efforts that have been made and production recovery that has been achieved since taking over the assets, the Head, Operations Directorate of Antan Producing Ltd,

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They actually did a lot in terms of developing the assets and growing production. They grew production to 130,000 barrels per day. As is typical of investors, they started looking at other opportunities and decided to sell. That was how Sinopec came in from China and acquired the company. They retained the name Addax up until the time they left.

They too left because they had issues. There were fiscal terms that were agreed at the time they acquired the company but which were not being implemented. Therefore, Sinopec-Addax stopped investing in the development of the assets. The government didn't like that because it was supposed to be continuous investment. This was why the government, through NNPC, decided to take over the assets and operate them. That was how Antan Producing Ltd was incorporated as a special purpose vehicle to operate the assets.

How would you describe working environment under the various companies and managements?

The Americans, under Ashland, were business-like in their operations. They did everything to grow the business and maximize production. Most of the fields we have in operation today were brought into production by Ashland. Like I said, it was because they wanted to divest from upstream operations to streamline with their parent company that they left.

Addax, under the Swiss, also did a lot in terms of growing the assets. When they came in, the price of crude plummeted. But once the price came up, they invested heavily in exploration, field development, and production and ramped up production very significantly. At a point, they had up to four rigs drilling simultaneously In different fields. And it was at a time when rigs were very expensive. That was how they grew production to 100,000bpd and above. I must also add that they took staff welfare very seriously.

Sinopec did well until they started having issues. That was when they started defaulting by not investing. The downturn affected the morale of staff. The future was very uncertain for them and they kept asking questions as to the future of the company? But, of course, because the company was also in discussions with the government, they couldn't give the kind of answers that were required. That caused some restiveness which it affected everything. Production went down, sagging from 130,000bpd to 20,000bpd and further down to 7,000bpd. That was how the government stepped in and decided to take it over as Antan Producing Ltd.

Today, things are a lot better. Right from the beginning, the management made it clear that they were interested in staff welfare and production growth. The Managing Director, Engr. Sagiru Jajere, had a town hall meeting to reassure staff of government's intention to run the operation profitably and also to take care of staff welfare. He has not relented. Everything about staff is number one on his priority list. He is doing everything to provide the enabling environment, especially in the field. So, the staff morale is up. They are working, they are doing everything to raise production. I can tell you that even our host communities are happy. Last week, we visited the communities and had very useful engagements with them. They had issues with the previous operator. But the MD reassured them that there will not be any need for the host community leaders to lead delegations to the company's head office to ask for anything as the company will make it a point of duty go to them and do what is needful to ensure that we have a peaceful coexistence, which is important to our operations. If the community is not happy with us, then, of course, we cannot produce in a safe and conducive environment. So, the management of Anton is carrying everyone along to make sure that we have hitch-free production. Today, the staff is happy, the community is happy, and we expect that production figures will keep on climbing.

So from your experience, would you say that the takeover of the assets by Antan Producing Ltd is justified?

O yes! I can tell you that for sure. Let me give you an example of what has happened. Sometime ago in 2013, I worked in the Finance Department at the time and I was responsible for budget and planning. We were running a budget of $2billion and above for the operations of the company. But right before our very eyes, we started seeing everything sliding until it got down to $200,000. You can imagine how bad things went. That just showed that things weren't looking well. Of course, employees were concerned. They didn't know what the future had in stock for them. That gave them sleepless nights. We had to organize mental health experts to talk to them because the morale was really, really low. But all that has changed now with the assurance that the MD has given. I can tell you that it's a different kind of operation now since because NNPC has taken over through Antan Producing Ltd. Where we used to cut corners in the past, things are now being done properly. Antan has promised to put in enough funding to take production up and take care of staff welfare. It is also working towards ensure that the host communities are happy with us. So, I can tell you that things are a lot better and that the takeover is justified.

> ***The MD's hands-on management style has also helped a lot in building staff morale. He's not the kind of person that sits in his office to get reports.***

The MD's hands-on management style has also helped a lot in building staff morale. He's not the kind of person that sits in his office to get reports. He walks around and talks with everyone, including drivers and security guards. He wants to know if they are happy. He takes staff welfare very, very seriously. His leadership style has been very impactful, and it has made a lot of difference.

Lastly, in your view, what areas would you like to see improvement?

Basically, it's in the area of investment. The management is already doing a lot. For instance, management is in the process of getting an office building for the company. We have been operating from the guest house since 2020 during the Covid-19 pandemic when the previous operator took some decisions about the office building. With the issue of office accommodation already receiving attention, there is need to look at revving up investment in operations to grow the assets. The Director of Operations will speak more about that.

We can meet Production Target

- Engr. Nnajiofor

Engr. Okwuoma Jeremy Nnajiofor, Head, Operations Directorate, Antan Producing Ltd, takes a tour of the production voyage of the PSC assets under the various operators right from the days of Addax under the Swiss. He believes that the golden era of production can be reenacted, all things being equal.

Head, Operations Directorate, Antan Producing Ltd, Engr. Okwuoma J. Nnajiofor, listing what is required to reenact the bumper production of the Addax days.

Can you take us through the history of the assets, in terms of production. How has it been under the various companies that have operated the assets?

I joined Addax petroleum Development Nigeria in 2003 as a trainee engineer. From there, I rose to become a Senior Manager, a Superintendent, and finally to my current position as Head, Operations Directorate. When I joined the company, it had a lot of drilling activities going on. Production was good at about 80,000 barrels per day across all the three assets we had then. We grew production up to 130,000bpd by 2008. At a point Addax had four rigs operating at a time. That was quite significant!

However, as is typical with investors, as the production grew, the company saw the opportunity to invest in other things and sold the company to Sinopec of China. Over time, under the operatorship of the Chinese, there was little investment and we started experiencing production decline. At a point, there was no investment at all. So, most of the wells that we had drilled started dwindling in production as we were not doing interventions anymore. And we were not drilling any more wells. So, we continued to go down in production until the Department of Petroleum Resources (DPR), which is now NUPRC, revoked the assets. Then the back and forth began until NNPC decided to take over the assets because it is the concessionaire of the assets. Addax was only operating the assets as a contractor.

NNPC Ltd took over the assets under Antan Producing Ltd on 1st February, 2023. To tell you how bad things had gone, on that day that the exit agreement was signed, we had 7000bpd production from all the blocks. The blocks where we produced up to 130,000bpd in 2008 went down to as low as 7000bpd. That was where we took over. And there were a lot of legacy and integrity issues. This was like a challenge because the government took over the assets to prove that a Nigerian company can run this business and grow it. So, we reviewed the situation and came up with a couple of things we needed to do at immediately. We identified the low hanging opportunities that we can explore to grow production.

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Engr. Okwuoma J. Nnajiofor, explained that as at the time of taking over the assets on 1st February, 2023, production from the three producing assets (OMLs 123, 124, and 126) was at barely 7,000bpd. According to him, OML 123 was producing 4,000bpd, OML 126 was at 3,000bpd, while OML 124 was at zero production level. A combination of factors ranging from lack of diligent exploration and production operations to cessation of investments by Addax owing to the dispute had hobbled a once flourishing business and plummeted production from a peak of 130,000bpd.

Nnajiofor disclosed that upon taking over the assets, the management of Antan Producing Ltd did a quick evaluation of the situation on ground and identified some low-hanging opportunities that could be explored to immediately raise production. Some of the issues identified for immediate intervention, according to him, had to do with pipeline sabotage and lack of storage, which if not addressed could lead to complete shutdown. They came up with three key interventions. The first was immediate acquisition of the Floating Production Storage and Offloading (FPSO) Adoon whose contract had expired in order to ensure continuation of production in OML 123. The second was the emplacement of a security arrangement to protect and guarantee safe evacuation of production from OML 124 for storage at a nearby Agip facility. The third was repair works at OML 126 which the operations chief explained thus: “We brought a Deep-Submergence Vehicle (DSV) which is a diving support vessel that enabled divers to go down to a depth of about 145meters to change the hydraulic and gas lift lines in OML 126 that failed and repair them”.

> ***“Our target is to grow to 25,000bpd steadily between now and the end of the year, and then to 30,000bpd by the end of the second quarter of 2024. Our drive is to get the assets back to produce above 100,000bpd as they used to do.”***

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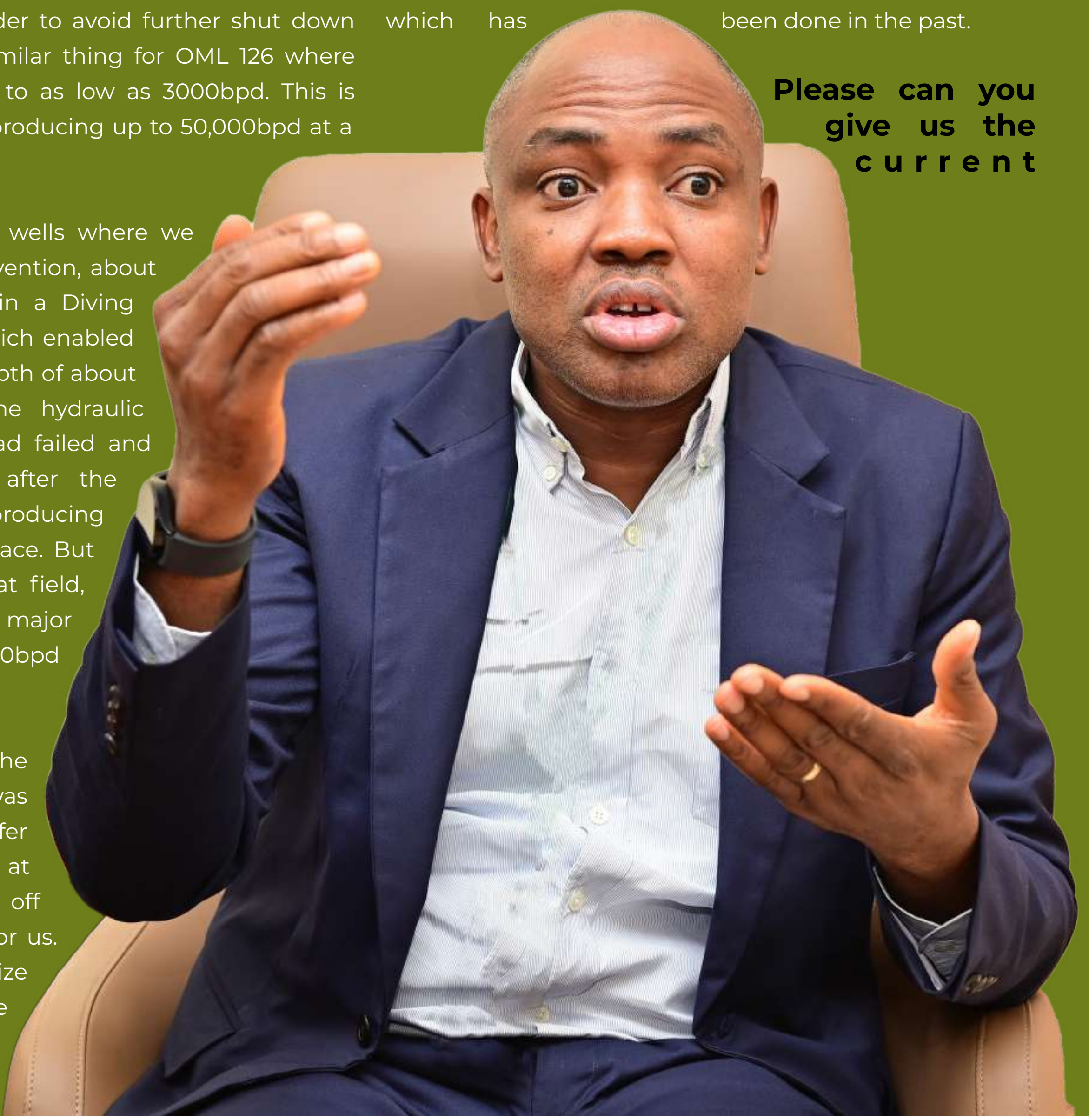
One of the things that helped us was the takeover of the Floating Production Storage and Offloading (FPSO) Adoon which used to be owned by Yinson Pts Ltd. As at the time of the takeover of the assets, the contract with Yinson had expired and they were about moving the FPSO away which would have grounded production to zero. But Management moved quickly and acquired it on Fund, Operate and Transfer model for 10 years. It is now being operated by West Africa Gas Ltd (WAGL) and has been renamed, FPSO NUIMS ANTAN. This helped to stabilize us and we didn't have to shut down the facility. Another issue we had was that we couldn't ship production in OML 124 because of the sabotage on the pipeline. So, we had to put together a security arrangement to ensure the pipelines are protected so that we can move our production to the Agip facility nearby in order to avoid further shut down of our wells. We did a similar thing for OML 126 where production had dropped to as low as 3000bpd. This is an asset where we were producing up to 50,000bpd at a point in 2008.

We also identified some wells where we needed to do some intervention, about four wells. We brought in a Diving Support Vehicle (DSV) which enabled divers to go down to a depth of about 145meters to change the hydraulic and gas lift lines that had failed and repair them. Currently, after the intervention, we're producing 6000bpd in that same place. But our target is to grow that field, even without doing any major drilling, to about 7000/8000bpd in the next two months.

In OML 123, part of the challenge we had was logistics because the surfer boats company pulled out at the time we were kicking off and it became an issue for us. We quickly had to mobilize two surfer vessels with the support of our MD. That will help us raise production in OML 123. To tell you how fast things have moved, we've attained 23,000bpd as at today. That is quite significant for such a short period of time. Our target is to grow it to 25,000bpd steadily between now and the end of the year, and to 30,000bpd by the end of the second quarter of 2024. Our drive is to get the assets back to produce above 100,000bpd.

We are also looking at doing more drilling. Our OML 137 (Ofrima/Udele), we have not done any drilling there. It has some good oil and gas and lots of condensate. So, part of our plan is to do more exploration, and more drilling. If we have more investment, we can also explore the opportunity of acquiring more blocks as well. But the primary target is to see how we can get back to above 100,000bpd which has been done in the past.



Please can you give us the current production figures per block viz-a-viz where they stood when you took over? This will make it easier for people to follow the progress.

When we took over OML 123, it was doing about 4,000bpd. Now, we have grown it to about 13,000bpd. We are still working hard to increase it more. For OML 126, when we took over it was about 3,000bpd. 3,000bpd plus the 4000bpd from OML 123 is what made up the total of 7,000bpd production we had when we took over. Currently, OML 126 is producing 6,000bpd. OML 124 was down and not producing as at the time we took over. I remember I told you that all the wells were shut in because of the sabotage we had on the lines and those of Agip - both our own lines to Agip and Agip to Brass. With the security surveillance contract on that line, we are producing about 4,000bpd from that block. Like I told you earlier, we have not started any work at OML 137. It's among our future plans where we hope to drill more.

It is one thing to set a target, it is quite another to achieve it. What is the plan on ground to achieve the target of 100,000bpd and above production that you are talking about?

I told you earlier that we are looking at doing more drilling in OML 123, especially in the some of the identified reserves that we have not harnessed. We already have Field Development Plans (FDPs)for some of them, there are others that we need to revalidate. We are going to work with the NUPRC and NUIMS to get the FDPs approved and then we can go ahead to do the drilling. Then, we have OML 137 - the Ofrima/Udele fields - which has some good reserves of oil and condensate as well as a sizeable volume of gas. That is going to be another game changer that will push us to or above the 100,000bpd production mark.

Q: When we interviewed the MD, he told us that his midterm to long term is to get to 130,000bpd production. As the man in the field, do you see that as a

Continued from page 17

With these and other interventions, production from the assets has gradually revved up from 7,000bpd to 23,000bpd. OML 123 has shot up to 13,000bpd, a production rise of 225% . OML 126 has achieved a 100% rise in production at 6,000bpd. From zero production, OML 124 is now pumping 4,000bpd. According to Nnajiofor, this is just the beginning as there are concrete plans to grow production to the pre-dispute days of Addax and beyond. "Our target is to grow to 25,000bpd steadily between now and the end of the year, and then to 30,000bpd by the end of the second quarter of 2024. Our drive is to get the assets back to produce above 100,000bpd as they used to do," he enthused. On whether the aspiration of Antan Producing Ltd to get production back to the pre-dispute days of Addax is feasible, Nnajiofor said there is no doubt whatsoever as to the feasibility of the target. He explained that the men who made the bumper production from the assets possible in the past are available to reenact the feat. According to him, if the issues of funding, slow approval process, and security around the assets are effectively and efficiently handled, there is nothing that will stop Antan from achieving bumper production. "The morale of staff is high and they are eager to work and make sacrifices to make it happen. The only factor that is not available right now is the requisite investments. We need to do more drilling and more exploration. We have not done anything in Ofrima/Udele (OML 137) at all. That asset has some good volumes of oil and gas, and even condensate. We need to go there. We are optimistic that if the required investments are made, the days of bumper production will be here again," he declared.

Nnajiofor's optimism about the prospects of Antan Producing Ltd to steadily raise its production and grow into a midsize player in the upstream is rooted in a long history that dates back to 1973. That was the year Ashland Oil Nigeria Ltd, a subsidiary of a Kentucky, US-based company, Ashland, signed the first Production Sharing Contract with the Federal Government represented by the NNPC Ltd as the concessionaire. The PSC involved OMLs 123/124 (formerly OPL 98) and 126/137 (Former OPL 118). Ashland achieved a middling development of the assets to become a modest producer of about 5,000bpd in the early to mid-1990s. At the expication of 25 year psc agreement ashland

Continued on page 22

realistic goal?

The MD, like all of us in operations, desire to get back to above 100,000 which these assets have done in the past. And like I mentioned to you, I think it is a realizable in the mid to long term. But we need a lot of investment to achieve that. For example, Ofrima/Udele fields are in deepwater, they require a lot of investment in terms of funding. If we get the requisite support in terms of investment, there won't be any problem in achieving our goal. With the support of the government, NNPC Ltd, and NUPRC, we can achieve and even surpass the target.

To what extent would you say the takeover of assets by Antan has boosted the morale of your men in the field?

The Management of Antan has greatly improved the morale of all staff, not just the workers in the field. Like I said earlier, the worst thing that can happen to any employee is when he is not certain about what his future. When the company was faced with the lack of investment in the assets under the Sinopec Addax, it started affecting the performance of the staff both in the field and in the office. In fact, at a point, HR was organizing mental health sessions for staff. But things have changed now. We are glad that we have the kind of person as Engr. Sagiru Jajere as the MD. When he came in, the first thing he did was to have a townhall meeting with all staff including those in the field. Part of the assurance he gave was that Antan Producing Ltd is not a new wine in an old bottle, but a new wine in a new bottle. He said Antan will do things differently and will make the welfare of workers, especially those in the field, a priority. He followed through with that. For instance, before now, we used to have one surfer boat in the field to support operations. But with his support, we have two surfer boats now. That is helping us great deal in in-field logistics. Currently, people are no more held in platforms because of bad weather, staff are now relieved as and when due. Also, in terms of catering in the field, tools in the field, space in the field, all have witnessed a significant improvement. This has created a situation where staff have taken ownership of the job even though there are still some challenges. People are now willing to sacrifice more because they know that the future is safe and that the management cares about them. They know that the MD is committed to what he says. He is not just talking, rather he's doing what he's saying. So, things have really improved and we hope that over time as we grow production, the welfare of the workers will also improve and then together we grow this company into the company of choice.

NNPC

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sold its upstream assets to a swiss firm, Addax petroleum. The sale was executd by Ashland's parent company in its bid to rreforce it's business operation.

Putting the transition from Ashland to Addax in perspective, an insider who worked with the company through its many transitions from the Americans to the Swiss to the Chinese, and is currently Head, Business Services Directorate, Antan Producing Ltd, Mrs. Victoria Iroro, explained that a key factor that drove Addax to acquire Ashland was the Federal Government's policy to ban companies that did not have upstream operations from lifting crude oil. According to her, the Federal Government had revoked Ashland's license because it had breached some provisions of the PSC due to its desperation to divest. This, Addax subsequenttly came in in 1998. It signed the Production Sharing Contract with the government and NNPC and they operated up until 2008," she explained.

Iroro's account of the company's operations before it was acquired by Sinopec tallies with Nnajiofor's as they both agree that the company enjoyed its golden age in terms of production under the Swiss. According to them, Addax engaged in a very aggressive exploration and production programme which saw it a simultaneously deploying four rigs at a time. "They actually ramped up to 130,000bpd," Iroro added. The company's production graph began a gradual fall after its acquisition by China's Sinopec and the onset of the dispute which slowed down further investments in the assets. According to Iroro, the dispute has to do with fiscal terms. "There were fiscal terms that were agreed upon at the time they acquired Addax. But there were some of the terms that were not being implemented. Therefore, Sinopec-Addax stopped investing and I didn't think the government liked that because it was supposed to be continuous investment. This was when NNPC decided to take over the operatorship and Antan was incorporated as a venture to run the operation," she stated.

Having overcome the dispute with the negotiated exit of Addax and the transfer of assets to Antan Producing Ltd, the management of the company led by the Managing Director, Engr. Sagiru Jajere, is doing everything to regain lost ground. His efforts at confidence building with the staff are yielding positive results as confirmed by both Nnajiofor and Iroro. The rising production figures, high morale of staff as engendered by the welfare-centric management of Jajere who according to the staff is keen an protending creative solutions to the challenges that the young company is facing.

"We're glad to have Engr, Sagiru Jajere as our MD. When he came in, the first thing he did was to have a townhall meeting with all the staff, including those in the field. Part of the assurance he gave was that Antan Producing is not an old bottle with new wine but a bottle with new wine. He promised to do things differently and part of his desire was to make the welfare of workers a priority, especially those in the fields.

"Before now, we used to have one surfer boat in the field to support operations. But with his support, we have a second surfer boat now which is helping us in field logistics. Currently, people are no longer held up in platforms because they couldn't travel due to bad weather condittion

"Also, in terms of catering in the field, tools in the field, space in the field, all have a witnessed a significant change. Staff have now taken ownership of the operations, they are now sacrificing more because they know that the future is safe, and that the management cares for them, and that the MD is committed to what he says. He is not just talking, rather he's doing what he's saying," Nnajiofor explained.

On her part, the Head, Business Services, described the MD as a peoples man who has done so much to boost the morale of staff. "I can tell you that even our host communities are happy with him. Last week, when we visited the communities, he assured them that they will not need to come to the company to ask for anything but the company would go to them and do what is needful to ensure that we have a peaceful coexistence because it is important. If the community is not happy with us, then, of course, we cannot produce in a safe and conducive environment. The management of Antan is carrying everyone along to make sure that we have hitch-free production. We have a situation where the staff are happy, and the host communities are happy, so, of course, production will keep climbing," she enthused.

With staff morale at an all-time high and a management that is focused on reliving the golden age of the first PSC assets in Nigeria, it is hoped that the aspiration to achieve bumper production from the assests will be achieved sooner, rather than later, by NNPC Ltd.'s new upstream company, Antan Producing Ltd.

NEWS

Chad Basin:

Digging Deep with Wadi-B

By Sani Tukur

That Nigeria is a significant producer of hydrocarbons with considerable crude oil and natural gas reserves is a well-known fact. However, no one knows with certainty the full extent of the nation's hydrocarbon endowment; this is majorly because for many years, exploration has been concentrated on the prolific Niger Delta Basin with skeletal oil prospecting work carried out in the Inland Basins. It is noteworthy that NNPC Ltd has decided to change the existing course through the diversification of the nation's resource base, increase in reserves and optimized production.

The Company's renewed foray into Frontier Exploration with the exploratory drilling of the Kolmani River II Well in the Upper Benue Trough of the Gongola Basin in 2019 yielded huge success with the discovery of oil and gas in commercial quantity. Buoyed by this success, NNPC Limited set its sight on replicating the same feat in other inland basins by engaging in more frontier exploration. The desire to optimize the Kolmani success story led to the Presidential Flag-off of the WADI-B Exploration/Appraisal in May 2023 in Borno State. Simply put, the event signaled the commencement of drilling of an exploration well (Wadi-B) in the Lake Chad Basin.

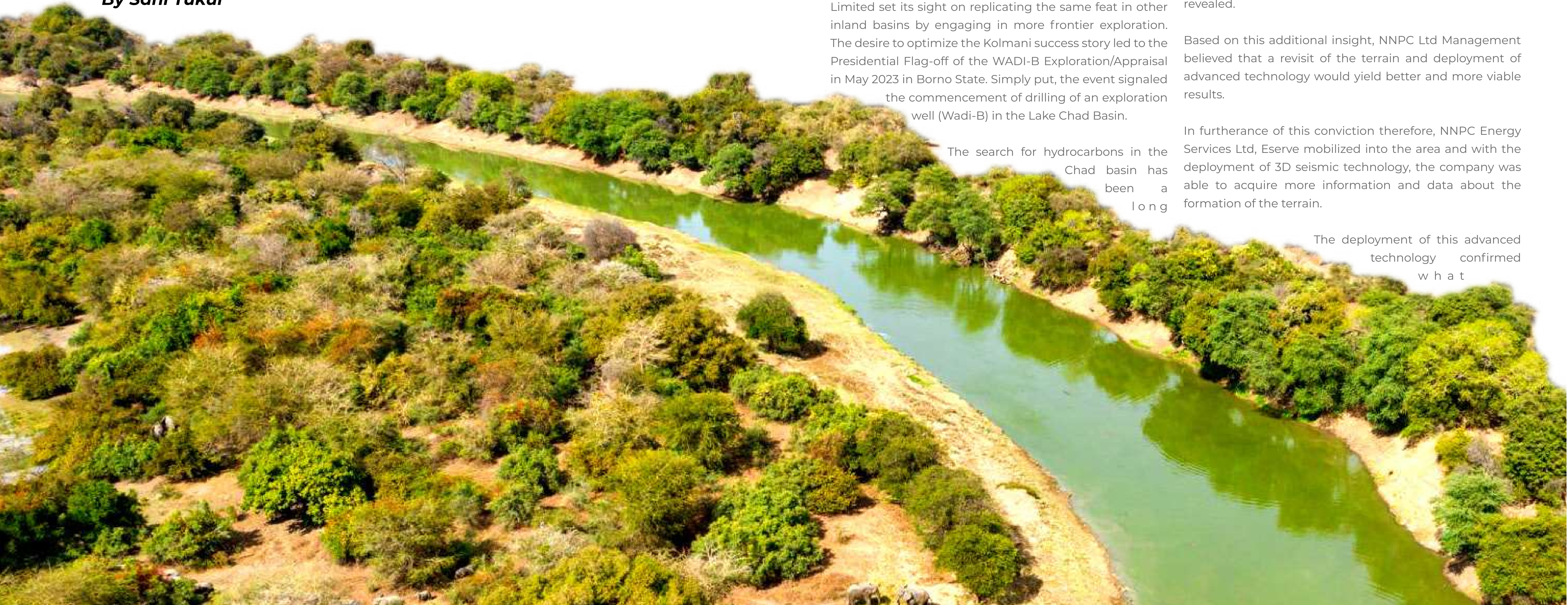
The search for hydrocarbons in the Chad basin has been a long and unwieldy one because according to geologists, the area lies within a contiguous region straddling four countries, namely – Nigeria, Chad, Cameroon, and Niger Republic. One of the countries, Chad, struck oil and has been producing oil in the basin. This spurred exploratory interestin Nigeria with Shell deploying to the basin in 1995. Shell's expedition, which was based on 2D data led to the drilling of Wadi-I. After the drilling, Shell revealed that the hydrocarbon findings were of no commercial value and subsequently exited the project.

In 2012, however, NNPC Energy Services (ENServ, formerly, Frontier Exploration Services) with the use of technology enabled by the acquisition of 3D seismic data was able to gain deeper insights into the terrain. Armed with technology, ENServ launched a fresh campaign and the possibility of huge hydrocarbon pressure in the area was revealed.

Based on this additional insight, NNPC Ltd Management believed that a revisit of the terrain and deployment of advanced technology would yield better and more viable results.

In furtherance of this conviction therefore, NNPC Energy Services Ltd, Eserve mobilized into the area and with the deployment of 3D seismic technology, the company was able to acquire more information and data about the formation of the terrain.

The deployment of this advanced technology confirmed what



NNPC Management Team had suspected over the years; the possibility of a huge deposit of hydrocarbon accumulation in the terrain!!

With this new development and the attendant results from the exercise, the Group Chief Executive Officer of NNPC Ltd, Mr. Mele Kyari at the flag-off event stated that the company is extremely optimistic that "this campaign will take us to the ultimate objective, which is to increase the reserves of our country and create opportunities around us."

Speaking further on the steps taken before arriving at the decision to resume exploration activities in the Chad Basin, the GCEO admitted that, "NNPC Ltd embarked on a massive evaluation of all tectonic and frontier basins of the country and our findings have been useful and have enhanced our understanding of the Rig system in Nigeria, which enabled the company achieve successful outcomes in Kolmani. This enabled us to mobilize to Nassarawa States - now a drilling activity and engagement are going on. It also helped us understand the Chad Basin and the geological setting of the area better, which is why we went back."

> *What happened here is another milestone in the decades of hydrocarbon exploration, appraisal and prospectivity studies of the inland frontier basins, which no doubt stressed the government's unalloyed interest in making the requisite investments in oil exploration.*

On the economic basis for the decision to restart exploration in the Chad Basin, Kyari said that the oil and gas industry is a key determinant of prosperity in Nigeria through the provision of energy security. "This cannot happen unless you have access to the resources and the ability to convert them into value. This calls for an innovative approach to conversion as quickly and practically as possible. Whenever we find new oil, we will consider the concept of integrated production and conversion so that value can be created swiftly," he explained. Also speaking at the event, the Chief Executive Officer of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Engr. Gbenga Komolafe, commended NNPC Ltd for the bold step. "What happened here is another milestone in the decades of hydrocarbon exploration, appraisal and prospectivity studies of the inland frontier basins, which no doubt stressed the government's unalloyed interest in making the requisite investments in oil exploration."

He said that the spud-in could not have come at a better time given the recent global events that border on energy security and energy transition, adding that his agency will continue to support all the ongoing projects for better utilization of Nigeria's hydrocarbon reserves.

Similarly, the Executive Governor of Borno State, Professor Babagana Umara Zulum said, "the commencement of oil drilling in the region underscores the Federal Government's resolve to diversify the country's economy. "This project, if concluded, will impact positively on the socioeconomic future of the state and the entire region," he stated.

Zulum also expressed optimism that the project will help create job opportunities for the teeming youths "thereby reducing unemployment, eradicating insurgency, in addition to stimulating economic growth and development of our dear state and nation, in general."

The governor expressed his profound appreciation to the Management and staff of NNPC for the milestone achievement and promised to make the staff of NNPC Energy Services (Enserv) as comfortable as possiblethroughout their stay in Borno State.

The Shehu of Borno, His Royal Highness, Mustapha Ibn Umar ElKanemi, also expressed his excitement and gratitude for the grand spudin of Wadi-B well. He said that the success of the project culminating in oil discovery in commercial quantity will bring succour to him and the people of the state, stressing that, "God willing, the project will bring economic prosperity to the people of Borno state and beyond."

The event was attended by stakeholders in the oil and gas sector, government officials and traditional rulers from across the country's Northern region and beyond.

NEWS

'Ibefun Gas City Gate to Increase Domestic Gas Utilization'- Kyari

By Abubakar Yahaya

Group Chief Executive Officer of the NNPC Ltd, Mallam Mele K. Kyari has assured that the construction of the Ibefun Natural Gas City Gate will increase domestic gas utilization to drive economic growth of the people of Ogun state and Nigeria in general.

The GCEO gave the assurance when he commissioned the NNPC Gas Marketing Company and Axella/Trans National Gas Limited (NGML-TGNL) 150MMSCFD Ibefun Natural Gas City Gate in Ogun state, recently.

Kyari, who was represented at the event by the Executive Vice President Gas, Power and New Energy Mr. Ahmed Mohammed Abdulkabir noted that the feat has brought to reality the Federal Government's aspiration of deepening domestic gas utilization.

'Although Nigeria is blessed with abundant natural gas resource of 209.5 tcf, Domestic Gas utilization remain abysmal. The construction of this City Gate Station will further increase domestic gas utilization to drive economic growth and prosperity for the people of Ogun State and the country at large'. He noted

'NGML and Axella's relationship in natural gas distribution spans over 20 years, with the signing of the franchise for natural gas distribution in the Greater Lagos Industrial Area (GLIA) in March 1999. Today, the partnership has connected over 200 industries to natural gas'.

The NNPC Boss further stated that NNPC is confident

that the 150MMscfd city gate station and gas distribution infrastructure will create jobs, enhance economic development, and propel industrial growth within Ogun state and beyond.

'Today, we are witnessing the commissioning of the biggest single gas distribution infrastructure within the NGML-Axella collaboration, the 150MMscfd capacity Ibefun City Gate Station (CGS). The NGML/TGNL JV performance is an impressive testament to the power of teamwork, vision, and dedication', he further remarked.

'Additionally, the UJV has invested in developing gas distribution backbone pipeline network reaching existing and potential commercial and industrial heartbeats within the environs and beyond. We are glad to connect one of the state's largest beverage and food

This will be through the introduction of gas-powered mass transit vehicles, and the development of electric motorcycles, all to reduce carbon emissions and add carbon credits as we join other advanced countries in going green.

factories, Rite Foods, Ososa, to piped natural gas. Today, I am sure they have testimonies regarding clean energy, availability, reliability and cost saving'. He disclosed
While appreciating the Ogun state government for the support, Mallam Kyari called on the people, host communities and traditional rulers to render full support in protecting gas infrastructure in their domains.
In his speech, Ogun State Governor, Prince Dapo Abiodun, said the conclusion of the facility marked another milestone in the history of gas penetration and inclusion in Nigeria and Ogun State.

"Today's commissioning of Ibefun natural gas city gate will support, drive and complement the administration's gas mobility projects," he said.

"This will be through the introduction of gas-powered mass transit vehicles, and the development of electric motorcycles, all to reduce carbon emissions and add carbon credits as we join other advanced countries in going green."

According to the governor, this investment will further support the industrial revolution of Ogun State.
"The crucial role gas will play in driving industrial growth in the future becomes particularly appealing, not just for providing energy security needed for continuous production but also reducing energy cost for manufacturers, so they can be more competitive with low carbon emissions," Abiodun said.

"This great project will reinforce our commitment to deliver innovative solutions that create sustainability efficient energy utilization for the benefit of the people of Ogun State."

In his welcome address, Managing Director of NNPC Gas Marketing Limited, Barrister Justin Ezeala disclosed that NGML and TGNL have an Un-incorporated Joint venture Agreement (UJV) to deepen natural utilization in the Sagamu-Ijebu Ode axis of Ogun State, increase market share, and stimulate commercial and industrial activities in the state.

'The commissioning of the 150MMscfd CGS is a significant milestone for the joint venture. The City Gate Station (CGS) is designed to supply gas to the industries within Sagamu, Ijebu-Ode in Ogun State, Ore (J4) in Ondo state, and beyond' he noted.

'The NGML-TGNL joint venture is poised to serve and ensure the gas distribution reaches every nook and cranny of potential gas off-taker in the Sagamu-Ijebu Ode gas distribution Zone, and Ogun State in general with the continued support of the Ogun state government, our host communities, and other esteemed stakeholders'.

Barrister Ezeala therefore solicited for the support and cooperation of the Ogun state government and captains of industries to create more opportunities for gas utilization to ensure that the joint venture investment in the gas infrastructure in Ibefun environs and beyond serves the purpose of realizing the Federal Government's decade of gas and deepen gas utilization thereby promoting economic activity for the state.

Earlier in his remarks, Managing Director, TGNL, Bolaji Osunsanya, said the development of the Sagamu gas distribution zone was borne out of the need to deliver on medium to long-term expansion strategy.

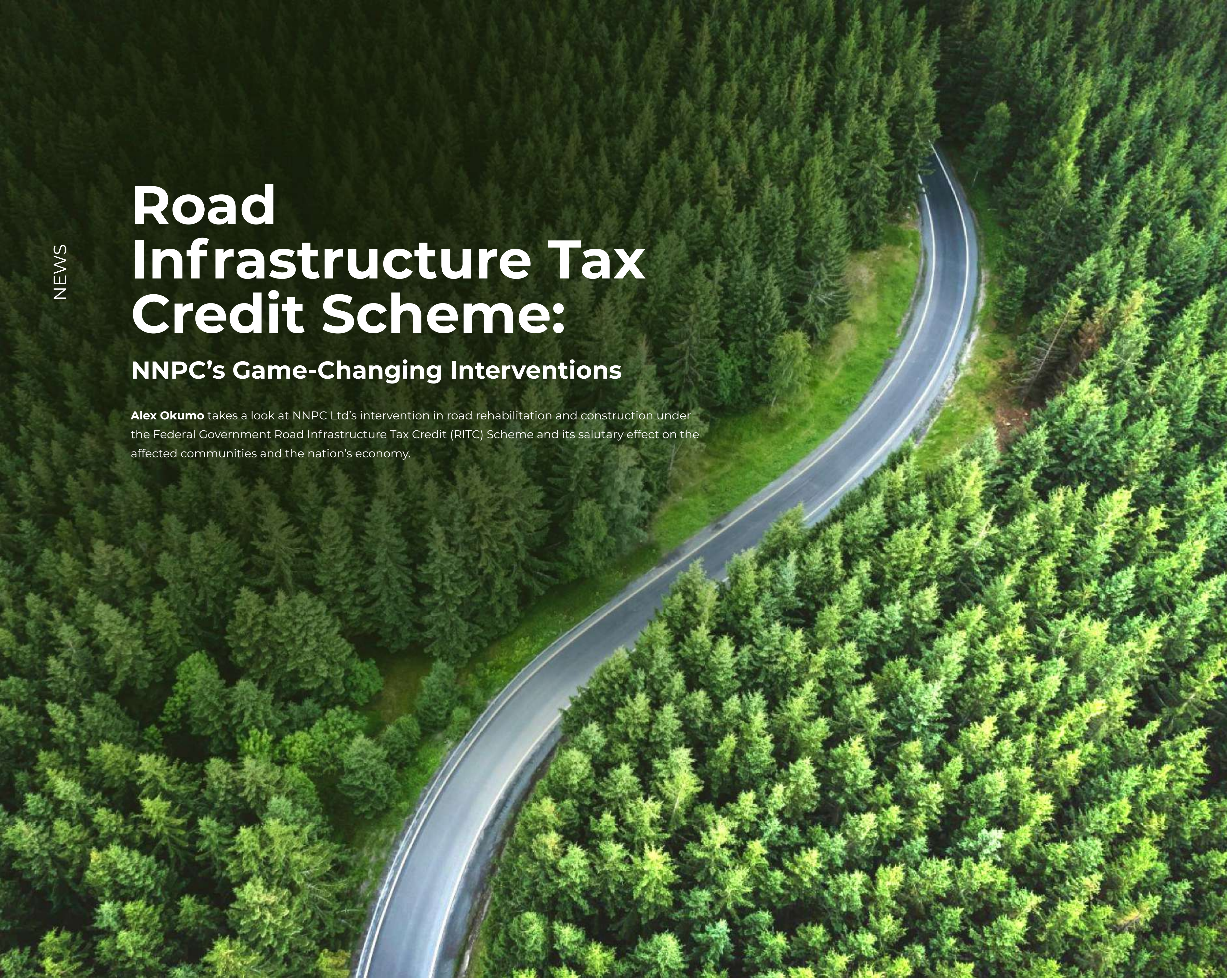
"It will broaden our outlet portfolio and strengthen our market base in the energy sector. Our partnership with NGML has continued to create opportunities for both parties to leverage our expertise and resources to develop more infrastructure projects to drive economic growth in Nigeria.

"This project commissioned today will help deepen natural gas utilitisation in Ogun State and its environs," he said.
Osunsanya added that the gas facility would further spur Ogun State for economic growth by enabling industrialisation within the state, promoting investment, and supporting the manufacturing sector.

"It is expected to contribute to job creation and growth for medium size enterprises. Our commitment to safety and environmental sustainability is reflected in every aspect of this facility, just to ensure we follow the best global standards," he said.

The crucial role gas will play in driving industrial growth in the future becomes particularly appealing, not just for providing energy security needed for continuous production but also reducing energy cost for manufacturers, so they can be more competitive with low carbon emissions," Abiodun said.

Ibefun Gas City Project



Road Infrastructure Tax Credit Scheme:

NNPC's Game-Changing Interventions

Alex Okumo takes a look at NNPC Ltd's intervention in road rehabilitation and construction under the Federal Government Road Infrastructure Tax Credit (RITC) Scheme and its salutary effect on the affected communities and the nation's economy.

It was a hot October afternoon in 2021. The Petroleum Tanker Drivers section of the Nigeria Union of Petroleum and Natural Gas Workers (NUPENG) had served the Federal Government a notice of warning strike action. Their grouse: The terrible state of the roads which had become a constant threat to their lives. Members of the union were dying from injuries sustained in avoidable accidents on the roads in the course of discharging their duties of delivering petroleum products across the country, the leaders of the union had stated. They added that fillen their delapidated states, members were forced to spen interminable hours on the roads to the detriment of their health and at the mercies of robbers and bandits.

Tension was in the air. The hardship that would come with the strike action could only be imagined. It would disrupt the distribution of petroleum products across the country and dislocate economic activities. Its deleterious impact could linger and dampen the end of year festivities that were fast approaching.

Considering the nature of the grouse that the union's strike was aimed at addressing, it was difficult for anyone to see a window for a quick resolution that could avert it. So, when the Management of NNPC Ltd led by Mr. Mele Kyari offered to intervene and called for a meeting with the leaders of the PTD and NUPENG, not much was expected by way of an outcome that can avert the impending doom.

The about two and a half hours' meeting seemed like an eternity. The sheer weight of its implication made the minutes and hours dragged. A glimmer of hope of a happy ending began to emerge when journalists began to arrive for a post-meeting joint media briefing. Usually, when meetings like this end in a stalemate, the parties do not wait for such courtesies and niceties as joint media briefing.

When the Management of NNPC Ltd and union leaders announced that the impending warning strike action had been suspended, it was naturally the news of the day. But it had a rider that was equally important because it held the key to the permanent resolution of the grouse. NNPC had agreed to intervene in the reconstruction and rehabilitation of 21 roads that were critical to the distribution of petroleum products across the country.

Explaining the intervention, the Group Chief Executive Officer of NNPC Ltd, Mr. Mele Kyari, said the company would take advantage of the Federal Government Road Infrastructure Tax Credit (RITC) Scheme to fix the selected roads. The scheme was established by President Muhammadu Buhari under Executive Order 007. It allows companies to invest in the provision of road infrastructure in exchange for tax credit by the Federal Inland Revenue Service (FIRS).

As expected, the intervention was cheery news to the union and its members. But there were cynics who believed it was a diversionary measure and that nothing good would come out of it. However, all that began to change when NNPC Ltd firmed up the arrangement with the FIRS and the Ministry of Works and Housing and the contractors were mobilized to the various sites to commence work.

A recent inspection visits to some of the sites in Lagos and Niger States by a combined team of NNPC Ltd Management, FIRS, and Ministry of Works and Housing engineers shows how much positive impact the intervention has created in the lives of, not just the members of the PTD NUPENG, but all Nigerians.

Speaking on the significance of NNPC Ltd's intervention in roads reconstruction and rehabilitation during the inspection of the Agbara – Badagry section of the Lagos -Badagry Expressway, the Director, Highways, Roads and Rehabilitation, Ministry of Works, Engr. Folorunso Esan, who represented the Minister, disclosed that NNPC's intervention has helped to boost the pace of work on the project within a very short period.

"From what we can see, the intervention from NNPC has taken this project from 10 per cent to 40 per cent in a very short time. We have achieved a lot as you can see; but construction is still ongoing and what they have done already is quality work which everyone has attested to," Engr. Esan said.

The director, who was full of praises for the NNPC Ltd, further disclosed that the project will be delivered in the next 12 months, stressing that what was left of the project were earth works and pavement works, as all the drainages were already in place.

NNPC

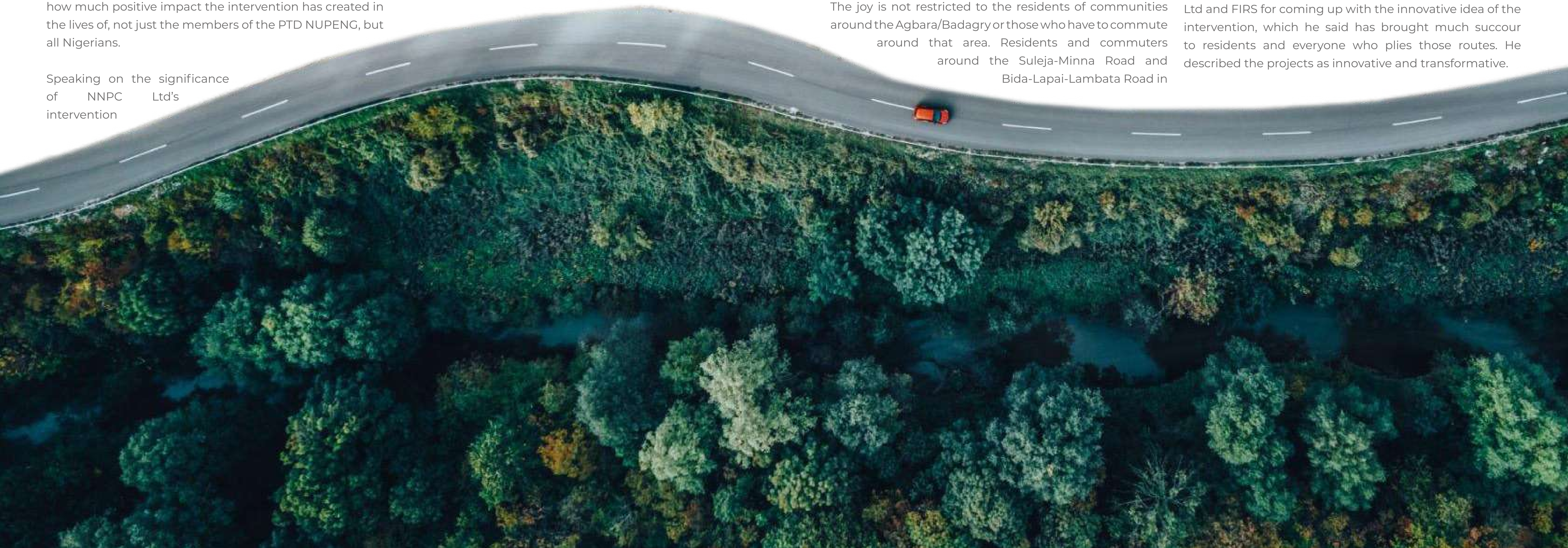
Earlier, the Supervising Engineer of the project, Mrs. Olukorede Keisha, who conducted the inspection team round, gave an overview of the project, listing the drains, culverts and other construction works done on various stretches of the road.

But the most telling testimonial to the positive impact of the road reconstruction intervention by the NNPC Ltd was the remarks by the Oba of Ibereko in Badagry, Oba Israel Adewale Okoya, whose domain has a substantial part of the project running through it. He narrated how residents of the area have suffered untold hardship because of the poor state of the road and how the intervention of NNPC Ltd has greatly improved the situation.

"Some two, three, four years ago, we had a problem here. It used to take us two to four hours to travel from Badagry to Agbara, and six hours to Mile 2. But today, under one hour you can get to Agbara, and we are happy," the Oba enthused.

The joy is not restricted to the residents of communities around the Agbara/Badagry or those who have to commute around that area. Residents and commuters around the Suleja-Minna Road and Bida-Lapai-Lambata Road in Niger State are also enjoying the benefits of NNPC Ltd's intervention in the reconstruction of those roads. A highly elated Etsu Nupe, His Royal Highness (Alhaji) Yahaya Abubakar (CFR), who led other prominent traditional rulers whose domains the roads are situated to welcome the inspection team, was full of commendation for NNPC Ltd and FIRS for coming up with the innovative idea of the intervention, which he said has brought much succour to residents and everyone who plies those routes. He described the projects as innovative and transformative.

> ***Some two, three, four years ago, we had a problem here. It used to take us two to four hours to travel from Badagry to Agbara, and six hours to Mile 2. But today, under one hour you can get to Agbara, and we are happy, the Oba enthused.***



Others include: the rehabilitation of Minna-Zungeru-Tegina-Kontagora Road in Niger State, Section I, Minna-Tegina, in Niger State; rehabilitation of Minna-Zungeru-Tegina-Kontagora Road in Niger State, Section II, Minna-Kontagora, Niger State; Shendam-Yelwa-Mato Junction-Taraba Border with spurs in Plateau and Taraba States; dualization of Suleja-Minna Road in Niger State; and dualization of Lokoja-Benin Road: Obajana Junction-Benin Section I Phase 1, Obajana-Okene, in Kogi State.

Also approved for NNPC Ltd's intervention are the dualization of Zaria-Funtua-Gusau-Sokoto Road in Kaduna, Katsina, Zamfara, and Sokoto States: Section I Zaria-Funtua-Gusau; dualization of Zaria-Funtua-Gusau-Sokoto Road in Kaduna, Katsina, Zamfara, and Sokoto States: Section II Gusau-Sokoto Road in Zamfara and Sokoto States; dualization of Zaria-Funtua-Gusau-Sokoto Road in Kaduna, Katsina, Zamfara, and Sokoto States: Section II Gusau-Sokoto Road in Zamfara State; and dualization of Zaria-Funtua-Gusau-Sokoto Road in Kaduna, Katsina, Zamfara, and Sokoto States: Section II Gusau-Sokoto Road in Zamfara and Sokoto States.

The Akure-ItaOgbolu-Iju-Ado-Ekiti Road, Section I, Akure-Ita Ogbolu-Iju to Ekiti State Border in Ondo State and the Akure-ItaOgbolu-Iju-Ado-Ekiti Road, Section II, Akure-Ita Ogbolu-Iju-Ekiti State are also slated for dualization under the Phase 2 of NNPC Ltd's road infrastructure development intervention.

See table for the full list of roads approved by FEC for NNPC Ltd's intervention under the second phase of the project:

S/N	STATES	PROJECT	LENGTH (SINGLE/DUAL CARRIAGE
1.	Akwa Ibom	Construction of Eket Byepass	9.75km (Dual)
2.	Edo	Dualization of Lokoja-Benin Road: Obajana-Junction-Benin Section II Phase I: Okene-Auchi, Kogi/Edo States	63.7km (Dual)
3.	Edo	Dualization of Lokoja-Benin Road: Obajana-Junction-Benin Section III Phase I: Auchi-Ehor, Edo State	54.2km (Dual)
4.	Bayelsa	Nembe-Brass Road	32.50
5.	Niger	Rehabilitation of Minna-Zungeru-Tegina-Kontagora Road, Section I: Minna-Tegina	94.99km (Single)
6.	Niger	Rehabilitation of Minna-Zungeru-Tegina-Kontagora Road, Section II: Tegina-Kontagora	82.3km (Single)
7.	Plateau/Taraba	Shendam-Yelwa-Mato Junction-Taraba Border with spurs	104km (Single)
8.	Niger	Dualization of Suleja-Minna Road	40km (Dual)
9.	Kogi	Dualization of Lokoja-Benin Road: Obajana Junction-Benin Section 1 Phase I: Obajana-Okene	58.59km (Dual)
10.	Kaduna/Katsina/Zamfara	Dualization of Zaria-Funtua-Gusau-Sokoto Road: Section I, Zaria-Funtua-Gusau	87.575km (Dual)
11.	Zamfara/Sokoto	Dualization of Zaria-Funtua-Gusau-Sokoto Road: Section II, Gusau-Sokoto Road	86.1km (Dual)
12.	Zamfara	Dualization of Zaria-Funtua-Gusau-Sokoto Road: Section III, Gusau-Sokoto Road	(Dual)
13.	Zamfara/ Sokoto	Dualization of Zaria-Funtua-Gusau-Sokoto Road: Section II, Gusau-Sokoto Road	106km (Single)
14.	Ondo	Dualization of Akure-Ita Ogbolu-Iju-Ado Ekiti Road: Section I Akure-Ita Ogbolu-Iju-Ekiti State Border in Ondo State	18.438km (Dual)
15.	Ekiti	Dualization of Akure-Ita Ogbolu-Iju-Ado Ekiti Road: Section II Akure-Ita Ogbolu-Iju-Ekiti State Border in Ekiti State	21.27km
16.	Edo/Delta	Completion of Benin-Warri Dual Carriageway	97.3km (Dual)
17.	Delta/Bayelsa	East-West Road (Section I) Warri-Kaiama	87km (Dual)
18.	Rivers	East-West Road (Section II-I) Port Harcourt-Ahoada	47km (Dual)
19.	Rivers/Bayelsa	East-West Road (Section II-II) Ahoada-Kaiama	54km (Dual)
20.	Rivers/Akwa Ibom	East-West Road (Section III) Onne-Junction- Eket	84km (Dual)
21.	Akwa Ibom	Dualization of East-West Road (Section IV) Eket-Oron	51km (Dual)
22.	Rivers	Upgrading of 15km Port Harcourt-Onne Junction (SectionIIIA)	15km (Tripple)
23.	Abuja/Kogi	Construction of the Existing Pavement and Completion of the Additional Pavement on the Dualization of Abuja-Lokoja highway section III: Abaji-Koton Karfe Road	49.36km Dual)
24.	Plateau/Taraba	Construction of the Jarmai-Bashar-Zuruk-Andame-Karim Lamido Road in Plateau and Taraba States	148km (Single)

25.	Edo	Dualization of Lokoja-Benin: Obajana Junction-Benin Section IV Phase I: Ehor-Benin City	67.429km (Dual)
26.	Nasarawa	Reconstruction and Expansion of Mararaba-Keffi Road	43.65km (Dual)
27.	Kano/Jigawa	Dualization and Construction of Kano-Kwanar Dauja-Hadejia Road: Section I Tsalle-Hadejia	117.04 (Single)
28.	Kano/Jigawa	Dualization and Construction of Kano-Kwanar Dauja-Hadejia Road: Section II Kano-Tsalle	24.2km (Dual) 57.8km (Single)
29.	Kaduna	Rehabilitation of Kaduna-Pambeguwa-Jos Road	117.42km (Single)
30.	Adamawa/Borno	Yola-Mubi-Maiduguri Road	424km (Single)
31.	Borno	Rehabilitation of Maiduguri-Monguno Road	105km (Single)
32.	Taraba/Adamawa	Rehabilitation of Numan-Jalingo Road	105km (Single)
33.	Adamawa	Rehabilitation of Yola-Hong-Mubi Road	185km (Single)
34.	Taraba/Adamawa	Reconstruction of Bali-Serti-(Gashaka)-Gembu Road	234.58km (Single)
35.	Bauchi	Rehabilitation of Yashi-Deguri-Yalo Road	
36.	Lagos	Rehabilitation and Expansion of Lagos-Badagry Expressway (Agbara Junction-Nigeria/Benin Border)	46.207km (Dual)
37.	Abia/Imo	Rehabilitation of Aba-Owerri Road NNPC Depot Expressway	16.32km (Single)
38.	Anambra	Rehabilitation of Otuocha-Anam-Nzam-Innoma-Iheaka-Ibaji Section of Oyuocha-Ibaji-Odulu-Ajegwu Road	32km (Single)
39.	Imo/Anambra	Construction of Ihiala-Orlu-Umuduru Road (Ihiala-Amaifeke Section) and Completion of Spur in Isseke Town-Amafuo-Uli	60km (Single)
40.	Enugu	Rehabilitation of Old Enugu-Onitsha Road (Opi Junction-Ukehe Okpatu-Aboh udi-Oji to Anambra Border	90km (Single)
41.	Anambra/Enugu	Construction of Omor-Umulokpa Road	6.5km (Single)
42.	Enugu	Rehabilitation of Ozalla-Akpugo-Amagunze-Ihuokpara-Nkomoro-Isu-Onicha (Enugu-Onicha) with Spur to Onunweke	41km (Single)
43.	Enugu	Rehabilitation of Old Enugu-Port Harcourt Road (Agbogugu-Abia Border Spur to Mmaku)	51.7km (Single)
43.	Dualization of Bida-Minna Road		

It would be recalled that under the first phase of intervention, NNPC Ltd engaged in the reconstruction, rehabilitation and expansion of 21 roads. The introduction of a second phase with 44 roads is an endorsement of the success of the first phase. It also confirms how eager the company is to seize every opportunity to contribute to the development of Nigeria. With these game-changing interventions, NNPC Ltd is fast carving a niche for itself as a development partner of choice beyond its core mandate of ensuring energy security for Nigeria.

Source: googleimage.com

NEWS

NUIMS' Harvest of Endorsements and the Way Forward

By Sani Tukur

Cross sections of participants at the NUIMS' event

In keeping with the dictates of the transformation necessitated by thePetroleum Industry Act (PIA), NNPC Limited and its subsidiaries are restructuring their internal mechanisms to become commercially focused and viable business enterprises.

It is in alignment with this new business ethos that NNPC Upstream Investment Management Services (NUIMS) organized its Annual Value (AVAR). AVAR presented an opportunity for NUIMS' management, staff, and stakeholders to jointly evaluate the company's performance and set new goals for its business growth and sustainability.

Aptly themed "Consolidating for growth in the PIA Era, the AVAR has become the hallmark for defining business in conformity with the concepts of global business management. In his welcome address, the Chief Upstream Investment Officer of NUIMS, Mr. Bala Wunti, set the tone for the meeting by charging staff to be more aggressive in their approach to business. Mr. Wunti stated that in the new business world, the concept of profitability is critical to the survival of any business.
He charged NUIMS staff to aggressively pursue profitability without any hinderance, advising them to be mindful of this new drive and ensure that all activities, projects etc must be profitable and value creating ventures that meets the expectations of all shareholders.

According to him, "Companies must live to the expectations of their shareholders, irrespective of who those shareholders are. Businesses are expected to capture and create value to those shareholders. It is not different for NNPC Ltd, and it is not different for NUIMS," he emphasized.

Delivering his keynote address virtually, the Group Chief Executive Officer of NNPC Ltd, Mr. Mele Kyari said that "NNPC's performance determines what happens in the industry". He said that inspite of the daunting challenges of crude oil theft, lack of access to finance, evacuation issues, ageing infrastructure, decarbonization, amongst others being faced by the company, the GCEO categorically stated that the company has all it takes to surmount the challenges.The solution to these challenges according to him lies in the form of excellent human resources. "We have the best workforce that any company can boast of, that will not only catapult us to achieving the objectives of providing energy security for the country, it will also make our short-term real and achievable. NNPC is poised to delivering value to its customers and partners as well" he enthused.

On the upstream sector, the GCEO said that it has the potential to lead the nation's economy growth trajectory by "making money available, creating jobs, and ultimately, delivering all the other incidental opportunities such as gas for power generation and fertilizer production to enhance the nation's food security."

NUIMS' presentation of her prior year's performance provided an opportunity for the invited stakeholders' review and honest feedback intended to help the company understand how and what it requires to improve its overall business plan going forward.

The Stakeholders review session was championed by the President of Dangote Group, Alhaji Aliko Dangote, and Mr. Tony Elumelu, Chairman Heirs Holdings. In his remarks, commended NNPC Limited and NUIMS for the
company's remarkable performance since its transition to a commercially focused limited liability company. He noted, especially in curbing crude oil theft. He said that NNPC has shown it has what it takes to become the African version of Saudi Arabia's Aramco.
All that is required to achieve that, according to him, is for the company to develop the will and take the right decisions. "I truly believe that NNPC should be our African Aramco. You have what it takes to take you up there and I am incredibly happy. There is nothing that is impossible. You can make it possible and don't let anything scare you," Dangote advised.

He further urged NNPC Ltd to begin investment in major oil and gas infrastructure project, especially because the existing infrastructure in the oil and gas industry cannot sustain mega projects. "We need to look at our infrastructure and see how we can take ourselves to the next level and it has to be driven by NNPC Ltd because they are the largest conglomerate and whatever happens to NNPC Ltd and their assets, it actually happens to us either directly or indirectly", he charged.

From Left: Mr. Aliko Dangote, Mr. Tony Elumelu and Mr. Bala Wunti at the NUIMS's Event.

On what NUIMS can do immediately to unlock funds for the level of investments required to grow NNPC Ltd into the African equivalent of Saudi Aramco, Dangote said: "Let us begin with delivering strong returns, which of course is a function of price and cost. While price in your industry is determined by the market and so clearly outside your control, the same cannot be said about cost. More aggressive cost targets need to be adopted and NUIMS staff rewarded with juicy bonuses if they meet these targets."

He said that NUIMS has a critical role to play in unlocking the requisite funding to take advantage of the huge opportunities in the sector and to manage the investments to repay its loans, generate reasonable returns, and investment in new opportunities.

On his part, the Chairman of Heirs Holding, Mr. Tony Elumelu, commended NNPC Ltd for the efficiency and urgency it has brought to the management of the crude oil theft menace in the country. He narrated how his company used to lose up to 97 percent of its crude oil production and how he complained about the situation at a public forum. "That day, I got a call from the GCEO, and I thought he was going to kill me for speaking up. To my greatest surprise, he said to me, 'Tony, we are sorry about what is happening; we are doing something about it; it will be corrected.' They worked as a team and the Board of the NNPC, the FG, the security agencies, and last month our recovery factor was 96 per cent. So GCEO NNPC, you have delivered", he stated.

He said that with the kind of pragmatic leadership provided by NNPC Ltd in the oil and gas sector, it is possible for the nation's crude oil production to rise beyond the 2.5million barrels per day target set by the GCEO of NNPC. "I speak from experience, a beneficiary and one who cried out before and today standing up to say we have improved our production, and that is what we need to encourage more investments in the industry," he enthused.

Elumelu further urged NNPC and NUIMS to invest in the development and enhancement of local capacities at all segments of the hydrocarbon value chain as a way of improving production and the overall contribution of the oil and gas sector to the nation's economy.

At the end of the retreat, all participants were unanimous on the need to be more aggressive in meeting the short-term production targets set by NUIMS.

Other dignitaries that attended AVAR 2023 include Engr. Mansur Ahmed (Executive Director, Dangote Group), Mr. Olusegun Adeniyi (Chairman, Editorial Board of This day Newspapers), Alhaji Ibrahim Boyi (Executive Commissioner, Securities and Exchange Commission), Deputy Managing Director, Deepwater Asset, TotalEnergies Upstream Nigeria Limited (TUPNI), Mr Victor Bandele; the Managing Director of Shell Nigeria Exploration & Production Company (SNEPCo) Mrs Elohor Aiboni.

> *Let us begin with delivering strong returns, which of course is a function of price and cost. While price in your industry is determined by the market and so clearly outside your control, the same cannot be said about cost. More aggressive cost targets need to be adopted and NUIMS staff rewarded with juicy bonuses if they meet these targets.*

FPSO Mistras

Fuel Subsidy:

Why it had to go

The long-drawn plan by successive administrations to remove fuel subsidy was finally executed by President Bola Ahmed Tinubu on 29th May, 2023, at his inauguration by the single declaration: “Fuel subsidy is gone”. The imperative of fuel subsidy removal and the various expectations around it are examined.

By Alex Okumo.

Great Expectations. That is the title of a popular novel by English writer, Charles Dickens. But beyond being the title of a novel, the words tend to capture the gamut of emotions surrounding the fuel subsidy situation in Nigeria and its recent removal by President Bola Ahmed Tinubu. For one, long before the now famous declaration of “Subsidy is gone!” on 29th May, 2023, by President Tinubu at his inauguration, there was expectation by Nigerians that fuel subsidy would be removed sooner rather than later. Besides several failed attempts to remove petrol subsidy, the previous administration of President Muhammadu Buhari had made it very clear that budgetary provision for subsidy in 2023 was made only till June. This meant that the next administration would have to take the decision on when to abolish the subsidy. The fact that Tinubu, and indeed all the major candidates in the Presidential Election that held earlier in the year, had made it part of their electoral promises to scrap the subsidy heightened the sense of expectation. It was a matter of when or how soon, and not whether fuel subsidy would be removed!

Also, for a nation that was already experiencing a double-digits inflation, the removal of subsidy was expected to cause hyperinflation that could further exacerbate the current economic hardship faced by citizens. As expected, the cost of transportation has gone through the roof. The prices of commodities and services are gradually adjusting to the situation to the chagrin of citizens.

Yet another area of expectation is the great future that is billed to follow the removal of subsidy in terms of all-round development of socio-economic infrastructure. Fuel subsidy, over the years, has gained the notoriety of the proverbial albatross on the necks of successive administrations that stopped them from fulfilling electoral promises. With its abolition, the expectation of a better tomorrow is high.

But how did fuel subsidy, a scheme originally designed to make life easy for the common man, grow to become such a huge burden for both government and the citizens? In simple terms, the conundrum stems from the general belief that as citizens of an oil producing country, Nigerians ought to have petroleum products at the lowest possible price, if not for free. This thinking, which was actually fuelled and supported by the government, failed to factor into the equation the fact that there are costs attached to the production, refining, and transportation of the petroleum products oil to end users. Selling petrol at the lowest possible price to citizens meant there was no market-driven process for recovering those costs. Government was thus saddled with the responsibility of defraying those costs through payment of subsidies to marketers.

What this meant was that if the total cost of producing and bringing a litre of premium motor spirit (petrol) to the market was N25, instead of selling it for N26 or N27 at the pump so that the petroleum marketer could make a profit of N1 or N2, it is sold for N20 at the instance of the government. The N5 difference constitutes the subsidy which the government pays on each liter to the marketers. If the total volume of the subsidized petroleum product consumed in the country is 30million, it means the subsidy bill for the government for the day will be N5 times 30million, which comes to N150m.

But it has not always been the case that government paid money to marketers for subsidy. In the early days of Nigeria as an oil producing country when the refineries were functioning, the arrangement for the subsidy was such that it did not constitute much of a burden financially. The subsidy arrangement was between NNPC and the government. Since the capacity of NNPC Refineries is 445,000barrels per day, the Corporation (as it was then) was allowed to pay a lower rate for the crude oil meant for its refineries for local consumption. According to sources well informed about the arrangement, in those days when crude oil was selling at the international market for between $10 and $12 per barrel, NNPC was made to buy the 445,000 barrels for its refineries at $8 per barrel. That way, NNPC was able to take care of the subsidy by selling petroleum products at whatever price the government dictated.

This lasted till 2004 when the President Olusegun Obasanjo administration came up with a new policy. Under the new policy, NNPC was required to pay international price for the domestic crude oil. The argument that led to the change in policy was that since most of the refineries were not operating at full capacity, it meant NNPC was selling a bulk of its 445,000barrels at international price and importing refined products with the proceeds. The reasoning in government circles was that there was no point in selling the domestic crude to NNPC at a lower rate only for it to resell at the international market and import refined petroleum products.

The policy change, however, did not take into consideration the need for the domestic market to reflect the realities of the international market in the pump price of petroleum products. Government still wanted to keep pump prices at sub-market level for its citizens. The attempt to strike a balance between the policy of selling domestic crude at international price and still have petroleum products sell at sub-market price for citizens marked the beginning of the frequent petroleum products price increases that characterized the President Obasanjo administration. Those fuel price increases which were attempts to find a balance between the two opposing policies of government were actually struggles by the administration to cut down its subsidy bill. That struggle has, over the years, lingered from administration to administration with each coming up with different solution models ranging from pump price increase and phased subsidy removal to outright subsidy removal.

The picture of fuel subsidy painted above is, however, incomplete as it does not include the transportation cost of petroleum products within the domestic market. Along with the desire of to get citizens to access petroleum products at the lowest possible price, government also wanted a situation where petroleum products would sell at the same price irrespective of location within the country. This imposed another level of subsidy which the Petroleum Equalization Fund (PEF) was created to manage. The agency was responsible for paying petroleum tanker owners the cost of moving products from depots to stations to ensure that marketers do not factor that cost into the pump price to enable them sell at a uniform price across the country. With the rise in the menace of pipeline vandalism which made it difficult to pump products through the vast network of pipelines to depots located in different parts, long haul bridging became the order of the day. This made the subsidy on products transportation to balloon.
As the subsidy on products transportation was growing, so also was the one on the actual products. The need to rein the fuel subsidy monster in or kill it altogether became not just an imperative but also a sort of recurrent decimal on the agenda of successive administrations. While some administrations resorted to incessant fuel price increase to tackle the monster, others adopted a blend of measures which included phased or staggered removal of subsidy and increase in fuel price. President Obasanjo's administration typified the incessant fuel price increase model. He increased the price of petrol a record seven times during his eight-year rule from 1999 to 2007. He met fuel (petrol) selling at N20 per litre in 1999. By May 2007 when he was leaving office, he had increased the price to N75 per litre. It would be recalled that President Obasanjo increased the price of petrol two days to the end of his administration on 29th May, 2007.

“

We are coming up with a new policy in the next few days that will allow our fuel price swing along with international pricing. We are now transiting into fuel modulating pricing, because we do not have sufficient foreign exchange to continue fuel importation we have been doing

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The protest over President Obasanjo's last-minute fuel price increase was inherited by President Umaru Yar'Adua. This, obviously, constrained him to take a different approach. He reduced the pump price of fuel to N65 per litre and decided to embark on a phased removal subsidy on a product-by-product basis. Thus subsidy on petroleum products like diesel and kerosene was removed, leaving only petrol on the subsidy ticket.

President Goodluck Jonathan's attempt to solve the problem once and for all by scrapping fuel subsidy on 1st January, 2012, resulted in mass protests across the country as fuel price shot up from N65 to N141 per litre. The administration capitulated and reversed the price to N97 per litre to avert further damage to the economy that was virtually on shutdown as result of the mass protests. The price was later reversed to N87 per litre.

Upon assumption of office in 2015, President Muhammadu Buhari was also confronted with the need to remove the fuel subsidy. That was after his administration had increased the pump price of petrol from N87 to N145 per litre in May 2016. Following the global crash in the price of crude oil in 2016 which resulted in a concomitant reduction the landing cost of petrol, the then Minister of State for Petroleum, Dr. Ibe Kachikwu, took advantage of the price drop and scrapped fuel subsidy. Earlier, before effecting the policy change, Dr Kachikwu had announced that: “We are coming up with a new policy in the next few days that will allow our fuel price swing along with international pricing. We are now transiting into fuel modulating pricing, because we do not have sufficient foreign exchange to continue fuel importation we have been doing.”
Table of PMS Pump Price Increase since 1999

Table of PMS Pump Price Increase since 1999

Year	PMS Pump Price Increase/Litre	Regime
1999	N20 – N22	Obasanjo
2002	N22 – N26	Obasanjo
2003	N26 – N42	Obasanjo
2004 (29th May)	N42 – N50	Obasanjo
2004 (25th Aug)	N50 – N65	Obasanjo
2007 (27th May)	N65 – N75	Obasanjo
2007 (June)	N65 (price drop)	Yar'Adua
2012 (1st Jan)	N65 – N141	Jonathan

2012 (17th Jan)	N141 – N97 (price drop)	Jonathan
2015 (18th Jan)	N97 – N87 (price drop)	Jonathan
2016 (May)	N87 – N145	Buhari
2020 (March)	N145 – N125 (price drop)	Buhari
2020 (May)	N125 – N121.50 – N123.50 (price drop)	Buhari
2020 (July)	N140.80 – N143.80	Buhari
2020 (1st Oct)	N143.80 – N161	Buhari
2023 (Jan)	N161 – N195	Buhari
2023 (31st May)	N488 – N557	Tinubu

With the introduction of the price modulation policy, fuel pump price fell, first to N125 per litre, and then to the range of N121.50 to N123.50. The Minister announced that under the policy (which technically meant that the downstream sector had been deregulated) all marketers were free to import petroleum products from anywhere to sell in the country. He, however, explained that the retail price would swing within a price band developed by the Petroleum Products Pricing Regulatory Agency (PPPRA) based on the international price of crude oil and ex-depot price of the product. The retail price band was calculated in such a way as to give the marketers a profit margin that would not allow for them to extort citizens.

The price modulation policy subsisted for a while with the pump price of petrol swinging up and down depending on the price of crude oil in the international market. But as the price of crude oil in the international market began to gain steadily between 2017 and 2019, the pump price of petrol began to rise correspondingly to a range where the independent marketers began to have difficulties in sourcing foreign exchange to import petrol. NNPC then became the sole importer of petrol once again. The Federal Government decided, once again, to step into the arena to keep the price of petrol from going through the roof. This meant a new era of fuel subsidy.

However, with the onset of the Covid-19 pandemic in 2020 and the attendant global economic lockdown leading to a crash in crude oil price, the fuel subsidy burden was attenuated somewhat. With the post-Covid global economic recovery and the subsequent crude oil price recovery, the subsidy bill began to grow again and the Federal Government began to make fresh moves to deregulate the downstream market and allow market forces determine the pump price of petrol.

There were a number of false starts in the direction of deregulation between 2021 and 2022 led by the former Minister of State for Petroleum Resources, Chief Timipre Sylva, who described the subsidy regime as "a criminal enterprise". Speaking on the huge drain that the subsidy regime had become on government revenues during one of the attempts to scrap fuel subsidy, Sylva lamented: "I have said this publicly before that I don't know the figure (of national daily petrol consumption). When I assumed office, initially I was told that our daily consumption was 66 million litres. Then, when fuel prices increased from N145 to N162, the consumption figure temporarily fell to about 40 something million litres per day, because the arbitrage

opportunity reduced. Then the value of the naira dropped again, and the number went up again to over 60 million litres. I am told the figure sometimes rise to as high as 90 or over 100 million litres. I don't know how that happens. At this rate, I have said if anyone is looking at a criminal enterprise, look no further than the fuel subsidy."

The former Minister explained that smuggling of petroleum products by unscrupulous marketers was at the heart of the difficulty in determining the real figure of national petrol consumption in Nigeria. According to him, even when the Federal Government closed its borders with neighbouring countries, petrol was still being ferried out of the country through illegal routes and it was not possible to compute the volume that was smuggled out in that way. "It's more or less fueling a criminal economy. The NNPC imports the products, and nobody knows the exact destination of the products at the end of the day. The imported products come to Nigeria, and from there filters out of our borders to neighbouring countries. So, as a country, we cannot tell the exact volume of petroleum products that we consume on a daily basis. All we have been doing is to assume the level of consumption over a period and work with that," he lamented.

> *Since the provision of the N6tn in 2022, and N3.7tn in 2023, we have not received any payment whatsoever from the Federation. That means they (Federal Government) are unable to pay and we've continued to support this subsidy from the cash flow of the NNPC Ltd. That is, when we net off our fiscal obligations of taxes and royalty, there's still a balance that we're funding from our cash flow. And that has become very, very difficult and affecting our other operations. Kyari lamented recently.*

With a vast volume of subsidized petrol seeping out to neighbouring countries by way of smuggling and the subsidy bill growing to unreasonable proportion, it was clear that the nation was virtually haemorrhaging. To accommodate the ballooning subsidy bill, The Federal Government decided to make provision for it in the 2022 budget. In 2023, budgetary provision was made for fuel subsidy up to June with the understanding that it must be scrapped thereafter.

But making provision for fuel subsidy in the 2022 and 2023 budgets didn't help much as it appeared to be ploy by the government to acknowledge the burden without actually bearing it. NNPC Ltd was made to bear the financial burden of the subsidy as the Federal Government could not fund the budget on account of paucity of funds. This was disclosed by the Group Chief Executive Officer of NNPC Ltd, Mr. Mele Kyari, who lamented that the company which, under the Petroleum Industry Act 2021, has become a limited liability business run in compliance with the Companies and Allied Matters Act, is hamstrung by the huge subsidy bill it has to bear on behalf of the Federal Government.

"Since the provision of the N6tn in 2022, and N3.7tn in 2023, we have not received any payment whatsoever from the Federation. That means they (Federal Government) are unable to pay and we've continued to support this subsidy from the cash flow of the NNPC Ltd. That is, when we net off our fiscal obligations of taxes and royalty, there's still a balance that we're funding from our cash flow. And that has become very, very difficult and affecting our other operations," Kyari lamented recently.

Speaking further on why the fuel subsidy policy must be scrapped immediately, Kyari explained that the Federal Government is currently owing NNPC Ltd the sum of N2.8trillion in unpaid subsidy and that this has put the company in dire straits financially to the point that it could no longer perform its role as a petroleum products supplier of last resort whether the government took the decision to removed subsidy or not. "Today, we are waiting for them to settle up to N2.8tn of NNPC's cashflow from the subsidy regime and we can't continue to build this," he explained.

Though government's intention of retaining the fuel subsidy all these years was meant to protect the citizens from the economic hardship that its removal could bring about in the form of high inflation, it is clear from the long history of the management of fuel subsidy over the years and across various administrations that it was bound to go sooner than later. President Bola Ahmed Tinubu's prompt action in scrapping fuel subsidy on 29th May, 2023, at his inauguration was thus like a much desired surgery which had been put off for too long out of fear. With that declaration, both the subsidy on the cost of petrol and subsidy on transportation have been abolished. This is evident from the price template released by the NNPC Retail Ltd which has different pump prices for various states and cities across the country.

But in this deft surgery carried out by the President to excise a cancerous tumour of fuel subsidy that constituted a life threat to the national economy lies the next range of expectations. The first is the expectation that the surgeon will come up with adequate palliatives to cushion the pains of the citizens. The second is the expectation that the savings from the subsidy removal will be truly applied to developmental projects that will usher in better life for the citizens as promised. The third is the expectation that the fuel subsidy is indeed gone forever and will not resurface some years down the road as it did some years back.

Like in the case of the protagonist of Charles Dicken's "Great Expectations" NNPC Ltd's expetation is for increased and sustainable returns on investments across it's business value chain and definitely not for a re-invention of the fuel subsidy in any form whatsoever.

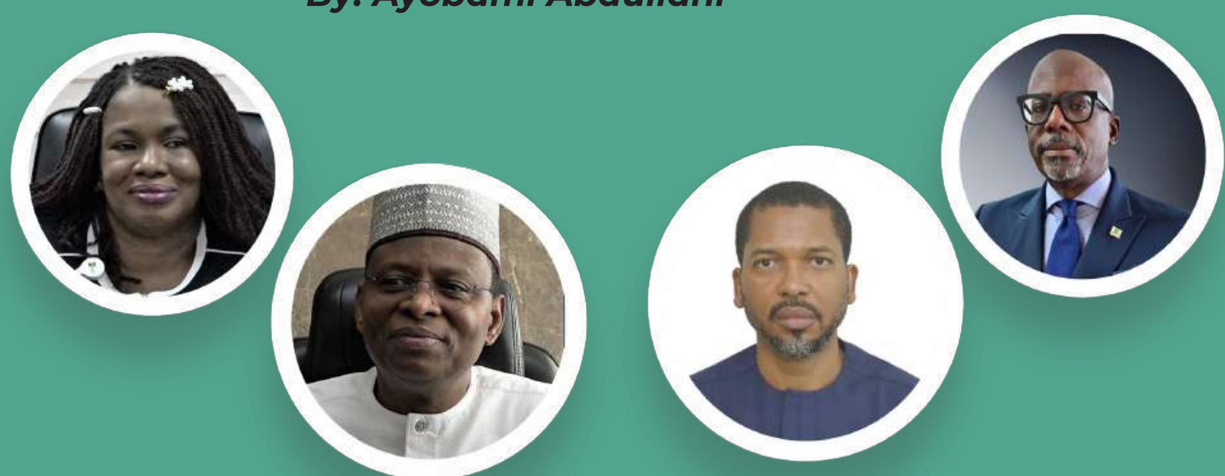

CP9

DISCOURSE

Goal Zero:

A Culture to Value at NNPC Limited.

By: Ayobami Abdullahi

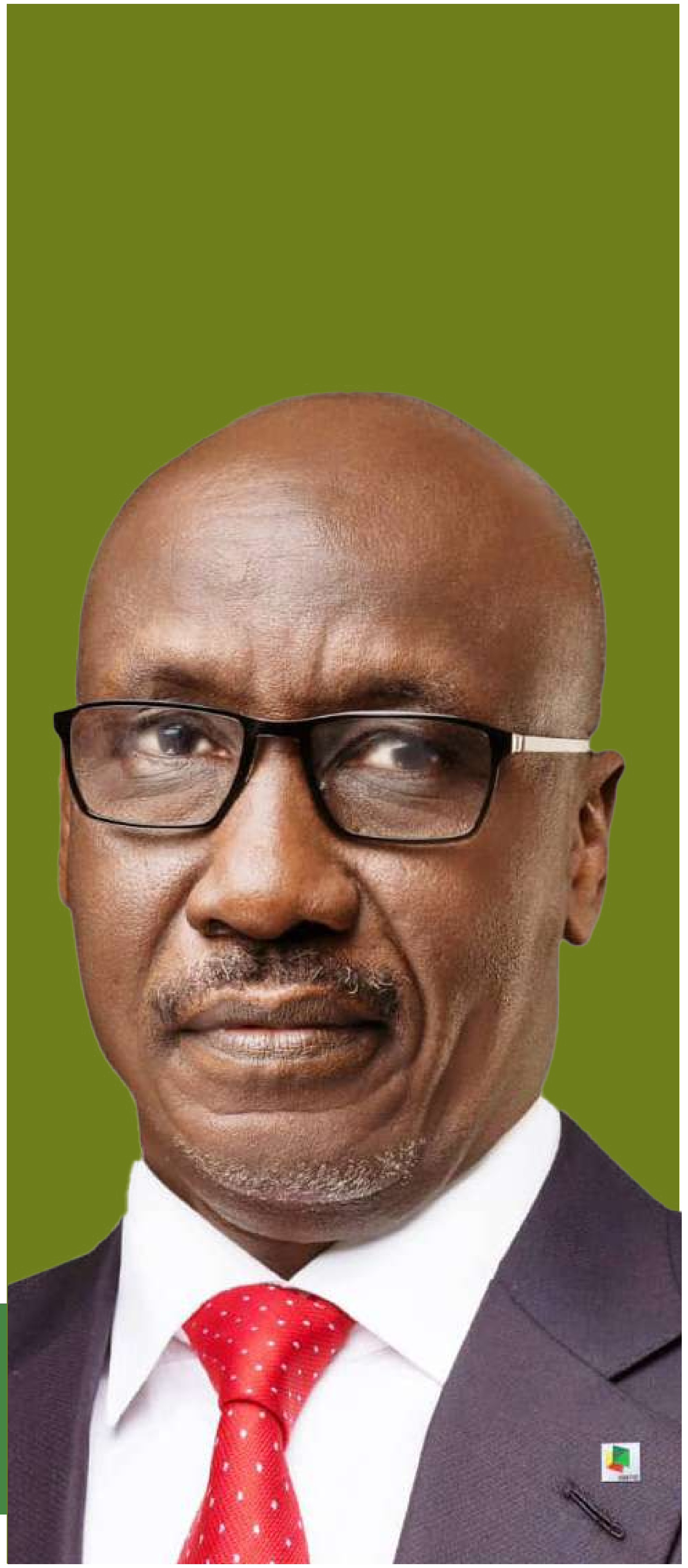


NNPC

“

NNPC is committed to continual improvement in its operations to eliminate personal and industrial accidents as we pursue the goal of no-harm to people and no harm to environment in all our operations and facilities. Our focus is to safeguard our people and assets, and comply with national and applicable international standards and laws on Health, Safety, and Environment in the conduct of our operations

”



Mele K. Kyari

Group Chief Executive Officer

Leading the NNPC Ltd’s Goal Zero Initative

For us at NNEL, goal zero initiative is not just a target but a culture of continuous improvement and excellence in the HSE performance, which is essential for protecting people, improving reputation, increasing productivity and reducing cost

Mr. Kanayo Odoe
MD, NNPC New Energy Ltd.

We don't want any error in medical services, be it diagnosis or medication. We don't want our patent to die as a result of wrong medication and wrong service delivery. That is why we have deployed standard infrastructure and sophisticated medical technology to attain and sustain goal zero. Automation key and goal zero is a culture for us

Dr. Mohammed Zango
Managing Director, NNPC Medical Service Ltd.

As NNPC RTI, we key into this objective and integrate Health, Safety and Environment considerations in our innovation practice. We work to deliver our innovative products and services in sustainable and responsible ways. Goal zero is actually crucial to the attainment of delivering products and services in an environmentally sustainable way

Mr. Muniru Mai
Chief Innovation Officer, NNPC Research, Technology and Innovation, RTI

At the NNPC Foundation, we carry out our operations in line with the Company's Goal Zero policy. We consider environmental standards in all our Corporate Social Responsibility (CSR) projects. As a lawyer, I know how much reputational damage a minor incident can cause to a business. So, for us, safety is key and we align our services with the GCEO's HSE policy of no incident, no harm to the environment and personnel.

Mrs. Emmanuela Nneka Arukwe
Managing Director, NNPC Foundation

"Goal zero means strengthening the ITD system, processes and procedures in line with HSE global best practices. In ITD, goal zero policy guides our actions to ensure a safer workplace for all. Goal zero is a way to go."

Mr. Olakunle Osobu

Chief Technology Officer, Information Technology Division, ITD

"Goal zero means prioritizing the safety and the well-being of all employees, contractors, customers and environment. It is commitment to achieve zero harm, zero incident, zero negative environmental impact in all aspect of our businesses"

Mr. Tunde Ehizoje

Chief Health, Safety and Environment (HSE) Officer, NNPC Ltd.

"Goal zero means striving to ensure accident-free workplace and maintaining it at any point in time. Goal zero is important because the welfare of our staff at NNPC as a whole and corporate communication division in particular is paramount. We strive to maintain that and we are committed to it all time. A healthy workforce is a productive workforce"

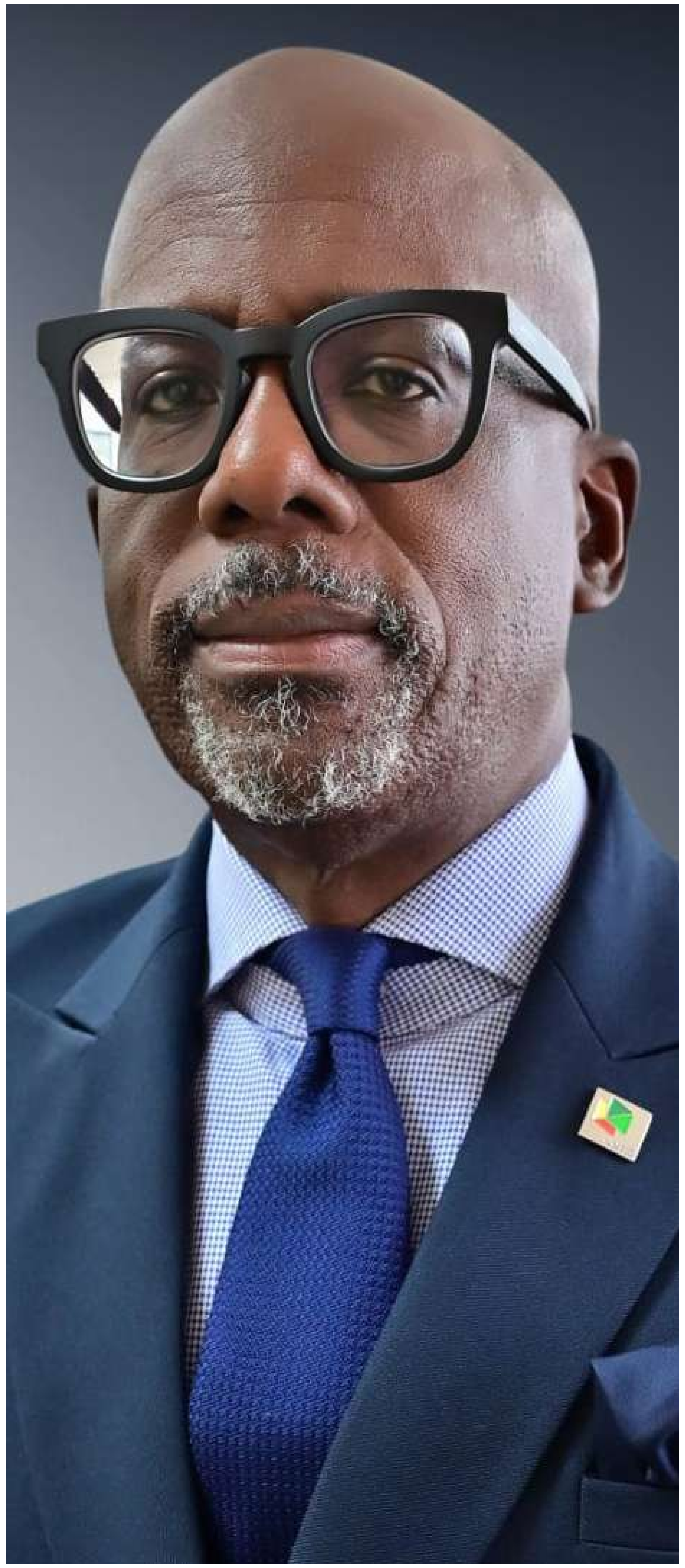
Mr. Garba Deen Muhammed

Chief Corporate Communication Division, NNPC Ltd.

"My team and I intend to achieve goal zero at NSL by ensuring that operational procedures follow safety guidelines. We conduct periodic reviews, processes and procedures to ensure that it is suitable for achieving our goals and that it is up to date with international standards. To us at NSL, goal zero is a lifestyle"

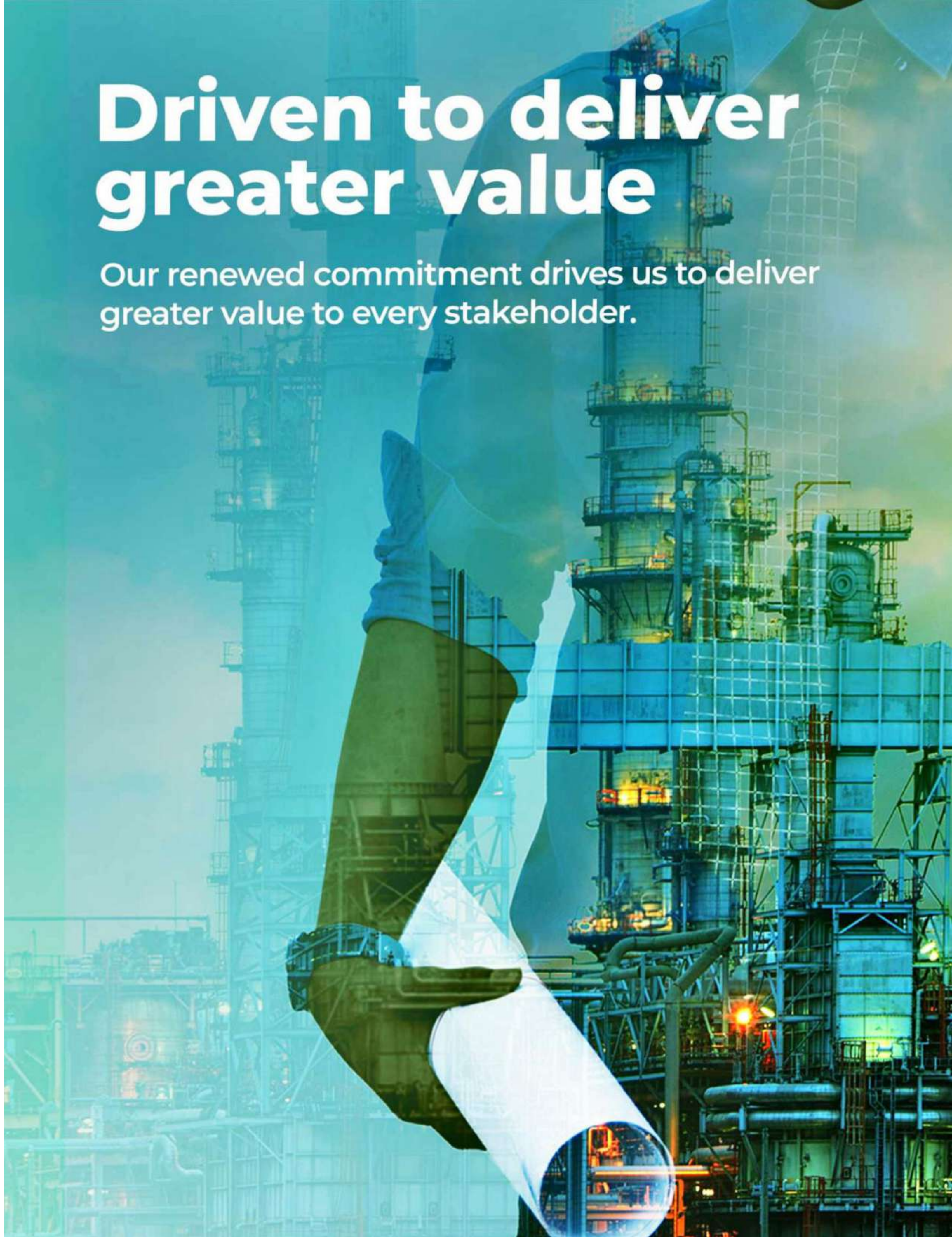
Mrs. Nike Kolawole

MD, NNPC Shipping and Logistics Ltd.



"Goal zero means exactly what it says. It means that we should have zero incidents, in the office, workplace and even at home. It is to be mindful of little things that can lead to incident. We should report things that can cause harm to people at the workplace. The moment we are conscious of this, goal zero will be attained without putting the company into a serious litigation that may soil the company's name and integrity"

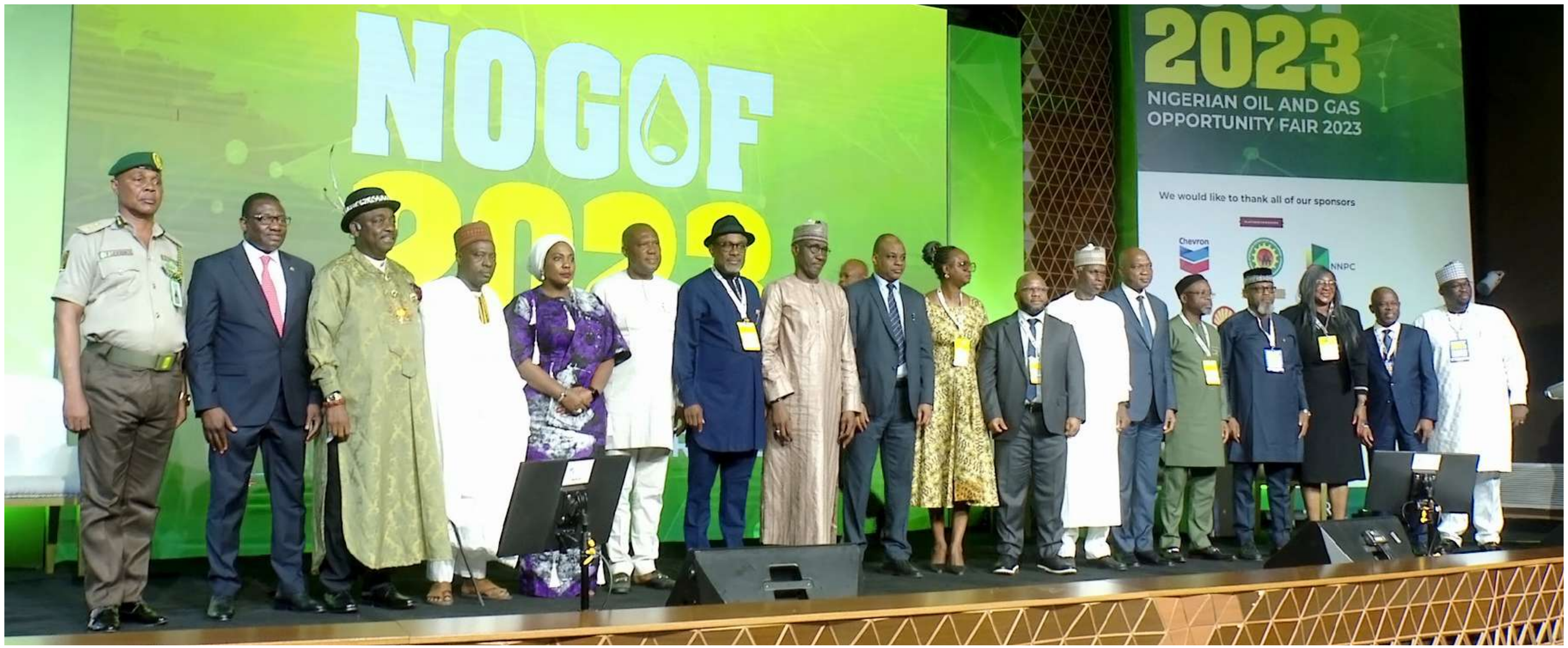
Mr. Chidi Momah
General Counsel/Company Secretary, NNPC Ltd.



NNPC Ltd Dazzles at NOGOF 2023

By Etuwewe Prince and Abigail O. Ojogbo-Oweibia

The 4th edition of the Nigerian Oil and Gas Opportunity Fair (NOGOF 2023) which held recently, may have come and gone, but the echoes of NNPC Ltd's performance at the event still reverberates. The event which was organized by Nigerian Content Development and Monitoring Board (NCDMB) held at the Oxbow Lake headquarters of the Board was a platform for operators in the Nigerian oil and gas industry to showcase the various investment opportunities available in their areas of operation to the public.



A group photograph of dignitaries at the 2023 NOGOF in Bayelsa State.

As the national oil company saddled with the responsibility of managing the country's vast hydrocarbon resources to provide energy security for the country, NNPC Ltd as a prime player in the sector took up a prominent location for its pavilion at the fair. The company complemented its strategic location in the exhibition hall with an exquisitely designed pavilion which was the cynosure of all eyes and a hub of activities at the fair.

Many local and international companies participated at the exhibition. But NNPC Ltd was unarguably the largest exhibitor. And the company justified its position by showcasing its multi-billion dollars investment opportunities across the oil and gas value chain as well as ongoing gas infrastructure projects aimed at deepening domestic gas utilization to promote industrial growth.

Some of the key projects showcased by NNPC Ltd. at the NOGOF 2023 included the Ajaokuta-Kaduna-Kano (AKK) gas pipeline, the Obiafu- Obrikom-Oben (OB3) gas pipeline, and the Oredo Integrated Gas Handling Facility (IGHF). The significance of these projects is that they are all designed to take gas to every part of the country with a view to encouraging the use of gas within the country. For a nation with proven natural gas reserve of 209.5 trillion cubic feet (tcf), Nigeria has been lagging in the rate of gas adoption by its population. The projects are designed to reverse that trend and change the narrative by developing the backbone to make gas available in every nook and cranny of the country. The agenda is to drive domestic gas adoption and consumption with availability to transform Nigeria into a gas-driven economy.

Other projects showcased at the exhibition included the NLNG Train 7 project which aims to increase Nigeria's liquefied natural gas production capacity by 35%, the Nigeria-Morocco Gas Pipelines and other power and gas-based industries. The NLNG Train 7 and the Nigeria-Morocco Gas Pipeline are meant to monetise Nigeria's vast gas resources through export.

Visitors to the NNPC pavilion had the unique opportunity of seeing see models of all the projects and learn about the role each of them will play, upon completion, in putting Nigeria on the global map as a major gas hub and a gas-propelled economy. They were also exposed to the company's efforts, at collaboration with relevant security outfits, to curb the menace of crude oil theft and pipeline vandalism in the Niger Delta Region and successes so far recorded. The exhibition also offered the company the opportunity to showcase its new brand identity to the public.

Aside the exhibition, the three-day event with the theme, "The Oil and Gas Industry: Catalyst and Fuel for the Industrialization of Nigeria," brought together leaders of the oil and gas industry, captains of industry, stakeholders, oil and gas producers, explorers, investors, and policymakers under one roof to brainstorm on the future of the industry. Setting the tone for the discussions in his welcome address, the Chief Host and of Executive Secretary (ES) NCDMB, Engr. Simbi Wabote, emphasized the key role the oil and gas industry is expected to play in the economic growth and development of Nigeria. He described the Petroleum Industry Act (PIA) 2021 as "one of

the most audacious attempts to overhaul our petroleum industry", adding that it has now provided investors with more clarity and removed uncertainty from the business environment.

He said that the PIA is expected to start yielding results soon in the form of massive investments in the oil and gas sector, stressing that the Federal Government's Decade of Gas agenda offers another huge opportunity for investors to leverage on.

In his remarks, the Group Chief Executive Officer of NNPC Ltd, Mr. Mele Kyari, disclosed that in a bid to boost domestic refining capacity, the NNPC Ltd which owns 20% in the Dangote refinery is set to deliver 300,000bbls of crude

> *The significance of these projects is that they are all designed to take gas to every part of the country with a view to encouraging the use of gas within the country.*

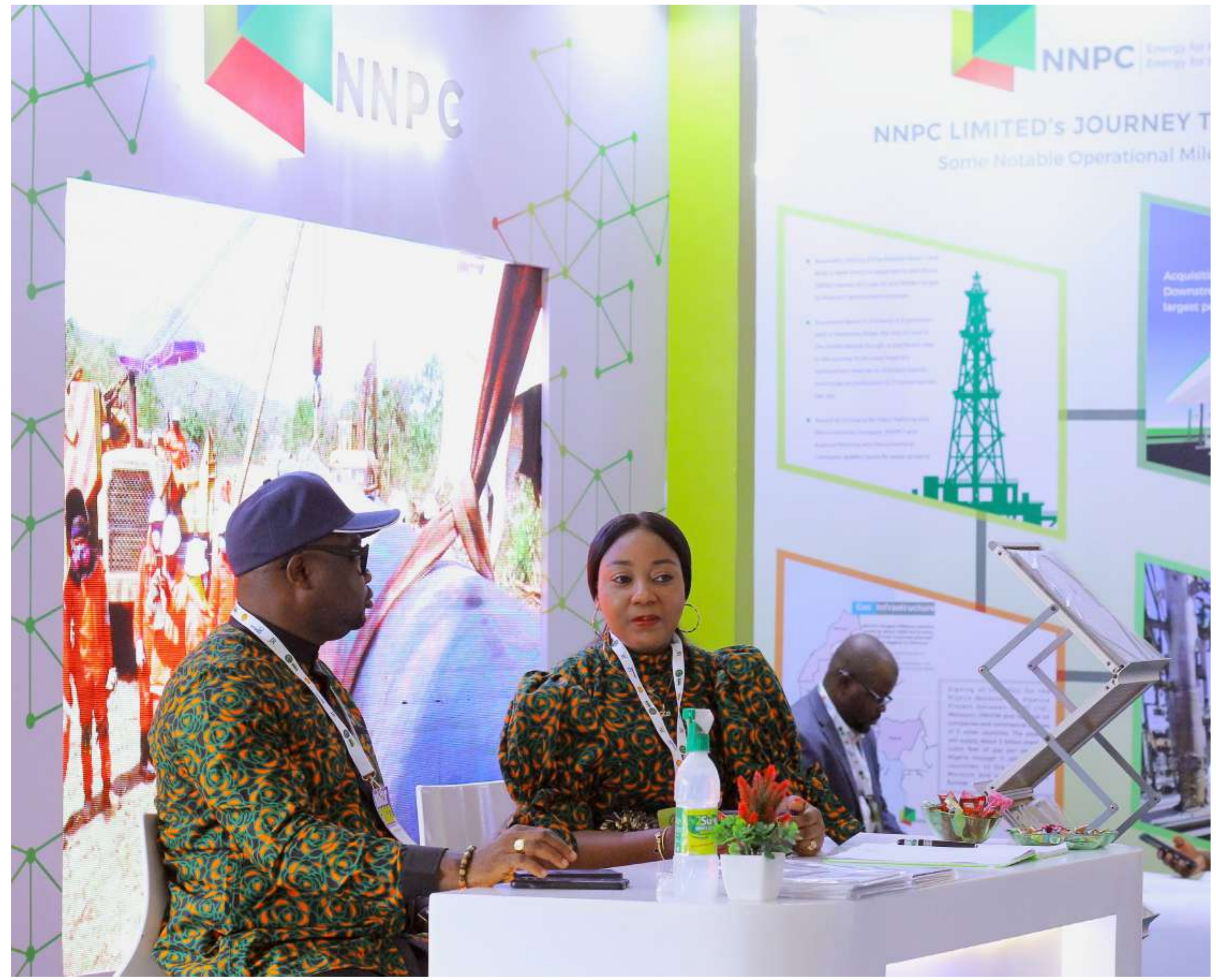
Deputy Manager, Intergovernmental Relations, Mr. Prince Etuwewe (right), attending to the GCEO NNPC Ltd, Mr. Mele Kyari, and some dignitaries who visited the NNPC Ltd's stand at the 2023 NOGOF.

to the refinery for the commencement of operations. He described it as another marketing opportunity for the NNPC Ltd.

He also highlighted the company's efforts at increasing the nation's oil and gas reserves by adopting cutting-edge technologies in the exploration of the inland basins which is already yielding the desired results. He further pledged the company's commitment to the promotion of local content, adding that it will continue to implement policies and programmes aimed at enhancing the capacity of Nigerian companies to participate across the energy value chain. He also commended the NCDMB for its efforts at growing the local content and implored industry stakeholders and partners to work together to achieve prosperity and sustainability.

The 2023 edition of NOGOF ended as a huge success with NNPC Ltd carting away the Most Impactful Local Content Development Company Award amongst others. The fair showcased investment opportunities worth over $50bn which are projected to be developed within the next five years. A visibly elated Wabote who disclosed this during the closing ceremony called on operators and new investors to seize the opportunity of the PIA to tap into the opportunities to expand their portfolios and grow the economy.

The NCDMB has been hosting NOGOF since 2016. With the 2023 edition as the 8th in the series.



DM, Intergovernment Relations, Mr. Prince Etuwewe and DM, Policy and Strategy, Mrs. Gloria Titilayo Okpara at the NNPC Ltd's stand during the 2023 NOGOF event.

• LPG Storage Tank

DISCOURSE

The Indispensable Power of Brand Equity:

Building Trust and Resilience in the Modern Market

By: Chika Umeh

In the dynamic and ever-evolving landscape of modern business, few assets hold as much influence and power as brand equity. Beyond the tangible metrics of revenue and market share, brand equity emerges as the intangible force that distinguishes successful companies from the rest. It encompasses a multitude of factors that shape consumer perception, loyalty, and ultimately, business success.

In today's digital age, where information spreads like wildfire, protecting brand equity has become more important than ever. So, how can businesses protect this invaluable asset, and ensure it thrives even amidst the fiercest storms of competition?

Source: freepik.com

Brand equity refers to the value and influence a brand accumulates over time. It is the cumulative result of a company's reputation, customer experiences, and the emotional connections it fosters with its target audience. Brand equity is the sum total of perceptions, associations, and memories that consumers attach to a brand, which in turn shape their purchasing decisions.

In an era of fierce competition and instant information, brand equity serves as the bedrock upon which businesses build their success. Companies with strong brand equity enjoy several advantages, such as increased customer loyalty, pricing power, market leadership, and the ability to weather storms when challenges arise.

One of the most significant benefits of brand equity is its ability to foster customer loyalty. When consumers develop an emotional connection with a brand, they are more likely to remain loyal even in the face of enticing alternatives. Loyal customers become brand ambassadors, advocating for the brand and influencing others to join their ranks. This cycle reinforces the brand's position in the market and amplifies its impact.

Moreover, brand equity provides a crucial shield against market volatility and economic downturns. During times of uncertainty, consumers tend to gravitate toward trusted brands they have come to rely upon. This trust is built

over time through consistent delivery of quality products or services, ethical business practices, and effective communication. By nurturing brand equity, companies can create a reservoir of goodwill that sustains them through challenging times, allowing them to emerge stronger and more resilient.

In a crowded marketplace, where countless options vie for attention, brand equity acts as a powerful differentiator. When faced with similar offerings, consumers often turn to brands they perceive as reputable, trustworthy, and aligned with their values. A strong brand with well-established equity has the advantage of standing out amidst the noise, capturing attention, and influencing purchase decisions.

However, building and maintaining brand equity is not a simple task. It requires a strategic, long-term commitment to consistently delivering on brand promises and nurturing meaningful connections with consumers. The foundation of brand equity rests upon the bedrock of trust. Consumers expect authenticity, consistency, and reliability from the brands they cherish. A brand's reputation can be fragile and easily tarnished, making it essential to prioritize customer satisfaction, innovation, and social responsibility. In the digital age, where information spreads rapidly and public opinion can shift overnight, protecting brand equity demands a proactive approach. Brands must actively engage with their audience through various channels, monitor sentiment, and respond to feedback. By embracing transparency and authenticity, companies can build trust, mitigate crises, and preserve the integrity of their brand.

As we navigate an increasingly interconnected world, brand equity has become an indispensable asset for businesses across industries. It shapes perceptions, influences consumer behaviour, and acts as a compass guiding companies toward long-term success. From the iconic brands we have always known to the emerging disruptors challenging the status quo, brand equity remains an enduring force in shaping the business landscape.

In conclusion, the intangible value of brand equity cannot be overstated. In an era defined by fierce competition, economic volatility, and shifting consumer preferences, brand equity serves as a beacon of stability and differentiation. It inspires customer loyalty, shields businesses during turbulent times, and sets the stage for continued growth. As companies navigate the complexities of the modern market, nurturing and protecting brand equity must remain at the forefront of their strategic agenda.

LOGISTICS

Understanding Demurrage in Oil, Gas Shipping Logistics

By Sanusi Moriki Suleiman

In the complex world of oil and gas logistics, ensuring the smooth movement of petroleum products from production sites to refineries, and ultimately, the end consumers is important. Unforeseen delays, however, in shipping can disrupt the supply chain and result in financial losses. One significant cost incurred during such delays is Demurrage. This article aims to shed light on Demurrage in oil and gas shipping, its impact on the industry, and potential ways to mitigate its effects.

What is Demurrage?

Demurrage refers to the financial penalty charged when a vessel exceeds the allowed time for loading or unloading cargo at a specific location, typically a port or terminal. It compensates the owner of the vessel for the additional time spent stemming from delays caused by the charterer or consignee. In the context of oil and gas shipping, demurrage can occur during the loading or unloading of crude oil, petroleum products, liquefied natural gas (LNG), or other related commodities.

Causes of Demurrage

Various factors can contribute to demurrage in oil and gas shipping. Some common causes include:

1. Operational Inefficiencies: Delays in the loading or unloading process due to technical issues, equipment malfunctions, or inadequate infrastructure can result in demurrage. Insufficient berths, inadequate storage capacity, or limited pipeline connectivity can all lead to longer turnaround times for vessels.

2. Documentation and Clearances: Delays in obtaining necessary documentation or clearances from customs and other authorities can significantly impact the timeliness of shipping operations. Issues such as incomplete paperwork, customs or pratique inspections, or regulatory compliance can cause vessels to incur demurrage costs.

3.Weather and Environmental Factors: Adverse weather conditions, such as hurricanes, storms, or heavy fog, can disrupt shipping schedules and prolong vessel waiting times. In extreme cases, ports or terminals may declare force majeure and temporarily shut down operations for safety reasons, leading to unavoidable delays and subsequent demurrage charges.

Implications for the Industry

Demurrage costs have a profound impact on the oil and gas industry. The financial burden of demurrage is typically borne by the party responsible for the delay, which could be the charterer, the consignee, or the terminal operator. These costs can be substantial, ranging from thousands to millions of dollars per day, depending on the vessel's size and the value of the cargo.

The consequences of demurrage can extend beyond monetary losses to disrupting the entire supply chain, leading to production bottlenecks, increased inventories, and potential supply shortages. Moreover, demurrage charges can strain business relationships, causing disputes between shipping companies, charterers, and consignees.

Mitigating Demurrage Costs

To mitigate the impact of demurrage on oil and gas shipping, industry stakeholders can take several proactive measures such as:

1. Efficient Planning and Scheduling: Robust planning and scheduling of vessel movements, considering factors like weather conditions, port congestion, and infrastructure limitations, can minimize the risk of delays. Coordination between shipping companies, terminal operators, and other stakeholders is crucial for effective scheduling.

2. Improved Infrastructure: Investments in expanding port facilities, berths, storage capacity, and pipeline networks can help reduce bottlenecks and congestion. Modernization and technological advancements can enhance operational efficiency and reduce turnaround times.

3. Enhanced Communication and Collaboration: Clear and timely communication between all parties involved, including shipping companies, charterers, terminal operators, and customs authorities, can help identify and address potential delays in advance. Collaborative efforts can streamline processes, reduce paperwork, and expedite customs clearance.

4. Utilization of Digital Technologies: Implementing advanced technologies such as real-time tracking systems, data analytics, and predictive modeling can provide better visibility into vessel movements, optimize route planning, and proactively identify potential bottlenecks or issues.

Conclusion

Demurrage costs in oil and gas shipping are a significant concern for the industry, impacting both financial performance and supply chain efficiency. By addressing the causes of demurrage through improved planning, infrastructure development, communication, and the adoption of digital technologies, stakeholders can reduce delays and mitigate the financial and operational consequences. A proactive approach and collaborative efforts are crucial to ensuring smoother and more efficient oil and gas transportation, benefiting all parties involved in this critical sector of the global economy.

Sanusi M. Suleiman sent this piece in from NNPC Trading Limited.

Source: googleimage.com

TRAVELOGUE

Zambia, Zambezi & Ziplining

Recently in Zambia for the APRA 2023 Conference, Aliyu Abubakar shares his experience of visiting the famous River Zambezi and how he conquered his fears to embark on a risky adventure.

By: Aliyu Abubakar

As a primary school pupil in the late 80s, I must admit, I was not good at singing. But one thing I have mastered back then was the art of clapping whenever rhymes rented the air. I vividly recall joining in the frenzy-filled atmosphere created around those songs on our way back to the class from assembly sessions. One of such legendary songs was the "Seven Rivers in Africa". Till today, my favourite line from that song remains the opening verse, which goes: "There are many rivers in Africa; Nile, Niger, Senegal, Congo, Orange, Limpopo, Zambezi...!"

The writer appreciates nature at its best at the mighty Victoria Falls.

It still remains a mystery that no one could explain why the decibels from our claps got louder whenever the word Zambezi was voiced. Could it be that such was the energetic way the teachers wanted us to sing it out then? Was it because the word itself sounded musical, considering that the three syllables were pronounced akin to the famous three musical tones/pitches of "do/re/mi"? Did Zambezi just happened to be the last word in the verse? Too many questions. Whatever were the reasons for that, I am yet to decipher them, even after leaving primary school, 32 years ago.

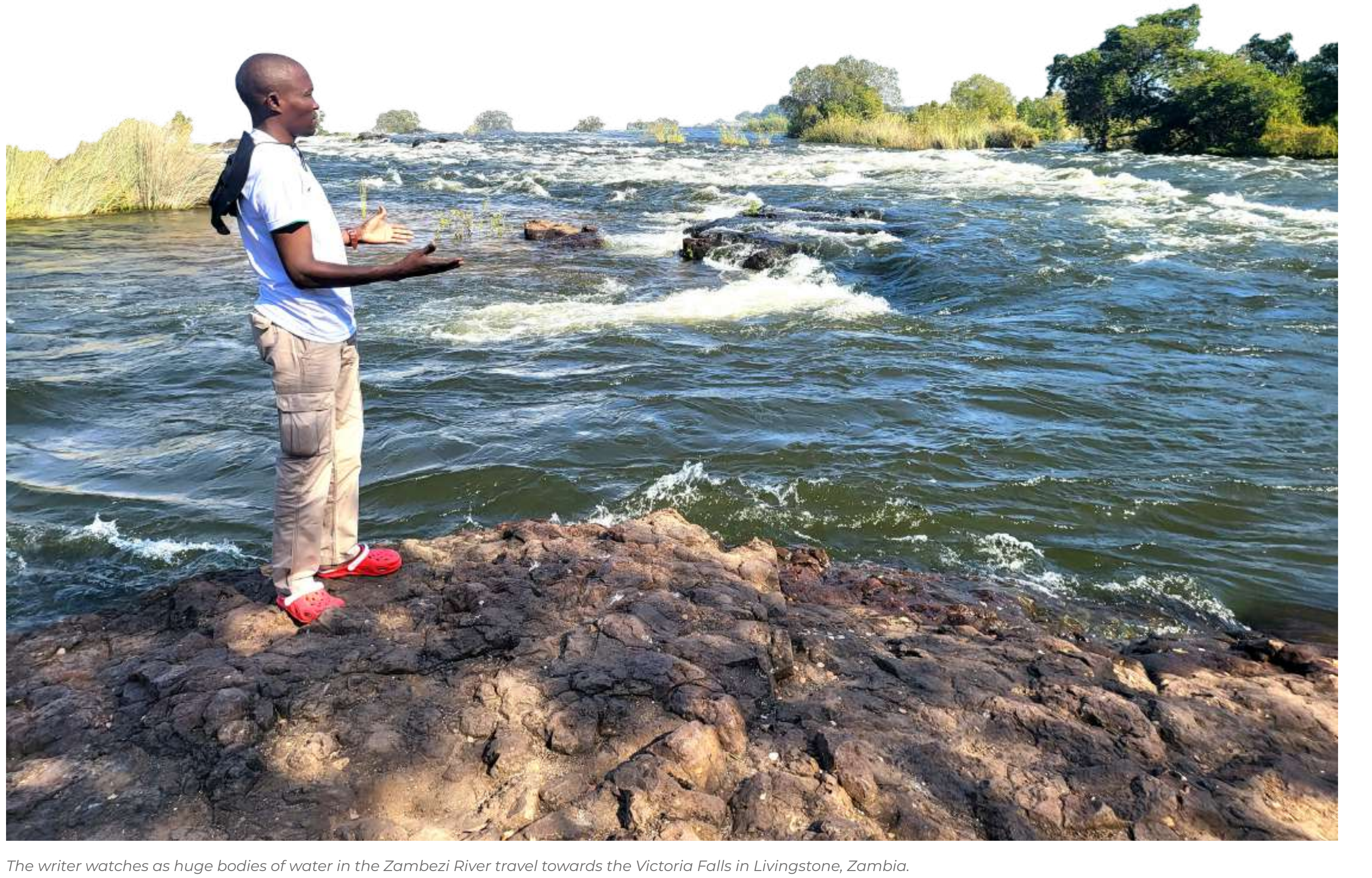
Therefore, when in late May 2023, I found myself visiting the Republic of Zambia, a country in Southern Africa where the famous River Zambezi is located, it was given that going to see River Zambezi (which also strays into the neighbouring Zimbabwe) was top on the agenda. Interestingly, this time around, it was not to go and clap to a song containing the word Zambezi in it. It was to watch the spellbinding moments (in and around the famous River Zambezi), which have given Zambia its unique features in the tourism world.

Before I take a plunge (surely not yet into the Zambezi River), let me drop a caveat. My visit to Zambia was not specifically to see the famous river. No, far from it. I was there for this year's African Public Relations Association (APRA) Conference tagged Zambia 2023. The conference is an annual gathering of the finest PR practitioners on the entire African continent. This year's theme was "Creative Africa: Exploring the PR Potential of Africa as an Emerging Economic & Reputation Powerhouse". This year, over 179 delegates attended, representing 17 African countries, Nigeria inclusive.

Let me state that prior to our arrival in Lusaka, my only recollection of Zambia was that of a country with extremely resilient people in, interesingly, the game of football. As a young football fan in the early 90s, I remembered the heart-breaking story of the great Chipolopolo (the alias for Zambia's National football team). In April 1993, the entire Zambian national team of 30 people perished on its way to play a US 1994 World Cup qualifier in Dakar, Senegal.

Seven Rivers in Africa". Till today, my favourite line from that song remains the opening verse, which goes: "There are many rivers in Africa; Nile, Niger, Senegal, Congo, Orange, Limpopo, Zambezi...!

Due to an engine failure, the plane carrying the team plunged into the Atlantic Ocean, just off the coast of Gabon. Nobody survived. A year later, Zambia dusted itself up, hurriedly assembled a new team led by the legendary



The writer watches as huge bodies of water in the Zambezi River travel towards the Victoria Falls in Livingstone, Zambia.

Captain Kalusha Bwalya and emerged runners-up at the African Cup of Nations (Tunisia 1994), after a 2-1 defeat at the hands of Nigeria.

Back to our trip to Zambia's tourism paradise. On the day of the tour, we set out at about 5.30am from Lusaka and headed for Livingstone. It was a journey of eight hours that saw us navigating through places such as Kafue, Mazabuka, Monze, Choma, and Kalomo. As we move past villages and towns, you could easily tell that Zambia is one of the

The writer traveling on a zipline 120 m above the breath-taking River Zambezi on the Batoka Bridge in Livingstone, Zambia.

most beautiful, friendly, diverse and unspoilt countries on the entire African continent. We had two stopovers for the crew to eat and to also answer nature's call. We got to Livingstone at around 1.30pm and headed straight to our base, the Radisson Blu at the Livingstone Resort.

Our mission to Livingstone was actually in threefold. First, we were there to see the famous River Zambezi, one of the largest rivers in Africa. Second was to see the mighty Victoria Falls, what is locally referred in Zambia as Mosi-oa-Tunya (the smoke that thunders) and third, to catch a rare glimpse of some of the wildlife that have made Zambia one of the leading tourist destinations in the world.

While the Zambezi River is a wide, meandering treasure trove of wildlife and stunning views, the Victoria Falls is a natural wonder that has been designated by the United Nations Educational, Scientific and Cultural Organization (UNESCO) as a World Heritage Site. River Zambezi flows majestically through neighbouring DR Congo, Angola, Tanzania, Namibia, Zimbabwe and Mozambique up to the Indian Ocean where it is emptied. It however appears that only Zambia and Zimbabwe are taking advantage of the Zambezi River straddling their two borders.

Shortly after resting at our new abode (Radisson Blu), we hopped on a boat stationed right on the shores of the Zambezi River and headed for what was called the Zambezi sunset cruise. The ride was a spell-binding experience, as it gave us the rare opportunity of sighting raw nature at its best. As the boat plunges deeper and deeper into the river, we had a rare view of some wild beasts majestically guarding their territories.

Dusk set in and cut our fun short. So, we retired to our hotel (located next to the Zambezi River) and spent the night with our thoughts racing about our next destination. It was as if we will drag back our anticipation of the advent of dawn. The reason for that was genuine because our next destination was the mighty Victoria Falls. As early as 7am, we were again in the bus and in just a few minutes, we got to the Falls.

On arrival, it was obvious that the place was truly a spellbinding sight of nature at its fullest. Right from the

R-L: Aliyu Abubakar (The writer); APRA President, Yomi Badejo-Okusanya; Umar Mohammed Sani and Abdulrahman Umar at the APRA Conference in Lusaka, Zambia

gates where we stopped to pick up raincoats (that would later be useful due to the torrent rainfall created by the waterfalls), we had to contend with some stray monkeys circling us in case they could find something to grab and bite. Where they can't find anything edible on the visitors, we were told some of them rob tourists of their valuables such as phones and small bags!

Getting deeper into the Waterfalls area, we realised how perfect it was for locals to call the place 'the smoke that thunders". As we moved closer, we were greeted by thunderous waterfalls that leave in their trail a huge water eruptions and smoke-like features. We saw how the water from several tributaries of the Zambezi River travelled at a slaloming speed, forming a nice, splashing confluence that ends up in the river's mysterious bottom. Even more captivating were the deafening noises produced by the waterfalls which took over the serenity and ambience of a rainforest environment.

The Victoria Waterfalls is not the only mystery in Livingstone. Close to the waterfalls lies a gorge, which is a narrow valley between hills or mountains. In-between that gorge lies a narrow footbridge (the Knife Edge Bridge). On the way to the bridge, we had to contend with walking on hundreds of long, snaky concrete steps that took us to the boiling point of the waterfalls. The small bridge went all the way to the Danger Point, another place I couldn't get to explore because of its name!

For me, the most amazing activity while at the Victoria Falls was the Ziplining & Bungee Jumping. You could add that they are the most daredevil, risky of all the adventures too. For starters, ziplining is the act of sliding down a zip line (a long thick wire attached between two points (in this case rocks), one higher than the other, that you can move along quickly while hanging from a small wheel). On the other hand, bungee jumping is the activity of jumping off a very high bridge or similar structure, with a long elastic rope tied to your legs, so that the rope pulls you back before you hit the ground. This is risk incorporated!

After doing all the risk analysis, I settled for ziplining at the expense of bungee jumping. So, after all the pre-requisites for the risky adventure called ziplining (including asking if I am hypertensive or have any lower back issues which all came negative), I agreed to be tied up with some metal straps and hooks on my shoulders down my waistline. From there, two of the guys working on the zipline. conveyed about 10 of us straight to the Zipline area. I deliberately refused to go first because I still wasn't convinced it was worth the risk.

Four people first went for the Ziplining right before my eyes. As they were being whipped deep into the zipline, I looked at their faces; the bridge's bottom, the height and the distance the people travelled across that suspended metal thread. It was not difficult to see, especially when you are not the one involved. As my view of them thinned out, my fears of joining them grew in multitudes. But I was determined and getting braver. It was now my turn to go.

As the zipline operator placed his hooks and straps on my body and onto the zipline, I did a final interrogation of the adventure. "Brother, has this process ever gone wrong? I asked the guy, in a trembling voice. The man, in his 30s, was now busy fixing a short camera on my wrist, in an effort to capture the highlights of the remarkable risky endeavour. He answered: "Yes, it has gone wrong, but just once in many years" He was also quick to add that the person survived but with some horrible bodily scars!

Should I proceed? Should I back out? While still contemplating, I found myself flung into the middle of the skies and left to the mercy of two lines, and all that has been strapped around my helpless body. I kept praying and asking God to get me over the line safely. I mustered some courage and looked down the river and the thoughts that came to me were not so nice. Amidst those frightening permutations, I only realised I've made it to the end of the zipline, when another man on the opposite end of the line zipped himself towards me and immediately grabbed the hooks strapped to me and off he went with me right to the end.

The experience has ended, but those memories will live with me for years. As a little kid in Primary school, I have used my palms to clap at songs about the Zambezi River. Thirty-two years later at the Victoria Falls on the base of the Zambezi River, I have savoured the splendid moments of how waterfalls hit their bodies against each other to produce arguably one of the most magnificent sounds and views ever imagined. Most importantly, I have used my two clapping hands to hold on tightly to my dear life, thus conquering one of my age-long fears. Who says dreams don't come true!

The writer at the entrance of the mighty Victoria Falls (Masi-oa-Tunya), one of the UNESCO World Heritage Sites in Livingstone, Zambia.

FEATURES

Shared Value Optimization as key to Sustainability

By: Daniel Roy Bako

It is no longer news that the Nigerian National Petroleum Company (NNPC) Limited, has adopted a triumvirate of core values known as Integrity, Excellence and Sustainability. The implications of the first two core values are reasonably straightforward as they are important indicators of ethics and professionalism. On the other hand, sustainability, as a core value, requires a little more introspection.

It is trite that business and society are usually engaged in a balancing act due to the tension that exists between the two. This is even more pronounced where such businesses are large conglomerates that are engaged in the extractive industries; and the society is functionally represented by governments, activists and the media (traditional and social). Most business organizations have tried to ease this tension by embarking on Corporate Social Responsibility (CSR) initiatives. However, these attempts are usually pursued in such a manner that is incongruent with business strategy. On the other hand, society's response has been to increasingly demand more responsibility on the part of business – basically expecting business organizations to become wholly philanthropic.

The developmental aspirations of society and the strategic business plans of many oil and gas companies hardly converge. The socio-economic consequence of this dichotomy can be seen in several facets, including the oxymoronic high incidence of poverty among resource-rich nations which fuels the "resource-curse" narrative. This in turn impacts negatively on some business interests in such areas as reputation, regulatory actions, security challenges, etc.

The mutual interdependence of business and society cannot be overemphasized. It takes a profitable enterprise to generate taxes and create socio-economic opportunities on either side of the value chain, which are required by the society. In the same vein, it takes a sustainably progressive populace and ecology to guarantee opportunities that an enterprise can capitalize upon to be profitable. The mutual dependence of corporations and society implies that both business decisions and social policies must follow the principle of shared value". Thus, companies must of necessity integrate social objectives into their business strategies, especially because of "inside-out" and "outside-in" linkages between corporations and the larger society. Linking societal sustainable development to the creation of value for shareholders offers superior benefits to both business and society, more like creating a situation where the whole is greater than the sum of parts.

When it comes to the hydrocarbon extraction business, the interest of society, as embodied by the state, is typically managed through National Oil Companies (NOCs). In most cases, the NOCs manage oil and gas ventures on behalf of states, and society by extension. Thus, NNPC Limited is in a unique position where it is a fiduciary of the state and society on one hand by virtue of being an NOC. NNPC is also a bona fide business firm as enabled by the Petroleum Industry Act (PIA). It therefore comes under weightier expectations to score high social performance points in spite of the business expectations that led to its current reorganization.

Social conditions form a key part of a company's competitive context, implying that social impact must be integral to companies' business strategies to ensure the greatest competitive benefits. Companies that get this right garner social mileage in the societies they operate in, which translates to better business outcomes, making such companies "sustainable". This was illustrated by the Toyota in its response to concerns over emissions by pioneered electric/gasoline vehicles like the Prius, which in turn gave the vehicle maker a competitive edge in the hybrid market space. It is safe to say that indeed, Toyota is perceived to be one of the most sustainable car manufacturers.

For sustainability, the strategic framework adopted by a company, specifically an NOC like NNPC, must identify approaches that would enhance shared value for all key stakeholders, especially the state, the host communities, the shareholders and the employees of the company. In other words, NNPC must not participate in the business of hydrocarbon production and processing just for the sake of meeting the business objectives of shareholders alone; but for the golden purpose of actualizing the shared value potentials it can create for all its stakeholders.

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Perspectives on Finding Opportunities in the Global Energy Crisis

By Kelechi A. Azuanya

The Global energy crisis has revealed the 1973 Arab oil embargo, and the 1979 Iranian revolution and how fragile the global supply system is. it has shown how interconnected the world has become the 2020/21 covid pandemic and its consequent global supply chain disruption further bultressed how the world have come to over depend on Chinese manufacturing, The response to the present crisis shouldn't be the diversification of energy mix but the diversification of energy supply base. For Europe that was badly hit by the consequential inflation, it is visible, according to 2021 quarterly gas report, how about 47% of EU's gas originates from Russia. Given the historic antecedents and political asymmetry and leaning between the two geopolitical fronts which the European Union and the Russian Federation represent, one could see a ticking time bomb in the 2022 energy crisis in Europe.

Environmental sustainability and climate concerns over should not hinder future investments in oil and gas.

Rather, the world should begin to see fossil fuel and renewable energy as the two sides of a coin Going against fosil fuels with the way the world is going is like one shutting down his business or resigning his job because he wants to pursue a better career to living fosil fuels and renewables can exist side by side and compliment each others until progress is registered in total diversification of energy mix.

A 2019 PwC survey of oil and gas business leaders and industry analysis has revealed that both groups recognize that attracting investors will be a challenge going forward.

This can be seen vividly in the decline in global oil and gas investments, and despite new post-pandemic investments, it still falls short of pre-pandemic totals. The year2022 second-quarter earnings reports of major oil companies confirmed profits owning to the rise in crude oil. BP posted a second-quarter profits worth $8.5 billion, its biggest in 14 years. ExxonMobil doubled its last year's revenue to $17.85bn in net income being its largest-ever quarterly profit. U.S. company Chevron, Shell and Total Energies also recorded great numbers. Put together, these five major companies made $55 billion. According to analysts' forecasts collated by S&P Global Market Intelligence, the cumulative takings for the seven biggest private sector oil drillers during the first nine months of 2022 could hit $173bn (£150bn).

Given the low investor appetite in oil and gas sector, this windfall presents a rare opportunity for investments in new oil and gas projects, climate responsibility, and new and accelerated renewable energy research projects. Most importantly gas should be classified as a transition fuel and thus trigger gas investments. Poragram Oil and gas dependent countries in Africa and Middle East who lack investments into their golden goose can seek for new, reliable and stable long term gas supply projects and partnerships. Countries like Nigeria with ambitious projects like the Nigeria-Morocco Gas Pipeline can seize the opportunity to pursue an accelerated gas project. Europeans should be committed to diversifying their Energy supply base while they seek for alternative cleaner energies.

Both producers and consumers have a lot to gain in the long run if the excess petrodollars are put to strategic use for long term benefit.

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INSIGHT

Stemming Pipeline Leakage:

An Artificial Intelligence Approach.

By Kelechi A. Azuanya

Nigeria has witnessed massive shortfall in its crude oil productivity potentials between the covid and post covid years of 2021- 2022. Nigeria had reached a record low of 1,057.000 Barrel/ Day in Aug 2022 (CEIC, 2022). Bearing in mind that crude oil sales contribute to over 85% of Nigeria's foreign exchange earnings, declines in revenue have resulted in proportional shortfall of forex within Nigeria's economy thus creating adverse effects within the socioeconomic environment.

I started my MSc research prior to covid and was focused on the contemporary problem of that period. Donald Trump had won an election in 2018 whose credibility was highly contested with accusations of fake news and misinformation incidence which many argue must have contributed in swinging the votes in favor of Donald Trump. In Nigeria, the APC government had won an election in 2015 against the ruling PDP and it was alleged that they had earlier employed misinformation tactics in their machinery. So I decided to research how fake news can be tamed on Twitter using artificial intelligence. My approach was to use tweet meta data like location, time, comments etc. to determine the validity of a tweet and hence form a dataset for training an artificial neural network model. Unfortunately, this beautiful proposition did not pass the approval process within the department as one lecturer argued alongside many reasons that it was beyond an MSc work. Hence it was laid to rest.

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The curious mind thought out aloud and among other propositions which included predicting price of PMS or crude within or outside Nigeria etc., caught a glimpse of fall in crude production and the rampaging vandalism that have come to characterize Nigeria's oil and gas industry. A cursory look at the data below would reveal the obvious.

John McCarthy in his 2004 paper defines Artificial intelligence thus: It is the science and engineering of making intelligent machines, especially intelligent computer programs. He further defined intelligence as the

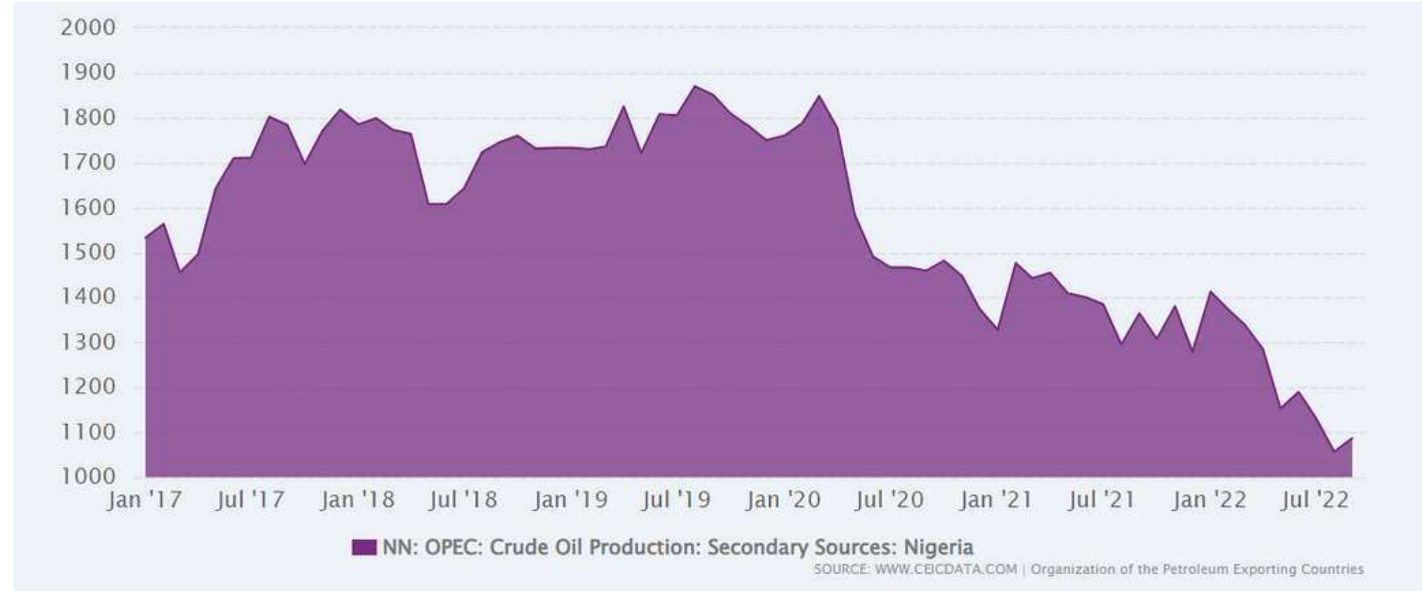

Figure 1: Crude Oil Production data 2017–2022

computational part of the ability to achieve goals. A goal achieving system being one that is more usefully understood in terms of outcomes than in terms of mechanisms (Monett et al., 2020).

Artificial Intelligence seeks to solve problems by mimicking the reasoning of humans. How would an intelligent being solve this problem? What would the thought process be like, would the generated solution be implementable within a feasible time and with finite resource? The field of Artificial intelligence automates this intelligent thought into a computable process. In its simplest form artificial intelligence is a field that combines computer science and robust datasets to enable problem solving (IBM Cloud Education, 2020).

Nigeria has about 5120Km of pipeline network owned through its national oil company Nigeria's National Petroleum Company Ltd.
(NNPC Ltd) (Jeremiah, 2020). Within this pipeline are innumerable datasets that can be made sense of. We live in a period where data is king and Data is the new oil. Yes, data is the new oil but if unrefined, it cannot really be used. Clear quantifiable and measurable datasets would give us the ability to see the past, present and the future. What can pipeline flowrate, wall thickness etc. tell us about the state of the pipeline system?

Can we have a live view or knowledge of the pipeline health by having a real time prediction system that tells us the points where data points differ within the system?
This was the subject of my MSc. Research Artificial Neural Network Based Dataset Interpretation System for pipeline oil leakage detection. Artificial Neural Network is a subfield of Artificial Intelligence which mimics the human brain processing process. Data points are passed as input into the system, it processes it by passing it through series of neurons and activation functions to produce an intelligent output which is similar in accuracy to human judgment or result.

Artificial Neural Networks (ANN) are multi-layer fully-connected neural nets that look like the figure below. They consist of an input layer, multiple hidden layers, and an output layer. Every node in one layer is connected to every other node in the next layer. We make the network deeper by increasing the number of hidden layers (Dertat, 2017).

A device which swims in a guided manner within the pipeline system gathering data points which it sends to an artificial neural network based system which predicts the health (leaking or not) of each pipeline segment it passes can give us real time knowledge of the pipeline status.

This innovation would reduce financial loss, legal liabilities, environmental degradation, loss of lives and property which could arise as a result of oil spillage.
The overall effect would be felt in sustained and improved

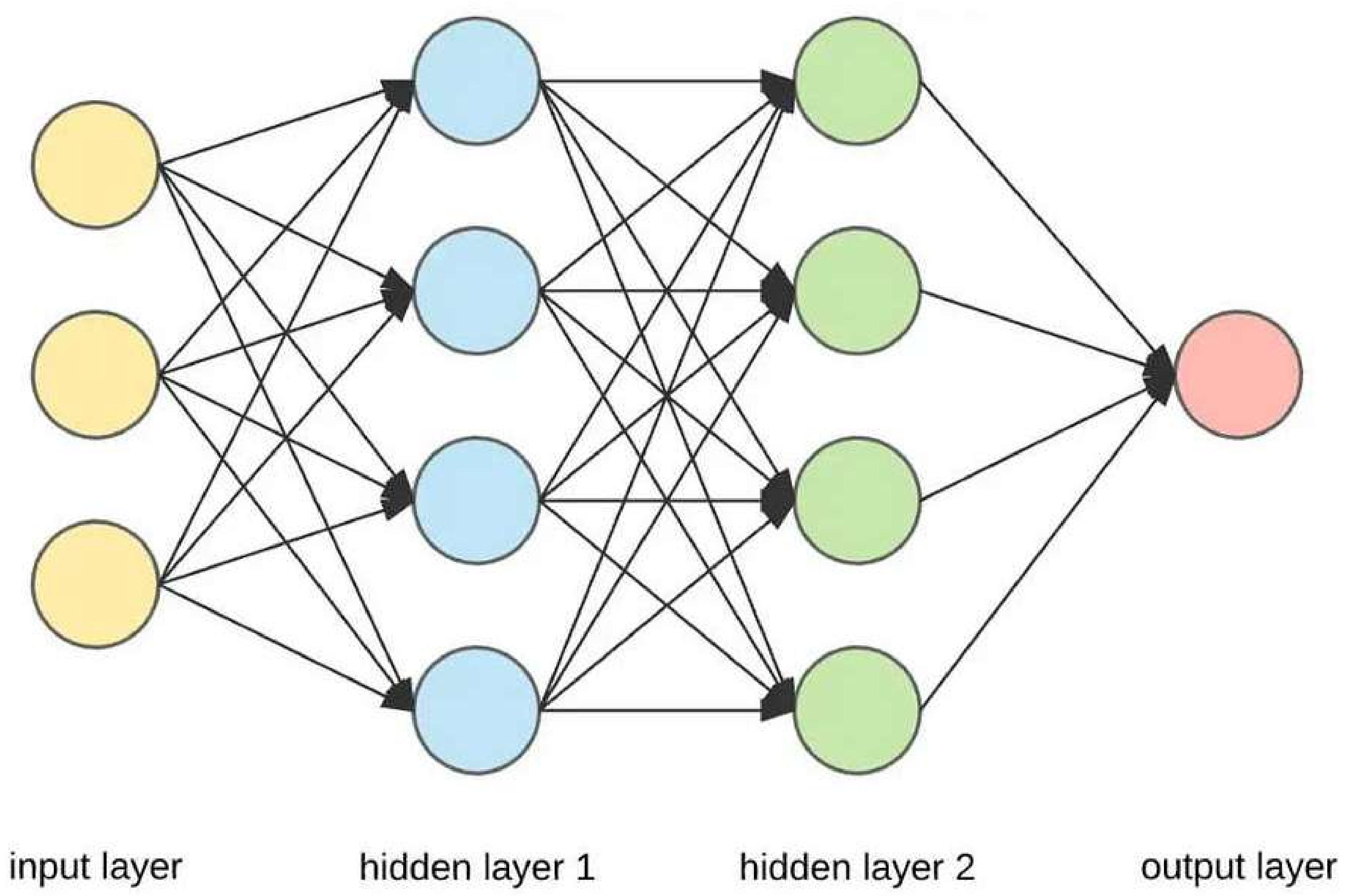

Figure 2: Artificial Neural Networks (ANN) diagram

crude oil production levels which would create higher revenues, less risky business environment which would fertilize investor confidence and create a positive micro and macro socio economic environment for the Nigerian populace.

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CULTURE

Unearthing Wisdom in Igbo Proverbs:

A Gift from the Past to Today's World

By Blossom Ozurumba

Within Nigeria's diverse cultural tapestry, the Igbo people lead a life vibrant and full, defined by shared experiences and their dynamic spirit. It's akin to a woven fabric, each strand narrating stories from the past and present, creating a colourful tableau of life. Within this weave, one thread shines brighter, laden with age-old wisdom – the Igbo proverbs, or 'ilu'.

These proverbs are not merely words that sound poetic;

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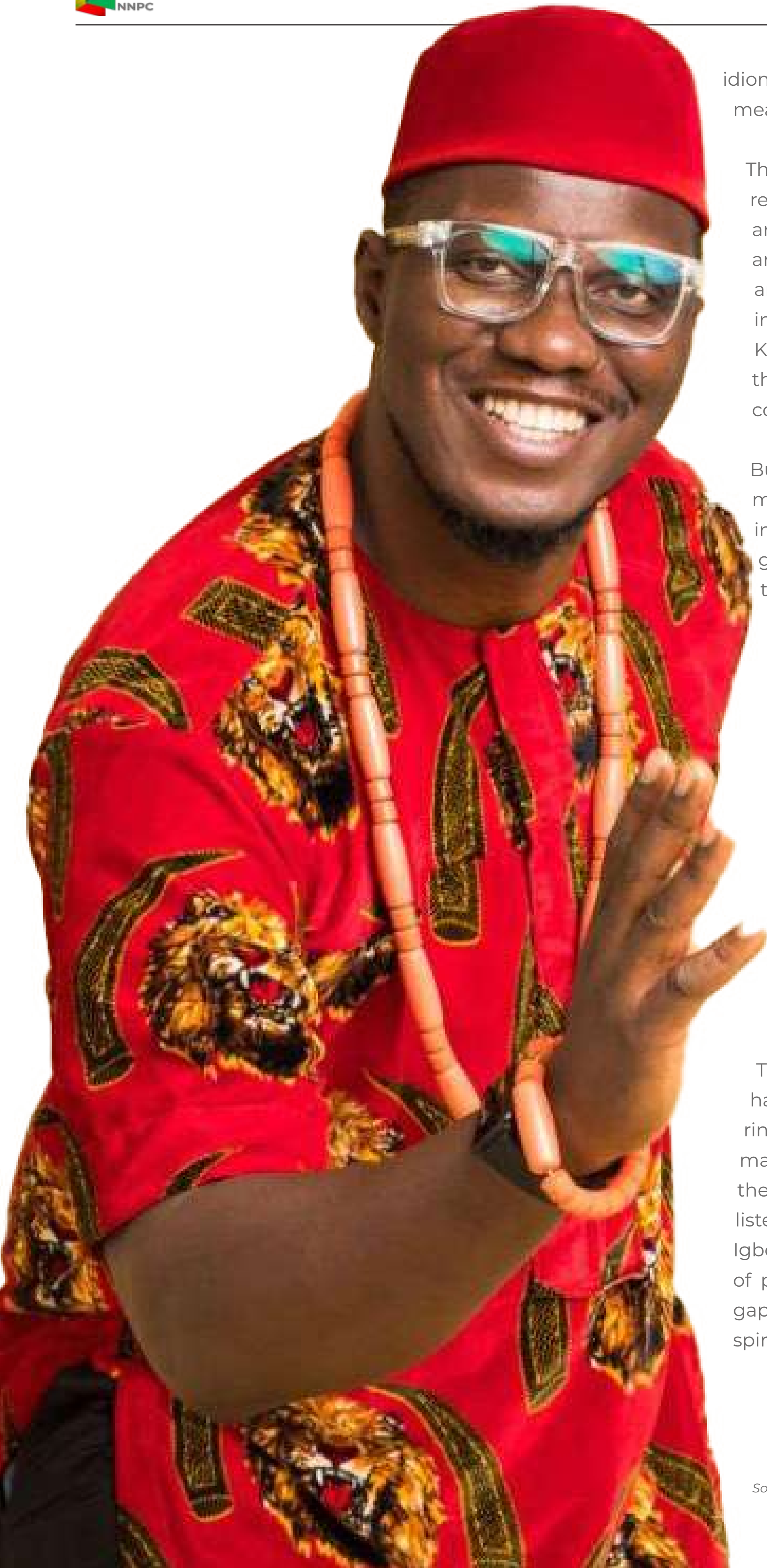
they are timeless echoes, carrying age-old lessons and values that shape the Igbo perspective. They find their place in everyday conversations, setting the rhythm of Igbo life.

For instance, consider "Igwe bụ ike", which translates to "community is strength". It's a belief system that transcends words, honouring unity and collective efforts, which is the way of life for the Igbos, whether it's family meetings or farming together.

Further, the proverb "Nwanne di na mba" translates to "A sibling in another town is worth more than a lone ranger". It emphasizes the value of having allies in different places as a form of network or support system. Similarly, "Onye aghana nwanne ya" translates to "Do not leave your sibling behind". This proverb encapsulates the spirit of solidarity and brotherhood, emphasizing that we should not abandon our team, particularly in times of struggle.

With a combination of wit, philosophy, and insights, these proverbs make everyday chats more interesting, adding an Igbo touch. The art of using them correctly speaks volumes about one's wisdom and maturity, resonating with the vibrant tune of Igbo life.

To quote the well-known Igbo writer, Chinua Achebe, "Among the Igbos, the art of conversation is regarded very highly, and proverbs are the palm-oil with which words are eaten." My "Igbo Proverbs, Idioms & Phrases Podcast" shares this sentiment. Launched on 18 July 2022, each episode, just two minutes long, delves into an Igbo proverb,



idiom, or phrase, discussing its literal and figurative meanings and its English equivalent.

The podcast, though still in its early stages, has resonated greatly, with each episode garnering an average of over 267 downloads. It is ranked amongst the top 50% of all Buzzsprout podcasts and reaching listeners in over 50 countries, including Nigeria, the United States, the United Kingdom, India, and Canada. You can listen to the podcast when you visit https://www.igbopip.com/

But as the world changes and English becomes more convenient, there is a risk that these insightful proverbs may fade. Even as the young generation is bilingual, they are slowly losing touch with this precious heritage.

This podcast, and others like it, serve as a reminder. They underscore our collective duty to keep these cultural gems alive before they disappear. After all, as an Igbo proverb reminds us, "When a language is lost, so too is its wisdom."
Igbo proverbs offer a glimpse into a culture that values wisdom, community, and the power of the individual. They also show how language can capture our very essence. The proverbs, therefore, transcend cultural borders, spreading a distinct African spirit of unity, wisdom, and resilience.

The Igbo Proverbs, Idioms, and Phrases podcast has been a journey of love for the Igbo language, ringing the bell for cultural preservation. What makes this journey worthwhile are not simply the numbers, but the heartfelt messages from listeners who have rediscovered their love for the Igbo language and culture. That is the real power of proverbs: they bring people together, bridge gaps between generations, and keep the Igbo spirit alive and kicking.

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