

Nigerian Gas Flare Commercialisation Programme 2022

Notice of Relaunch

September 2022

www.ngfcp.nuprc.gov.ng

NOTICE OF RELAUNCH OF THE NIGERIAN GAS FLARE COMMERCIALISATION PROGRAMME (NGFCP 2022)

SYNOPSIS

Nigerian Upstream Petroleum Regulatory Commission (“The Commission”) has relaunched the Nigerian Gas Flare Commercialisation Programme (“NGFCP 2022”) to drive Nigeria’s commitment to end routine gas flaring and support the imperatives of the Nigeria Energy Transition Plan. The NGFCP 2022 has been *restructured* to reflect current industry gas flaring situation, prevailing operational realities, and the inherent changes in the socio-economic landscape due to the passage of time since the NGFCP was designed and implemented by the Ministry of Petroleum Resources (MPR) and the defunct Department of Petroleum Resources (DPR).

The Petroleum Industry Act 2021 (PIA) and its enhanced legal and regulatory enablers have addressed the bottlenecks that hitherto impeded the expeditious implementation of the Programme. The NGFCP 2022 is therefore poised to deliver end-to-end value from flare gas commercialisation to both existing and new participants.

In consideration of Section 105 (2) of the PIA and similar provisions enabling the Commission in that respect, the Commission hereby invites existing applicants to validate their status and for new investors to register to participate in the NGFCP 2022 through the Programme Portal - www.ngfcp.nuprc.gov.ng.

THE NGFCP 2022

The Federal Government of Nigeria maintains a long-standing policy against gas flaring due to its deleterious impact on host communities, the effect on global climate change, and the resource waste and value erosion the unwholesome practice represents. To this end, the Federal Government pledged its commitment to Net Zero carbon emissions by 2060 at COP26, passed the Climate Change Act, and recently launched the Nigeria's Energy Transition Plan, all of which reinforce the need for the oil and gas industry to spearhead FGN's mandate to reduce carbon emissions.

Furthermore, the enactment of the Petroleum Industry Act, 2021 and the emergence of NUPRC as the upstream technical and commercial regulator are among significant industry reforms of the sector. Accordingly, the NUPRC has streamlined the NGFCP to drive the flare auction and award process to successful conclusion in record time via an accelerated delivery schedule. The renewed Programme will guarantee opportunities for existing applicants while expanding participation to new investors. Harnessing natural gas destined for flaring will not only reduce carbon emissions but will stimulate economic growth by driving investments and creating jobs.

Consequently, NGFCP 2022 is a new expression of the Programme redesigned to adapt to changes in the industry and market with a renewed focus to implement Government's policy objectives for flare elimination and gas-based industrial economy in Nigeria.

NGFCP 2022 is implementing the programme through a streamlined, transparent, and competitive bid approach leveraging institutional

experiences and lesson learnt as well as collaboration with Operators and partner development agencies.

WHO MAY PARTICIPATE

Any competent investor (indigenous or international) with proven technical and commercial capacity to convert flare gas for useful purposes are encouraged to participate. Such investor would be required to demonstrate requisite experience in project development, access to proven technology in commercial application and understanding of the market. The following categories of suitably qualified investors should participate:

Existing Applicants

Entities who were previously pre-qualified and submitted bids during the 2020 bid process are encouraged to visit the Portal to validate their status and progress to the next stage of the Programme.

Kindly note that entities who previously met pre-qualification requirements *and* submitted bids may remain prequalified and will be exempted from payment of associated fees with respect to the pre-qualification stage only.

New Participants

All new investors, including those who participated previously but did not progress to bid submission, are also encouraged to register their interest on the Portal.

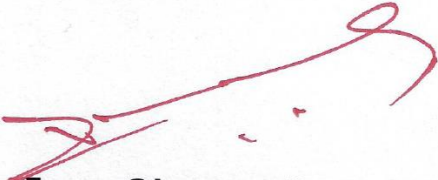
Investors are invited to note that despite the hiatus, this first-of-its-kind auction remains a unique opportunity for domestic and international players to participate in the world's largest market-driven flare gas commercialisation programme.

Successful bidders will be granted title to the flare gas through gas sales agreement to be entered into with the Commission on behalf of the FGN. Significant volumes of flare gas distributed across the areas of operations in both clustered and single site configuration are available through this auction round.

Interested entities are therefore invited to renew/validate/register their interest through the NGFCP 2022 portal (www.ngfcp.nuprc.gov.ng) by following the requirements for status verification and Statement of Qualification (SOQ) submission for existing applicants and new participants respectively.

TIMELINE

- Status Validation/Registration of Interest/RFQ: 30th September - 28th October 2022
- SOQ Evaluation/Notification of Qualified Applicants: 31st October - 4th November 2022
- Request for Proposal (RFP) stage: 7th November – 18th December 2022
- RFP Evaluation: 19th December - 23rd December, 2022
- Announcement of Preferred Bidders: 28th December 2022
- Award Ceremony: 30th December 2022



Engr. Gbenga Komolafe, FNSE
Commission Chief Executive