



THE CONDUIT

MONTHLY UPDATES ON NIGERIA'S PETROLEUM, MINING AND POWER SECTORS

FEBRUARY 2025



NUPRC DIRECTS CRUDE OIL PRODUCERS TO SUPPLY TO LOCAL REFINERIES OR RISK LOSING EXPORT PERMIT

The Nigerian Upstream Petroleum Regulatory Commission has issued a directive mandating crude oil producers to comply with the domestic crude oil supply obligations mandated by the Petroleum Industry Act, 2021. Crude oil producers run the risk of a denial of export permits for crude oil cargoes if they fail to comply with domestic crude oil supply quotas.

NNPC LIMITED/FIRST E&P JOINT VENTURE ACHIEVES 96% IN ROUTINE GAS FLARING

The NNPC Limited and First E&P Joint Venture announced a 96% reduction in routine flaring of associated gas from its OML 83 and 85 assets.

FEDERAL HIGH COURT OF NIGERIA AFFIRMS HALKIN E&P LIMITED AS LEGAL OWNER AND OPERATOR OF ATALA MARGINAL FIELD

The Federal High Court of Nigeria delivered an important judgment in favour of Halkin Exploration and Production Limited. The court affirmed the company as the legal owner and operator of the Atala marginal oil field despite a challenge by Bayelsa Oil Company Limited – the initial awardee of OML 46, which covered the Atala marginal oil field.

The lease was revoked by the Federal Government because Bayelsa Oil Company Limited was unable to bring the field into production. Subsequently, the Atala marginal oil field was awarded to Halkin during the 2020 marginal field bid round and the award has now been affirmed by the Federal High Court.

NMDPRA TO BAN 60,000 LITRE FUEL TANKERS ON NIGERIAN ROADS

The Nigerian Midstream Downstream Petroleum Regulatory Authority (NMDPRA) announced a ban on 60,000-litre capacity fuel tankers from operating on Nigerian roads, effective 1st March 2025, to curtail trucks and transit incidents. The NMDPRA's Executive Director of Distribution Systems, Storage, and Retailing Infrastructure disclosed that by Q4 of 2025, no truck with over 45,000 litres in capacity will be allowed to transport petroleum products on Nigerian roads.

AFRICA ENERGY BANK SET TO LAUNCH FIRST QUARTER OF 2025

The Minister of State for Petroleum (Oil) has announced that the Africa Energy Bank, a joint initiative between Afreximbank and the African Petroleum Producers Organization, will commence operations by the end of the first quarter of 2025. The bank is expected to be headquartered in Abuja with a focus on financing oil and gas projects within the continent and supporting Africa's energy transition. He further stated that the bank will commence operations with about \$5 billion in equity from member countries and Afrieximbank and that the Afrieximbank plans to cede its oil and gas portfolio to the Africa Energy Bank.

FEDERAL GOVERNMENT AND NASARAWA STATE TO CONTINUE COLLABORATION TO UNLOCK LITHIUM POTENTIAL

Following In furtherance of the efforts by the Ministry of Solid Minerals Development and the Government of Nasarawa State to unlock the massive lithium potential of the state, a meeting was held between the Minister of Solid Minerals Development and the Governor of Nasarawa State.

During the meeting the Minister recognized Nasarawa State as the epicentre of mining in Nigeria and noted that the state has been a formidable partner in harnessing its vast minerals' potential for national development. In light of the foregoing, the Minister acknowledged the need for continued collaboration between the Ministry of Solid Minerals Development and the Government of Nasarawa State to increase mining activities in the state.

PLATEAU STATE SUSPENDS MINING ACTIVITIES TO CURB ILLEGAL MINING

The Governor of Plateau State has by an executive order suspended the exploration and extraction of minerals within the state and has also constituted a technical committee to review mining licences in the state. The Governor has alleged that the suspension is due to concerns about increasing insecurity within the state as a result of illegal mining in affected areas and the continued involvement of foreign nationals in illegal mining within the state.

Earlier in the month, the Permanent Secretary of the State Ministry of Environmental, Climate Change and Mineral Development disclosed, in an interview with the News Agency of Nigeria, that the Nigerian Police Force in collaboration with the Plateau State Government has arrested at least 100 illegal miners. He also stated that the state government is actively taking measures to promote sustainable mining practices within the state.

SOKOTO CONFRONTS ILLEGAL MINING

The Sokoto State Government has issued a stern warning to individuals and entities engaging in illegal mining activities within the state, that the state will not tolerate illegal mining acts. The warning was announced after a company was discovered to have commenced mining operations without obtaining the requisite mineral title from the Mining Cadastre Office.

MINISTER FOR SOLID MINERALS DEVELOPMENT SECURES STUDY FACILITY FOR CRITICAL MINERALS VALUE CHAIN

The Minister for Solid Minerals Development announced on his official X handle that he has secured a study facility to be funded by the Global Council for Critical Minerals for the development of a roadmap for Nigeria's critical value chain. The Global Council for Critical Minerals is a specialised body of Sustainable Energy for All, a United Nations agency focused on implementing the Agenda for sustainable development. The Minister stated that the funding was secured during the recently concluded Mining Indaba Conference, which held in Cape Town, South Africa.

NERC ISSUES REGULATIONS ON THE PROCEDURE FOR TARIFF REVIEWS IN NESI 2024

The Nigerian Electricity Regulatory Commission (NERC) has issued new regulations to regulate the procedure for electricity tariff review in the Nigerian Electricity Supply Industry (NESI). The objective of the regulations is to eradicate the possibility of arbitrary increases in electricity tariffs by providing detailed procedures for conducting electricity tariff reviews in line with the Electricity Act, 2023 (as amended) and the Multi Year Tariff Order (MYTO) Methodology.

NERC RELEASES NEW ORDER TO IMPOSE HEAVIER PENALTIES FOR METER TAMPERING

NERC has amended the Order on Unauthorised Access, Meter Tampering, and Bypass (Order No. NERC/REG/41/2017), and imposed heavier fines for meter tampering, unauthorised access, and bypass. The revised order (Order No. NERC/2024/148) took effect on January 22, 2025 and is in tandem with the provisions of the Electricity Act, 2023 (as amended) and the Customer Protection Regulations, 2023, which prescribes how distribution companies may disconnect unauthorised connections from the distribution network.

LAUNCH OF THE GET.INVEST NIGERIA COUNTRY WINDOW

GET.Invest, a European programme that mobilises investment in renewable energy in developing countries, has launched the GET.Invest Nigeria Country Window (Get.Invest Nigeria) with funding from the European Union and Germany. This initiative is part of ongoing efforts to tackle Nigeria's electricity access challenges, particularly in rural areas.

GET.Invest Nigeria aims to catalyse investments in renewable energy solutions by unlocking financing for sustainable energy projects and businesses, with a focus on the Nigerian context. The initiative will be implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and will cooperate closely with other donor-funded programmes such as the Nigerian Energy Support Programme (NESP).

FEDERAL GOVERNMENT UNVEILS 990KWP MINI-GRID IN NIGER STATE

The Federal Government of Nigeria through the Rural Electrification Agency has unveiled a 990KW interconnected mini-grid project in Lambata, a community located in Gurara LGA, Niger State. The project, which is expected to serve 3,900 households and businesses across Niger State communities, is the second of its type under the Interconnected Mini-Grid Accelerated Scheme (IMAS) – an initiative that is backed by about €9.3 million in funding from the European Union and the German government through the NESP.

NIGERIA DEEPENS ITS BILATERAL ENERGY COOPERATION WITH JAPAN

Nigeria and Japan are seeking to advance their bilateral energy collaboration following a visit to Japan by the Nigerian Minister of Power. According to a statement from the Director of Promotion and Outreach at the Rural Electrification Agency (REA), the visit served as a platform for discussions by Nigeria with Japanese policymakers, industry specialists, and energy stakeholders. Key areas of focus included strengthening Nigeria's power infrastructure, enhancing grid stability, and exploring cutting-edge energy solutions.

POWER AND RENEWABLES

NIGERIA PARTNERS WITH LONGI GREEN ENERGY TECHNOLOGY COMPANY LIMITED TO SIGN A €7.6 BILLION GREEN HYDROGEN ENERGY DEAL

The Federal Government of Nigeria, APPL Hydrogen Limited, and a Chinese firm, LONGi Green Energy Technology Company Limited executed a Memorandum of Understanding in respect of a €7.6 billion green hydrogen project to be located within the Liberty Free Trade Zone (LFTZ) at Atabrikang, Akwa Ibom State. The project when concluded, will represent a significant step in Nigeria's journey towards a sustainable energy future.

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