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TEMPLARS Transcripts: Energy & Natural Resources Digest

Nigeria

Oil and Gas

- **Savannah Energy acquires 49% stake in Stubb Creek Upstream Asset**

Savannah Energy has completed a significant acquisition deal valued at \$60 million, securing Sinopec International Petroleum Exploration and Production Corporation's (SIPC) 49% stake in the Stubb Creek oil and gas field. With this acquisition, Savannah Energy now holds complete ownership of the Stubb Creek oil and gas field, consolidating its assets in Nigeria. The company's affiliate, Universal Energy Resources Limited, already owns a 51% stake in the Stubb Creek field, making this acquisition a strategic move to strengthen its presence in the region.

As part of the agreement, Savannah Energy will pay \$52 million in cash to acquire Sinopec's stake in the Stubb Creek field, with an additional \$9.5 million allocated to purchasing shares from Jagal Energy. These transactions are structured through separate Share Purchase Agreements (SPAs). The financing for this deal will be facilitated through a debt agreement with the Standard Bank of South Africa, supplemented by the company's existing cash reserves.

Savannah Energy anticipates significant growth in production from the Stubb Creek field, projecting an increase from 2.7 Kbopd (thousand barrels of oil per day) to 4.7 Kbopd within the next 12 months. The deal will secure more gas available for sale to Savannah Energy's Nigerian gas processing and distribution subsidiary, Accugas Limited, which supplies around a fifth of the gas used by Nigeria's power plants.

- **Nigeria's President Signs Executive Orders on Oil and Gas Reforms**

Nigeria's President, Bola Tinubu signed three policy directives aimed at enhancing Nigeria's investment climate and positioning the country as a premier destination for oil and gas investment in Africa.

The Oil and Gas Companies (tax incentives, exemption, remission, etc.) Order, 2024 (the "**Fiscal Incentives Directive**") introduces various incentives to stimulate investment in the sector such as: gas tax credits for non-associated gas greenfield developments, a 25% gas utilization investment allowance for qualifying expenditures, and commercial enablers to encourage investments in both brownfield and greenfield projects, particularly in deep water areas. These measures are designed to incentivize investment and promote the development of Nigeria's oil and gas resources.

Additionally, the Presidential Directive on the Reduction of Petroleum Sector Contracting Costs and Timelines, 2024, (the "**Contracting Directive**") introduces measures to streamline contracting processes. This includes raising contract approval thresholds for joint operating agreements and production sharing contracts, extending the allowable contract duration for third-party contracts, and simplifying the contract approval process. These initiatives aim to reduce bureaucratic hurdles, enhance efficiency, and attract more investment into the Nigerian petroleum sector.

Furthermore, the Presidential Directive on Local Content Compliance Requirements, 2024 (the "**Local Content Directive**") emphasizes the implementation of the Nigerian Oil and Gas Industry Content Development Act, 2010, while considering the practical challenges of limited in-country capacity for specific services.

[**TEMPLARS published a report highlighting the impact of the three \(3\) Policy Directives on the oil and gas industry. Read here: Do We \(Finally\) Have Lift-off? Nigerian President Issues Policy Directives to Unlock Investments in the Nigerian Energy Sector**](#)

- **The Minister of State, Gas Resources, inaugurates members of the Midstream and Downstream Gas Infrastructure Fund (MDGIF) Governing Council.**

The Minister of State, Gas Resources, (the "**State Gas Minister**") has taken a significant step forward in Nigeria's gas infrastructure development by inaugurating the Governing Council of the Midstream and Downstream Gas Infrastructure Fund ("**MDGIF**"), a multi-billion-dollar initiative aimed at boosting investments. The Governing Council, chaired by the State Gas Minister is tasked with overseeing the MDGIF and making investment decisions to support the midstream and downstream gas infrastructure development.

The establishment of the MDGIF, according to the State Gas Minister, signifies more than just a financial instrument; it symbolizes the government's commitment to facilitating an environment conducive to private sector participation and international cooperation. He stressed that the MDGIF represents a pathway to progress, prosperity, and sustainable development, with tangible benefits such as reducing the prices of Liquefied Petroleum Gas and Compressed Natural Gas, particularly for low-income earners.

President Bola Tinubu recently approved the appointment of the MDGIF's Governing Council, which will be housed within the Nigerian Midstream and Downstream Petroleum Regulatory Authority ("**NMDPRA**").

Power and Infrastructure

- **DisCos receive N53.3 billion from CBN's intervention funds for meters under NMMP**

The Central Bank of Nigeria's National Mass Metering Programme ("**NMMP**") has provided significant financial support to eleven (11) power distribution companies (DisCos), amounting to ₦53.3 billion (approximately \$31.7 million) in credit facilities. This initiative was launched in 2020 and aimed at addressing Nigeria's metering

shortfall by supplying 962,832 electricity meters across the country's six geopolitical zones.

The NMMP, funded solely by the Central Bank of Nigeria, aimed to eliminate estimated billing practices and enhance accountability within the power sector. While the program has created jobs and facilitated the installation of a significant number of meters, challenges remain, including outstanding loan amounts and the need for intensified collaboration between regulatory bodies and distribution companies.

Energy Transition and Renewables

- **NSIA and North South Power sign JV agreement for Nigeria's first 20MW solar-hydro project**

The Nigeria Sovereign Investment Authority ("**NSIA**") and North South Power ("**NSP**") Company Limited have entered into a joint venture agreement to establish the Shiroro Generating Company, pioneering a 20MW on-grid solar-hydro hybrid project. The agreement, signed in the presence of Nigeria's Vice President Kashim Shettima, signifies a significant step towards the country's energy transition journey and its commitment to embracing clean and renewable energy solutions. This project, serving as the first phase of a broader 300MW solar program, is poised to be situated within NSP's established 600MW Shiroro Hydroelectric Power Plant concession area in Niger State.

Ghana

- **BUI Power Authority Unveils Plans for Renewable Wind Energy Plant in Anloga**

The Chief Executive Officer of Ghana's Bui Power Authority ("**BPA**") has revealed plans to establish a renewable wind energy plant in Anloga, a town in the Volta region of Ghana. Mr. Dzamesi indicated that Anloga boasts of having the highest wind speeds in the country, making the town ideal for generating electricity for the national grid. Beyond enhancing Ghana's energy landscape, this project has the potential to develop and improve the lives of people in this local community.

This Renewable Wind Energy Plant project aligns with the BPA's mandate to harness various forms of renewable energy sources nationwide. Additionally, the Ministry of Energy has charged the BPA to develop a hydro-solar Hybrid Project of 250MWp, 60 MW Hemang HP on the Pra River, and a 30kW Tsatsadu Mini Hydro plant. These efforts signify Ghana's tangible steps towards being an energy powerhouse and achieving sustainable energy.