

## Key contacts



**Dayo Okusami**  
Partner and Co-Head,  
Energy and Natural Resources  
[dayo.okusami@templars-law.com](mailto:dayo.okusami@templars-law.com)



**Yemisi Awonuga**  
Partner and Co-Head,  
Energy and Natural Resources  
[yemisi.awonuga@templars-law.com](mailto:yemisi.awonuga@templars-law.com)



**Desmond Ogba**  
Partner,  
Finance, Energy and Natural  
Resources  
[desmond.ogba@templars-law.com](mailto:desmond.ogba@templars-law.com)

## TEMPLARS Transcripts: Energy & Natural Resources Digest

### Nigeria

#### Oil and Gas

#### President Tinubu issues directive on delineation of regulatory oversight between NUPRC and NMDPRA

President Bola Ahmed Tinubu recently issued a directive (the "**Directive**") seeking to establish clear lines of demarcations between the responsibilities of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) and the Nigerian Midstream and Downstream Regulatory Authority (NMDPRA), pending the amendment to certain contentious portions of the Petroleum Industry Act (PIA) by the National Assembly.

According to the Directive, the NUPRC shall be the exclusive technical and commercial regulator in respect of upstream petroleum operations and facilities. This responsibility encompasses the licensing, administration, and monitoring of petroleum facilities that are operationally linked from extraction to and including crude export terminals and the gate of the natural gas processing plant.

In the same vein, the NMDPRA shall be the exclusive technical and commercial regulator in respect of petroleum operations and facilities from the exit of the crude export terminals and the entry gate of the natural gas processing plant.

The President called for immediate compliance with the Directive as well as ensuring that there is no duplication of regulatory responsibilities across any activity. Both regulators were urged to avoid overlapping regulatory tasks in the activities preceding and including export terminal operations.

In view of the implications of the directives for staff deployment and the financial sustainability of NMDPRA, the Authority Chief Executive of the NMDPRA, the Commission Chief Executive of the NUPRC as well as the Special Adviser to the President on Energy, under the auspices of the Chief of Staff to the President, are enjoined to work out the modalities and proffer solutions, including potential amendments to the PIA.

## **Petroleum marketers to begin fuel importation in July following subsidy removal.**

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) has stated that petroleum marketers will, from July this year, commence the importation of petroleum products into the country. For a company to import, it must adhere to the provisions of the Petroleum Industry Act 2021. The NMDPRA chief executive stated this shortly after a meeting with the oil marketing companies on expectations for post-petrol deregulation.

The engagement had in attendance officials of the Major Oil Marketers Association of Nigeria (MOMAN), Depots and Petroleum Products Marketers Association of Nigeria (DAPPMAN), and Nigerian National Petroleum Company Limited (NNPC Ltd.), among others.

Prior to this, Nigeria National Petroleum Company Limited (NNPCL) had been the sole importer of petroleum products but has now agreed to reduce its petrol import volume to give room for other players in the industry. NNPCL will draw down on their importation from being the sole importer to bringing in about 30 – 40 percent maximum in line with the provision of the Federal Competition and Consumer Protection Commission (FCCPC) regulation, which says that nobody should exceed 40 percent of the market share.

## **Genser Energy Completes 110km Ghana Gas Pipeline.**

Genser Energy, a U.S.-based Africa-focused solutions provider, has announced the completion of a 110 km natural gas pipeline in Ghana which was developed in partnership with the Ministry of Energy as part of the company's 430 km portfolio of energy distribution network constructed in the west African country since 2018.

The energy firm announced the completion of the natural gas pipeline within a five-month period despite disruptive factors such as the COVID-19 pandemic, which negatively impacted the global supply chain, the Russia-Ukraine war, and rising inflation.

The pipeline comprises over 12,000 steel pipes and will drive the full exploitation of local gas resources in the Ashanti Region of Ghana for power generation, a development which will, in turn, ensure energy security, decarbonization, and affordability, with up to 1,030MW of power generation projects by independent power producers planned to follow the completion of the project.

## **Springfield Exploration signs \$750 million deal with Afreximbank.**

Springfield Exploration and Production Limited (SEP), an independent Ghanaian energy company, has signed a US\$750 million facility from the African Export-Import Bank (Afreximbank) on the sidelines of the just-ended Afreximbank 30th Annual General Meeting held in Accra.

Officials of the oil company are enthusiastic about using the facility to scale up operations in the West Cape Three Points Block 2 asset, particularly the unitized Afina-Sankofa field, which would boost the upstream oil and gas space.

The CEO of SEP, Kevin Okyere, told the media after the signing ceremony at the 30th Annual General Meeting of the Bank held June 18, 2023, in Accra, that the facility will positively impact the development of the block, including the unitization of the Afina-Sankofa field. The Afina-One well made two discoveries in October 2019. The field contains gas, critical and light oil at a water depth of 1,030 metres drilled at a depth of 4,085 metres. The field more than doubled SEP's proven oil reserves to 1.5 billion barrels and added almost one trillion cubic feet (TCF) of gas to the existing discoveries. The current undiscovered potential of the Block is estimated at over 3 billion barrels of oil and gas in multiple leads and prospects within proven reservoir units.

SEP is currently the lead operator with majority interest in the West Cape Three Points Block 2, with the national oil company, Ghana National Petroleum Corporation (GNPC), and its exploration company, EXPLORCO, holding the remaining interest.

## **Nigeria, Morocco, and others sign MoU in relation to the Nigeria-Morocco gas pipeline project.**

Nigerian National Petroleum Company Limited (NNPCL) has signed four Memoranda of Understanding (MoU) as part of the Nigeria-Morocco gas pipeline project. The memoranda were signed between NNPCL and the Office National des Hydrocarbures et des Mines (ONHYM) of Morocco on the one hand, and the Société Nationale des Opérations Pétrolières of Cote d'Ivoire (PETROCI), the National Oil Company of Liberia (NOCAL), the Société Nationale des Hydrocarbures of Benin (SNH-Benin), and the Société Nationale des Pétroles of the Republic of Guinea (SONAP) on the other.

NNPCL stated that the memoranda, similar to those signed with the Economic Community of West African States (ECOWAS) on September 15, 2022; Mauritania and Senegal on October 15, 2022; and The Gambia, Guinea-Bissau, Sierra Leone, and Ghana on December 5, 2022, reaffirmed the commitment of the parties to the strategic project.

Once completed, the project is expected to enhance the monetization of the affected African countries' natural gas resources and offer a new and viable alternative for exporting these gas resources to the European market.

## **TotalEnergies makes oil discovery at Ntokon offshore Nigeria.**

Total Energies has officially announced a noteworthy discovery, with the successful identification of reserves through the Ntokon-1AX well. Situated in shallow waters approximately 60 km off the southeastern coast of Nigeria, the Ntokon-1AX exploration well has revealed the presence of 38 meters of net oil pay and 15 meters of net gas pay.

Furthermore, the Ntokon-1G1 side-track well encountered an impressive 73 meters of net oil pay within reservoirs that display exceptional quality and development. Notably, the Ntokon-1G1 well demonstrated successful testing, reaching a maximum rate of around 5,000 barrels per day of 40° API oil. Ntokon is strategically positioned just 20 km away from the Ofon field facilities situated within the OML102 block, and plans are underway to establish a tie-back development that will connect Ntokon to the existing infrastructure.

TotalEnergies expressed optimism regarding the Ntokon discovery, emphasizing its potential to facilitate new tie-back development.

## **Power**

### **New Electricity Act to give States autonomy over supply of electricity.**

The Nigerian Electricity Regulatory Commission (NERC) has welcomed the new Electricity Act 2023 (the "**Act**"), which was recently signed off by President Bola Ahmed Tinubu. It replaces the Electricity and Power Sector Reform Act of 2005.

The Act essentially decentralizes the generation, transmission, and distribution of electricity from a national government level. Legislative autonomy has been granted to the federating states on matters relating to the generation, transmission, and distribution of electricity in their respective jurisdictions.

The commission further pointed out that the legislation marked a pivotal shift in the structure of the power sector. It is envisaged that this new legislation will lead to a sustainable improvement in the Nigerian electricity supply industry and the overall economic growth of the country.

The NERC has also stated the need to provide further clarity and delineation of roles and responsibilities between the federal and state regulatory jurisdictions. The clarification will help to avoid disagreements, overlaps, and regulatory uncertainty that could impede the efficient operation of the power industry and have a negative knock-on effect on investor confidence. NERC has scheduled a workshop for July to discuss the Act with stakeholders, including market participants, state government representatives, and other interested parties.

## Energy Transition & Renewables

### **All On, Global Energy Alliance for People and Planet (GEAPP) Commits \$11 million to Support 25 Mini-grid Projects in Nigeria.**

Shell's funded impact investment firm, All On, has declared its dedication of \$11 million to aid 25 mini-grid initiatives in Nigeria through its Demand Aggregation for Renewable Technologies (DART) program. This was revealed during the inaugural DART workshop, which convened off-grid developers, commercial banks, domestic investors, and other essential stakeholders. The workshop's objective was to engage in discussions pertaining to strategies for facilitating local currency commercial funding in the off-grid renewable energy sector within Nigeria.

Caroline Eboumbou, CEO of All On, highlighted the remarkable success achieved through the DART program since its launch in 2021. She stated that the program has committed a total of \$11 million to support 25 mini-grid projects across the country, over 2,700 solar energy systems to be funded, and 12 successful applications thus far.