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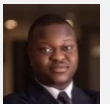
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TEMPLARS Transcripts: Energy & Natural Resources Digest

Nigeria

Oil and Gas

- **NUPRC Announces the Approval of Four out of Five Divestment Applications**

The Nigerian Upstream Petroleum Regulatory Commission (“**NUPRC**”) announced that the Minister of Petroleum Resources (“**Minister**”) has granted his consent to 4 out of 5 consent applications submitted by international oil companies (IOCs). This announcement was made by the NUPRC Chief Executive during the NUPRC 3rd Anniversary Event on 21 October 2024.

The approved divestments are: (i) ExxonMobil / SEPLAT (ii) Equinor to Project Odinmin Investments Limited (iii) Total Energies EP Nigeria Limited's interests in the NNPC/SPDC JV to Telema Energies Nigeria Limited, and (iv) Nigerian Agip Oil Company Limited to Oando Petroleum and Natural Gas Company Limited.

The fifth divestment, involving the sale of Shell Petroleum Development Company's assets to Renaissance Africa Energy Company Limited was rejected by the Minister.

However, the Special Adviser to the President on Energy, Olu Verheijen, has expressed confidence in the ability and commitment of the NUPRC to resolve outstanding issues surrounding Shell's proposed sale of its onshore assets to the Renaissance consortium.

TEMPLARS advised on all four approved divestments.



New Fiscal Incentives

VAT exemptions and tax incentives introduced to attract investment in deep offshore projects and support energy transition

- **FG Introduces New Fiscal Incentives to Boost Nigeria's Oil and Gas Sector**

The Nigerian Minister of Finance, on 2 October 2024, unveiled two major fiscal incentives for the oil and gas sector; the (i) Value Added tax (VAT) Modification Order 2024; and (ii) Notice of Tax Incentives for Deep Offshore Oil and Gas Production, in accordance with the Oil and Gas Companies (Tax Incentives, Exemption, Remission etc.) Order 2024.

The VAT Modification Order 2024 introduces exemptions on a range of key energy products and infrastructure, including diesel, feed gas, liquefied petroleum gas (LPG), compressed natural gas (CNG), electric vehicles, liquefied natural gas (LNG) infrastructure, and clean cooking equipment. These measures are designed to lower the cost of living, bolster energy security, and accelerate Nigeria's transition to cleaner energy sources. The Notice of Tax Incentives for Deep Offshore Oil & Gas Production on the other hand, provides new tax reliefs for deep offshore projects with an initiative to position Nigeria's deep offshore basin as a premier destination for global oil and gas investments.

- **NMDPRA Issues Exposure Draft of New Regulations for Midstream and Downstream Petroleum Operations**

The Nigerian Midstream and Downstream Petroleum Regulatory Authority ("**NMDPRA**") has released an exposure draft of the proposed Midstream and Downstream Petroleum Operations Regulations ("**MDPOR 2024**"), which aim to simplify and consolidate the operational regulations for companies operating in the Nigerian midstream and downstream petroleum sector.

The proposed new regulations seek to consolidate previous regulations issued by the Department of Petroleum Resources into one and to revoke regulations such as the Midstream and Downstream Petroleum Operations Regulations 2023 and the 1974 Petroleum Refining Regulations. With the MDPOR 2024, the NMDPRA's primary objective is to reduce the complexities of navigating and implementing numerous existing regulations in the petroleum industry and address inconsistencies in the regulatory space.

The MDPOR 2024 includes the midstream and downstream code of conduct regulations, as well as regulations concerning licences, permits, authorisations and various aspects of the Petroleum Industry Act, 2021 (PIA).

Power and Infrastructure

- **Ondo State Electricity Regulatory Bureau to Grant License to Benin Electricity Distribution Plc**

Following the amendments made to the 1999 Constitution of the Federal Republic of Nigeria, Ondo state is the latest state to gain total control over its electricity market. The Executive Governor of Ondo state set up a high-power electricity transition regulatory committee to ensure the smooth transition from the Nigerian Electricity Regulatory Commission ("**NERC**") to the Ondo State Electricity Regulatory Bureau.

The Ondo State Electricity Regulatory Bureau is expected to grant an interim license to BEDC Electricity Ondo Limited, a subsidiary of the Benin Electricity Distribution Plc (BEDC). This newly formed subsidiary company has been registered with the Corporate Affairs Commission (CAC).

- **Enugu State Electricity Regulatory Commission now Assumes Full Regulation of Enugu State Electricity Market**

The Enugu State government and the Enugu State Electricity Regulatory Commission ("**EERC**") have now assumed full regulatory oversight of the Enugu State electricity market following the expiration of the transition period and fulfilment of the relevant transitory conditions for the transfer of regulatory oversight from the NERC to EERC.



State Electricity Regulation

Ondo and Enugu states transition to self-regulation, with Enugu pioneering a sub-national electricity market

Currently, Enugu is looking towards becoming the first Nigerian state to commence the development of a sub-national electricity market in both Nigeria and Africa.

The EERC has now issued an interim licence to Mainpower Electricity Distribution Limited, an Enugu State Electricity Distribution Company ("EEDC") subsidiary set up to take over electricity operations of EEDC in Enugu State. Also, the first Independent Power Project ("IPP"), in Enugu State, is to be built by Fedikore Limited, and the IPP is expected to have a capacity of 10MW.

Renewable Energy



Nigerian Brewery's Clean Energy PPA

In line with sustainability goals, Nigerian Brewery partners with Konexa for renewable energy for its Lagos and Ama Breweries, backed by climate-focused investors



Ghana Cylinder Manufacturing Acquisition:

Ghana Gas acquires GCMC to improve production, supporting the country's low-carbon transition

- **Rockefeller Foundation, Bezos Earth Fund, back Solar Mini-Grids to Boost Nigeria's Energy Sector**

The Global Energy Alliance for People and Planet, ("GEAPP"), a global climate organization, supported by the Rockefeller Foundation and the Bezos Earth Fund, is piloting a solar mini-grid initiative in Nigeria to address the nation's unreliable power supply, which hampers productivity.

The GEAPP seeks to build a pilot in each of the regions covered by Nigeria's 11 power distribution companies and ultimately facilitate the development of about 10 gigawatts of mini grids in the long term.

- **Nigerian Breweries, Konexa Partner Enter into Renewable Energy Power Purchase Agreement**

The Nigerian Breweries Plc ("NB") in its drive for a 100% renewable energy transition, has now signed a power purchase agreement with Konexa, a UK-based energy developer and investor. Under the agreement, Konexa is expected to provide clean energy to power two NB facilities, specifically the Lagos and Ama Breweries.

This step aligns with its business strategy and 'Brew a Better World' sustainability agenda. Under the power purchase agreement, Climate Fund Managers (CFM), a climate-focused blended finance investment manager and existing investor in Konexa will provide development funding for the project through its EU-supported Climate Investor One fund. Konexa and third-party co-financiers will also provide other relevant funding.

Ghana

Energy Transition

- **Ghana Gas Acquires Ghana Cylinder Manufacturing Company After GH¢4m GHANA Loss**

The Ghana National Gas Company has acquired ownership of the Ghana Cylinder Manufacturing Company ("GCMC") with the authorization of the President of Ghana. GCMC, which is a state-owned enterprise, has been considered as a struggling entity after it recorded a GHS4m loss in 2021. On the other hand, Ghana National Gas Company is considered as one of the most profitable state-owned enterprises and can meet the short-term financial obligations of GCMC.

The Ghanaian Government has indicated that the acquisition was authorized to facilitate the efficient production of cylinders by the GCMC, to meet growing market demand. The acquisition also marks a significant milestone in the country's goal of transitioning to a low-carbon economy.

Oil and Gas

- **Springfield Secures Rig to Appraise Afina Well**

Following the ruling of the International Court of Arbitration on 8 July 2024, which held that Springfield Exploration and Production Limited ("**Springfield**") should undertake further works to complete the unitization process, Springfield has achieved the milestone of securing a rig and complying with all other technical requirements to appraise and do a well test on the Afina well.

Springfield, which is Ghana's first and only independent company to operate an offshore oil block, has announced that the appraisal of the Afina well will be led by the Deepsea Bollsta Rig from Northern Ocean Limited ("**NOL**"), which has been contracted for this purpose. The contract was completed in partnership with the Ghana National Petroleum Corporation (GNPC) and GNPC Explorco.

The partnership with NOL is in line with Springfield's strategic initiative to promote Ghana's oil production by consolidating the Afina-Sankofa fields and positioning it as Africa's first independent producer. The test of the well will commence in October and other blue-chip service companies have been secured to support the upcoming operations.