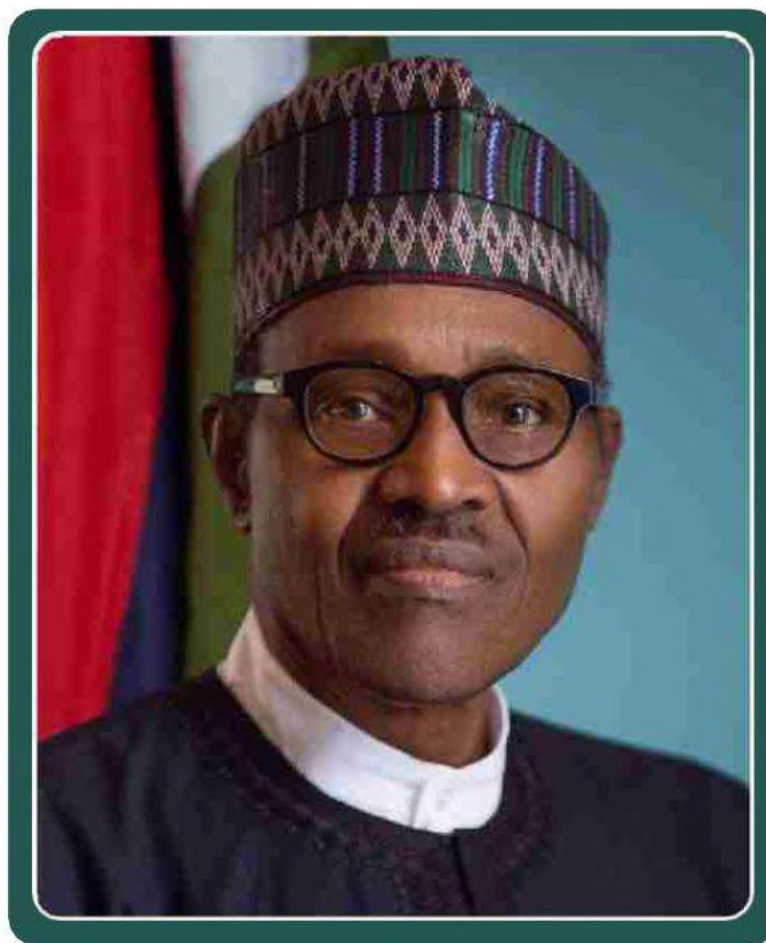




**MINISTRY OF PETROLEUM RESOURCES**

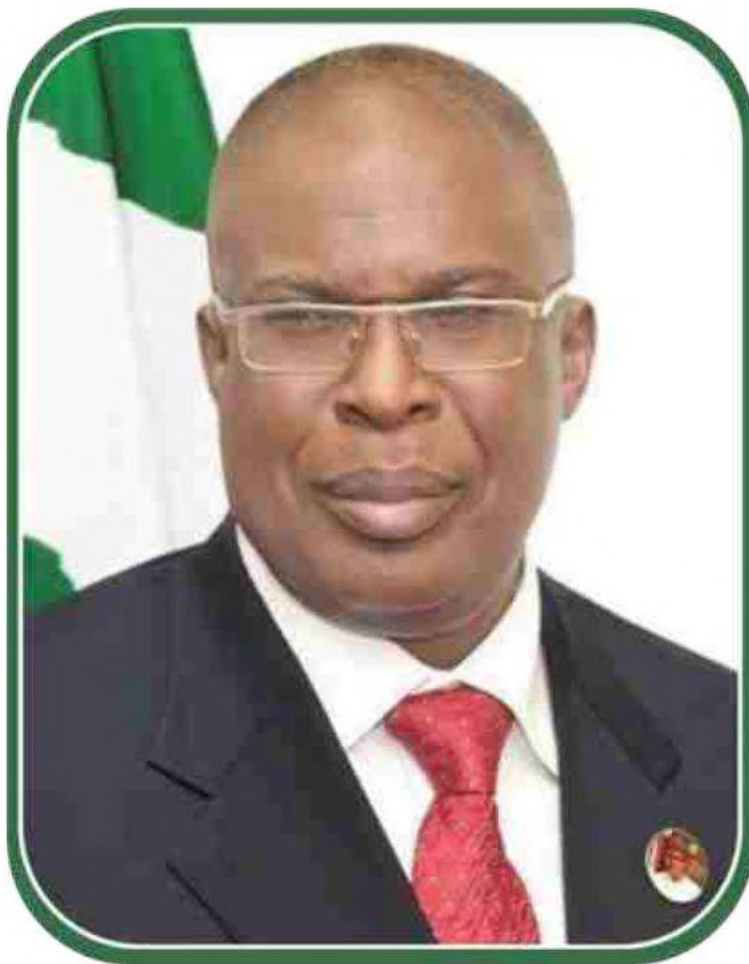
**2022**

**SCORECARD**



**President Muhammadu Buhari, GCFR**

*“Oil and Gas remains critical to the Nigerian economy of today and the future. It remains key to the successful implementation of our budget at all levels of Government”*



**Timpre Sylva, CON**

Honourable Minister of State for Petroleum



**Amb. Gabriel Tanimu Aduda**

Permanent Secretary, Ministry of Petroleum Resources





# PRESENTATION OUTLINE

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**INTRODUCTION AND  
BACKGROUND**

**AGENCIES AND THEIR  
PRIORITY AREAS**

**PROGRESS REPORT**




# Introduction – Mandate, Vision & Mission Statements of the Ministry

**Mandate**

To formulate Policies,  
Supervise their  
Implementation and  
Regulate the Nigerian  
Oil & Gas (Energy)  
Industry

**Vision**

To deliver a  
thriving Oil & Gas  
(Energy) Industry  
for Nigeria

**Mission**

Ensure an enabling  
environment to  
improve the oil and  
gas value chain,  
driven by modern  
technology, industry  
best practices  
stakeholder  
engagement and  
innovations in  
alternative energy.



# Oil & Gas Strategic Priorities (2019 – 2023)

1

Eradicate smuggling of PMS across Nigerian borders

2

Complete Gas Flare Commercialization Program

3

Increase Crude Oil Production to 3 million barrels per day

4

Reduce the Cost of Crude Oil Extraction by at least 5%

5

Aggressively promote the passage of the Petroleum Industry Bill (PIB)

6

Promote passage of the Deep Offshore & Inland Basin Production Sharing Contract Amendment

7

Working with the Private Sector Operators to increase Domestic Refining Capacity

8

Collaborate with the Private Sector to create many well-paying jobs

9

Implement a strategy toward taking 100 million Nigerians out of poverty



# CONSOLIDATED ROADMAP FOR 2019-2023

## Short - Term

1. Set up Programme Monitoring Office/Committee.
2. Strengthen real-time tracking of supply and distribution.
3. Deliver Project "White" and improve security in the operating environment.
4. Monitor products from land and marine depots.
5. Clean up inventory of licensed Stations.
6. Strengthen NASS and other stakeholder engagements.
7. Improve inter-agency collaboration and data standardization.
8. Address non-performing operations.
9. Increase collaboration with the private sector.
10. Complete the bidding process and reduce the contracting cycle.
11. Deepen LPG penetration.
12. Provide infrastructure in Free Trade Zones.
13. Improve accounting, cost management and transparency.
14. Optimize the current production cycle.
15. Optimize the contract tendering process to shorten the cycle.
16. Domesticating EGTL diesel.
17. Develop capacity and capabilities in all areas.
18. Sustain enforcement of Nigerian Content Laws.





# CONSOLIDATED ROADMAP FOR 2019-2023 (Continued)

Mid - Term

1. Demolish illegal Stations.
2. Deliver Zero-Loss Security across the value chain and strengthen
3. enforcement.
4. Commence operations on the Nigerian Gas Flare Commercialization Programme
5. Conduct bid rounds and open up new frontiers.
6. Divest from sub-optimal fields.
7. Increase exploration activities and streamline regulatory and licensing processes.
8. Reduce Crude Oil handling charges and high financing costs.
9. Implement National Project on a historical database for the Oil &
10. Gas sector.
11. Complete the assessment of repairs and put two refineries back into use.
12. Formulate Policy on Bid Rounds and incentives to encourage investment.
13. Create industrial parks and promote infrastructure in Free trade Zones.
14. Develop Blueprint for Youths Training and Skills Acquisition

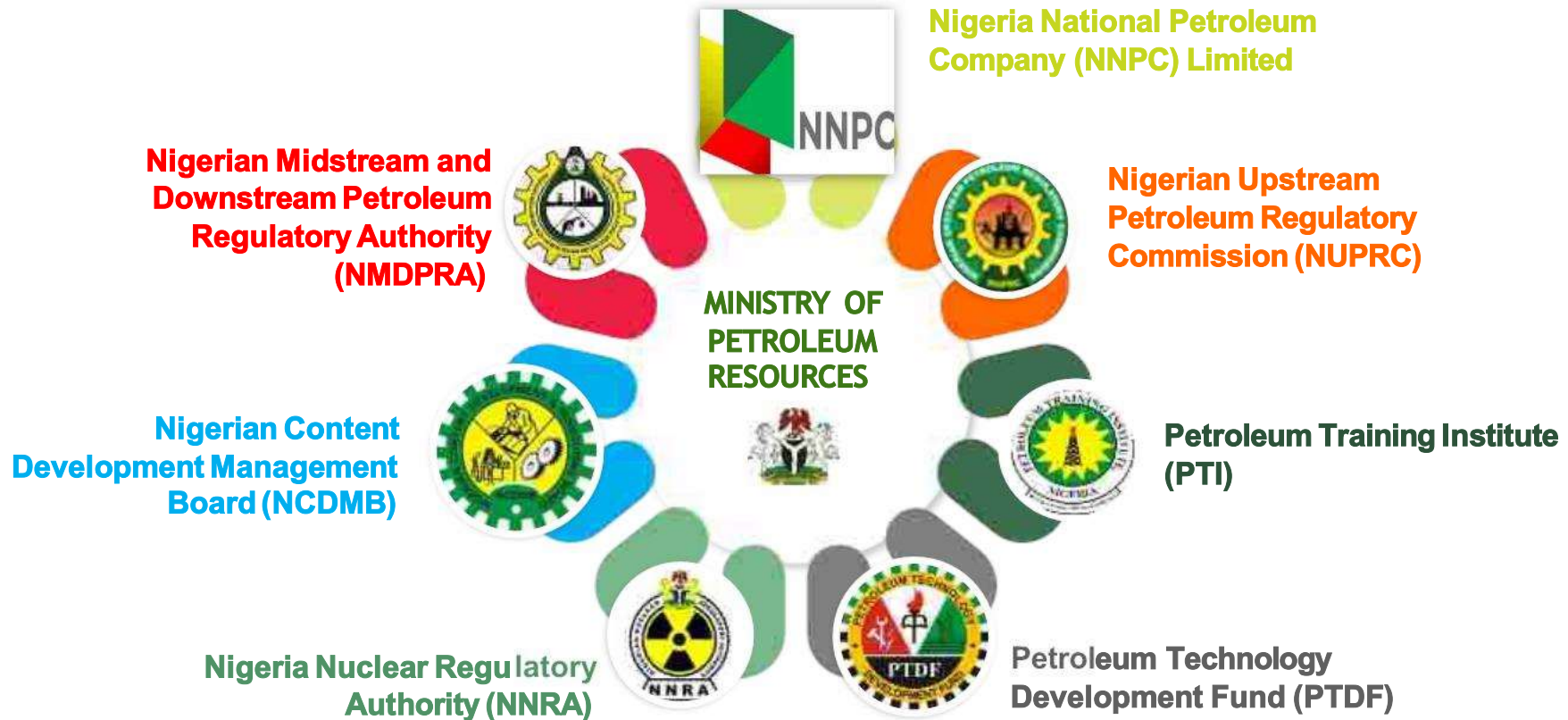


## Long - Term

1. Demolish illegal Stations.
2. Deliver Zero-Loss Security across the value chain and strengthen
3. enforcement.
4. Commence operations on the Nigerian Gas Flare Commercialization Programme
5. Conduct bid rounds and open up new frontiers.
6. Divest from sub-optimal fields.
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# Agencies/Parastatals





# Ministry of Petroleum Resources

## >> Oil and Gas Strategic Priorities (2019 – 2023)

Implementation of the Decade of Gas Initiatives

- Launched the National Gas Expansion Program
- Security of the N250 Billion CBN/NIRSAL/NGEP Intervention Facility
- Increase in the establishment of LPG plants and Modular Refineries

Increased prospects of Foreign Direct Investment (FDI) in the Sector via Bilateral and Multilateral Agreements

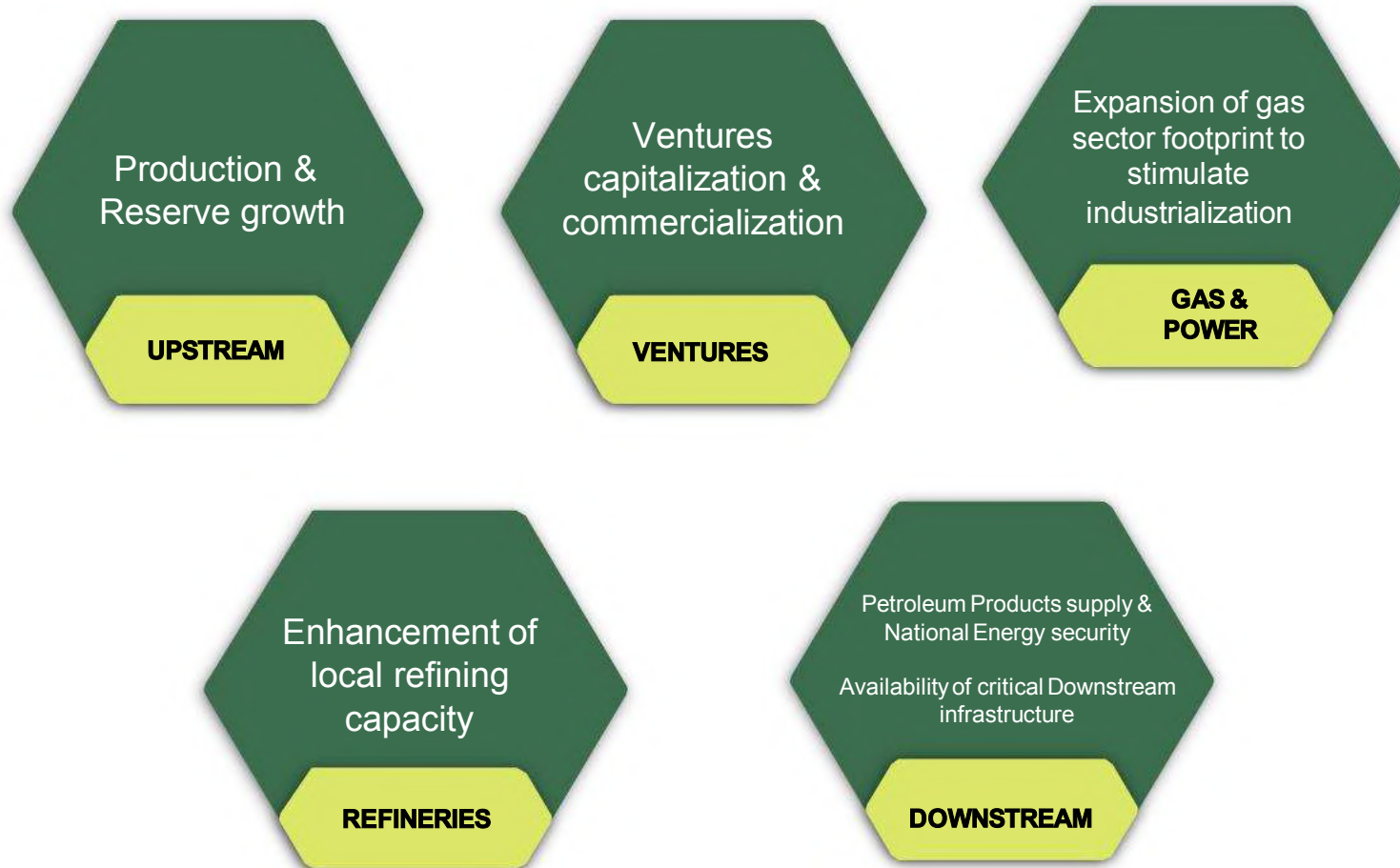
Implementation of the Petroleum Industry Act (PIA) 2021. Putting in place the new fiscal regime for Nigeria's petroleum industry, administered by the Commission (Royalty) and FIRS (National Hydrocarbon Tax and CITA). Publishing in an official gazette - the Host Communities Trust Fund regulations  
Commencement Change management processes in all PIA-created institutions, including asset and personnel audit

Simplified Processes for Bid rounds and Cost Reduction

Enhancement of local refining capacity

## > Priority Areas

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# Nigerian Upstream Petroleum Regulatory Commission (NUPRC) > Priority Areas

Monitoring the Petroleum Industry operations to ensure that is in line with national goals and aspirations including those relating to Flare down and Domestic Gas Supply Obligations.

## **DEVELOPMENT & PRODUCTION**

Ensure timely and accurate payments of Rent, Royalties, and other revenues due to the government, processing industry applications for leases, licenses, and permits. conversion of extant upstream licences (OMLs and OPLs to PMLS and PPLs) to conform with PIA terms

## **EXPLORATION & ACREAGE MANAGEMENT**

Advising Government and relevant Government agencies on technical matters and public policies that may have an impact on the administration and petroleum activities. promulgation of new regulations for Upstream operations

## **ECONOMIC REGULATION & STRATEGIC PLANNING**

Guidelines For Management Of Fugitive Methane and Greenhouse Gases Emissions In The Upstream Oil And Gas Operations In Nigeria

## **CLIMATE CHANGE MITIGATION**

Ensuring that Health Safety& Environment regulations conform with national and international best oil field practices.

## **HEALTH, SAFETY, ENVIRONMENT & COMMUNITY**

Maintaining records on petroleum industry operations, particularly on matters relating to petroleum reserves, production/exports, licenses, and leases.

## **CORPORATE SERVICE & ADMINISTRATION**



# PETROLEUM TRAINING INSTITUTE (PTI) > Priority Areas

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Training of Key  
Technical Manpower

1



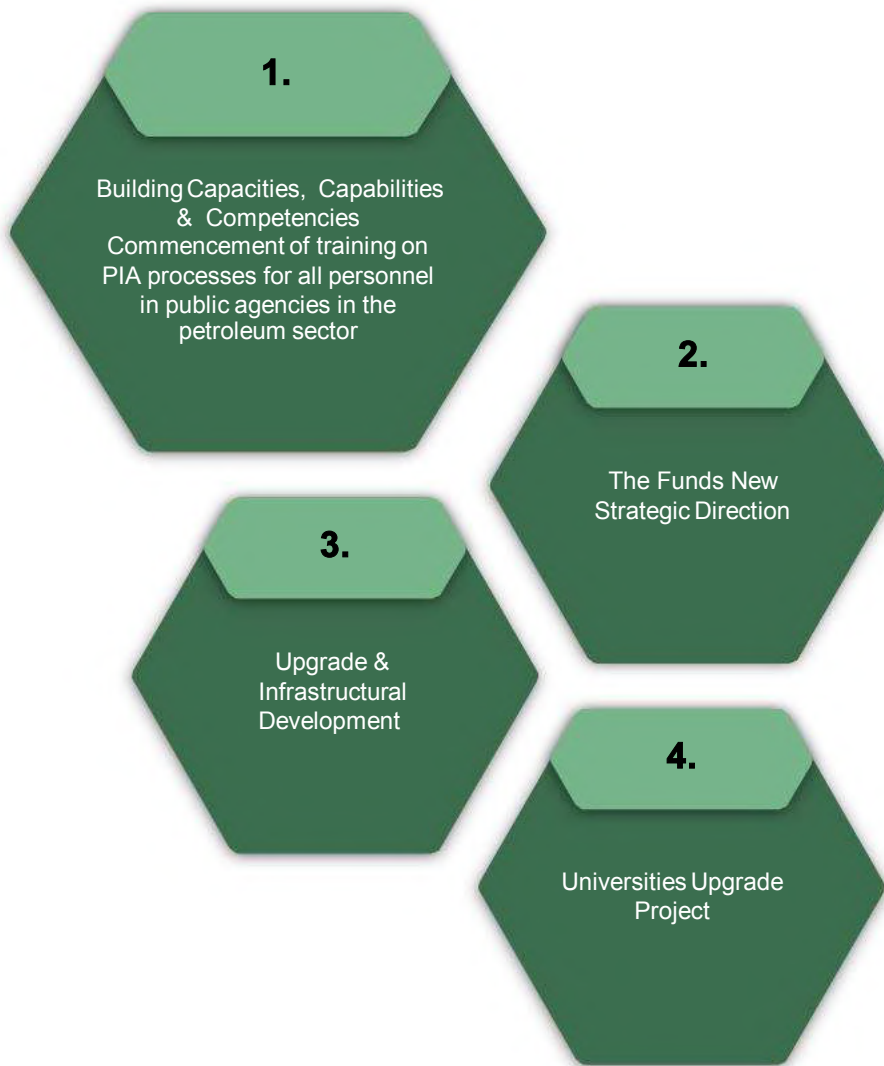
Collaboration &  
Partnership

2



# PETROLEUM TECHNOLOGY DEVELOPMENT FUND (PTDF)

## > Priority Areas

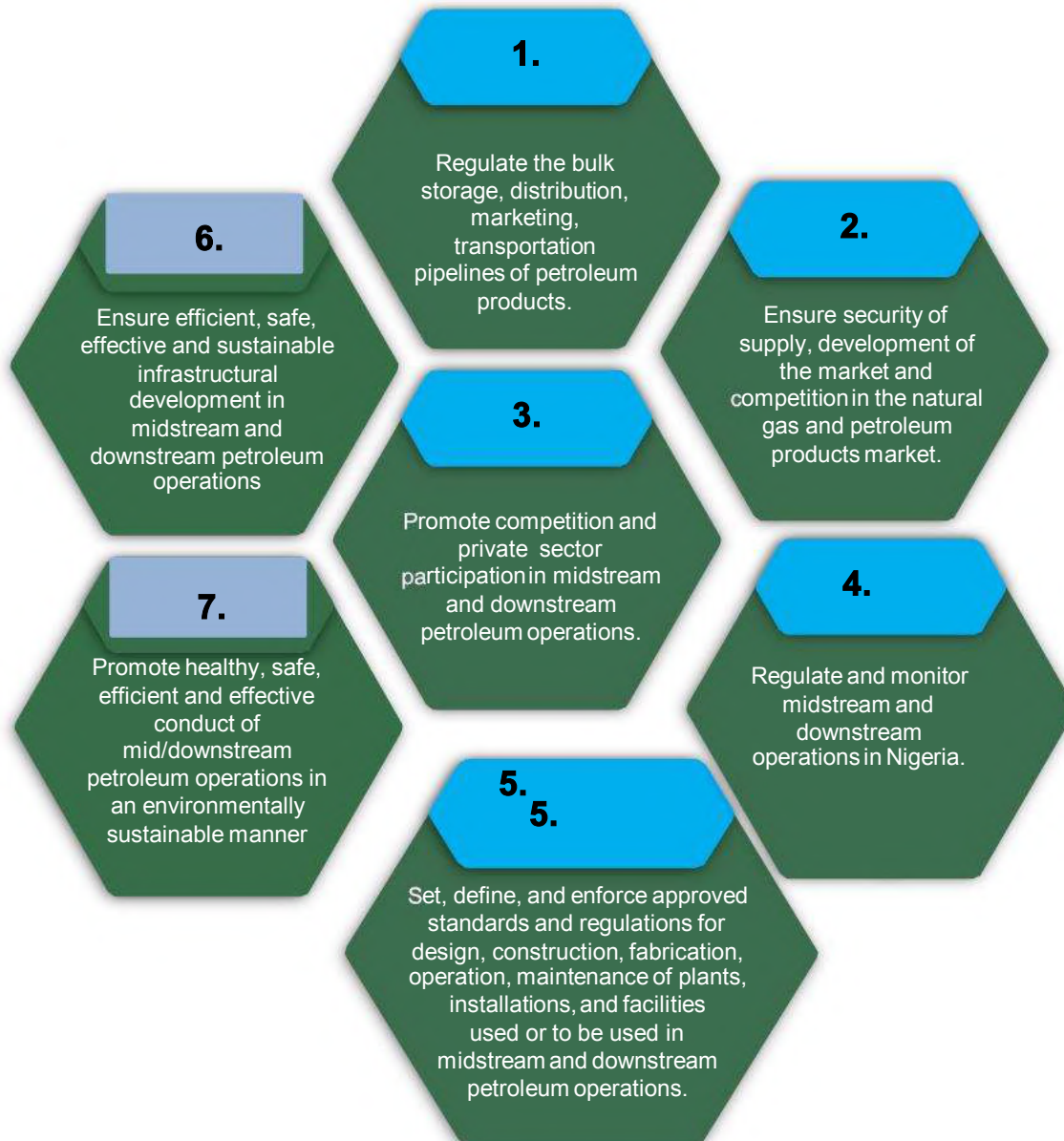






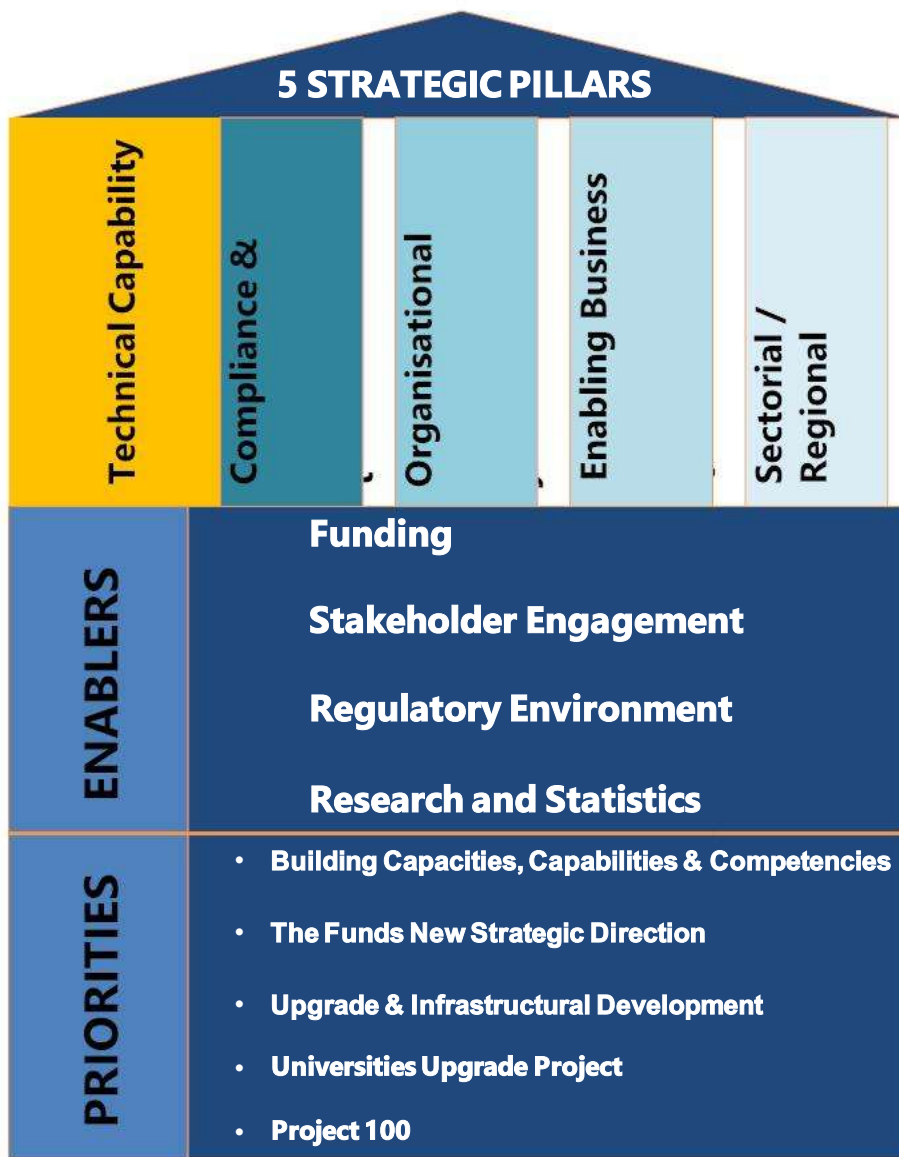
# NIGERIAN NUCLEAR REGULATORY AGENCY (NNRA) >

## Priority Areas



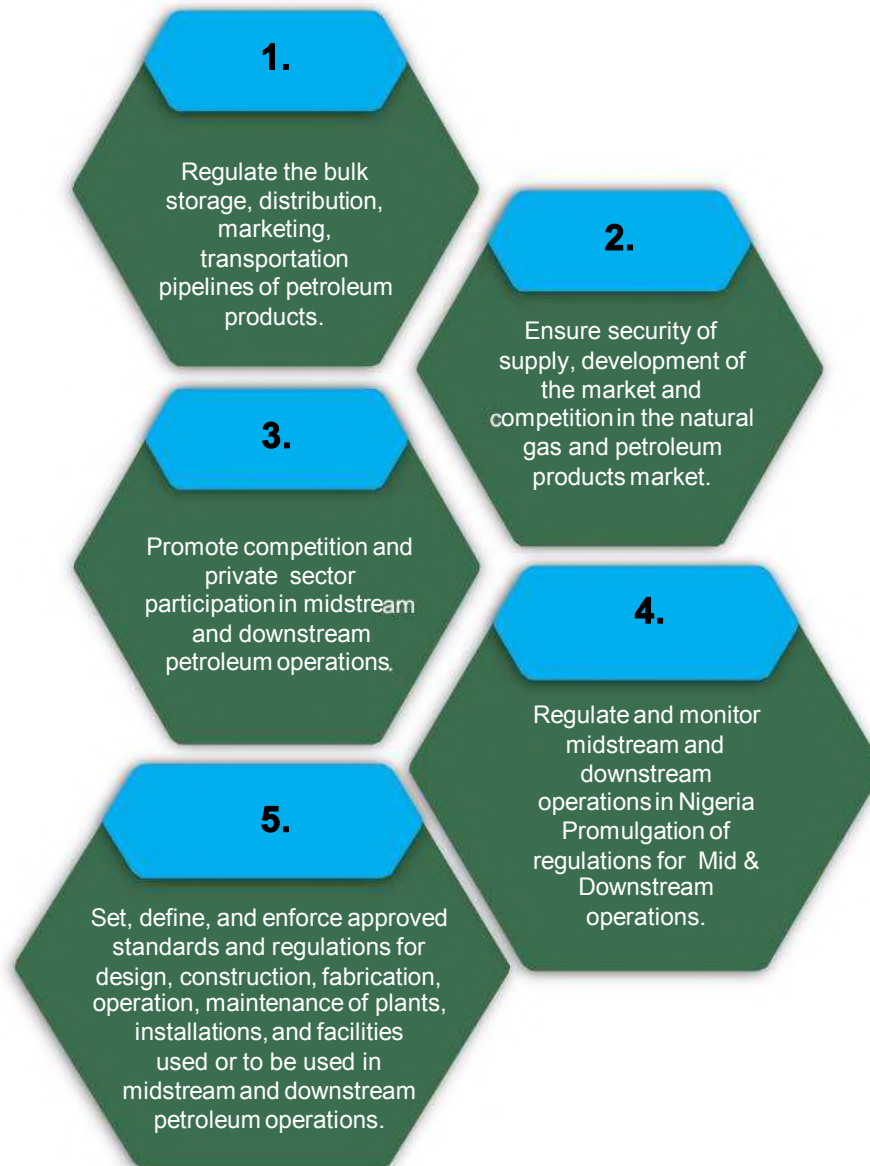


# NIGERIAN CONTENT DEVELOPMENT AND MONITORING BOARD (NCDMB) > Priority Areas





# Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) > Priority Areas





# TOP PRIORITIES TO TAKE 100 MILLION OUT OF POVERTY IN 10 YEARS





# PROGRESS REPORT

## TARGET

(Expected Milestones)

## PROGRESS

(Achieved Milestones)

## KEY ISSUES

(Challenges)

## SUPPORT REQUIRED

1. Eradicate smuggling of PMS across Nigerian borders

3. Increase Crude Oil Production to 3mbpd

5. Aggressively promote Passage of the Petroleum Industry Bill

7. Working with Private Sector Operators to Increase Domestic Refining Capacity

9. Implement Strategy towards taking 100 Million Nigerians out of Poverty

2. Complete Gas Flare Commercialization Program

4. Reduce Cost of Crude Oil Extraction by at least 5%

6. Promote Passage of Deep Offshore & Inland Basin Production Sharing Contract Amendment

8. Collaborate with Private Sector to Create a large number of Well-paying jobs

# Eradicate smuggling of PMS across Nigerian borders

## 01.

### TARGETS

1. Ensure energy sufficiency in power and petroleum products
2. Ensure reduction in volume of smuggled PMS through improved technology including DAPMIS and MPMS
3. PMS Equalisation to close differential cost
4. Undertake routine end to end tracking of Petroleum Products Cargos using Lloyds List Intelligence and Refinitiv.

### PROGRESS ACHIEVED

Relaunch of Project White for monitoring and Tracking of products distribution Nation-wide

**255,659** truck out equalized

**11,622,926,494** litres equalized

**173,200,284,779** Naira (Approx.) Equalisation Paid \*

**1277** supplying vessels tracked

**25,525,688,042** litres of total PMS discharged

**66.7 Million** Lts average daily sufficiency

**24,346,614,589** ltrs total truck out volume

### KEY ISSUES

1. Marketers infractions
2. Defaulting marketers
3. Delay in submission of product outturn form by marketers
4. Arrival/discharge quantity variation
5. Sharp practices by operators

### SUPPORT REQUIRED

1. Full System automation
2. Review of existing penalties
3. Ensure strict compliance to regulations
4. Strong inter-agency collaboration and transparency for petroleum product supply value chain activities around the border

\* Reconciliation of 2022 Payment in progress

# Complete Gas Flare Commercialization Program

## TARGETS

1. 80% Completion of GFCP
  2. LPG Penetration for product availability
  3. Intervention programs such as Nigerian Gas Expansion Program
  4. Stakeholders engagement
- Evaluation and study on the impact of Gas penetration programme in the Nigerian economy
5. Consultancy service for the Development of CNG/LNG Templates for the Agency's Advisory Services

## PROGRESS ACHIEVED

1. **8.6%** change in domestic LPG demand
2. 1,064,660 MT domestic LPG consumption
3. Evaluation Studies ongoing. **(50% completed)**.
4. Framework review ongoing
5. Forty-eight (48) Flare sites have been identified. Six (6) of them have been taken out of the basket because they are not commercially viable (because the flare volumes are minimal). The plan is that these flare sites will be allocated by Q4 2022.

## KEY ISSUES

1. Inadequate sensitization
2. PIA 2021 implementation issues

## SUPPORT REQUIRED

1. More sensitization needed for operators and users.
2. More collaboration between Sector Regulators and industry players

# Increase Crude Oil Production to 3mbpd

## 03.

### TARGETS

1. Mobilise domestic revenues and eliminate revenue leakages
2. Optimize current crude Oil Production in existing wells
3. Increase Exploration activities to achieve target
4. Reduce contracting cycle to at least six (6) months
5. Mature other existing opportunities within the Frontier & Local Production
6. Improve Security in Operating environment to protect pipelines

### PROGRESS ACHIEVED

1. Emplacement of contract for pipeline surveillance and security and setting –up of Control Centre for Crude oil movement tracking
2. Deep Drilling
3. Completed 2D Seismic Data Acquisition in Bida Basin
4. Inaugurated Multi-Agency Security Support Committee for Chad Basin Re-entry
5. Set up response Team to repair any interference on Pipeline Network
6. Resolution of 1993 PSC dispute which holds over 90% of our Deepwater production that is expected to unlock \$500 Billion revenue and about \$30 Billion in FDI
7. Flag-off of the Kolmani Integrated Development Project (KIPRO) with contribution of 120,000 bpd output

### KEY ISSUES

1. OPEC + cut
2. Vandalism & Militancy

### SUPPORT REQUIRED

1. Increased OPEC quota
2. Collaboration at highest level with security agencies



# Reduction of Cost of Crude Extraction

**04.**

## TARGETS

1. Ensure proper Project Definition as requirement for sanctioning
2. Create shared Industry Spare Parts Database
3. Improve capabilities in Cost Engineering & Project Management
4. Minimize single sourcing

## PROGRESS ACHIEVED

1. Relunched the Ministerial Committee with new mandates on cost reduction/crashing long contracting cycles
2. Launched Upstream Cost Optimization Initiative
3. Deployed express Projects Cost Database
4. Sustained Transparency, Accountability & Performance Excellence Initiative

## KEY ISSUES

1. Funding of committee's activities
2. Capacity enhancement on cost engineering, benchmarking and monitoring

## SUPPORT REQUIRED

1. Strong collaboration among agencies to ensure elimination of multiple tax/charges regimes
2. Capacity building on Cost Engineering and Control

# Aggressively promote Passage of the Petroleum Industry Bill

## TARGET

Bill Passed by NASS and Assented to by His Excellency, Mr. President as Petroleum Industry Act (PIA), 2021

## PROGRESS ACHIEVED

PIA Implementation Committee Constituted

Upstream Commission Established

Midstream & Downstream Authority Established

NNPC Limited Incorporated

## KEY ISSUES

Reorganization of new agencies in line with new mandates

Separation of assets and liabilities

## SUPPORT REQUIRED

Strengthening the Office of the HNSPR to function effectively after the expiration of the tenure of the PIA implementation committee

# Promote Passage of Deep Offshore & Inland Basin Production Sharing Contract Amendment

## TARGET

Bill Passed by NASS and Assented to by His Excellency, Mr. President

## PROGRESS ACHIEVED

The enactment of PIA has subsumed the Deep Offshore & Inland Basin Production Sharing Contract Amendment

## KEY ISSUES

None

## SUPPORT REQUIRED

None

# Working with Private Sector Operators to Increase Domestic Refining Capacity

## TARGETS

1. Establish Condensate Refineries
2. Encourage establishment of Private Refineries
3. Complete valuation for rehabilitation of the four (4) existing Refineries
4. Establishment of modular refinery intervention fund
5. Establishment of crude oil domestic supply obligation

## PROGRESS ACHIEVED

1. Licenses issued to prospective investors:  
LTE – 8 (369KBPSD)  
ATC – 2 (50kBPSD)  
Approval to Introduce Hydrocarbon – 2 (3.5k BPSD)
2. Modular Refineries established (e.g. Walter Smith, Azikel, Anoh, Duport)
3. Rehabilitation of existing Refineries on-going
4. NNPC's equity holding in Dangote Refinery, Azikel Refinery and three units of 10kbpd condensate refineries

## KEY ISSUES

1. Crude supply obligation for completed refineries
2. Funding support for modular refineries

## SUPPORT REQUIRED

1. Crude supply from NNPC 60% equity
2. Intervention fund to be established at CBN

DELIVERABLE **Collaborate with Private Sector to Create a large number of**  
**08. Well-paying jobs**

### TARGETS

1. Conduct Skill Gap Analysis
2. Development of Industrial Parks for Manufacturing
3. Promote Policies to encourage Domestic Investment
4. Development of Gas-Based Industrialization (e.g. Petrol-Chemicals Industries)
4. Improve education, health and productivity of Nigerians

### PROGRESS ACHIEVED

- PTI collaborated with Asteven Renewable energy to train Niger-delta youths on solar photovoltaic installation
- PTI National Skill Qualification Framework(NSQ) has trained youths on automobile, mechatronics, welding and fabrication and electrical maintenance one
- Establishment of Modular Refineries which created about 10,000 direct/indirect job in-country
- FID taken for the Brass Fertilizer and Petrochemical Plant
- PTI Skill Development Academy(SDA), and Entrepreneurial center has trained youths within the host community on several hands- on skills like making of soaps, perfumes, disinfectants, bleach, catering/ baking, bag making etc.

### KEY ISSUES

- Reduced FDI for oil and gas related investments due to global drive for increase in climate friendly investments.
- Insecurity issues has deterred investors

### SUPPORT REQUIRED

- Accelerating public awareness of green project initiatives of the Government

## TARGET

Center for Skill Development and Training, Port Harcourt.

Development Federal Polytechnic, Bonny.

Development of Center for Petroleum and Energy Studies Kaduna

Establishment of ICT Centres

University Upgrade

Overseas, local Scholarship Awards, Stakeholder Training, Research Grants and Commercialization of Research Patent

Skill Gap Audit Review , Autogas Conversion Capacity Enhancement and Stem STEM (Science, Technology, Engineering & Mathematics)

## PROGRESS ACHIEVED

Project work is up to 91%, Completion

Centre 95% Complete

Status: Civil works on the project have attained overall percentage completion of about 90%.

Project Work is at 86% Completion

90% Completion

50% Completion

50% completion

## KEY ISSUES

- Price Variation
- Funding

## SUPPORT REQUIRED

None required



## Conclusion ...

The Ministry has succeeded in passing landmark statutes such as the Deep Offshore and Inland Basin Acts, as well as the marquee Petroleum Industry Act. It has also secured funding for the rehabilitation of the three existing refineries to enhance the nation's domestic refining capacity. The Gas Flare commercialization is at the final stage of award of the flare points to potential winners. The Ministry has encouraged more indigenous participation by facilitating crude access and ease of license approval. The 5% reduction in the cost of crude extraction was also achieved and surpassed.

With all these achievements and the drive of the National Gas Expansion Program, the Ministry is actualizing Mr. President's aspirations as captured in the 9-point agenda



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Thank  
you