

One year on, is Nigeria on target with the Decade of Gas, and what can we learn from the pledge so far

By

Sunday Okunbor
ND Western Limited

10th February 2023

Outline

- **ND Western Overview**
- **Decade of Gas Levers**
- **Gas Supply Projects**
- **Gas Delivery Infrastructure**
- **Policies and Frameworks**

Overview of ND WESTERN

- Founded in 2011 as a Special Purpose Vehicle (SPV) through a consortium of Four (4) Companies to acquire the jointly held 45% participating interest of Shell, TotalEnergies and Eni in OML34 asset in Delta State, while NNPC E & P Limited (NEPL) holds 55% in OML 34 asset.



Producing Fields

- Utorogu
- Ughelli East
- Ughelli West



OML34 JV Asset Management Team (AMT) Launched in 2016, with NEPL



Gas Production as at Asset acquisition - 200MMscfd

Current Gas Production - 350MMscfd,

Oil Production as at Asset Acquisition - 8,000 Bpd

Current Oil Production - 22,000 Bpd,
Peak Production - 27,000 Bpd



Total Installed Gas Plant Capacity - 600MMscfd

ND Western Growth Strategy through the Oil & Gas Value Chain

Upstream

- 600MMscfd installed gas processing plant in Utorogu (510MMScfd) and Ughelli East (90MMscfd)

- 350MMScfd current average production

About 90% of gas produced is supplied to the Domgas market

- Over 55% goes to the Power sector
- The other 35% is supplied to other offtakers comprising of; Gas Based Industries (GBI), LDC, etc.

10% is supplied through the WAGP to regional markets (Ghana, Lome and Benin)

Midstream

- Gas Distribution in Lagos Free Zone

- NDW/FHN/Falcon Corp - Executed Gas Infrastructure Development Agreement (GIDA) in 2022 to supply 5MMscfd by 2024 and ramp up capacity as demand picks up.

- Development of Utorogu Industrial Park

- at proximity to Utorogu gas plant
- Benefit from existing infrastructure in the corridor (Sea port, rail, industrial cluster, etc)
- additional gas delivery infrastructure to be developed

Downstream

- Development of a 10,000 bpd Mini-Refinery, currently in FID stage

- Onshore LNG storage at Utorogu for domestic demand & supply swing management at evaluation stage

DECADE OF GAS LEVERS



Gas Supply Projects

10 critical gas projects to supply
12bcfd



Delivery Infrastructure

- AKK
- OB₃
- ELPS Expansion
- QIT-Obigbo
- Virtual pipelines
- Others



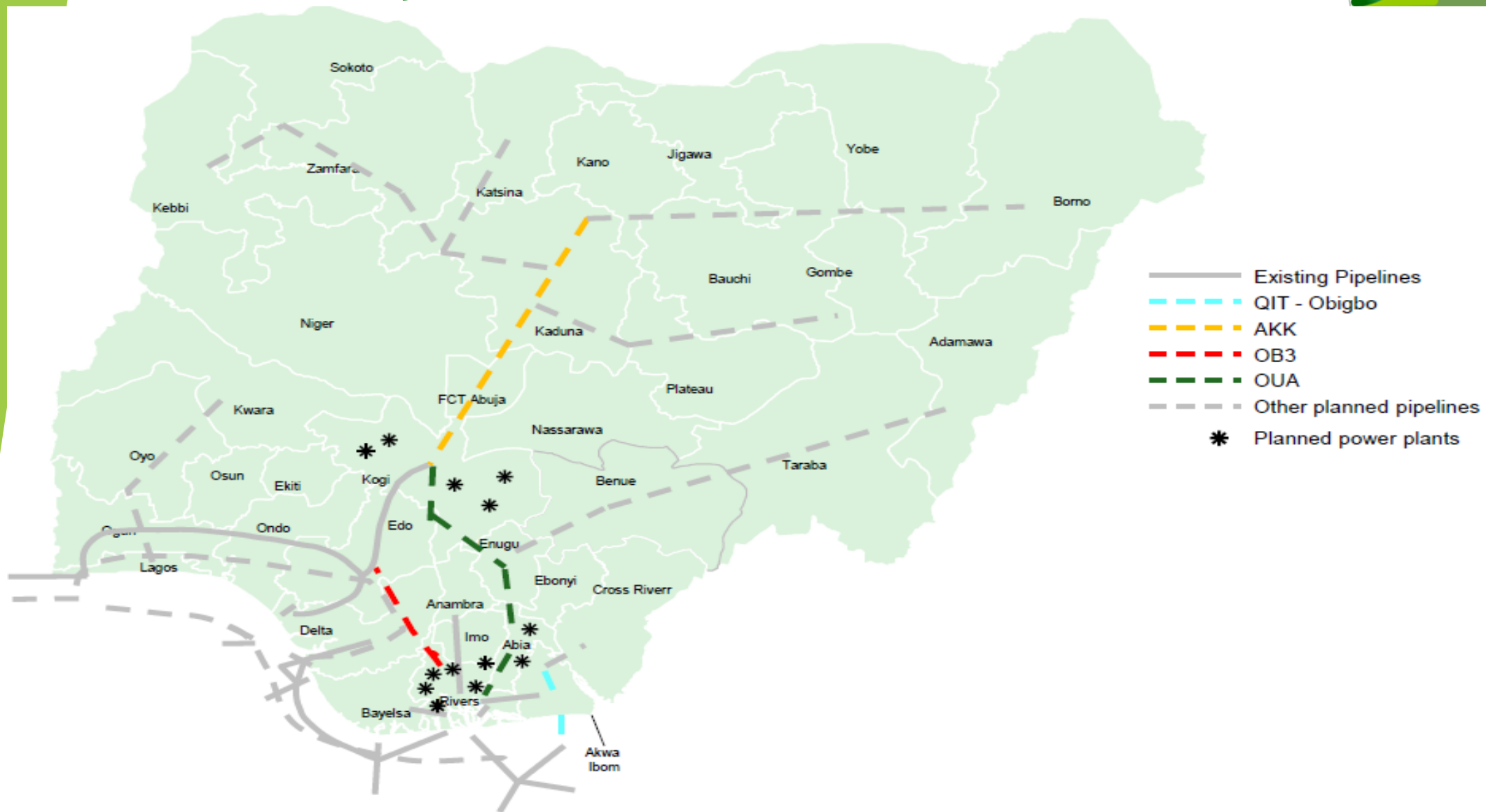
Policies & Frameworks

- Pricing framework
- Market Deregulation
- Others

10 Critical Gas Supply Projects

- 10 critical gas supply projects were identified to supply 12bcfd to domestic market within 10years
- Due to the confidential nature of the projects, NNPC has been working with the JV partners to unlock and support expedited execution of these projects.
- NNPC is systematically resolving long standing issues like the recent PSC contract renewals (Omls 128, 130, 132 and 133, as well as 138)
 - ✓ Take over of the Addax Petroleum PSC assets

Gas Delivery Infrastructure



1. Data on projected gas demand for Enugu state unavailable

Source: Nigeria Gas Masterplan // Working group interviews // Press search // NNPC 2020 gas demand by states

Gas Delivery Infrastructure

40" AKK

Segment 1 (Ajaokuta – Kaduna)

- Engineering survey & design ongoing
- All required pipes manufacture and delivered in-country (247km)
- Ongoing: ROW Clearing and Grading, Line pipe stringing, Mainline welding, Trenching and Lowering

Segment 2 (Kaduna – Kano)

- Engineering survey & design ongoing
- About 94% of Line pipe manufacture and delivered in-country.
- completed. **325.89Km** manufactured
- Ongoing: ROW Clearing and Grading, Line pipe stringing, Mainline welding, Trenching and Lowering

Gas Delivery Infrastructure

➤ **48" OB3**

Lot A 95% complete

- River Niger Crossing works is ongoing
- Mainline works completed and CTMS Facility civil works ongoing
- Partial commissioning of KP17 – IPS achieved.
- CTMS Bypass mainline mechanical completion achieved on 30/12/22.

Lot B

Mechanically complete Commissioned with gas on 19/11/2020

➤ **ELPS II**

- Entire 342km: Completed & commissioned
- ELPS Midline Compressors are being procured

➤ **36" Obigbo Umuahia Ajaokuta**

Preliminary works ongoing

Policies & Frameworks

1. Gas pricing principles transition (NUPRC & NMPRA)

- Gradual transitioning to willing buyer willing seller regime.
- Put in place investment friendly policies to encourage private participation in unlocking the gas supply, transmission and distribution projects.
- Clear power sector legacy debt and avoid future build up of debt by dealing with the illiquidity issues.

2. Decarbonization principles (NUPRC & NMDPRA are leading through regulations and policies)

- Align critical gas projects with energy transition plan
- Define framework for carbon pricing and develop legislation for measurement and reporting
- Develop and roll out decarbonization technologies



Thank You