

## OPTS Q3 & Q4 2022 Newsletter

Welcome to Q3 and Q4 2022 newsletter!

The quarter recorded lots of activities in OPTS from stakeholder engagement on regulations to NEITI Companies Forum and the big one the OPTS @60 Celebration, to Flood Victims CSR programmes and the Security Subcom Annual Retreat with a special feature introducing the Deepwater and Exploration Subcommittee Lead.

We hope you enjoy this edition of the OPTS newsletter.

## PETROLEUM INDUSTRY ACT(PIA) IMPLEMENTATION

The implementation of the Petroleum Industry Act (PIA) continued with more eight (8) more regulations published by NUPRC (The Commission) and two (2) by NMDPRA (The Authority) within the quarter. The stakeholder's engagement by the two institutions were held on the 19th – 21st August and October 4th 06th respectively. The engagement sessions have witnessed great improvement in organization and receptiveness since the stakeholder sessions started with commitments. At the last session with NMDPRA, the Authority Chief Executive (ACE) at the closing ceremony committed to having his team review all the comments and come up with what they consider would serve as a set of progressing regulations that will stimulate the industry. The NUPRC CCE has also lived up to his commitment to carry the industry along as the implementation progresses with regular consultative session. OPTS is hopeful that the inputs will be included in the final drafts of the regulations. OPTS continued her advocacy during the quarter by seeking areas of collaboration with the two (2) institutions to improve the speed of implementation of the PIA, identifying quick wins for both the regulator and the industry. The overlap of roles between the NUPRC and



**PIA - The Petroleum Industry Act**

NMDPRA is also an area of concern for OPTS and this has been expressed and suggestions have been made to the Ministry of Petroleum Resources. OPTS participated in NMDPRA leadership strategy session on Creating a Conducive Business Environment for Nigerian Midstream and Downstream Through Effective Regulations which held on the 29th July 2022. OPTS also participated in IPPG and NBA-SBL workshop on the regulatory framework of the PIA.

## **NEITI Company Forum**

The NEITI Company Forum which holds bi-annually is the avenue through which the Nigeria Extractive Industries Transparency Initiative (NEITI) broadens and deepens its relationship with companies operating in Nigeria's extractive sector to improve the business environment in the oil, gas and solid minerals sector. The Executive Secretary of NEITI Dr. Orji Ogbonnaya Orji further reiterated this during the sensitization workshop held on the 20th September 2022 at the Fourpoint by Sheraton Hotel. In his words "I am here in Lagos to reassure the companies that they are a key partner in the EITI process. The companies remain the pillar of the oil, gas and solid minerals industry in Nigeria. NEITI's duty and responsibility is to work with the companies to open the industry and improve the business environment. We will do everything within the limit of our reason to secure the confidence of companies", Dr. Orji reaffirmed. He explained that the conception in some quarters that NEITI was against the companies was untrue, misleading and unfortunate. According to the transparency boss, "I do not know where that impression is coming from. NEITI is working closely with the Oil Producing Trade Section-OPTS, the Lagos Chamber of Commerce, the Miners Association and other coalitions and associations in the extractive sector to widen its engagements with the companies". He stated "I wish to use this opportunity to clarify that our revelations on company liabilities were to encourage the companies that are indebted to the government to pay up their taxes as at when due which is legitimate in every business jurisdiction. That does not in any way insinuate that NEITI is against the companies". Dr. Orji explained that many reputable companies within the industry pay their taxes and royalties when due. "We know these companies; we respect and commend them. We just need the indebted companies to emulate such companies, whether local or international, because the government needs the revenue". He stated that NEITI is happy that several of the companies that are in default have paid up their liabilities, adding that NEITI is optimistic that its 2021 industry report, will post all companies in Nigeria's extractive sector to be in good standing. He thanked the NEITI-Companies Forum for creating the platform for dialogue and discussions on the recommendations of the NEITI reports as well as sensitizing the companies on their responsibilities to the EITI. He appealed for their

cooperation to improve the business environment and support the government to increase its revenues from the industry. The ED'OPTS, Bunmi Toyobo expressed his desire to attend the next EITI conference to bring on board the Nigerian extractive perspective to enrich the process. He stated that the EITI should help to enhance the business environment in member countries adding that extractive companies play a vital role in the EITI process. OPTS is represented by the ED'OPTS on the Board of NEITI and OPTS has continued to support the organization of the Company's Forum.

## **NNPC now NNPC Ltd**

On 19 July 2022, the President unveiled the Nigerian National Petroleum Company Limited (NNPC Ltd); the new limited liability company which has replaced the former Nigeria National Petroleum Corporation (NNPC), the national oil corporation of the Federal Republic of Nigeria. This is in accordance with the provisions of the Petroleum Industry Act (PIA). Indeed, with the passage of the PIA, there's no gainsaying that the operations of the NNPC would be significantly impacted when the law comes into full swing. Section 53(1) of PIA 2021 requires the Minister of Petroleum Resources to cause for the incorporation of the NNPC Limited within six months of the enactment of the PIA in consultation with the Minister of Finance on the nominal shares of the company. The PIA also raised stakeholders' expectations on the company, even as it has given it a wide room to stimulate investments in the oil and gas industry. Also, Section 65 of the Act encourages NNPC Limited and its joint venture partners to explore the use of incorporated joint venture companies. The NNPC is also required to declare dividends to its shareholders and retain 20 per cent of profit as retained earnings to grow its business like any other incorporated entity incorporated under the Companies and Allied Matters Act, as provided under Section 53(7) of the Petroleum Industry Act. A PIA transition committee was also set up to drive the transition. The NNPC had also set up an in-house committee supported by consultants that included McKinsey, KPMG, PWC, Wood McKenzie and Olaniwun Ajayi LP, to define and implement the transition roadmap. However, there remains grey areas where OPTS is seeking clarity such as on the transfer of assets, interests, and liabilities of NNPC to NNPC Ltd.

## **OPTS @ 60 Celebrations**

The number, 60, is a significant milestone, a diamond jubilee! It provides an excellent opportunity to recognize major accomplishments, reflect on challenges, and build on strengths. As a result, OPTS celebrated 60 years in a grand style with a Black-Tie Event on the 22nd of September 2022. The celebration was graced by his Excellency the Vice President as the Keynote Speaker at the event, the



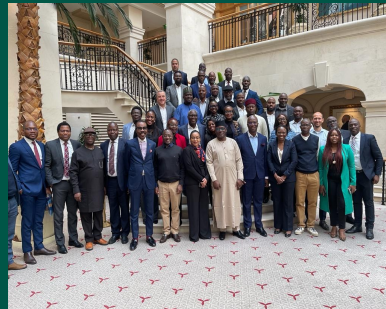
Minister of State for Petroleum Resources represented by Engr Kamoru Busari, FNSE Ag. Permanent, Permanent Secretary Ministry of Petroleum Resources, the Group CEO of NNPC Ltd Mallam Mele K. Kyari represented the CFO Umar Ajiya, past OPTS Chairmen and many other industry stakeholders and dignitaries. Past OPTS Chairmen and Executive Directors were given awards of recognition at the event for their excellent contribution to the growth and stability that the Oil producer Trade Section has enjoyed over the years. There was joy in the air with Pataki Band Providing a suitable atmosphere of celebration and dancing. With plenty of sumptuous meal and drink. It was a celebration to remember.

- [Click here](#) for the key note speech by the Vice President of Nigeria, Professor Yemi Osinbajo
- [Click here](#) for the address by the Honorable Minister of State, Petroleum Resource, HE Chief Timipre Slyva
- [Click here](#) for the Group CEO, NNPC Ltd Mallam Mele K. Kyari

## 2022 OPTS INTERNATIONAL TAX CONFERENCE

Good news!

The OPTS International Tax Conference successfully held in London, United Kingdom from October 11 – 13, 2022 with the theme “Evolution of Taxation and Fiscal Policy in the Nigeria Oil & Gas Industry”. The conference held last in 2019 due to travel restriction imposed by COVID-19. The conference was attended by OPTS member companies from Nigeria, colleagues from offshore offices, top management of FIRS, tax consultants/economist(s) from Nigeria and the United Kingdom amongst others. Notably, for the first time in the history of the conference, the Executive Chairman of the FIRS attended the conference, and other FIRS executives also attended physically as was in the past. Annually, the conference provides a platform for exchange of ideas amongst participants and serves as a tool for effective interaction and advocacy with government representatives, where the attending parties can deliberate on salient matters within the industry. This year’s conference provided deep insight into the necessity of major fiscal and non-fiscal policy reforms in Nigeria and the effort government is making to actualize them. It further strengthened relationship



with FIRS; demonstrated by the participation of FIRS Executive Chairman (EC) and set the grounds for continuous engagements / advocacy with FIRS for alternative dispute resolutions. OPTS looks forward to reaping the benefits of the 2022 conference from the outcomes of the ongoing discussions with FIRS and other regulators. It was a mutually beneficial conference to all participants.



## CSR to Flood Victims



As part of her CSR initiative, the Oil Producers Trade Section (OPTS) provided relief material to victims in the flooded areas in the South-South geo-political zone of Nigeria. At OPTS, we are passionate about the wellbeing of the host communities within our operational areas. The items donated included medications, medical consumables and items for ensuring household hygiene. The beneficiaries included communities in Rivers, Bayelsa and Delta States. Below are some pictures from Warri and Yenagoa, where some of the items were handed over to the host communities:

## Security Subcom Annual Retreat - JOINT NDOGSAS/OPTS SECURITY MEETING HIGHLIGHTS

### General

- The new NDOGSAS Chairman reiterated the need to work as a team (not 'we' against 'them') and Minutes of Meeting with Action plans to be circulated within a week.
- Noticeable shift in criminality towards the Eastern flank of Niger Delta following improved security actions against oil theft and illicit refineries in Western Niger Delta
- Use of Gas as against burning crude at illicit refining

sites has masked the previously observed smoke on the skyline and such illicit activities are more discrete to detect as a result.

- Multiple reports on production loss from different perspectives need to be harmonized for better appreciation of the challenges facing the country and the critical oil/gas sector.

#### **Government Security Agencies (GSA)**

- Unprecedented GSA actions against illicit activities in the Niger Delta in the last 6 months have resulted in the reactivation of TNP/TRP, however need to sustain/improve on the gains.
- There are evidences of illegal crude trucking to the North to feed illicit refineries as all attention is focused on Niger Delta and some of the raw crude are used directly for industrial activities in the North.
- Local criminals are noted for reactivating closed/abandoned wells for oil theft through technical competencies of previous/ legitimate experience gained on the Industry projects over the years.
- New deployment of Navy personnel to loading/lifting terminals should not impact approval processes for barge/tanker clearance, disrupt supply chain and/or incur demurrages.
- Adequate daytime surveillance/responses by GSA but night detection/response capabilities must be improved as more illicit activities by criminals are done overnight
- GSA reiterates continuous issues with insufficient manpower and platforms due to competing challenges of insurgency/banditry and 2023 Election priorities
- Conflict resolution mechanisms via CIMIC activities and other non-Kinetic initiatives of the GSA to be decentralized for wider outreach and effectiveness in the Niger Delta region.
- Need to establish fully operational OPDS command and control center was reiterated for urgent implementation.

#### **Industry**

- Marginal operator need comprehensive Asset verification following their acquisition of divested wells in order to adequately secure any closed/ non-producing wells in their domain
- A new Investigative committee on crude theft led by retired Maj Gen Idiomu was set up by the Presidency and it extended meeting invitation to the industry on the topic.
- Industry to deepen collaborative supports to the GSA actions on crude theft/ vandalism in the Niger Delta region to facilitate access to required platforms/equipment e.g. Surveillance Drones, swamp buggy, etc.
- Industry to provide mapping of security hotspots/ challenging areas to prioritize for GSA actions in order to avoid undue exposure/ impacts as the 2023 Election duties (beckon) beacon.

#### **Inter-Agency Priorities**

- Need to facilitate NUPRC/OPDS early involvement in dispute resolutions on challenges between the industry/community Stakeholders on PIA implementations.
- OPDS Surveillance/ new NNPC Security coverage should be extended to cover/interface with critical



industry facilities in the SE not captured at the moment/ witnessing high prevalence of vandalisms/ ops disruptions.

- NUPRC to be contacted to improve lab tests of seized/recovered crude and provide urgent steer to discourage the current GSA practices of burning the products (to prevent further theft) which adversely impacts the environment. Recommendation of establishment of more labs to address turnaround time of results and proximity concerns
- Provide support to facilitate speeding (fast-tracking) trial of arrested suspects with the establishment of Special Court on Crude theft and also the NASS Passage of Proceeds of Crime Act.

#### **2023 Elections**

- Recent attack on some INEC offices and infrastructures are targeting BVAS, and PVCs to be used in election.
- About 16 INEC facilities have been attacked in Imo, Ebonyi, Anambra etc, need to shore up security protection around INEC Offices to safeguard the election.
- GSA will apply balancing act to provide required supports to election security while ensuring sustained protection for the critical oil/gas infrastructure. O&G companies may need to consider adjusting to critical operations only During Election period in the event of reduction in GSFs deployment to support elections activities

#### **Conclusion**

- Next NDOGSAS Meeting to be tentatively scheduled/managed by the secretariat toward End of January 2023.
- Meeting was adjourned and other retreats activities including bonding, nature walk, hang-outs, etc were undertaken during the period.

## **Profile Feature**

**Meet the Deepwater and Exploration Subcommittee lead.**

**1) Introduce yourself and tell us about your journey in OPTS.**

My name is Ildigwe Chris Ildigwe, a 1991 graduate of Geology, University of Nigeria Nsukka. Served in SPDC Port Harcourt Office (Exploration Dept) 1991-92 and worked briefly in the same department as a contract staff (Geologist/ Jnr Seismic Interpreter). Moved over from SPDC to Landmark as a System Geophysicist in 1995. Joined Nigeria Agip Exploration (the deep offshore arm of Eni Nigeria) in 1999 as senior Seismic Interpreter in Lagos, was transferred to Port Harcourt in

January 2001. Since joining Eni Nigeria, have moved around, was seconded to Eni head office in Milan several times between years 2000 to 2007, and went on cross posting to Eni Indonesia (Jakarta) from 2008 to 2010 and to Eni Head Office in Milan from 2010 to 2012. Returned to Port Harcourt Nigeria on the 1st of October 2012 as Nigerian Agip Oil Company Exploration Project Manager. Promoted to Deputy Divisional Manager Exploration Projects in 2018 and Acting GM Geosciences in December 2021. Since 2012 when I returned to Nigeria, I have been in charge of Eni Nigeria OPTS exploration Subcom, was selected OPTS Exploration Subcom Lead in January 2022.

**2) Introduce your Subcom and its importance in the industry**

Exploration Subcom is one of the most important Subcoms of OPTS and E&P industry in Nigeria. It represents the interest of Exploration department of oil Companies in Nigeria which is responsible for discovering and increasing Crude reserve for E/P companies that operate in Nigeria. Crude as we all know is an important commodity in Nigeria, 75% or more of Nigerian foreign earnings come from sale of crude.

**3) What has been most rewarding about your role?**

The most rewarding thing about my role as Exploration SubcomLead is being able to guide the subcom to achieving its set objectives such as collaborative ideas amongst the industry players; sharing ideas on how to find the next Big Cat (deep drilling), discussion on how to keep exploration activities relevant given the challenges oil industry face in the era of renewable energy and tackling pollution that emanate from production of hydrocarbon. I have also been working hard to close-up an important project started by my predecessors (Well Classification Project).

**4) What is most challenging about your role?**

The most challenging thing about my role is being able to accommodate the interest of all stakeholders in the industry and coming up with ideas that will mitigate the destructive tendencies that have hampered E/P activities in Nigeria, oil bunkering, pipeline breakages, general insecurity that has resulted in reduction in exploration activities especially in Niger Delta.

**5) Tell us about your major accomplishments as the Subcom lead**

My major accomplishments as the exploration Subcom Lead are; ability to bring our members together to discuss issues that affect us;





Reserve increase through exploration activities, participating in industry stakeholder engagements to finding solution to problems that militate against exploration activities in Nigeria.

**6) Share something about yourself that nobody in your Subcom knows about you**

What I want to share about myself that nobody knows in my subcom is that I come from a family of eight men and one woman, my parents had two sets of twin and I am the first set, was taken to the northern part of the country at age 6, speaks and understand Hausa fluently.

**7) How do you keep a healthy work/life balance?**

The way I keep a healthy life style is by eating healthy food and exercising; I go for a walk on Saturdays and Sundays and cover 12.5km each day, about 14.5k steps. I am also a lover of football and a news addict, I support a team in English league, Italian league, and Spanish league and watch their matches whenever any of them play.

**8) What is your philosophy on life?**

I believe that life is a stage and we will all pass through and leave., therefore, wherever we find ourselves, we should put in our best and relate well with our neighbors, I am optimistic about life and do not believe in failures.

## New Secretariat Staff To OPTS



**Kevin Dada** joined OPTS from SEPLAT Energy where he has worked for 7 years now. He commenced working with the OPTS Executive Secretariat on the 1st of August 2022 as new Technical Analyst. He will be with OPTS for 3 years. The OPTS Secretariat would like to welcome Kevin warmly and wish him a wonderful experience with us.



***OPTS***

---

Copyright © 2022 Oil Producers Trade Section

Designed by [SoftWorks Limited](#)

Want to change how you receive these emails?  
You can [update your preferences](#) or [unsubscribe](#) from this list.