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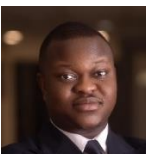
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TEMPLARS Transcripts: Energy & Natural Resources Digest

Ghana

Mining

- **Government signs US\$12B agreement for first phase of Petroleum Hub Project**

The Government of Ghana has signed a US\$12 billion agreement with the TCP-UIC Consortium, which consists of Touchstone Capital Group Holdings Ltd, UIC Energy Ghana Ltd, China Wuhan Engineering Co. Ltd, and China Construction Third Engineering Bureau Co. Ltd for the development of the first phase of the Petroleum Hub project in the Western Region.

The Petroleum Hub is a government-backed project in the Jomoro Municipal Area in the Western Region which is projected to include three (3) refineries, five (5) petrochemical plants, 10 million cubic metre storage facilities, jetties, port infrastructure and other ancillary infrastructure. This project will not only increase the presence of international oil trading and storage companies in Ghana, but also create and encourage joint ventures between local and international companies for knowledge transfer and wealth creation, etc.

This agreement is a critical step towards the Government's plan to become a regional hub for petroleum refining, storage and distribution. The project is expected to accelerate the growth of Ghana's petroleum downstream sub-sector and make it a major player in the economy, creating jobs, attracting foreign direct investment, and enhancing energy security.

- **World Bank approves \$250M credit facility to improve Ghana's Energy Sector**

The World Bank has approved a \$250 million credit facility from the International Development Association (IDA) and US\$10 million grant from the Energy Sector Management Assistance Programme for a 4-year Ghana Energy Sector Recovery Programme for Results (PforR). The PforR is to support Ghana's Energy Sector Recovery Programme (ESRP) to improve the financial viability of electricity distribution and increase access to clean cooking solutions.

Furthermore, electricity distribution losses are high in Ghana due to a low collection rate and below-cost recovery tariffs, undermining the operational and financial performance of energy utilities in the country. The Government of Ghana transfers about 2% of GDP annually to cover the energy sector's financial shortfall. The PforR, amongst other objectives, therefore, aims to strengthen revenue collection through investments in prepaid metering and meter management systems, which effectively will ensure the financial sustainability of Ghana's electricity value chain.

Nigeria

Oil and Gas

- **NMDPRA Publishes Draft Form of the Proposed Midstream and Downstream Petroleum Fees Regulations 2024**

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) has released the draft Midstream and Downstream Petroleum Fees Regulations 2024 (the "Regulation"). The objectives of the Regulations are to: (i) determine the midstream and downstream petroleum operations and activities that require a license, permit, authorization, or approval from the NMDPRA; and (ii) establish the fees payable to the NMDPRA for the grant, reissue, or renewal of licenses, permits, authorizations, and approvals by the NMDPRA.

The Regulation also seeks to revoke fees prescribed under certain regulations for the grant, reissue, or renewal of licenses, permits, authorizations, and approvals. These regulations include: (i) Petroleum Measurement Regulations 2023; (ii) Gas Distribution Systems Regulations 2023; (iii) Midstream Gas Flare Regulations 2023; and (iv) the Gas Trading and Settlement Regulations 2023.

- **NUPRC Increases the Deep Offshore Blocks in the 2024 Licensing Round for Oil Fields in Nigeria**

The Nigerian Upstream Petroleum Regulatory Commission (**NUPRC**) has announced the addition of 17 deep offshore oil blocks to the 2024 Petroleum Licensing Round. As earlier published in our June digest dated 11 June 2024 (templars-law.com/app/uploads/2024/06/Energy-and-Projects-Digest-JUNE-.pdf), it was identified that the NUPRC commenced the 2024 Petroleum Licensing Round and identified 12 blocks to be made available to interested investors. This was done in the bid to vacate entry barriers.

The registration and submission of pre-qualifications documents began on 13 May 2024 and are to end on 5 July 2024. Each of the data access/data purchase/evaluation/bid preparation and submission which was initially scheduled to open on 4 July 2024 has been adjusted to 8 July 2024 while the closing date remains 13 July 2024.

The NUPRC announced the removal of PPL3008, PPL3009, PML51, PPL267, and PPL268 from the Bid Rounds due to ongoing litigation. Further, PPL 300-CS and PPL 301-CS, PPL 2000 and PPL 2001 are to be applied for as a cluster, thus, bidders may elect to bid for these blocks as clusters or as single units.

- **Africa Oil Corporation Announces Agreement to Consolidate the Remaining 50% Interest in Prime Oil and Gas**

The Africa Oil Corporation (**AOC**) announced its agreement with BTG Pactual Oil & Gas S.a.r.l. (**BTG**) to consolidate their respective shares in Prime Oil and Gas (**Prime**), thus gaining full ownership of Prime. AOC, a company with a market capitalization of US\$ 1 billion, also has launched a share buy-back program. Through this, BTG will receive 35% of the shares in the enlarged AOC and the existing shareholders in AOC will retain 65%. Further, AOC plans to distribute at least 50% of excess free cash flow after base dividend distribution in the form of supplemental dividends and/or share repurchases. This action by the companies involved is a mere reorganization and Prime's structure remains unchanged.

This reorganization is geared towards creating a differentiated upstream oil and gas company. AOC's shares are to continue being listed on the Toronto Stock Exchange ("**TSX**") and NASDAQ Stockholm, post completion. The existing London office of AOC will continue to serve as the headquarters of the combined business and in addition, AOC is to retain the Rotterdam office of Prime post completion.

Power and Infrastructure

- **NERC issues Order on the Operationalization of "Tranche A" of the Meter Acquisition Fund**

The Nigerian Electricity Regulatory Commission ("**NERC**") has issued the Order on the Operationalization of "Tranche A" of the Meter Acquisition Fund (the "**Order**") which became effective on 13 June 2024.

The objective of the Order is to provide (i) a transparent and functional framework for the operationalisation of the first tranche of metering under the Meter Acquisition Fund (**MAF**) scheme, (ii) eligibility conditions for access to first tranche of funding under the MAF scheme, and (iii) terms of payment, monitoring and evaluation and other conditions for manufacturers and MAPs participating under the scheme.

In order to be eligible, Distribution Companies ("**DisCos**") are required to provide an Application Programming Interface ("**API**") for integrating to the IT platform provided by the fund manager, which allows access to real time data, confirms readiness of the premises for meter installations and activation of all meters installed under MAF scheme, and ensures completion of know your customer (**KYC**) documentation.

For the MAF scheme, local meter manufacturers and assemblers are required to possess a valid NERC certification for manufacturing of electrical energy metering systems/importation of knocked-down parts and are to provide details of proposed meter installers with valid NERC certification as a Meter Service Provider ("**MSP**") for the installation of meters. Meter Asset Providers ("**MAPs**") are required to provide evidence of a Memorandum of Understanding (**MoU**) with a local meter manufacturer or assembler for the fulfilment of a minimum 30% local content threshold.

- **NERC issues Directive to Independent System Operator for the Utilization of Zungeru Hydro Electricity Generation Company Limited for Managing Grid Imbalances Caused by Insufficient Directive**

The NERC has issued a directive to the Transmission Company of Nigeria (“**TCN**”) represented by the Independent System Operator (“**ISO**”), to utilize the Zungeru Hydro Electricity Power Plant for managing grid imbalances caused by insufficient generation. This directive was issued in furtherance to the NERC’s Transmission System Dispatch Operations, Cross-Border Supply and Related Matters Order.

Zungeru Hydro Electricity Generation Company Ltd (“**Zungeru**”) completed its initial capacity tests on May 15, 2024, demonstrating an average generation capacity of 600MW. Despite the imminent shutdown of the plant pending conclusion of contractual arrangements with prospective off-takers, NERC has deemed it essential to keep the plant operational to improve general service delivery.

Thus, NERC has granted the ISO a special dispensation to manage settlements for power generated from Zungeru for 105 days starting May 16, 2024. The ISO will also enter an interim energy sales agreement with Zungeru for up to 450MW, to address current generation and offtake imbalances, which is aimed at strengthening grid management and preventing grid collapses.

