

BLOOMFIELD LP WEEKLY ENERGY TITBITS (BWET)

Bloomfield LP's Energy Practice brings you highlights of interesting energy developments in Nigeria
May 22, 2024.

President Bola Tinubu Commissions Three Gas Infrastructure Projects

On May 15, 2024, the President of the Federal Republic of Nigeria, His Excellency President Bola Ahmed Tinubu inaugurated three (3) gas projects which include: the expanded Ashtavinayak Hydrocarbon Limited gas processing plant in Kwale, Delta State, the Assa North-Ohaji ("ANOH") gas processing plant in Ohaji-Egbema, Imo State, and the twenty-three point three kilometre (23.3km) ANOH to Obiafu-Obrikom-Oben custody transfer metering station gas pipeline projects.

According to the President, the gas plants, upon becoming fully operational, will produce approximately five hundred million standard cubic feet per day (500MMscf/d) in aggregate which will be supplied to the domestic market. He stated further that this will increase Nigeria's gas supply by twenty-five percent (25%).

Read more at:

<https://businessday.ng/energy/oilandgas/article/oil-rich-nigeria-shifts-focus-to-gas-as-three-plants-come-on-stream>

Dangote Petroleum Refinery to Purchase Twenty-Four Million (24,000,000) Barrels of Crude Oil from the United States of America

Dangote Petroleum Refinery (the "Refinery") announced its plan to buy twenty-four million (24,000,000) barrels of crude oil from the United States of America over the next year as it increases processing rates. Per reports, the Refinery issued a term tender, closing on May 21, 2024, for the purchase of two million (2,000,000) barrels a month of West Texas intermediate midland crude for twelve (12) months starting in July 2024.

The request for foreign crude oil by a refinery located in Africa's top producing country demonstrates a significant role the Refinery will play in the international crude and fuel trading.

Read more at:

<https://www.bloomberg.com/news/articles/2024-05-16/nigeria-s-new-mega-refinery-seeks-millions-of-barrels-of-us-oil>

The Federal Government of Nigeria to Offset One Hundred and Thirty Billion Naira (N130,000,000,000) Debt to Gas Suppliers for Electricity Generation

The Federal Government of Nigeria has approved the payment of One Hundred and Thirty Billion Naira (130,000,000,000) to offset part of the debts owed to gas companies in Nigeria. This was revealed by the Minister of Power, Mr. Adebayo Adelabu (the "Minister") on May 16, 2024, at the Africa Energy Marketplace conference in Abuja.

The Minister stated that the President of the Federal Republic of Nigeria has approved the submission of the Minister of State for Petroleum Resources (Gas) to settle the unpaid debt owed to gas supply companies by power sector operators. The Minister disclosed that the debt will be paid by the Federal Ministry of Finance from the Gas Supply Stabilisation Fund.

Read more at:

<https://www.premiumtimesng.com/business/business-news/695113-electricity-nigeria-govt-to-offset-n130-billion-debt-to-gas-companies.html>



Nigeria Regains its Leading Position in Africa with Oil Production Reaching One Million Two Hundred and Eighty Thousand Barrels Per Day (1,280,000 bpd)

The Organisation of Petroleum Exporting Countries (“OPEC”) disclosed that Nigeria’s average daily crude oil production grew to one million two hundred and eighty thousand barrels per day (1,280,000 bpd) in April 2024. This was contained in the latest monthly oil market report released by OPEC on Tuesday, May 14, 2024.

According to OPEC’s report, the current output marks a four point zero seven per cent (4.07%) increase from the one million two hundred and thirty thousand barrels per day (1,230,000 bpd) recorded in March. This represents the first month-on-month production growth in 2024.

Read more at:

<https://businessday.ng/energy/oilandgas/article/nigeria-reclaims-top-position-in-africa-as-oil-output-hits-1-28m-bpd>

President Bola Tinubu Orders all Government Ministries, Departments and Agencies to Procure only Vehicles Powered by Compressed Natural Gas (“CNG”)

On May 13, 2024, the Federal Executive Council mandated all government ministries, departments, and agencies to purchase only vehicles powered by compressed natural gas (“CNG”). This was revealed in a statement signed by the President’s Special Adviser on Media and Publicity, Mr. Ajuri Ngelale.

According to Mr. Ngelale, this directive is in furtherance of Nigeria’s effort to transition to cleaner energy as CNG-powered vehicles have been adjudged to produce lower emissions, presenting a more affordable alternative for Nigerian energy consumers. Mr. Ngelale also reported that the President of the Federal Republic of Nigeria intends to drive the implementation of CNG adoption across the country with this directive.

Read more at:

<https://nairametrics.com/2024/05/14/fec-tinubu-orders-mdas-to-procure-only-cng-powered-vehicles>