



GOODWILL MESSAGE BY THE COMMISSION CHIEF EXECUTIVE

ENGR. GBENGA KOMOLAFE, FNSE

AT THE PRESIDENTIAL UNVEILING OF THE NEW NNPC LIMITED

AT THE PRESIDENTIAL CONFERENCE ROOM, ABUJA

19TH JULY 2022

Protocols

It is my pleasure and indeed an honour to give a goodwill message at this historic unveiling of the new NNPC Limited. This event is another milestone in the implementation of the Petroleum Industry Act (PIA), 2021, therefore quite significant to the development of the Nigerian oil and gas industry. NNPC Limited, as prescribed by the Act, is set to be a commercially oriented and profit-driven national petroleum company, which will further promote transparency, accountability, operational efficiency, and optimum federation revenue.

2. Distinguished Ladies and Gentlemen, permit me to firstly pay due tribute to the President of the Federal Republic of Nigeria, President Muhammadu Buhari, GCFR and the ninth (9th) National Assembly for the enactment of the Petroleum Industry Act (PIA), 2021,

which has laid a solid foundation for the ongoing transformation of the petroleum industry in Nigeria.

3. Statutorily, NNPC Limited as suppliers of last resort is vested with powers to carry out petroleum operations on a commercial basis across all the streams involving petroleum exploration and production, petroleum products refining, supply and distribution, engage in the business of renewables and other energy investments, promote the domestic use of natural gas through development and operation of large-scale gas utilisation industries; and engage in activities that ensure national energy security in an efficient manner, in the overall National interest.

4. Remarkably, today's event marks a huge transformation in the activities of the National Oil Corporation to a more result-oriented commercial enterprise. We are optimistic that the NNPC Limited is

set to achieve the lofty goal of optimum productivity and international presence like other national oil companies (NOC), such as Saudi Aramco, Abu Dhabi National Oil Company, Petronas, Petrobras, etc. Official records indicate that Saudi Aramco operates in more than fifty (50) countries and produces over 10 million barrels of oil per day in Saudi Arabia alone. Petronas also has its presence in more than thirty (30) countries and produces about 2.27 million barrels per day from its global assets. In the nearest future, we believe that NNPC Limited will also have its footprints in other countries.

5. Your Excellencies, Ladies and Gentlemen, the Nigerian Upstream Petroleum Regulatory Commission is not oblivious of the threat posed to the development of the Nigerian hydrocarbon industry by divestments of the international oil companies (IOCs). From 2010 to date, more than 23 assets have been divested. The

current drive for divestment by the IOCs is largely attributable to the challenges in the upstream petroleum environment arising from crude oil theft and energy transition.

6. Our view as a Commission is that NNPC Limited as the largest capitalized commercial operator in the Nigerian oil and gas industry, along with other indigenous operators are now fully positioned to bridge the gap being created by the IOC divestments. This will enhance the development of Nigeria's hydrocarbon resources to ensure economic growth and energy security for Nigerians.

7. Furthermore, available statistics from the World Bank and the African Development Bank suggest that oil and gas contribute only about 7.5% to 8% of Nigeria's GDP. NNPC Limited can change this narrative by engaging in operations that will directly stimulate the

local economy and increase the oil and gas industry's contribution to our GDP. This can be achieved by boosting the company's presence across the full spectrum of Nigeria's oil and gas value chain, especially the downstream and midstream sectors. Nevertheless, such an expansion must be strategic to ensure efficiency and profitability.

8. In line with our national commitment to the net-zero carbon emission target, the NNPC Limited is expected to channel more resources towards natural gas exploitation and utilization. Therefore, as a reformed commercial enterprise, the NNPC Limited should leverage the opportunity being presented by the divestments, to make the necessary investments for gas pipeline infrastructure, gas processing facilities, and fulfilling domestic gas delivery obligations to strategic sectors of the economy.

9. As a regulator, the Commission has been working diligently in developing necessary regulations aimed at giving meaning to the intent and letters of the PIA, 2021 comprising of: Nigeria Upstream Host Communities Development Regulations, Nigeria Upstream Fees and Rents Regulations, Nigeria Royalty Regulations, Conversion and Renewal Regulations, Domestic Gas Delivery Obligations Regulations and Licensing Round Regulations to provide enabling environment and level playing ground for all industry players.

10. On behalf of the Board, Management, and staff of the Commission, I join other industry stakeholders to celebrate this unveiling marking a new beginning of the NNPC Limited.

Thank you.