



NGFCP 2022

Harnessing Nigeria's Flare
Gas For Sustainable Value
& Wealth Creation

Nigerian Upstream
Petroleum Regulatory
Commission



PRE-BIDDERS AND INVESTORS CONFERENCE

17TH OCTOBER 2022

NIGERIAN GAS FLARE
COMMERCIALISATION PROGRAMME
(NGFCP 2022)

OVERVIEW OF FLARE GAS COMMERCIALISATION PROGRAMME ARCHITECTURE



OUTLINE



01

NGFCP 2022
Background

02

NGFCP
Fundamentals

03

Programme Configuration

04

Value Propositions

05

Conclusions



BACKGROUND

Gas flaring in the Nigerian Oil & Gas Industry comes with significant deleterious impacts

Culprits include - host communities, climate change and Govt. revenues - as major resource waste

“Carrot & Stick” approach - Earlier attempts to reduce or eliminate gas flaring in Nigeria .

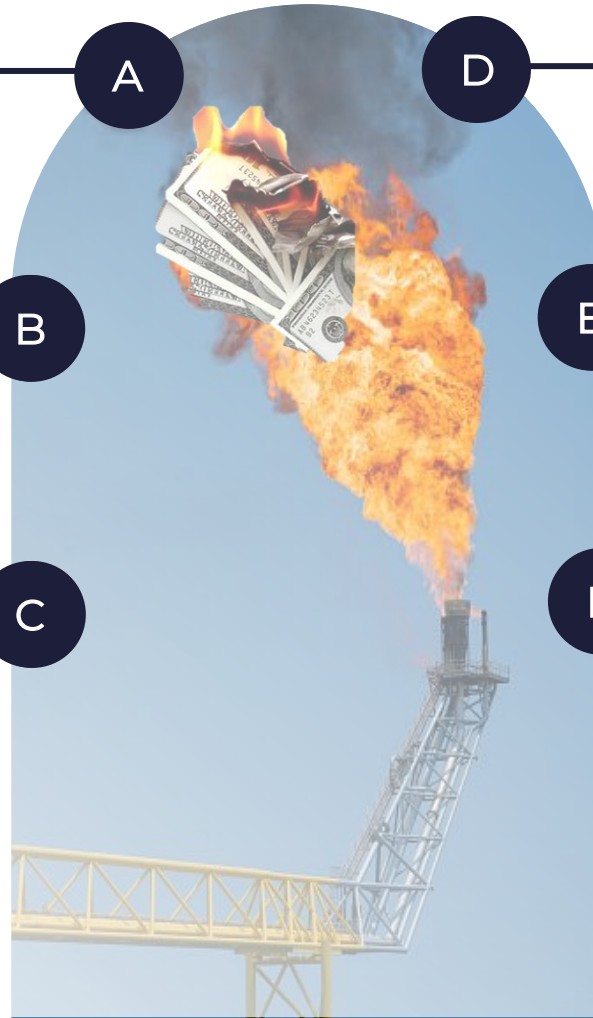
Associated Gas Re-injection Act 1979; and Regulations & Amendments

- Flare penalty of 2 kobo per Mscf, 50 kobo/Mscf (1988) and N10/ Mscf (1992).

the Associated Gas Framework Agreement (AGFA) 1991; codified the PPTA

1997 - Year 2008
Flare-out Directive

Domestic Gas Supply Obligation 2008



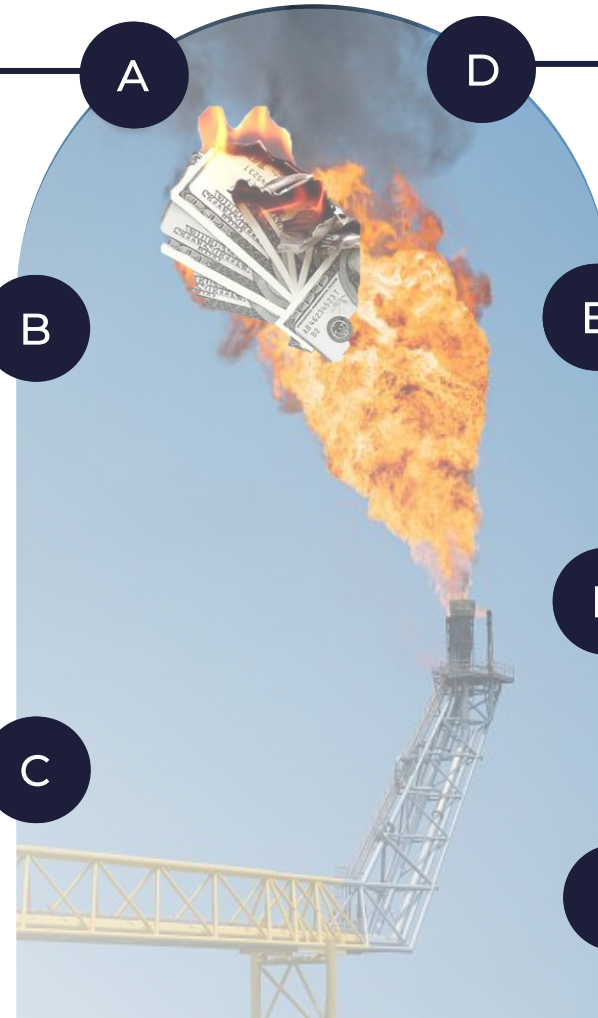


THE BIRTH OF NGFCP 2022

2016 - Birth of a new approach
- the Nigeria Gas Flare
Commercialisation Programme
(NGFCP).

Powered by Flare Gas
(Prevention of Waste &
Pollution) Regulations 2018
& midwived by MPR and the
defunct DPR

Culminated into a bid
process that received local
and international attention



Covid 19, PIA 2021, Flare situations
changed – era of NEW operational
realities – expediency for optimised
re-structure of the programme

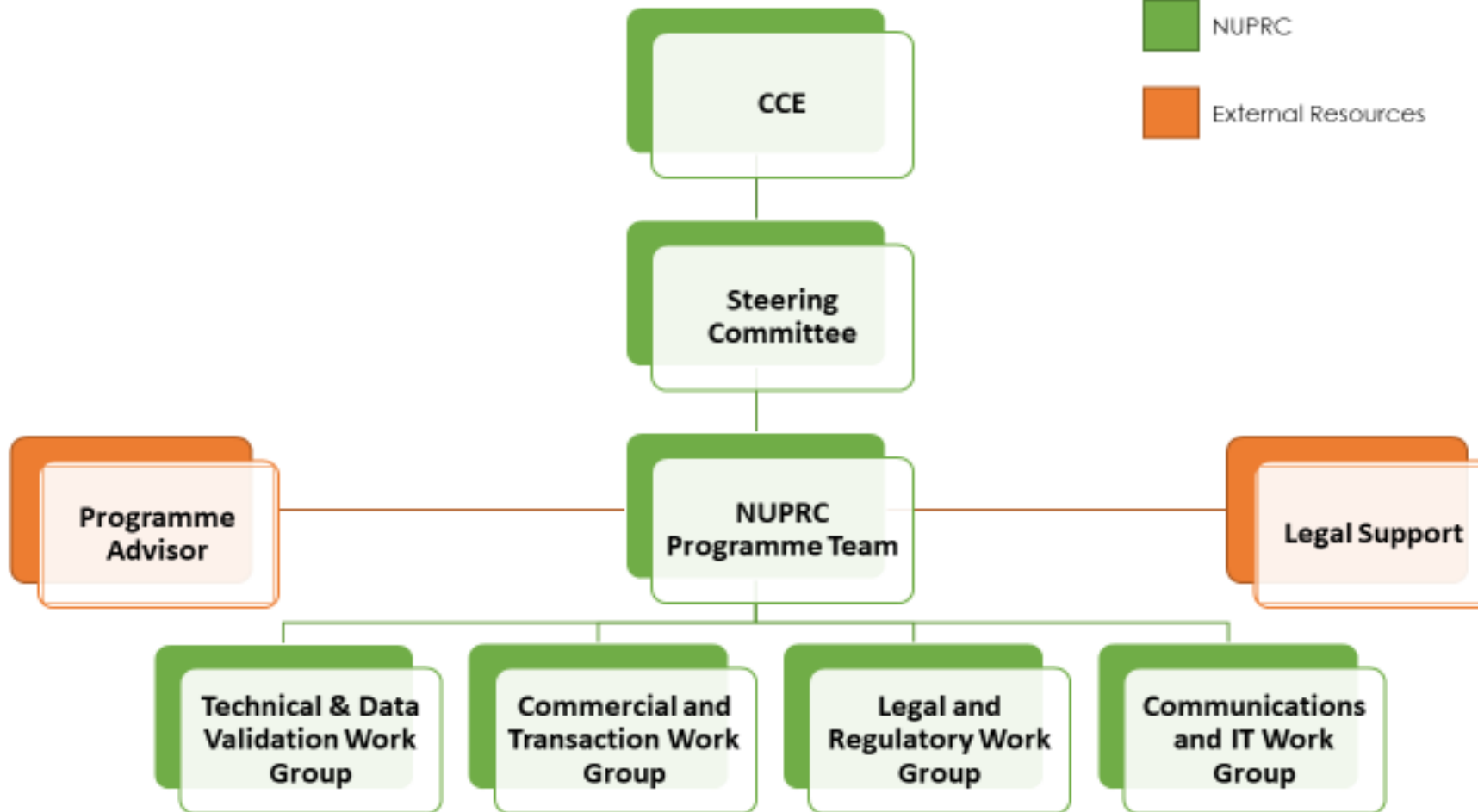
Commission Chief Executive
constituted a team to restructure
the NGFCP – Aug. 2022

Renewed mandate to achieve the core
objectives of flare gas monetisation in
Nigeria, in an accelerated timeline &
end-to-end value creation for investors
& Government

Expanded opportunities for
existing bidders, Extending equal
value to new participants



GOVERNANCE FRAMEWORK



NGFCP FUNDAMENTALS



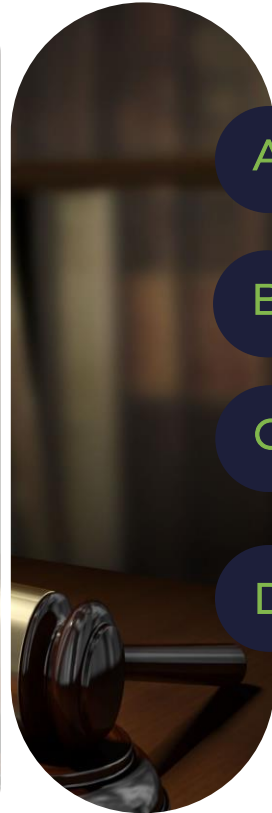
NIGERIAN UPSTREAM
PETROLEUM REGULATORY
COMMISSION

- Eliminate routine gas flaring in the country - Government commits to cleaner environment.
- Monetise flare gas resources for optimal Government revenue
- Deepen in-country value addition through indigenous participation in the sector, in line with the provisions of the PIA.
- Support the achievement of the National Determined Contributions (NDC) towards the Paris agreement (COP 26).
- Attract Foreign Direct Investments (FDIs) in the Nigerian Oil and Gas industry.
- Create gas-based industrialisation for enhanced socio-economic benefits in and around host communities in the Niger Delta.

NGFCP URL : <https://ngfcp.nuprc.gov.ng>



LEGAL AND REGULATORY FRAMEWORK



A

Petroleum Industry Act, 2021

B

Petroleum Act 1969

C

Flare Gas (Prevention of Waste of & Pollution)
Regulations

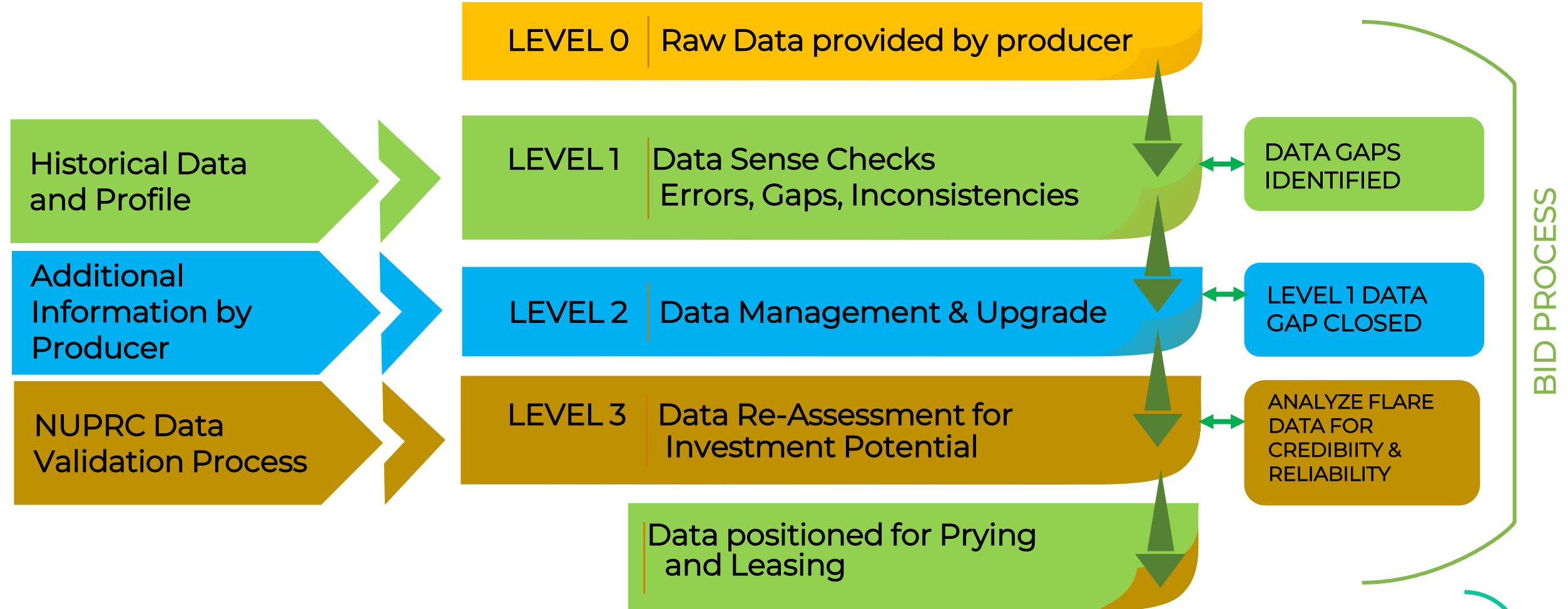
D

Applicable Guidelines issued by the
Commission

NGFCP URL : <https://ngfcp.nuprc.gov.ng>



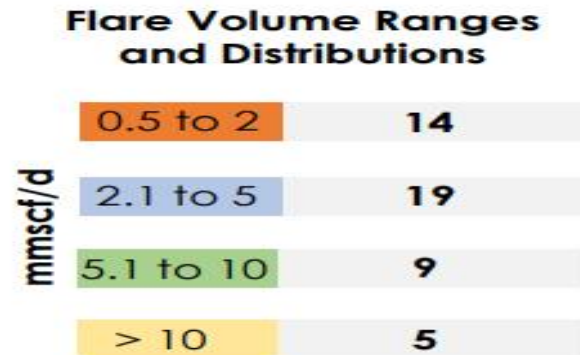
FLARE DATA VALIDATION PROCESS



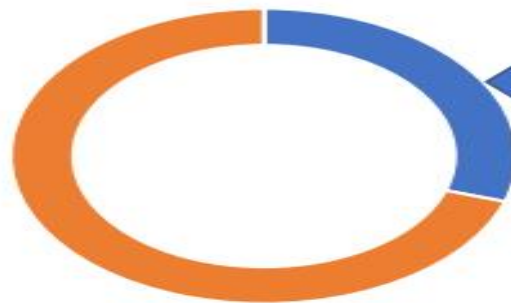
FLARE SITES ON OFFER

NGFCP 2022

Flare Site Data Disposition



DISTRIBUTION BY TERRAIN



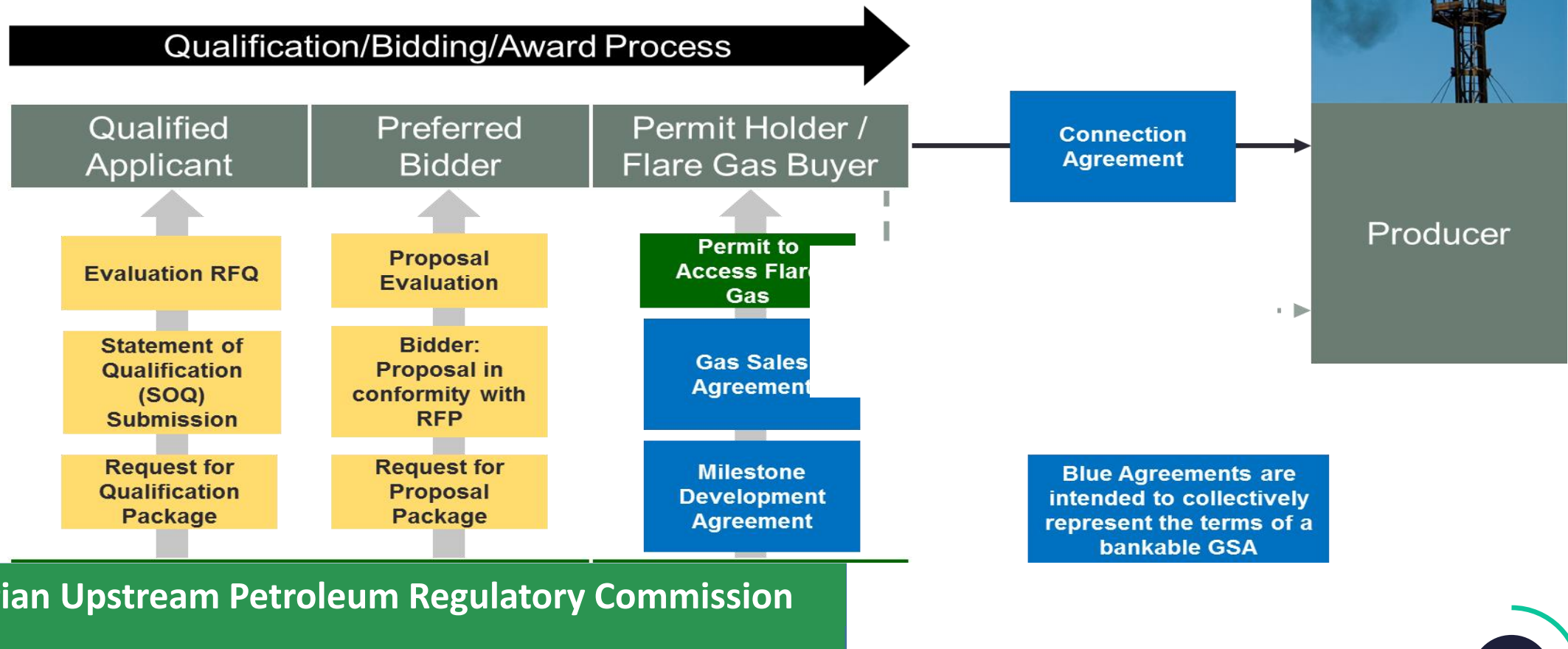
- NGFCP Intervention
- Other Regulatory Interventions

About 30% of existing flares (250mmscf/d) is available to be mopped up in this NGFCP bid process

47 Flare sites available for bidding



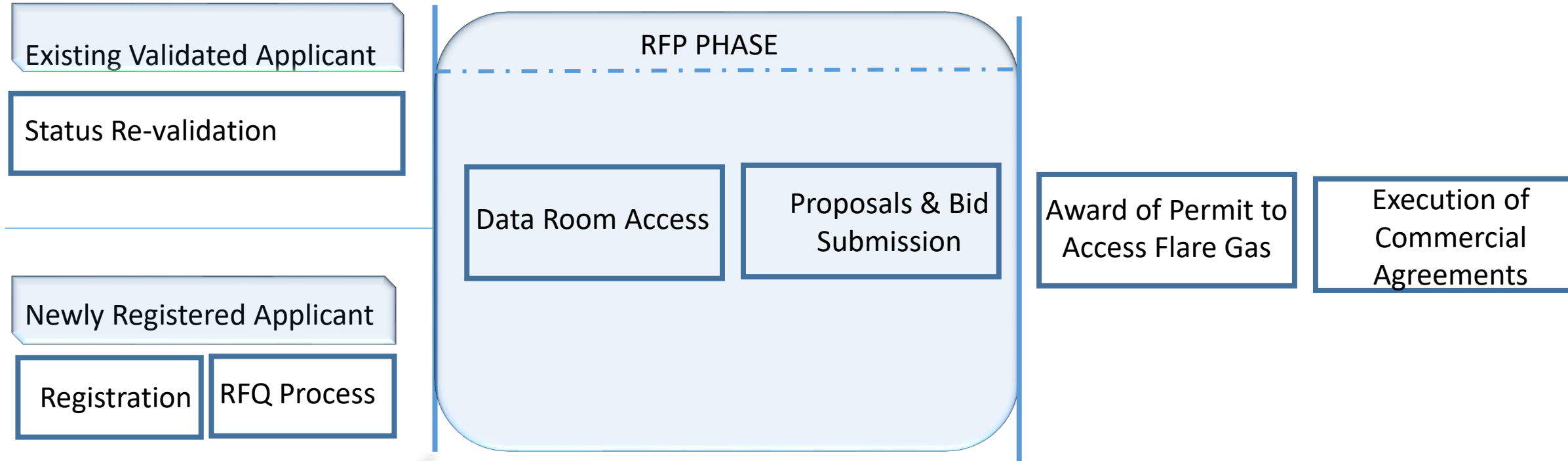
QUALIFICATION, BIDDING AND AWARD STRUCTURE





QUALIFICATION, BIDDING AND AWARD STRUCTURE

2- Pathways





FLARE AUCTION STRATEGY FUNDAMENTALS

- Preference for Flare Site Clustering
- Flexibility for Stand-alone flare sites on their merit
- Others justified by technical, economic and commercial considerations

KEY INPUTS TO ADOPTED STRATEGY

- Analysis of the current flare profile of the Oil & Gas producing areas
- Lessons learnt from previous initiatives
- Leverage from benefit of economies of scale & project viability
- Consideration of inherent challenges of security of supply



TECHNOLOGIES AND EQUIPMENT

The NGFCP 2022 seeks small/mid-scale modular technologies

-Unique features includes ease of deployment, scalability, mobility, and off-the- shelf availability including:

- Mini/mid-scale LNG,
- Modular LPG facility,
- modular methanol/ammonia plant,
- Gas-to-liquids facility,
- Virtual pipeline solutions.

The proposed solution(s) must cater for the full stream of the flare gas composition

VALUE PROPOSITION

The Flare gas commercialisation programme offers :

- A Access to flare gas for monetisation/commercialisation purpose
- B Flare gas pricing based on winning bids offer
- C Potential opportunity to earn or share carbon reduction benefits or credit for flare gas capture
- D Access to establish and expand footprint in the Nigerian Oil & Gas , Sector;
- E Contribute to Global climate change abatement via carbon/methane emission reduction in the O&G industry

CONCLUSION

- A** The Commission is executing this Programme in an expeditious manner
- B** Bid process and award to deserving winners expected to be concluded in the 4th Quarter of 2022.
- C** Grab this rare opportunity to contribute to amelioration of global climate challenge

“Tick-tock says the Clock”





**THANK
YOU**