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# TEMPLARS Transcripts: Energy & Natural Resources Digest

## Oil and Gas

### Nigeria

#### ❖ The Nigerian Upstream Petroleum Regulatory Commission (NUPRC) Announces Successful Bidders for the Gas Flare Commercialization Programme

On September 12, 2023, the Nigerian Upstream Petroleum Regulatory Commission ("NUPRC") announced that 42 companies/entities have been awarded 49 flare sites put forward during the Nigerian Gas Flare Commercialization Programme ("NGFCP").

The NGFCP was earlier launched by the Nigerian federal government in 2016 as one of the government's initiatives to attain zero routine gas flaring by 2035 and net zero emissions by 2060. The initiative seeks to involve third-party investors or off-takers in harnessing gas released as a byproduct of oil production.

The initiative, which was suspended in 2020 due to the COVID-19 pandemic, was relaunched in October 2022, and restructured to align with the provisions of the Petroleum Industry Act and post-covid economic realities.

After the NUPRC evaluated the bids, 38 companies were awarded 40 flare sites for standalone flare site development, while 4 were awarded 9 sites to be developed as clusters, bringing the total number of awarded bidders to 42. Several bidders were also awarded "reserve bidders" status for the corresponding flare sites in case the preferred bidders fail to meet the terms and conditions stipulated in the Request for Proposal (RFP).

The successful bidders are expected to proceed to execute the necessary agreements with the relevant parties and effect payment of the prescribed award fees to enable the NUPRC grant them a permit to access flare gas.

## ❖ **NNPC Limited and the NCDMB sign an MoU with IOCs aimed at reducing Contracting Cycles**

The Nigerian National Petroleum Company Limited ("**NNPCL**") and the Nigerian Content Development & Monitoring Board ("**NCDMB**") have signed a Memorandum of Understanding ("**MoU**") with international oil companies ("**IOCs**") aimed at significantly reducing contracting cycles by 81.6%. This reduction will cut the current cycle to an optimal level of no more than 180 working days from the current 327 days. The agreement was signed at the NNPC Towers in Abuja, demonstrating NNPC's commitment to efficiency as outlined in the Petroleum Industry Act ("**PIA**").

The objective of this MoU is to enhance the ease of doing business, reduce costs, and drive efficiency in the oil and gas industry, ultimately leading to increased production, higher revenues, and improved profitability. Key benefits of the framework in the MoU include reducing the contracting cycle for open competitive tender, selective tender, and single sourcing tender to 180, 178, and 128 working days, respectively.

The signing of this MoU is seen as a significant step toward boosting Nigeria's crude oil production, ensuring compliance with the Nigerian Oil and Gas Industry Content Development Act ("**NOGID**"), and expediting document approvals in the industry. The goal is to complete the oil and gas industry's tendering to contract award processes within six months.

This development is seen as a positive step towards improving the efficiency and competitiveness of Nigeria's oil and gas sector.

## ❖ **Nigerian National Petroleum Company and Indorama execute \$7 Billion Dollar MOU**

On 16 September 2023, the Nigerian National Petroleum Company Limited ("**NNPCL**") signed a memorandum of understanding (an "**MOU**") with Indorama Energy Pte Limited ("**Indorama**") for the supply of about 800 million cubic feet of gas to promote Indorama's investments in fertiliser and urea production in Nigeria. The deal is aimed at improving gas utilisation, power demands and employment opportunities in Nigeria. Indorama will invest about \$7 billion in the project. Following the execution of the MOU, NNPCL has committed to pursue and support other large scale gas projects in Nigeria.

## ❖ **ENI to Sell Nigerian Agip Oil Company Ltd to Oando PLC**

ENI has announced an agreement with Oando PLC for the sale of Nigerian Agip Oil Company Ltd ("**NAOC**"). NAOC, a wholly-owned subsidiary of ENI, is focused on onshore oil and gas exploration and production in Nigeria, along with power generation.

NAOC currently holds interests in four onshore blocks (OML 60, 61, 62, 63) in Nigeria and operates them on behalf of the NAOC Joint Venture. The ownership structure of this venture comprises NAOC (20%), Oando (20%), and NNPC E&P Limited (60%). NAOC is also involved in managing the Okpai 1 and 2 power plants, boasting a combined capacity of 960MW, and holds operatorship of two onshore exploration

leases (OPL 282 and OPL 135), with ownership percentages of 90% and 48%, respectively.

ENI's participating interest in the SPDC JV (Shell Production Development Company Joint Venture) is not part of this transaction and will remain in ENI's portfolio. Following the successful completion of this transaction with Oando PLC, ENI will maintain its presence in Nigeria through its subsidiaries, Nigerian Agip Exploration ("NAE") and Agip Energy and Natural Resources ("AENR"). The company will continue to operate in Nigeria, with a focus on offshore activities, and retain its interests in assets operated by others, both onshore and offshore, including Nigeria LNG.

### ❖ **Asiko Group unveils LNG, CNG depot in Benin to deepen gas development**

Asiko, a provider of clean energy solutions operating in Nigeria's energy sector has unveiled a 300 Metric Tonnes (MT) Liquefied Petroleum Gas (LPG) and Compressed Natural Gas (CNG) depot in Utesi, Ikpoba Okha local government area of Edo state.

Under its licensing agreement, the depot is authorized to store Propane, LPG (Liquefied Petroleum Gas), CNG (Compressed Natural Gas), and Liquefied Natural Gas (LNG). Currently, it stores LPG and CNG, with future plans to enable LNG storage. This 300MT depot, proposed to be the largest in Benin, represents a significant step toward a cleaner energy future and the realization of the Federal Government's decade of gas initiative, as emphasized by the Chairman.

## RENEWABLE ENERGY

### Ghana

### ❖ **The Government of Ghana launches US\$550 billion Energy Transition and Investment Plan for achieving net-zero emissions**

The President of Ghana unveiled Ghana's Energy Transition and Investment Plan during an event on 21 September 2023. The plan revises the country's existing Energy Transition Framework which had set a target of net zero by 2070 and indicates that Ghana is targeting net zero by 2060. The plan also solidifies Ghana's commitment to fighting climate change while fostering economic development in tandem and details a credible pathway for achieving net-zero energy-related carbon emissions by 2060 through the deployment of low-carbon solutions across key sectors of Ghana's economy, including oil and gas, industry, transport, cooking, and power.

The government intends to use the plan as its main tool to engage the international community and investors for support with its energy transition. All measures suggested in the plan represent a US\$550 billion opportunity for the international community to invest in sustainable development in Ghana and generate 400,000 net jobs within Ghana's economy. The plan outlines various sectoral changes and technologies open for investment with the four main decarbonization technologies being renewables, low-carbon hydrogen, battery electric vehicles and clean cookstoves.