



SAIPEC

Sub Saharan Africa International
Petroleum Exhibition and Conference

Local Content Redefined

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Talking Points

- Local Content
- Future Energy Outlook
- Redefined Value Chain
- Prioritize Fiscal Decisions
- Exports vs Domestic Consumption

Local Content

Local Content Foundation

Local
Suppliers
Development

Local
Workforce
Development

Local
Sustaining
Development

Controlling - Audit - Reporting

Future Energy Outlook

By
2050

RISING DEMAND



- Population growth
- Economic growth
- More affluent society

9.8 billion people
2.5 billion more than today

4-5 times richer
With most extra wealth
coming from developing
countries



SECURITY OF SUPPLY



- "Easy hydrocarbon" getting scarce
- Rising Costs and Uncertain Prices
- Renewables & Unconventional
- Geopolitics

Double the energy
Using twice as much
energy as now
6-10 times more energy
from renewable sources



ENVIRONMENT



- Dominance of Hydrocarbons
- Carbon emissions and Climate change and

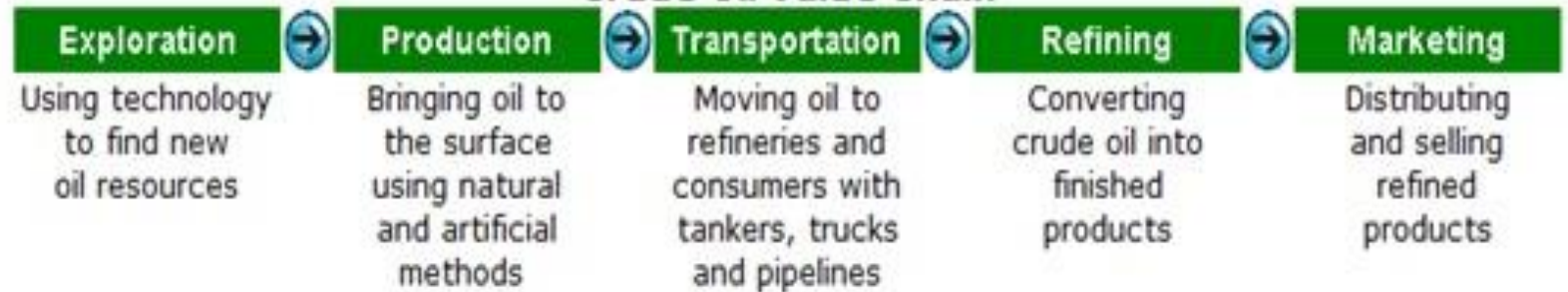
Twice as efficient
Using half the energy as
now to produce each dollar
of wealth

.....never before has humanity faced such a challenging outlook!!

Redefined Value Chain

From Wellhead to Gasoline Pump

Crude Oil Value Chain



Natural Gas Value Chain

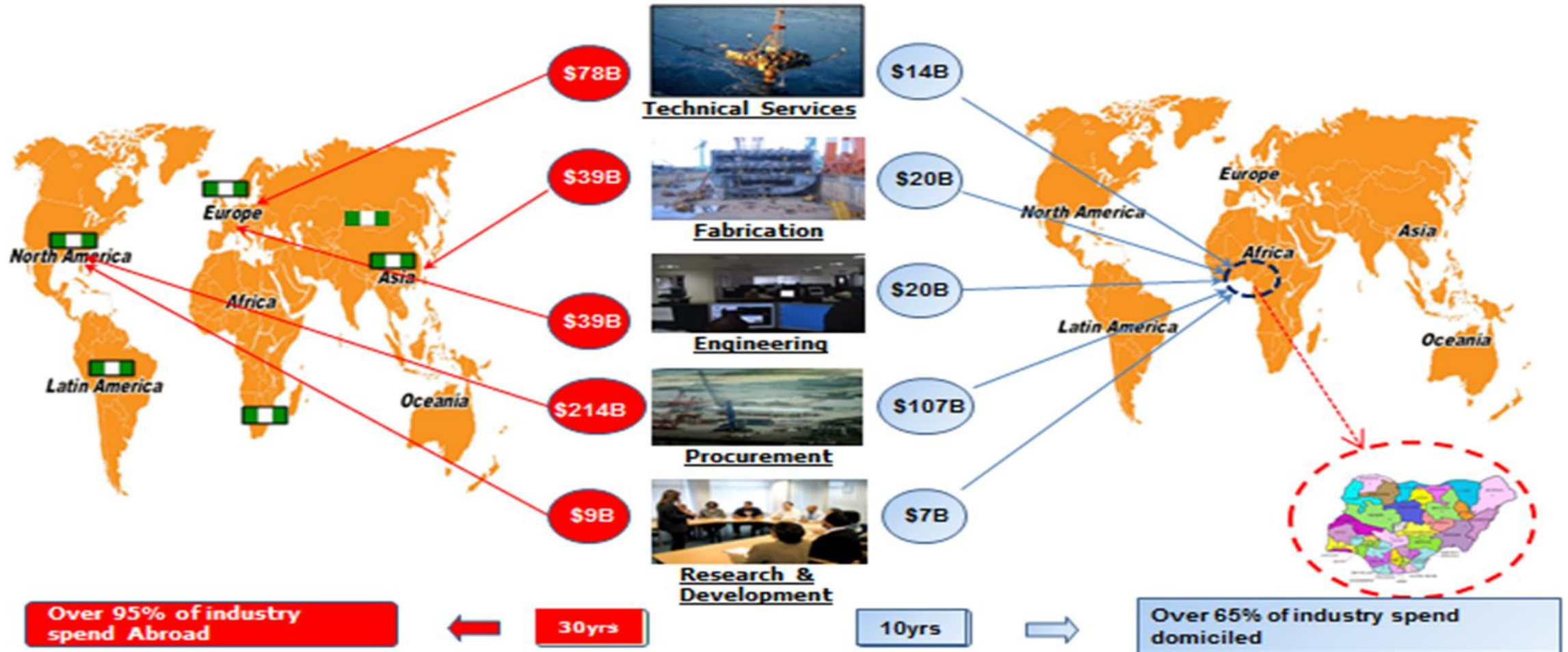


Participation in Upstream Activities

EGINA FPSO PROJECT



Participation in Upstream Activities



Source: NCDMB

Participation in Upstream Activities

TVC NEWS

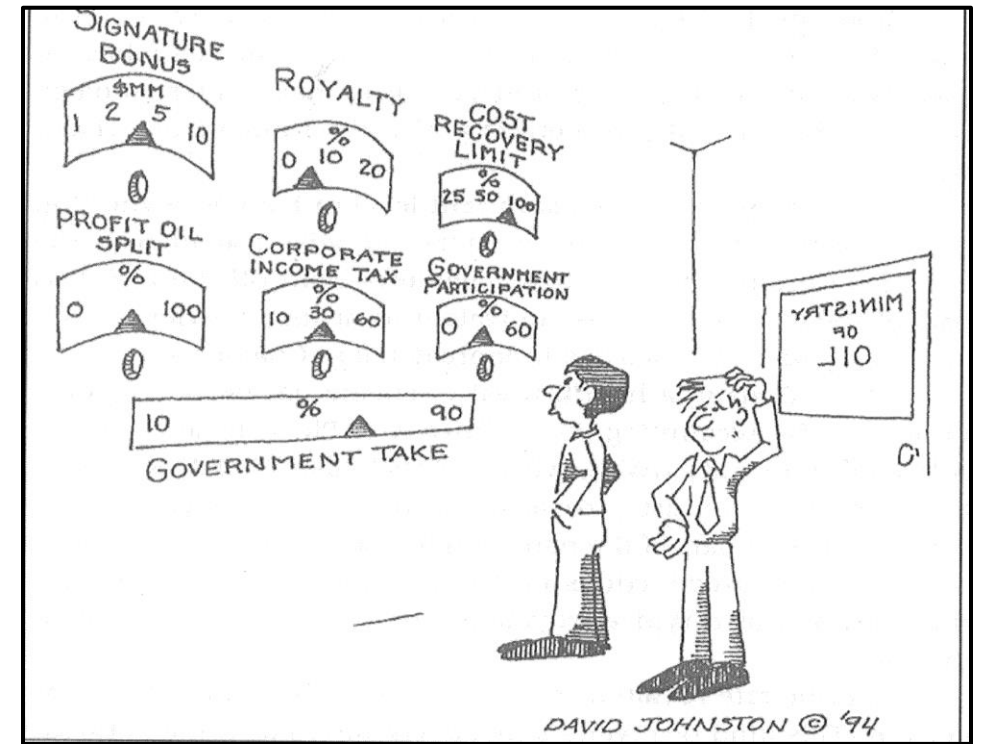
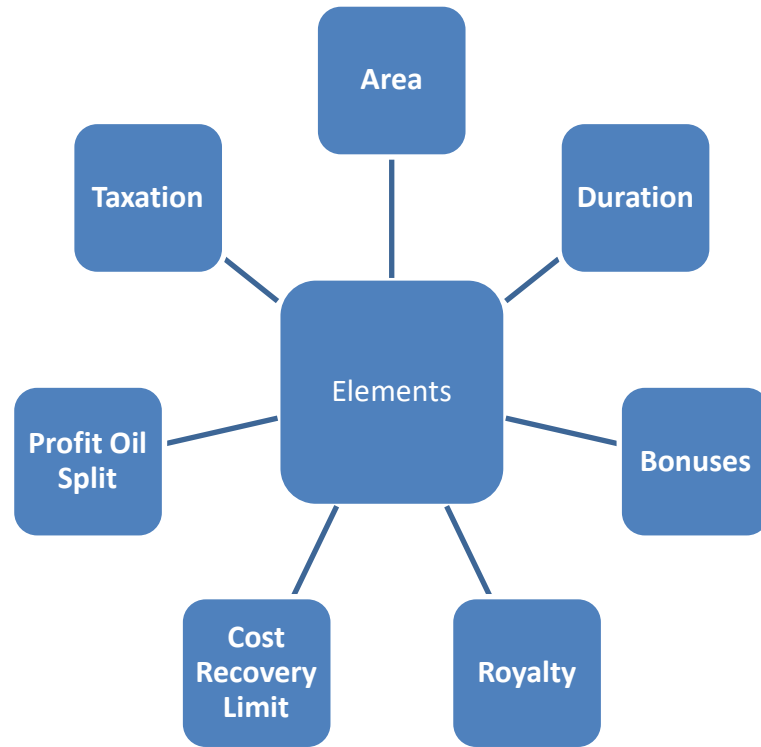
OIL AND GAS

INDUSTRY

SHELL TO EXIT
NIGERIA'S ONSHORE OIL
AFTER NEARLY A
CENTURY



Elements of Fiscal Systems



Government Objective

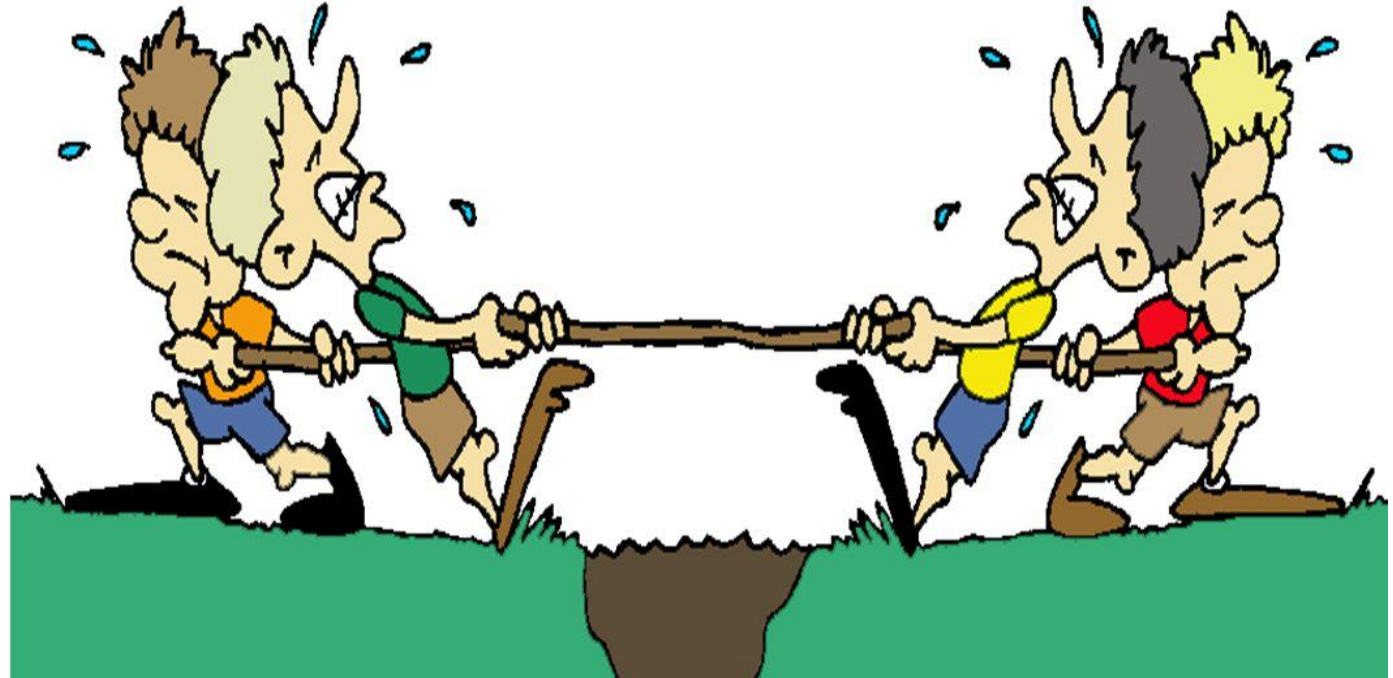
- Maximize value of the petroleum resource

Company Objective

- Maximize stockholders' interest

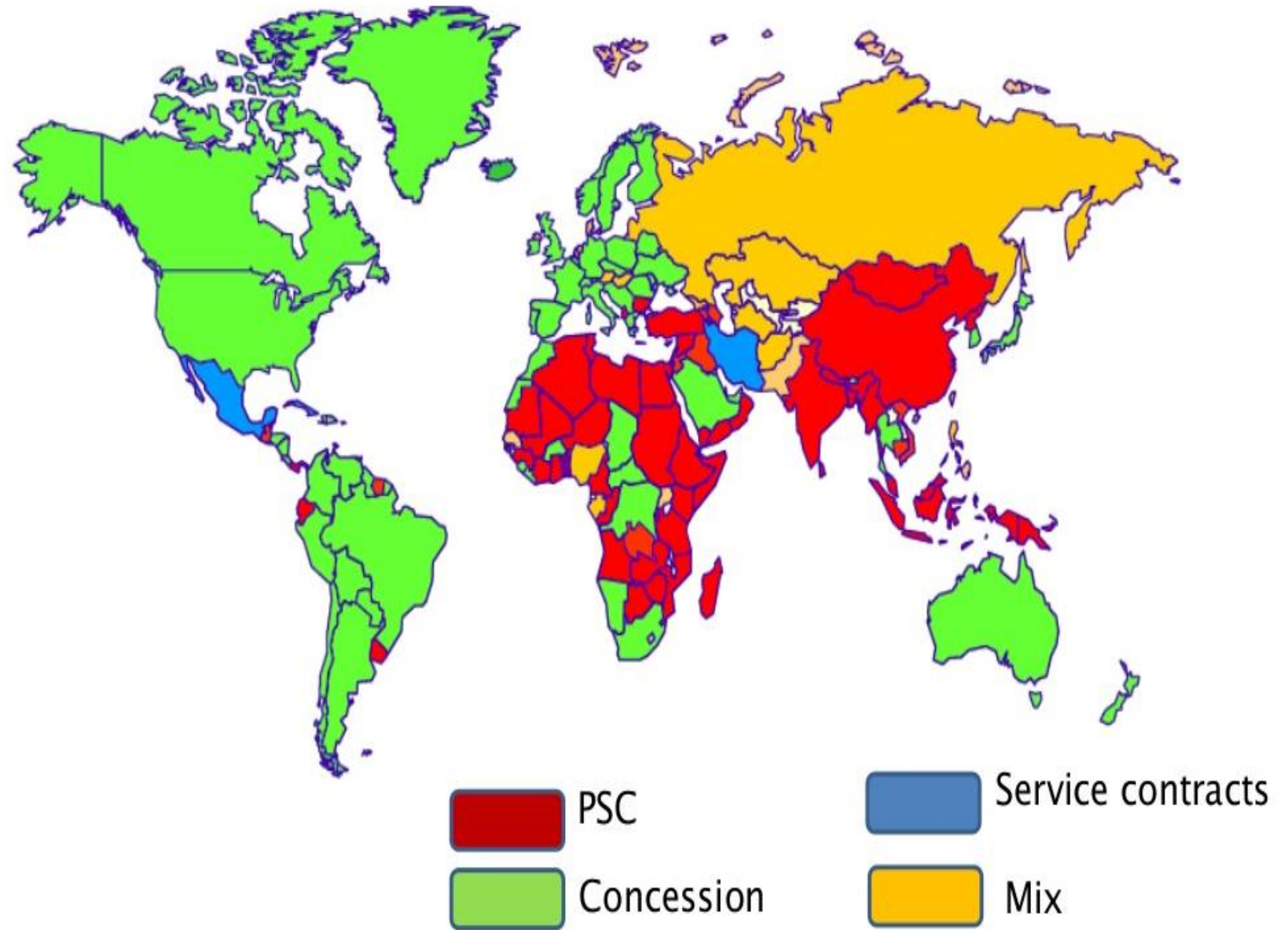
Local Content Growth Determinants – Efficient & Flexible Fiscal Systems

Prioritise
Fiscal
Decisions

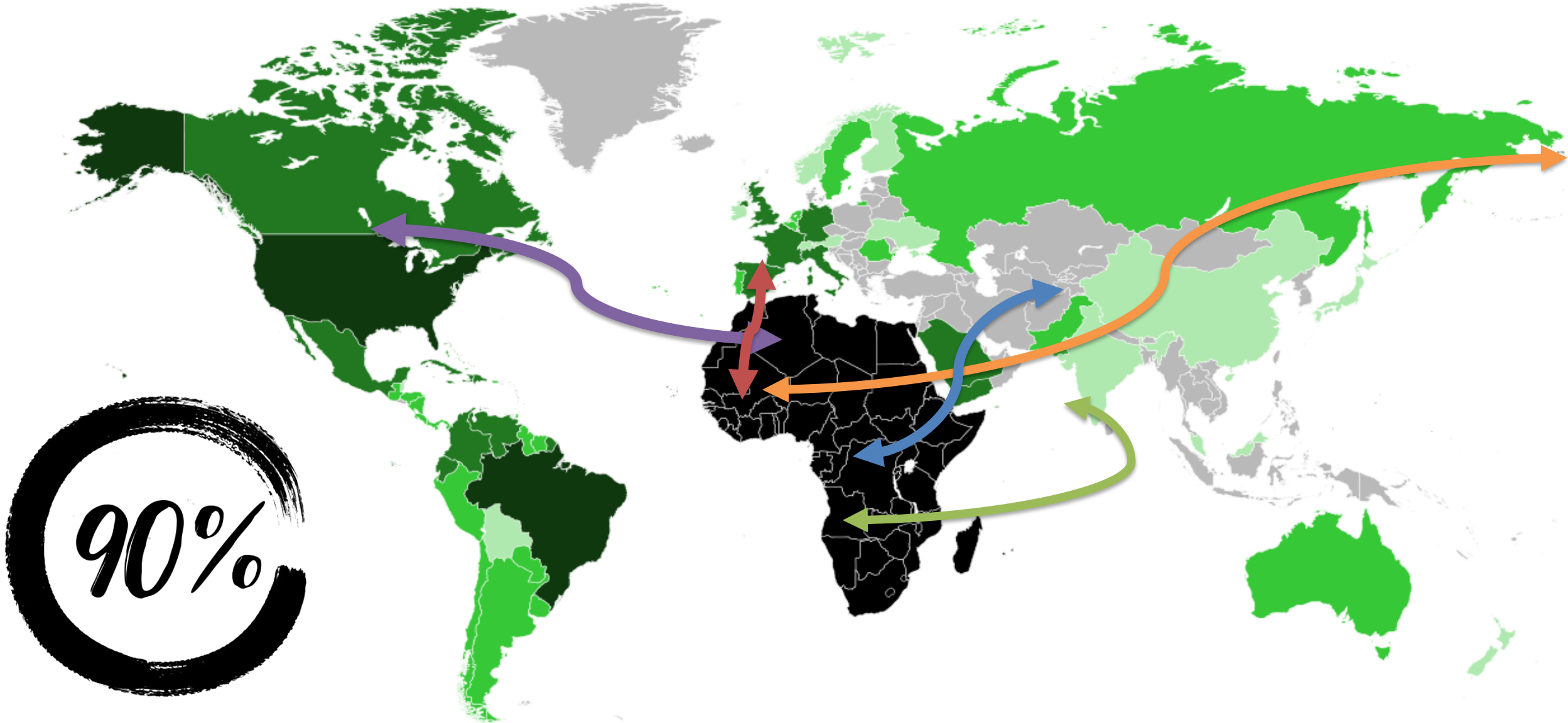


Plus negotiable commercial elements like state participation, cost recovery limits, ring fencing, domestic obligations, capital gains and other hidden

Global View Fiscal Systems

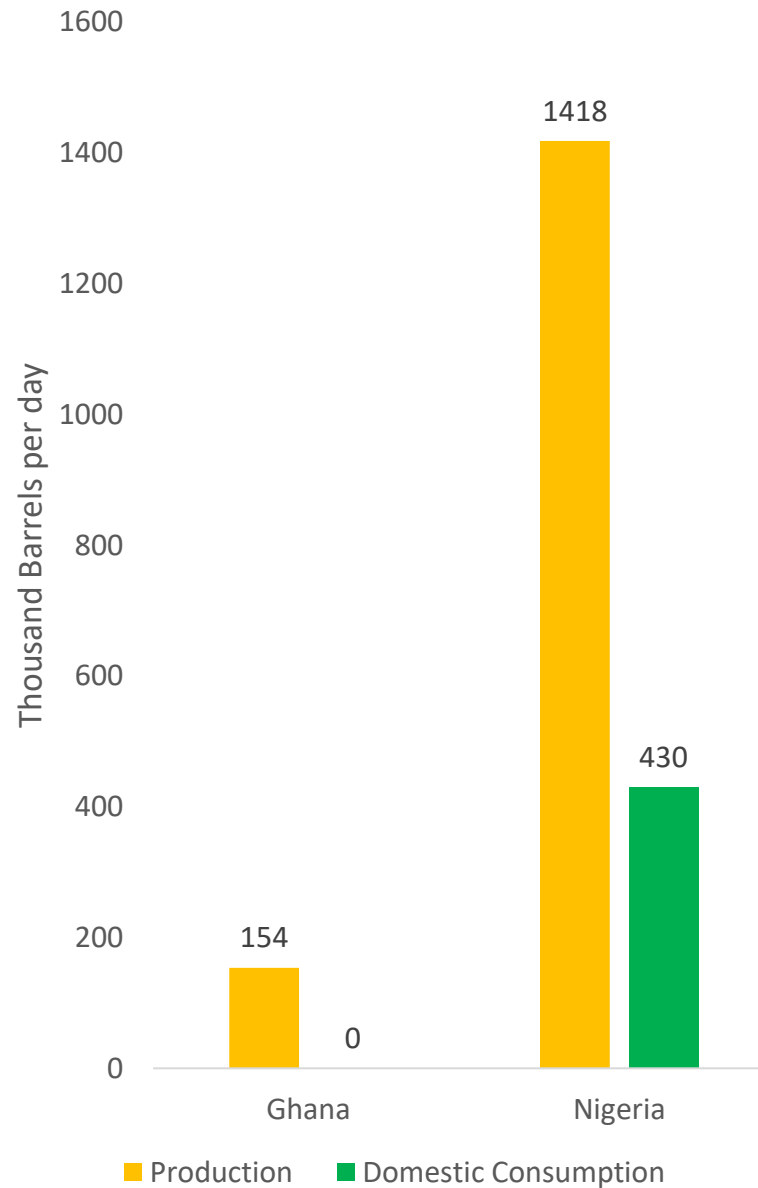


Local Content Means Providing for Locals First

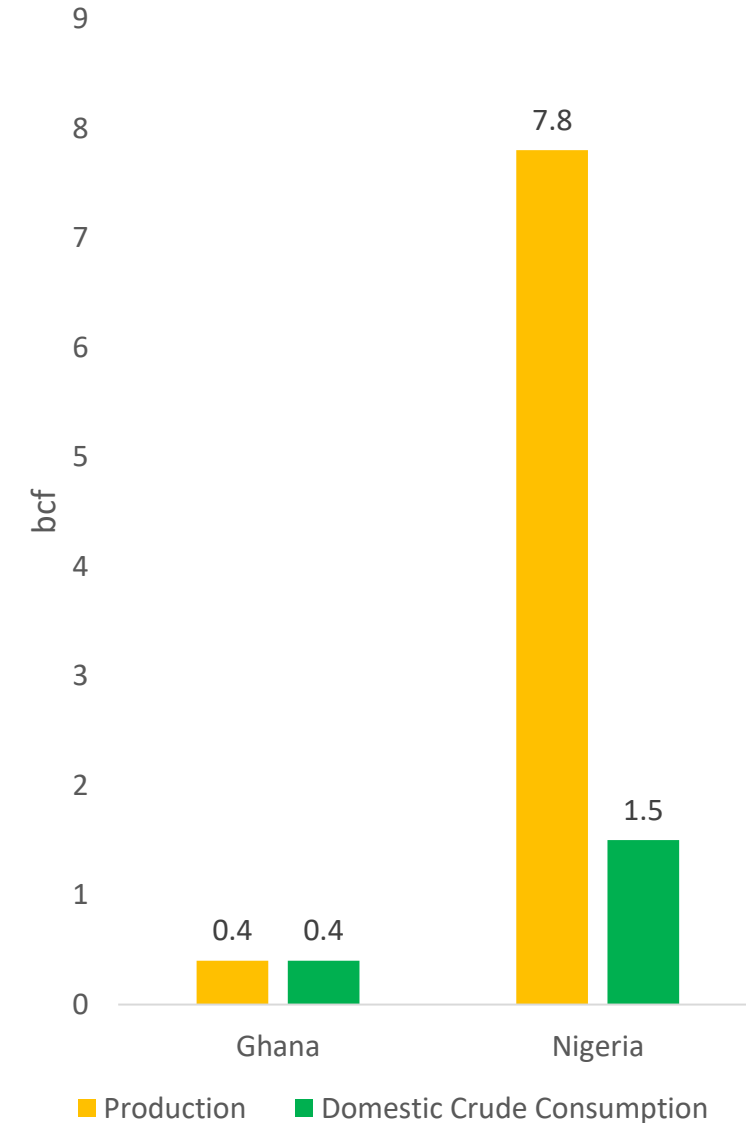


Exports vs Domestic Consumption

Crude Oil Production vs Crude Oil Domestic Consumption

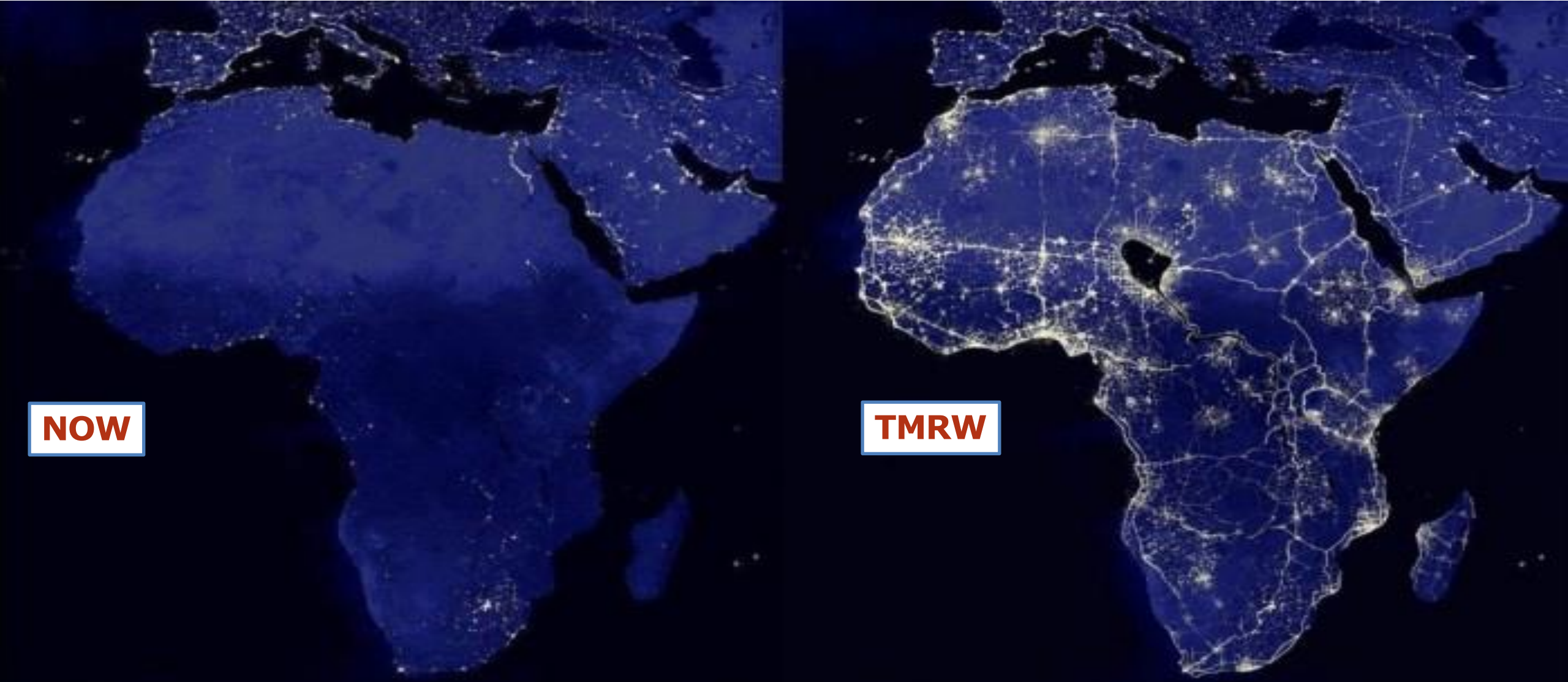


Natural Gas Production vs Natural Gas Domestic Consumption



The Local Production Must Meet National and Regional Needs First!

Energy Availability, Accessibility, and Affordability



NOW

TMRW

Ghana Gas Fully Localised



Two decades of the African Union

2002 to 2022

2001 and 2002

The African Union (AU) is founded in Addis Ababa on 26 May 2001. It is formally launched at a summit in Durban on 9 July 2002

2011

Africa's youngest nation South Sudan joins the organisation

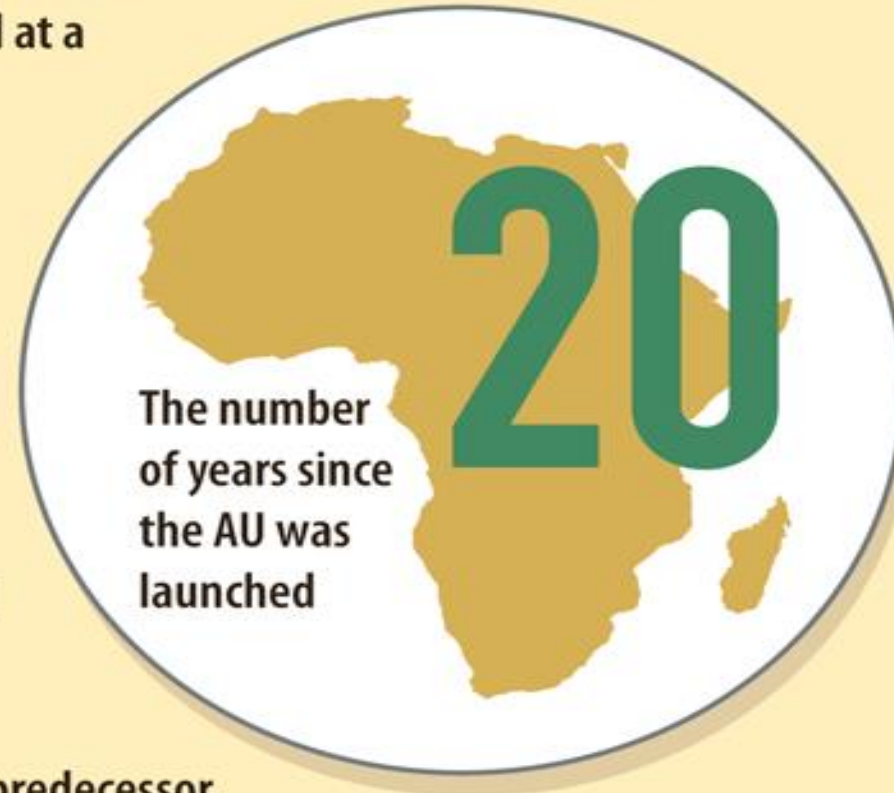
2016

The Africa Centres for Disease Control and Prevention (Africa CDC) is founded

2017

Morocco rejoins the AU, having left its predecessor, the OAU (Organisation for African Unity), in 1984

Estimated population of Africa
1.3bn



The number of years since the AU was launched

55 The number of AU member states

2018

The African Continental Free Trade Area (AfCFTA) is established. Member states are committed to creating a single market to improve development

2020

At the 33rd AU Summit in Addis Ababa a declaration champions gender equality and the empowerment of women

2021

The AU and Africa CDC launches Partnerships for African Vaccine Manufacturing to increase the production of vaccines in Africa

2022

African leaders gather in Lusaka for the AU's 41st session and 20th anniversary

The Role of AfCFTA

- The AfCFTA is the world's largest free trade area bringing together the 55 countries of the African Union (AU) and eight (8) Regional Economic Communities (RECs). The overall mandate of the AfCFTA is to create a single continental market with a population of about 1.3 billion people and a combined GDP of approximately US\$ 3.4 trillion

QUICK FACTS

55

AU MEMBER STATES
HAVE SIGNED THE
AfCFTA AGREEMENT
AS OF NOVEMBER 2022

44

HAVE DEPOSITED
THEIR INSTRUMENT
OF RATIFICATION

30 Million

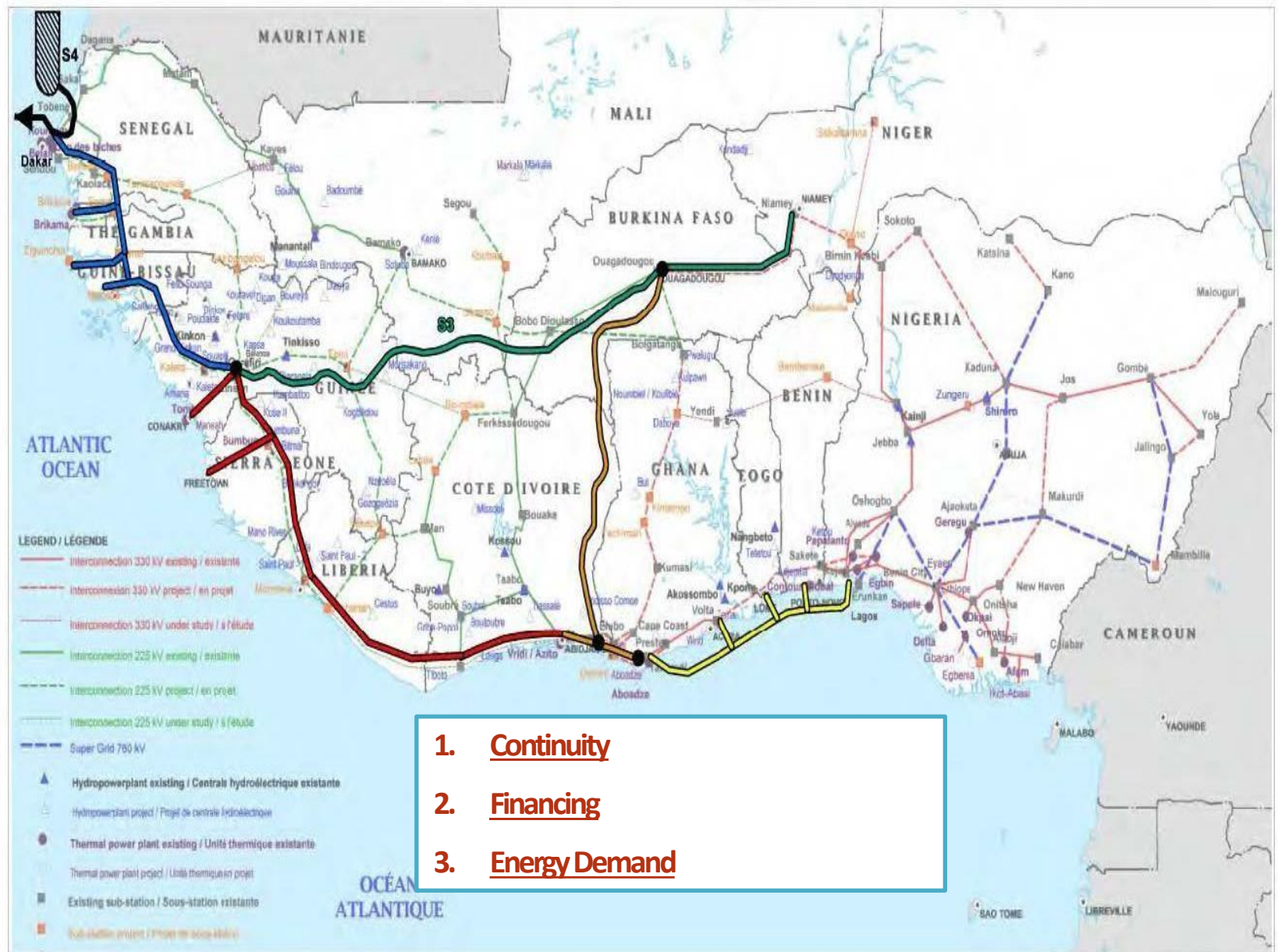
PEOPLE WILL POTENTIALLY
BE LIFTED OUT OF EXTREME
POVERTY

\$450 B

INCOME BOOST IN AFRICA
BY 2035: A 7% GAIN



Local Content Success?





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