

# NIGERIA IN NUMBERS



**Proven reserves:** 37.5 bn bl -2nd largest in Africa



Oil production 2019: 1.988 million bpd



#### **Refineries:**

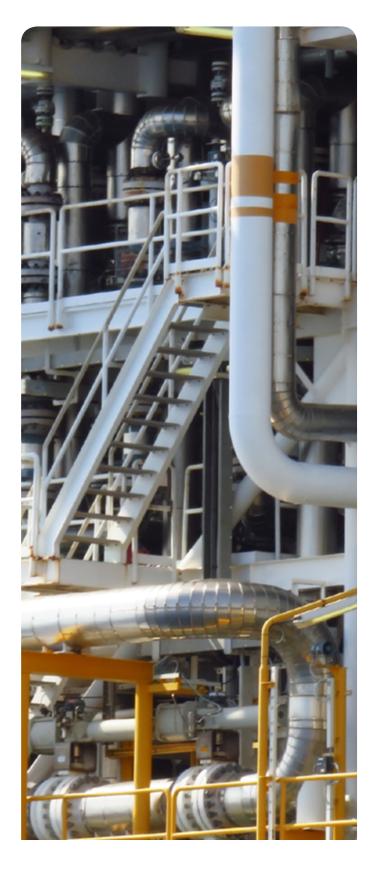
New Port Harcourt Refinery – 150,000 bbl/d Warri Refinery – 125 000 bbl/d



Kaduna Refinery & Petrochemical Company
Dangote Refinery- expected to open in early 2020

Major Players: ExxonMobil, Shell Nigeria, Agip Oil Company Limited, Total, Addax Petroleum, Chevron, Elf Petroleum





## **OVERVIEW:**

Nigeria's crude and condensate output has been gradually increasing since its 30-year low of 1.1 million bbl/d in mid-2016. The country's production was averaging 2 million bbl/d at the end of 2018 and is expected to keep increasing as a result of the commissioning of new projects such as Total's Egina offshore fields which began production in December 2018 and are expected to reach peak production at 200,000 bpd.

Across its value chain, Nigeria has increased its initiatives in recent years to boost exploration and production and expand midstream and downstream infrastructure.

#### **UPSTREAM**

Despite delays, the country is notably set to launch its first bidding round for gas flare sites in 2019, under the Nigeria Gas Flare Commercialization Program.

#### **MIDSTREAM**

The country has also made advances on a series of infrastructure projects; from the taking off of Nigeria's seventh train at its Bonny Island liquified natural gas (LNG), to the completion of the feasibility study for the 5,660 km Nigeria-Morocco Gas Pipeline, and a new refinery and pipeline deal with Niger.

Nigeria is in the middle of a refining revolution as it refurbishes its four underperforming refinering and sets up a series of smaller refineries across the country, while the construction of the 650,000 bbl/d Dangote Refinery moves full steam ahead.

Until now, Nigeria has relied heavily on the importing of refined products, seeing Africa's biggest oil producer to also import most of the petroleum products it requires to meet domestic demand.

#### **LEGISLATURE**

The future of the industry, however, rests on the signing of the Petroleum Industry Bill, which has been in the works for over a decade now.

The new legal framework is seen as being central to restoring legal certainty in Nigeria's hydrocarbons sector, and includes a number of widespread reforms such as the breaking up of state-owned NNPC, the establishment of a more pronounced division between sector regulators and state-owned operators, a new petroleum revenue management system, and the redefinition of the terms of engagement and profit-sharing arrangements with explorers and producers.

After years of deliberations, the legislation was partitioned into several bills to ease its passing. While it was passed by the National Assembly in 2017, President Buhari sent it back without his signature in August 2018. As a result, his signing of the Bill remains the major expectation from the industry following his re-election in early 2019.

To date, state mineral right to develop oil and gas reserves are transferred through the statutory of Oil Exploration License, Oil Prospecting License and Oil Mining License.

#### **REGULATIONS**

- Nigerian Petroleum Corporation Act
- Deep Offshore and Inland Basin Production
   Sharing Contracts Act
- Petroleum Profits Tax Act
- Nigerian Oil and Gas Industry Content Development Act 2010
- Petroleum (Drilling and Production) Regulations
- Petroleum Regulators and the Petroleum Refining Regulations
- The Oil Pipelines Act and the Oil and Gas Pipelines Regulation



## **HOW CAN WE HELP YOU?**

Centurion Law Group is a pan-African corporate law conglomerate, with a specialized focus on cross-border business and energy law. We help you navigate the legal and regulatory environments of Africa's many jurisdictions and ensure that deals are done and completed as efficiently and cost-effectively as is possible.

Centurion with its large network of lawyers and ondemand specialists are ready to be mobilized to undergo your full suite of legal and advisory work. We currently have a regional office in Nigeria and our strong knowledge of the Nigerian oil and gas sector enables us to provide clients with the best advice possible. We can help you facilitate your entry into the market, and help you navigate through established industries through our relationships with key stakeholders in Nigeria's and Gas industry.

## **CONTACT US**

## **TODAY**

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