



EMOGAS' INTERNATIONAL NATURAL GAS-BASED
INDUSTRY CONFERENCE AND EXHIBITION (EINGICE)

Abuja

October 31st, 2024

THE 1ST EMOGAS LIMITED'S ANNUAL NATURAL GAS INDUSTRY CONFERENCE COMMUNIQUE

COMMUNIQUE ISSUED AT THE END OF THE 1ST EMOGAS' INTERNATIONAL NATURAL GAS-BASED INDUSTRY CONFERENCE AND EXHIBITION (EINGICE) ORGANISED BY THE GAS & ENERGY DEVELOPMENT COUNCIL OF EMOGAS LIMITED, PORT HARCOURT, RIVERS STATE, NIGERIA, HELD ON 30TH – 31ST OCTOBER, 2024 AT TRANSCORP HILTON ABUJA, #1 AGUIYI IRONSI STREET, FEDERAL CAPITAL TERRITORY (FCT), NIGERIA, WITH THE THEME: "**STRATEGIES FOR THE ACCELERATION OF NATURAL GAS-BASED INDUSTRIALISATION OF NIGERIA: ROLE OF GOVERNMENT, INDUSTRY AND REGULATORS.**" THE SUB-THEMES FOR THE CONFERENCE WERE:

- 1) "DECADE OF GAS INITIATIVE: DRIVING ECONOMIC GROWTH THROUGH ACCELERATED UPSTREAM AND MIDSTREAM ACTIVITIES."
- 2) "NEXUS BETWEEN GROWTH IN NIGERIA'S NATURAL GAS-BASED INDUSTRIES AND NATURAL GAS ASSET OWNERS: STRATEGIES FOR SUSTAINABLE PARTNERSHIP, INVESTMENT AND GROWTH."
- 3) "FINANCING NATURAL GAS-BASED PROJECT DEVELOPMENT IN NIGERIA: CHALLENGES AND STRATEGIC SOLUTIONS."

1.0 PREAMBLE

- (1) Africa is the second most populated continent but it's also, unfortunately, the most energy-deficient continent (with 12% of global energy access deficit), as it is home to three quarters of the world's population suffering energy poverty as a result of lack of access to electricity.
- (2) The International Gas Union (IGU) has recently reported that over 640 million Africans need access to modern energy with per capita consumption of energy in sub-Saharan Africa (excluding South Africa) being approx. 99% less than in the United States and approx. 97% less than in Europe.
- (3) Nigeria, with a current population of over 230 million people has over 90 percent of its citizens without access to electricity, making it the country with the highest level of absolute energy poverty in the world as well as the country experiencing net billion-dollar

losses including loss of hundreds of thousands, if not millions of jobs. This is in spite of the fact that Nigeria is a natural gas province ranking 9th in proven natural gas reserves globally.

- (4) Concerned and worried by the slow and unimpressive trend of development in the Nigerian natural gas sector, the Gas & Energy Development Council of Emogas Limited - a world class oil & gas service company offering: (1) consulting and contracting services; (1) training and human capital (manpower) development services; (3) engineering and construction services; (4) research and development services; and (5) product marketing services; decided to contribute to Nigeria's growth by convoking EINGICE with the following objectives among others:

- I. To bring together all major stakeholders in the oil and gas industry in Nigeria, Africa and around the world to discuss and brainstorm on the prospects and problems facing the natural gas industry.
- II. To educate on and highlight the most important economic, financing and investment opportunities and potentials inherent in the natural gas industry, most especially, as it affects Nigeria in particular, and Africa, in general. A key objective here is to strategically remove the key hurdles daily faced by African economies one of which is a severe lack of access to finance for natural gas and natural gas-related projects, especially in the exploration and production phases.
- III. To develop strategies, proffer novel solutions as well as implement actionable steps and initiatives for the rapid growth and development of the natural gas industry and natural gas-based industries in Nigeria and Africa.
- IV. To engage in strong local and global advocacy to win the geopolitics of gas and garner support towards leveraging natural gas leading to increase in approvals for gas development projects in Nigeria and Africa, that would scale rapidly to meet Nigeria and Africa's geographical and social potential.
- V. To promote the concept of gradual, strategic decarbonization (the so-called 'just transition') rather than solely opting for the very immediate and 'painful' 'energy transition' that hurts vulnerable countries like Nigeria which currently suffers low levels of energy access and limited ability to mobilise private capital.
- VI. To examine and optimise the current state of implementation and realization of Nigeria's ambitious decade-long gas plan, LNG market trends, pricing mechanisms, supply-demand dynamics, strong local and international collaboration of all stakeholders.
- VII. To develop alternative funding and financing sources to drive growth without too much reliance and/or the overbearing influence of external factors and governments. In otherwords, the conference will develop actionable strategies and steps for securing sufficient income to become independent of foreign gas development projects financing.

2.0 OVERVIEW

- (5) EINGICE 2024 was well attended, with many industry greats and heavyweights present. Speakers and participants came from the energy and power sector, government, and academia. All industry stakeholders were represented.

- (6) EINGICE 2024 featured four (4) keynote speakers and they are: (1) Commission Chief Executive, Nigerian Upstream Petroleum Regulatory Commission (NUPRC), Engr. Gbenga Komolafe, ably represented by the NUPRC's Director of Gas Utilisation, Engr. Jennis Anyanwu; (2) Chief Executive Officer (CEO) of AA Holdings Limited who is an Investor in Seplat Energy PLC, Platform Petroleum Limited and Pillar Oil Limited, all indigenous oil and gas producing companies in Nigeria, Dr. Augustine (Austin) Avuru; (3) Managing Director/CEO of Aradel Holdings PLC, Mr. Adebite Falade, an excellent and trailblazing industry captain; and (4) former Managing Director of Nigeria LNG Limited and current Founding President of Nigerian University of Technology and Management (NUTM), Dr. Babs Omotowa.
- (7) Other featured best in class speakers, panelists and moderators who are experts in their respective areas of professional calling include: (1) Founder and Chief Executive Officer of GasInvest Limited, Dr. David Ige; (2) Founder and Managing Consultant of Laser Engineering & Resources Consultants, Professor Mike Onyekonwu; (3) President of Abuja Chamber of Commerce and Industry, Dr. Emeka J. P. Obegolu, SAN, who was ably represented by Professor Adesoji Adesugba; (4) Former Managing Director of Shell Nigeria Exploration and Production Company Limited (SNEPCo) and Non-Executive Chairman of Geyser LNG Limited, Dr. Chike Onyejekwe; (5) Head of Assets and Investments Management, NNPC Gas and Power Investment Services (NGPIS) and former Chairman SPE Nigeria Council, Mr. Salahudden Tahir; (6) Chief Executive Officer of Oida Group, Mr. Emeka Ene; (7) Former Chief Executive/Principal, Petroleum Training Institute (PTI), Dr. Henry Adimula; (8) Chief Executive Officer (CEO) of Powergas Nigeria, Mr. Sumeet Singh; (9) President of Total Support Energy Group, Dr. Nkaginieme Ubani; (10) Country Manager of James Fisher Nigeria, Engr. Prospect Maduforo; (11) a Professor of Petroleum and Gas Engineering at Nile University of Nigeria, Professor Abdullahi Gimba; (12) Executive Director (ED) and Chief Financial Officer (CFO) at Petralon Energy Limited, Mrs. Adeola Akinrinmade; and (13) the Former. Operations Technical Consultant at Exxonmobil, and Chief Technical Officer, Zzy Engineering, Dr. Patrick Wisdom Enang.
- (8) EINGICE 2024 opening ceremony, which started at exactly 10:05 am, had the presence of the media (e.g. Arise TV) and various categories of attendees and participants, staff and students (both undergraduates and postgraduates) of Nigerian Universities such as Nile University of Abuja and Baze University Abuja, respectively. It was a robust engagement of intellectuals, scholars, experts and practitioners in the oil and gas industry.
- (9) In his opening remarks, the Chief Host/Convener and Managing Consultant of Emogas Limited, Dr. Emeka Okafor explicated on the importance and significance of EINGICE and the opportunity it offers oil and gas industry stakeholders, actors and participants to interrogate the goals and strategies for sustainable natural gas development agenda for Nigeria and Africa as well as the functional integrated energy policy that will harmonize the intricately linked pillars of sustainable energy development and, in particular, the multiple concerns of gas development and utilization approaches in the continent.
- (10) The welcome address was given by the former Vice Chancellor of Nnamdi Azikiwe University and Chairman of the Conference, Prof. Charles Esimone, who thanked Emogas Limited for convening and organising such a top-tier conference focusing on natural gas development challenges and solutions in Nigeria and Africa, an important area of consideration in the current age of energy transition. Professor Esimone talked about the energy and passion he saw in the Convener, Dr Emeka Okafor, on the subject of natural gas and this energy and passion is what motivated him to join the team. Professor

Esimone believes that it is time for Nigeria to make an impact in the gas space for the continent which is what EINGICE is championing. He highlighted the need for the achievement of sustainable gas development in Africa and finally wished the participants fruitful deliberation.

- (11) There were also goodwill messages from the following guests: (1) Dean Faculty of Engineering, Nile University of Nigeria, Dr Petrus Nzerem; (2) Council Chairman, Society of Petroleum Engineers Nigeria Council, Mrs Amina Danmadami, who was ably represented by her predecessor, Mr Salahudeen Tahir; and (3) Permanent Secretary, Federal Ministry of Education represented by Dr. Nasir Sani-Gwarzo and Mr. Avan Gift Aghabueze.
- (12) The goodwill messages were immediately followed by the first keynote address by Engr. Gbenga Komolafe, of the NUPRC. Engr. Komolafe's address is titled, '**Strategies for the acceleration of natural gas-based industrialization of Nigeria: role of government, industry and regulators**'.
- (13) The second keynote address was delivered by Dr. Babs Omotowa of the Nigerian University of Technology and Management (NUTM) – an impressive university working assiduously to become the 'MIT of Africa'. The title of Dr. Omotowa's keynote speech is, '**Decade of gas initiative: driving economic growth through accelerated upstream and midstream activities**'.
- (14) The third keynote speaker is Mr. Adegbite Falade, Managing Director and CEO at Aradel Holdings PLC, Mr. Falade, who is a seasoned and first-class industry executive/captain, and an industry trailblazer, spoke on the "**Nexus between growth in Nigeria's natural gas-based industries and natural gas asset owners: strategies for sustainable partnership, investment and growth**".
- (15) The last (fourth) but not the least keynote speaker is Dr. Augustine (Austin) Avuru, who spoke on "**Financing natural gas project developments in Nigeria: challenges and strategic solutions**".
- (16) Each of the four keynote speeches was followed by four (4) expert panel sessions moderated by Dr. David Ige (panel session 1), Dr. Henry Adimula (panel session 2), Engr. Prospect Maduforo (panel session 3) and Mrs Adeola Akinrinmade (panel,session 4).
- (17) Also, each of the four panel sessions was followed by audience engagement through various question and answer sessions, which was presided by the panel session moderators. Questions and answers from each session focused on each panel session theme or sub-theme.
- (18) There was general and VIP lunch breaks which held at Oriental Restaurant of Transcorp Hilton and this was followed by exhibition opening, business to business networking, and the formal launch of a baseload LNG export project company – **Geyser LNG Limited** and this session was chaired by the former MD of SNEPCo and current Non-Executive Chairman of Geyser LNG, Dr. Chike Onyejekwe.
- (19) The first day of the Conference, 30th October 2024, covered the first and second panel sessions and the day 1 activities ended by 5:00 pm after closing formalities anchored by the MC, Mr. Richmond Osuji.
- (20) We acknowledge and commend the pioneer exhibitor at EINGICE 2024 – **11 PLC (formerly Mobil Oil Nigeria)**. A sales presentation from this exhibitor was made by the Lubricants Sales and Field Engineering Services Manager, Mr. Steve Ezendiokwere, and Mr Okwere was ably supported by the Technical Support Specialist, Mr. Felix Nnalue.
- (21) There was presentation of awards to three deserving awardees on Day 2 of the conference with the following persons as recipients of the awards: (1) Mr. Adegbite Falade

of Aradel Holdings PLC (**Nigeria Gas Industry Excellence and Trailblazer Award**); (2) Engr. Dr. Emeka Okwuosa (**Nigerian Gas Pipeline Champion Award**); and (3) Mele Kolo Kyari (**Gas Development Pioneer Award**).

- (22) The award presentation on Day 2 was immediately followed by the reading, discussion and final adoption of draft communique (DC).
- (23) EINGICE 2024 was a hybrid event, thus availing those who were unable to attend or speak physically the opportunity to participate virtually.
- (24) The print and electronic media were also fully represented.
- (25) Closing remarks was given by conference Chairman, Professor Charles Esimone while the vote of thanks which formally ended the Conference. was delivered by conference planning committee secretary and MD/CEO of McLazzy Integrated Services Ltd, Engr. Lazarus Musa.

3.0 OBSERVATIONS

From the various presentations, speeches contributions and comments made at EINGICE 2024, the following observations were distilled and noted:

- (26) Participants observed that an initiative such as EINGICE will provide yet another great opportunity to develop policy and funding strategies that will enable stakeholders proffer collective solutions to the persistent under-production and under-utilization of gas in Nigeria.
- (27) Participants further note that the theme for this maiden edition of EINGICE is both apt and timely
- (28) Participants observed that the high-calibre conference speakers and participants can help concretise policy-driven framework that would promote the needed attraction for investments in gas and gas-based industries, as well as advance technical and professional competence required for the nation's energy security.
- (29) Participants note that Nigeria's strategic national interest toward energy security and sustainability is paramount and must be considered in this age of energy transition.
- (30) Participants pointed out that the Petroleum Industry Act (PIA) recognizes the role of natural gas as a commodity in its own right deserving focused attention to unlock untapped potentials from the premium natural resource.
- (31) The conference notes that natural gas is easy to export than to domesticate for local use and most Nigerians are not aware of the uses of gas. No properly equipped department of Gas Engineering in any of the universities in Nigeria exists.
- (32) The conference observed that, since 2010, Nigeria's oil and gas industry has declined in both performance and importance to the Nigerian economy.
- (33) The conference notes that Nigeria faces the challenges of population growth and lack of development because of poor energy access and that energy use is strongly correlated with prosperity and that the country lags behind in per-capita use of energy, with significant negative impact on its economy.
- (34) The conference notes the outcome of a study conducted by Sustainable Energy for All, published October 2024 which estimates that more than 19 GW of electricity is generated by generator sets in Lagos State alone.
- (35) The conference notes that NLNG Ltd's contribution to Nigeria's GDP since inception is about 4% (above \$200bn) besides other added values. However, supply of

natural gas has been minimal due to investment challenges, and activities of pipeline vandalism.

- (36) The conference further notes that two of the NLNG Ltd's trains are shut down due to lack of gas and that even train 7 is not sure of gas.
- (37) It is noted that the window for gas sales for Nigeria is gradually shrinking due to the fact that most African countries like Ghana, Mozambique and others in the world have discovered natural gas.
- (38) According to the World Economic Summit, "the continent (Africa) can do little to counter the global forces inclining toward de-globalization, but it can itself embrace a self-supportive regionalism through enhanced intra-African trade."
- (39) The conference notes that the PIA is yet to be fully implemented for full impact, with associated challenges including divestments by IOCs to local operators while focusing more on deep water operations.
- (40) Most fields projecting 20-50% deferment due to pipeline issues with structural problems in electricity generation chain making it unattractive to invest higher up the chain since there is no point processing gas for power if cash is not collected for electricity
- (41) There is energy transition pressure on Africa energy investments where lobbyists and financiers ignore development needs that can be addressed by natural gas.
- (42) Thus, industrialization objective still eludes Nigeria and Africa. An example is the Ogidigben Gas Revolution Industrial Park which is now stalled and eventually discontinued.
- (43) We note the outcome of Exits and Divestments: about 55% of oil reserves, 70% of existing gas reserves and ~60% of acreages and acreage area in Nigeria coming under the operatorship of indigenous players.
- (44) We note the various challenges facing indigenous players which include: (1) bankability; (2) mismatched cost of funding; and: (3) fiscals.
- (45) Other challenges are infrastructure limitation characterized by aging pipeline infrastructure and high capital requirement.
- (46) We note the problem of policy implementation characterized by bureaucratic hurdles in regulatory processes and approvals and the nascence of the gas space where things are still evolving.
- (47) We further note the shortage in supply of feedstock characterized by reduction in the volume of natural gas produced by asset owners.
- (48) We note that traditional gas-based industries (GBIs) are capital intensive with high technology requirement. Also, products dynamics are controlled by global markets dominated by large players.
- (49) It has been predicted that demand for natural gas in Nigeria could grow 2 – 4X over the next decade, increasing from 4.8 BCF/D (2020) to between 10 – 23 BCFD in 2030 and we expect a fundamental shift of this growth from being export driven today (~70%), to being driven by domestic consumption (~60%) by 2030.
- (50) We note that to achieve this step-change in domestic demand requires increasing the dispatchable capacity of existing power plants in line with the Presidential Power Initiative (> 1.4 bcf/d), assuring the delivery of major fertilizer projects (Dangote, Brass, 0.5 BCFD), and enabling industrial demand for natural gas in the northern axis of the country (1.2 BCFD)
- (51) We identify that a set of critical unlocks are needed to assure domestic demand growth to 2030, including restoring the viability of the power sector (implementation of DISREP (Nigeria Distribution Sector Recovery Program), PSRP (Power Sector Recovery

Program)), completing the AKK pipeline on schedule, and focused stakeholder engagement for Gas Based Industry partners to clear roadblocks and provide needed incentives.

- (52) We note that, for export-based demand, NLNG's train 7 would be the major driver of assured demand growth till 2030.
- (53) We note that other export-oriented projects are still in the nascent stages, with long or uncertain timelines to completion.
- (54) For Nigeria to remain competitive under an increasingly climate sensitive global environment, Nigeria LNG Limited and other export-based players would need to decarbonize their operations and achieving the projected demand growth could add up to \$40bn to annual GDP, and create an additional 6 million jobs.

4.0 RECOMMENDATIONS

In light of the observations during the four keynote speeches and accompanying panel sessions at EINGICE 2024, the Conference rose with the following recommendations as resolutions:

ACCELERATING NATURAL GAS-BASED INDUSTRIALISATION OF NIGERIA

- (55) The strategies for the acceleration of natural gas-based industrialisation of Nigeria should be mirrored with the blueprint of Decade of Gas Initiative which has positioned gas infrastructure expansion at the Centre of strategies required for accelerated gas-based industries.
- (56) Pipelines network, storage facilities, and processing plants to improve gas availability and transport must continue to be prioritized by Government and other stakeholders.
- (57) Domestic market development through partnership and investments that will create a reliable demand for gas and invariably spur gas-based industrialisation should be rigorously pursued.
- (58) Regulators should collaboratively play a critical role in identifying necessary unlocks that will drive sustainable practices and bring stranded gas into production and utilization.
- (59) Training and workforce development solutions in collaboration with the Government and integration of local communities to the industry should be viewed not as a social responsibility but also as a moral license to operate for shared prosperity as envisaged in the PIA.
- (60) Stakeholders must proffer more actionable solutions that would ensure effective and sustainable end to energy poverty in Nigeria through gas-based industrialisation.
- (61) EINGICE should be in the forefront of Nigeria's quest for rapid gas-based industrial growth in collaboration with other industry stakeholders.

DRIVING NIGERIA'S ECONOMIC GROWTH THROUGH ACCELERATED UPSTREAM AND MIDSTREAM PROJECTS DEVELOPMENT

- (62) Government should see natural gas as a natural resource that is of significant value to Nigeria and the gas must be viewed as the immediate solution to many of Nigeria's energy problems.

- (63) Therefore, gas attracts a compelling development case for investment as a reliable energy that can drive job creation, prosperity and social development and the achievement of UN Sustainable Development Goals (SDGs).
- (64) Nigeria should prioritize the displacement of as much biomass and oil with natural gas as fast as possible, especially for cooking and electricity with bottled gas reducing deforestation, and liberating Nigerians from time wasted in collecting wood.
- (65) The oil and gas industry in Nigeria must focus on end-to-end solutions to unlock the full value of Nigeria's gas and investing in gas in upstream and midstream will deliver significant social and economic benefits.
- (66) Nigeria should increase oil exports in order to raise oil production to 2.5 MBOPD which will boost government revenues and significantly bolster foreign exchange (FX), thus helping in stabilising the Naira.
- (67) Domestic refining should be harnessed by increasing/rehabilitating refining capacity which will provide greater self-sufficiency and energy security, as well as stem FX drain.
- (68) Nigeria should increase LNG exports and doubling the export of this product could add \$10bn - \$20bn to Nigeria's export revenues.
- (69) Bottled gas market should be developed to increase access to clean cooking fuels, liberate time, and reduce particulate pollution.
- (70) Nigeria should provide better business environment, pipeline security, and attractive investment and industry climate.
- (71) Government should improve ease of doing business and reduce high upfront regulatory fees to attract investment including infrastructural investment.
- (72) Nigeria should fully implement the PIA (2021) including NNPC privatization. And also increase exploration and drilling to ensure adequate reserves replacement.
- (73) Nigeria should enhance human capacity development for indigenous companies' growth.
- (74) Industry stakeholders should increasingly decarbonize, and grow electricity and renewable business.
- (75) A well-orchestrated gas-based industrialisation ecosystem has to be in place for the economic potential of gas to be fully realized with an entrenchment success levers including: a predictable and scalable gas supply assurance with bespoke & enabling legislative framework for GBI.

IDENTIFYING THE NEXUS BETWEEN GAS ASSET OWNERS AND GAS-BASED INDUSTRIES

- (76) There is a need for mutually-beneficial collaboration that will lead to joint ventures in developing new projects or expanding existing ones.
- (77) There is a need for more long-term gas supply agreement with natural gas asset owners that should run for typically 5-10-15 years.
- (78) There is a need for more technology sharing including collaborative R&D programs on new technologies for more efficient processing and utilization of natural gas.
- (79) There should be commercial value sharing involving the sharing of benefits and risks to create a mutually beneficial relationship between the parties such as the co-investment in gas processing and transportation facilities.

- (80) There should be complementary capacity growth involving strategic collaboration to develop capabilities and key infrastructure useful to both sides. Opportunity risk sharing will enable project development with share value.
- (81) Government should introduce policy recommendations which include the introduction of incentives for collaborative investment – migration of GBIs from regulated market pricing to ensure gas investment and access.
- (82) Support should be provided for infrastructural development such as gas pipeline to reduce investment requirement and encourage more local capital into GBIs.
- (83) Nigeria should implement policies that support the growth of domestic industries dependent on natural gas – also provide tax incentives and reduced regulatory burden.
- (84) Nigeria should create investment funds at fixed exchange rate to encourage the investors in the midst of unstable exchange rate.
- (85) For economic sense, cost of production of natural gas needs subsidy instead of subsidizing consumption.
- (86) The way forward is in the setting up of modular gas-based industries and the use of virtual pipelines.

FINANCING NATURAL GAS-BASED PROJECT DEVELOPMENT IN NIGERIA

- (87) Government and stakeholders must remove demand constraint due to power sector low performance.
- (88) Government and stakeholders must remove all key choke points including NNPC's pipeline infrastructure delivery delays and power side TCN issues.
- (89) Government and stakeholders must remove issues relating to price control and low offtake that affects financing opportunities.
- (90) Government must create an investment-friendly landscape for gas-based project development.
- (91) Government and stakeholders must promote regulatory collaboration among agencies, government bodies, and industry stakeholders to build a framework that supports sustainable practices across the gas value chain, reduces emissions, and strengthens investor confidence.

5.0 EINGICE 2025 ANNOUNCEMENT

- (92) The conference planning committee (CPC) hereby announces that the 2nd edition of EINGICE (EINGICE 2025) is scheduled to hold in Abuja on 30 to 31 October 2025.

6.0 CONCLUSION

- (93) Stakeholders and participants were unanimous in commending the organizer for organizing this important and impactful conference. They also urged the conference organizing committee to ensure that the recommendations made here are implemented by Government and stakeholders.
- (94) The draft communiqué was adopted after its presentation by the EINGICE 2024 Publicity Chairman and former PTI Chief Executive, Dr. Henry Adimula.

Engr. Dr. Emeka Okafor
EINGICE Convener