

**NIGERIAN UPSTREAM
PETROLEUM REGULATORY
COMMISSION**

2024 NIGERIA ENERGY FORUM WORKSHOP

Theme

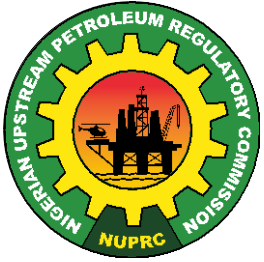
UPSTREAM INVESTMENT WORKSHOP AND ENERGY INNOVATION

A KEYNOTE SPEECH BY THE NUPRC CHIEF EXECUTIVE

ON

‘Boosting Nigeria Upstream Energy Transition Investments and Environmental Sustainability’

July 9, 2024

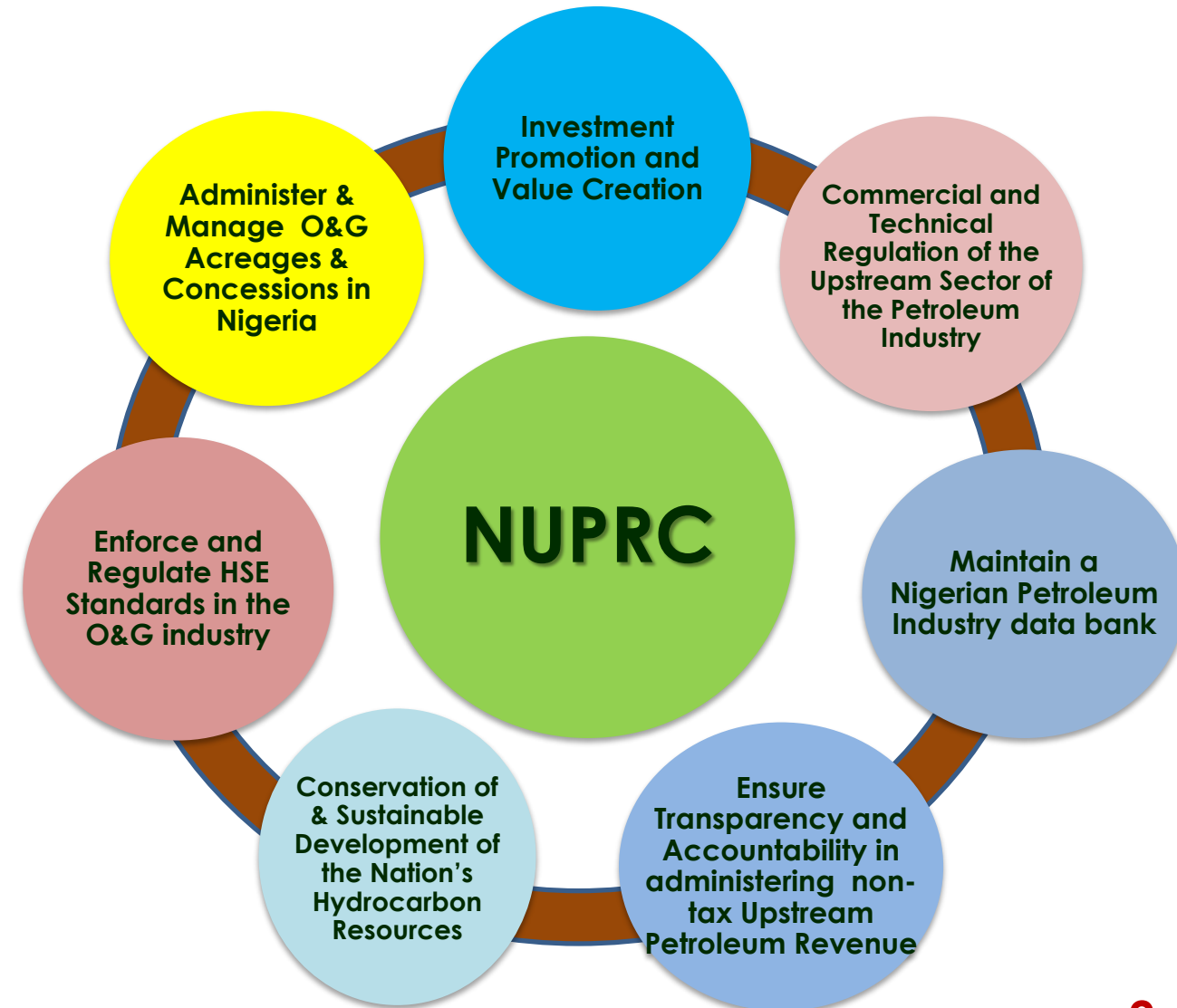


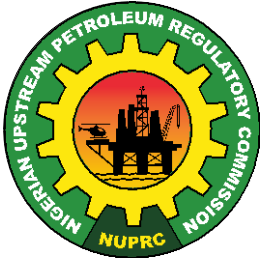
NIGERIAN UPSTREAM PETROLEUM REGULATORY COMMISSION

Petroleum Industry Act (2021), S.6

- Nigerian Oil & Gas Industry Regulatory Agency responsible for the technical and commercial Regulation of Upstream petroleum operations
- Administration of Petroleum laws and statutes as well as implementing Upstream policies on oil and gas activities in Nigeria
- Supervision and monitoring of all Upstream Petroleum industry operations carried out under licenses and leases in the country
- **Promoting an enabling environment for investment in Upstream Petroleum Operations**
- **Ensure Strict implementation of environmental policies, laws and regulations for upstream petroleum operations**

Overview of the Commission





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National Aspirations for The Upstream Sector (2030)

Grow Oil Reserves to 40 Billion Barrels

Grow Gas Reserves to 220 TCF

Increase Oil & Gas Production Capacity to 3 Million bopd and 12 Bscf/d respectively

Elimination of Routine Gas Flaring

Sustainable Development and Value Creation to Stakeholders

NUPRC Regulatory Action Plan: 2024 and Near Term (2024-2026)

"Nigeria has never been more ready for business than it is now,"



President Tinubu ,
New York,
September 18, 2023

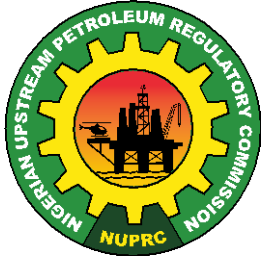
NUPRC is firmly committed to set a clear agenda for the Nigeria Upstream sector to engender efficiency and effectiveness in line with the PIA and government aspirations for a virile, functional, and profitable oil and gas sector.



1 REGULATORY CERTAINTY AND PREDICTABILITY	2 FUTURE LICENSING ROUNDS POLICY AND IMPLEMENTATION IN LINE WITH SECTION 73 OF THE PIA	3 SET UP A FRAMEWORK FOR UNIT COST OF PRODUCTION OPTIMISATION	4 AUTOMATION AND BUSINESS PROCESS IMPROVEMENTS FOR OPERATIONAL EFFICIENCY	5 VACATE ENTRY BARRIERS AND PROMOTE EASE OF DOING BUSINESS IN THE SECTOR
6 DEEPEN TRANSPARENCY, ACCOUNTABILITY AND ELIMINATION OF DISCRIMINATORY REGULATORY PRACTICES	7 IMPLEMENTATION OF A CARBON CREDIT EARNINGS FRAMEWORK FOR UPSTREAM OPERATIONS	8 ACCELERATE THE EXECUTION OF OIL AND GAS DEVELOPMENT AND PRODUCTION PROJECTS.	9 ENFORCEMENT OF DRILL OR DROP PROVISIONS OF THE PIA	10 DECARBONISATION AND GHG EMISSIONS MANAGEMENT IN PRODUCING ENVIRONMENT AND INCORPORATION OF GREEN STORY IN FDPs
11 HOST COMMUNITY TRUST FUND IMPLEMENTATION AND GUIDING THE TRUST FUNDS ACTIVITIES TO REDUCE DISRUPTIVE AGITATION IN THE OPERATIONS AREAS	12 PROJECT 100% HYDRO-CARBON ACCOUNTING	13 IMPLEMENTATION OF NEW PRODUCTION CURTAILMENT REGIME AND DOMESTIC CRUDE SUPPLY OBLIGATION	14 ANNUAL ASSET PERFORMANCE ASSESSMENT AND OPERATOR'S FINANCIAL VIABILITY REVIEWS	15 ENFORCEMENT OF DCSO AND DGDO TO IMPROVE DOMESTIC REFINING CAPACITY
16 IMPLEMENTATION OF FRONTIER EXPLORATION FUND	17 IMPLEMENTATION OF THE DECOMMISSIONING AND ABANDONMENT FUND	18 ZERO TOLERANCE TO DEFAULT IN ROYALTY PAYMENT	19 OPTIMISATION OF VALUE CREATION THROUGH APPROVAL OF COMPANIES' ANNUAL WORK PROGRAM & BUDGET MONITORING	20 ALIGN CRUDE OIL CURTAILMENT EXERCISE OUTCOMES WITH OFFICIAL SELLING PRICE RELEASES TO ENHANCE COMPETITIVENESS OF NIGERIAN CARGOES IN INTERNATIONAL MARKET

The Commission will ensure that the 2024 and near term (2024 – 2026) Regulatory Action Plan (RAP) is implemented vigorously by all concerned in the beneficial interest of Nigeria Federation, operators, investors and other stakeholders, all in the overriding national interest





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Nigeria Gas Flare Commercialisation Programme (NGFCP)

Nigerian Gas Flare Commercialisation Programme was birthed as a strategic initiative of the Federal Government to curb the routine flaring of gas.

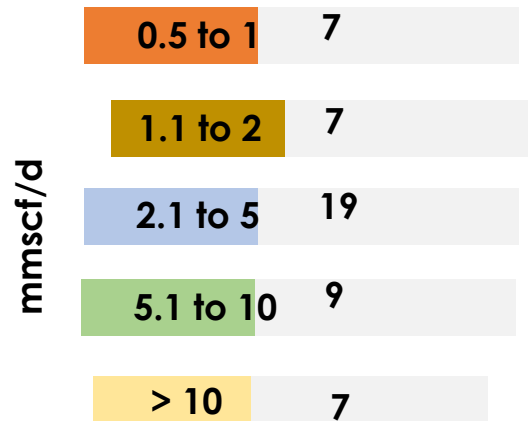
- Programme is being implemented to ensure maximum value derivation by stakeholders

Objectives

- Eliminate routine gas flaring in the country and monetise flare gas resources
- Deepen in-country value addition through indigenous participation in the sector
- Support Nigeria's Energy Transition Plan
- Support the achievement of the National Determined Contributions (NDC) towards the Paris agreement (COP 26).
- Attract Foreign Direct Investments (FDIs) in the country
- Create gas-based industrialisation for enhanced socio-economic



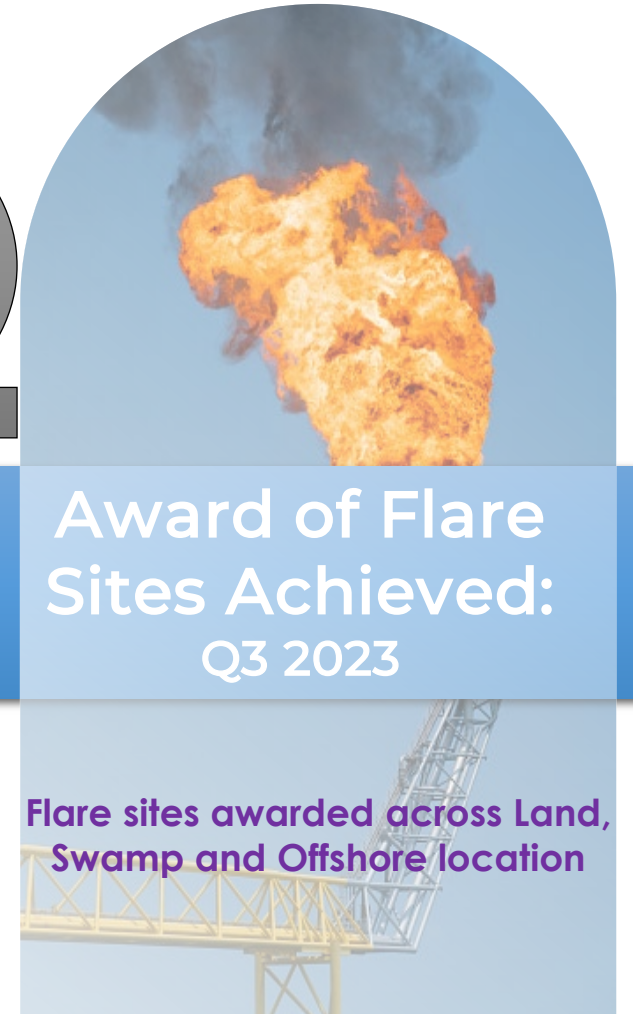
Flare Distribution

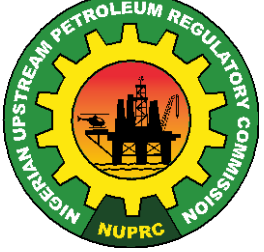


**250mmscf
/d gas
flare to be
monetized**

**Award of Flare
Sites Achieved:
Q3 2023**

**Flare sites awarded across Land,
Swamp and Offshore location**





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ECONOMIC AND ENVIRONMENTAL BENEFITS -NGFCP

Reduce routine gas flaring volumes by about **50%**, which translates to **the capture of circa 6 million metric tons of CO₂** emissions per year

1

Abate methane emissions arising from the unwholesome practice of gas flaring

2

Unlock the potential of about **170,000 metric tons of Liquefied Petroleum Gas (LPG) per year**, thus providing approximately **1.4 million households** with access to a cleaner source of energy.

3

Ensure Upstream Operators address safety/environmental concerns and support their social license to operate.

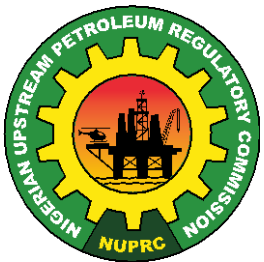
5

Deepen Domestic gas penetration and utilization

4

Create investments of c. **\$500 million** from funding of NGFCP projects.

Improved health, environmental and social well-being of producing areas and enhanced security/harmonious relationships within Host Communities.

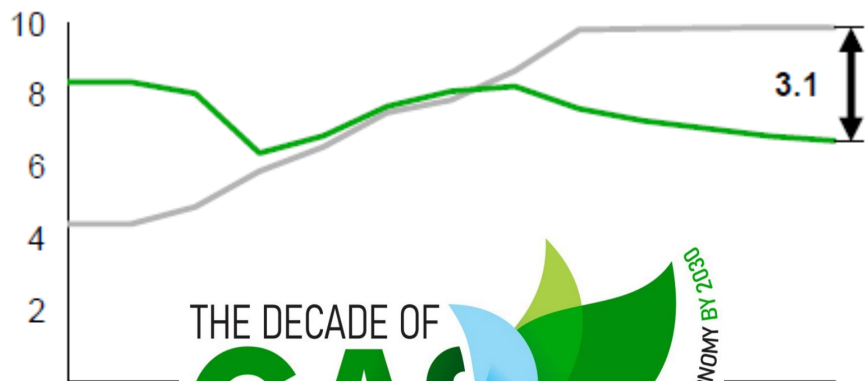


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Demand vs Supply, bcfd

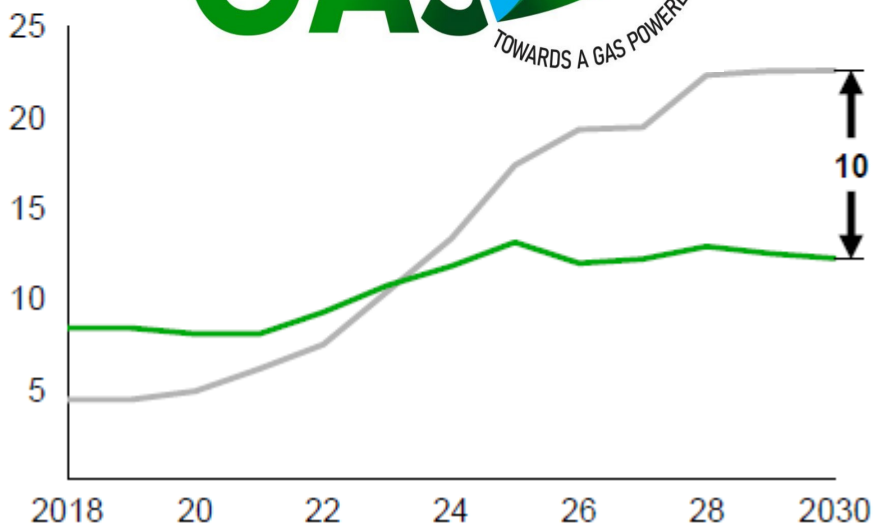
Base Case
Demand

Base Case
Supply



High Case
Demand

High Case
Supply



Decade of Gas

- Projections indicate potential shortfall of **10bcf/day** by **2030**: presents huge opportunity for investment in the gas sector
- High case supply need be attained to meet the base case demand
- Supply to be anchored on critical gas development projects that would create significant economic benefits and shared prosperity for Nigeria and partners by 2030:



~\$14 bn
FDI



~\$12 bn
FGN revenue



~2 million
New jobs

Key enablers: ensuring infrastructure projects are delivered on time, market-based gas prices and incentivized fiscal and commercial terms for gas developments



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Management of Fugitive Methane and GHG Emissions

Background and Scope

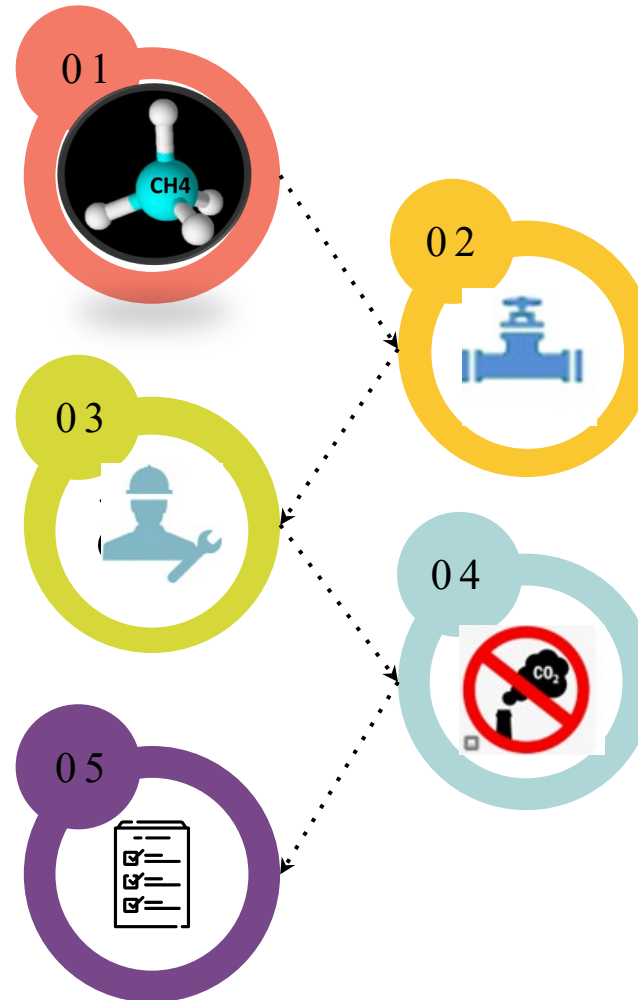
- Regulatory Framework
- National Context & Objectives

Monitoring, Mitigation & Control

- Control Requirement & Inspection (LDAR)
- Standard for Operations
- Standard for Equipment

Appendix and Reference

- Details of Reporting Requirements
- Technical Descriptions
- Template for Reporting

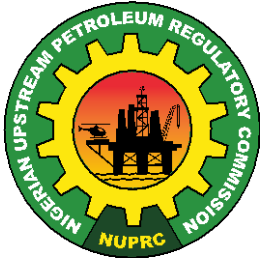


Emission Management

- Requirement
- Compliance Directive

GHG Inventory and Accounting

- Monitoring Requirement
- GHG Estimation and Accounting Methodologies
- Reporting Standard and Frequency



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Mandates, Obligations & Commitments to Environmental Sustainability



The Mandates to the Commission

PIA Section 6(d) and 6(i) Promoting effective conduct of upstream petroleum operations in an environmentally acceptable and sustainable manner;" and implementation of environmental policies, laws and regulations for upstream petroleum operations;"



Responsibilities & Obligations

Section 102 on Environmental Management
Section 103 on Financial contribution for remediation of environmental damage
Section 104 -108 PIA provisions on flare elimination,

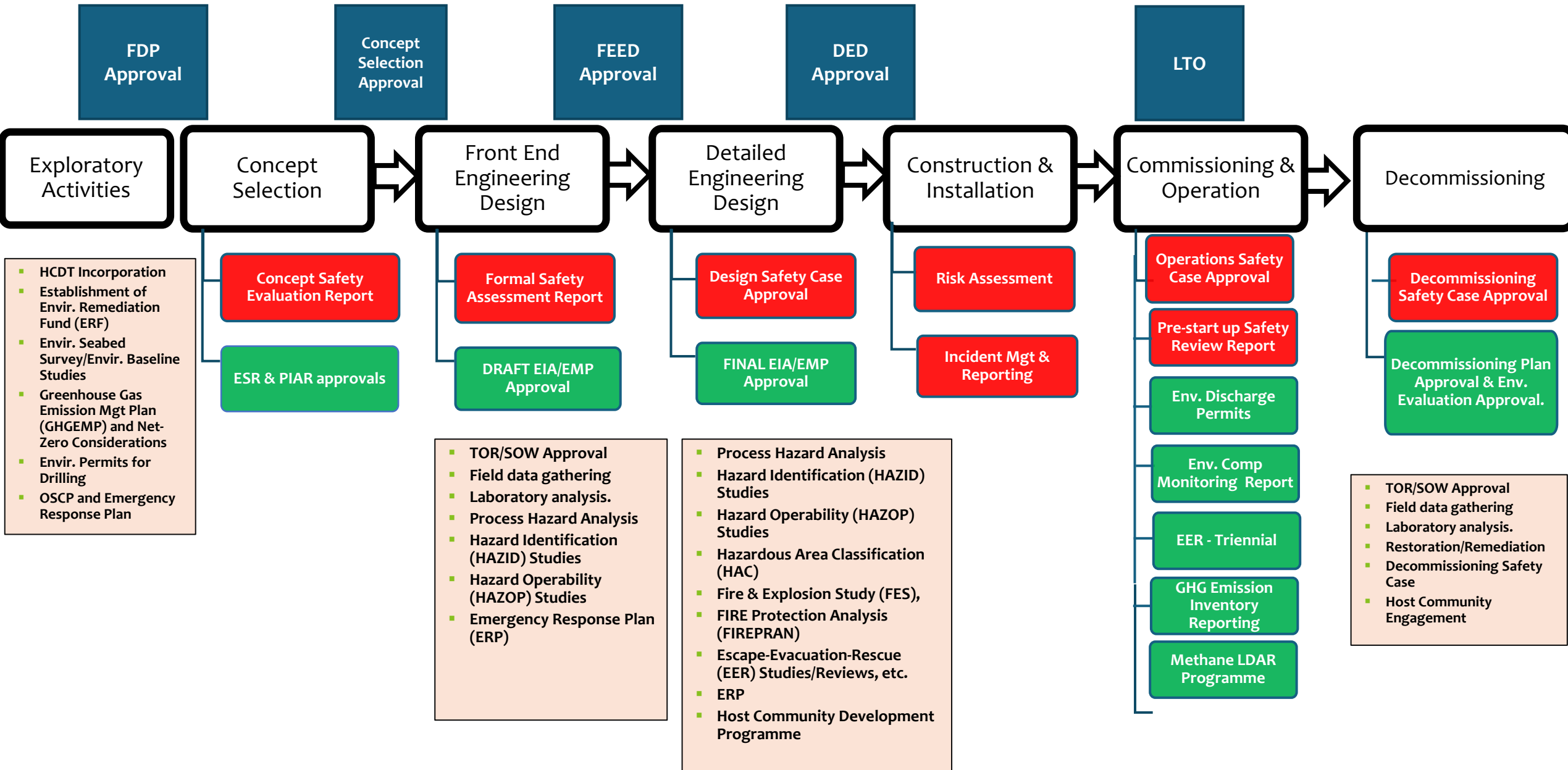
Section 232 and 233- Decommissioning and Abandonment (D&A) of facilities and Establishment of D & A Funds to ensure proper disposal of assets. Investment in metal recycling yards and job creation

Commitments



Paris Agreement (2015) to keep global temp. rise within 1.5°C – 2 ° C

Snapshot of HSEC activities in Upstream value chain



An offshore oil rig is visible in the distance on the right side of the image, situated in the dark blue ocean. The sky is a clear, vibrant blue with a few wispy white clouds near the horizon. The rig is a complex of yellow and grey structures, including a large crane arm. The overall scene is serene and industrial.

Thank You