

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'

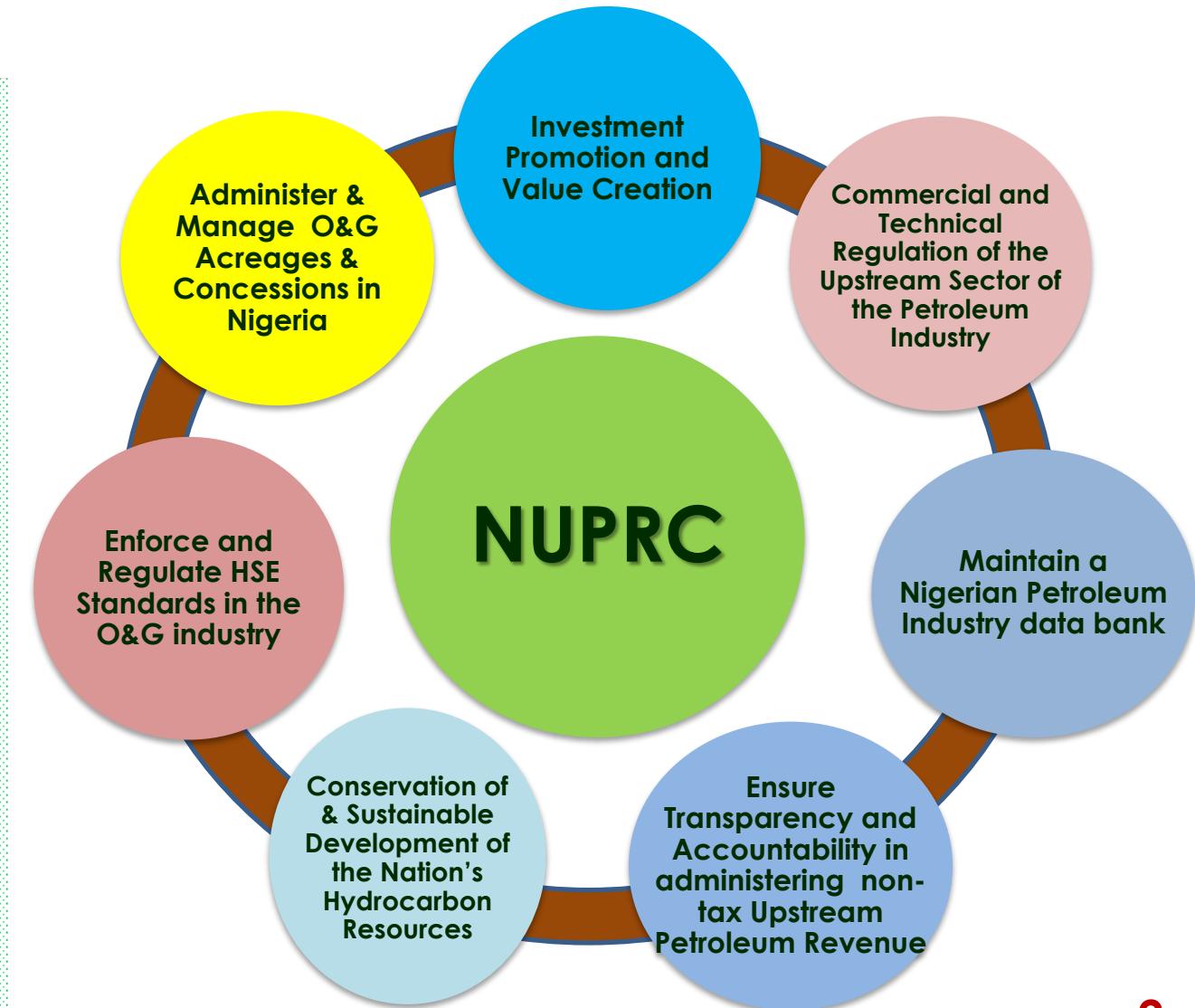
July 9, 2024



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





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

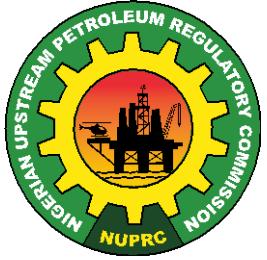
NUPRC is firmly committed to set a clear agenda for the Nigeria Upstream sector to engender efficiency and effectiveness in line with the PIA and government aspirations for a virile, functional, and profitable oil and gas sector.



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



- 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

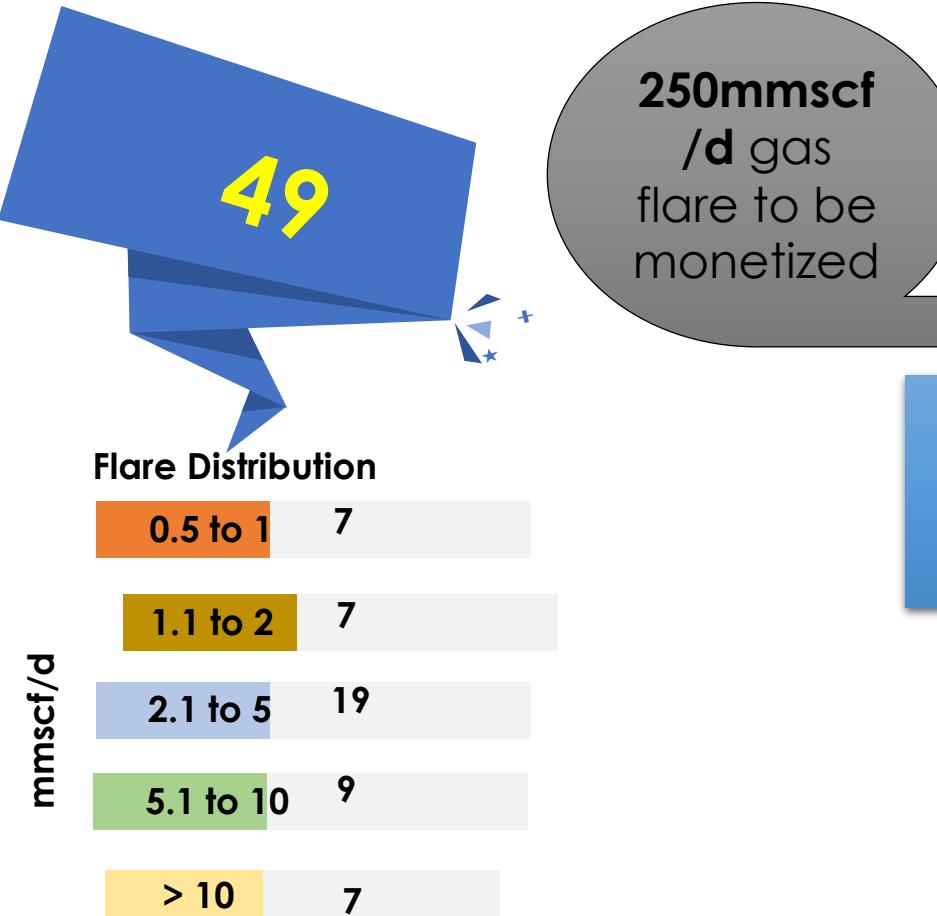


Nigerian Gas Flare Commercialisation Programme was birthed as a strategic initiative of the Federal Government to curb the routine flaring of gas.

- 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



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

Flare sites awarded across Land,
Swamp and Offshore location



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.

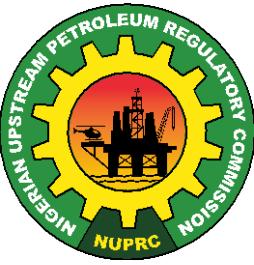
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Deepen Domestic gas penetration and utilization

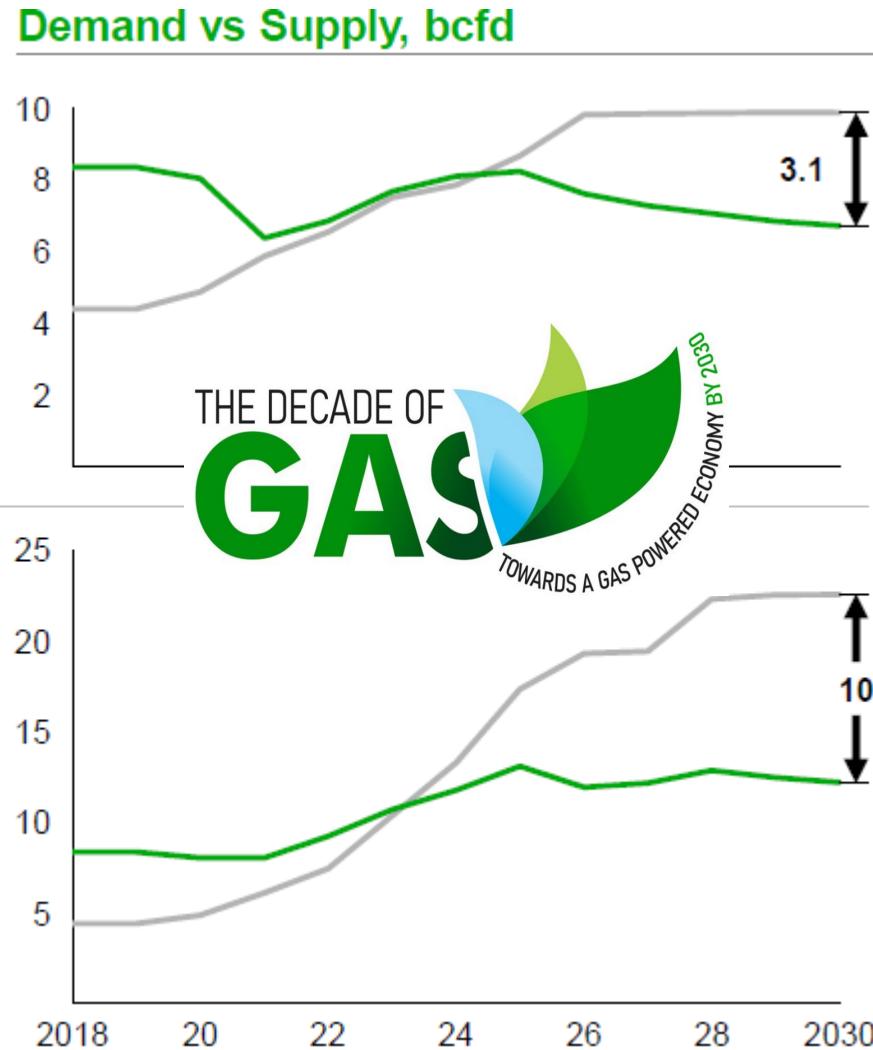
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Create investments of c. **\$500 million** from funding of NGFCP projects.

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



NIGERIAN UPSTREAM PETROLEUM REGULATORY COMMISSION



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



Background and Scope

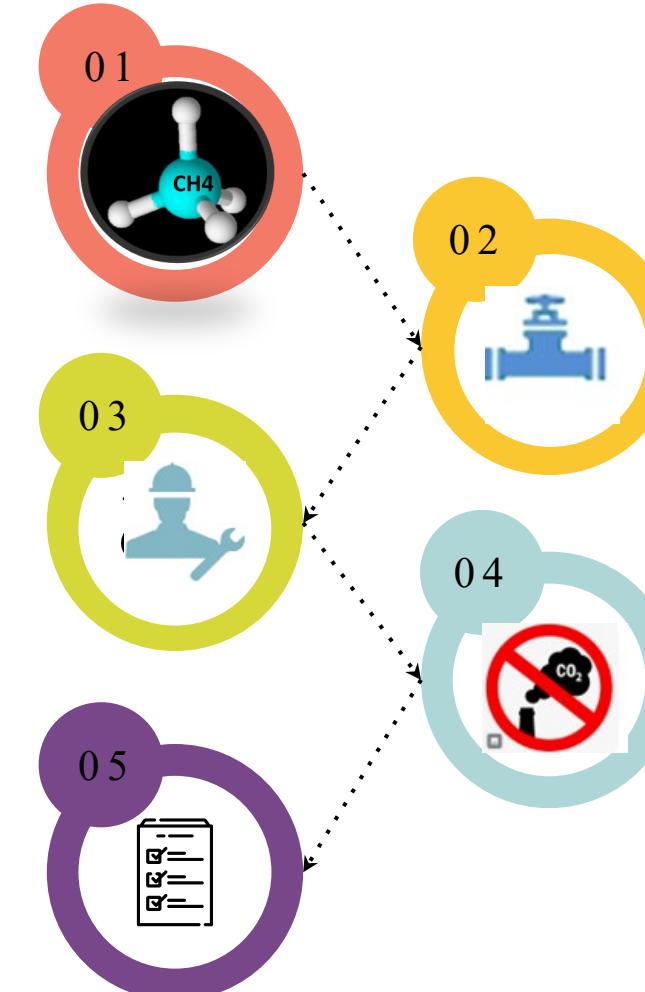
- Regulatory Framework
- National Context & Objectives

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

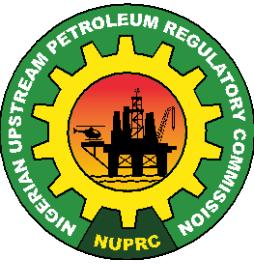


Emission Management

- Requirement
- Compliance Directive

GHG Inventory and Accounting

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



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,

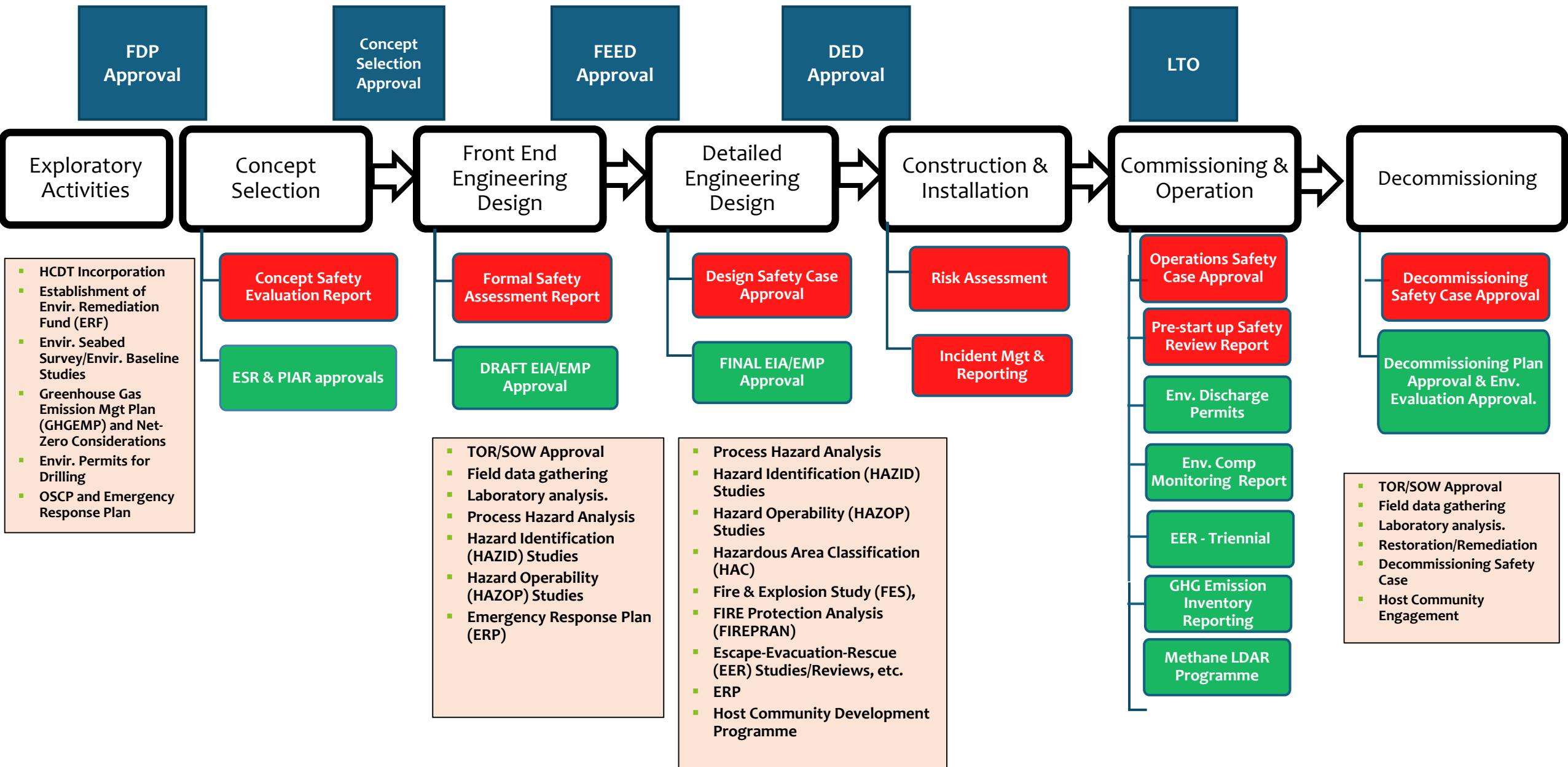
Section 232 and 233- Decommissioning and Abandonment (D&A) of facilities and Establishment of D & A Funds to ensure proper disposal of assets. Investment in metal recycling yards and job creation

Commitments



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

Snapshot of HSEC activities in Upstream value chain



Thank You

