

OIL & GAS

NEWS BRIEFING

Nigerian petroleum reforms to be signed into law

Nigeria's long-awaited Petroleum Industry Governance Bill (PIGB) will be signed into law by President Muhammadu Buhari towards the end of March, Nigerian legislators say.

The OPEC nation is Africa's largest oil producer. In recent years, Angola has been vying to take the top spot, but the alleviation of domestic strife in the Niger Delta has restored stability in Abuja's oil revenues.

The PIGB is the first part of a larger industry legal framework overhaul called the Petroleum Industry Bill (PIB) that needs to pass through the country's legislature.

"Hopefully, by the end of the month, the National Assembly will transmit it to the president for assent," said senator Tayo Alasoadura, who heads the upper house's committee on upstream petroleum issues.

The PIGB will create four new bureaus that will oversee bidding rounds, award exploration licenses, and make recommendations to the oil minister regarding developments in the hydrocarbon sector.

"The PIGB, as passed yesterday, is the same as passed by the senate. We have harmonised everything and formed the National Assembly Joint Committee on PIB," Alhassan Ado Doguwa, a key PIB lawmaker in the House of Representatives, told reporters in January, announcing a previous step forward in the reform process.

"Every consideration of the bills is now under the joint committee. We have broken the jinx after 17 years."

Nigeria is due for presidential and national assembly elections in February 2019, making 2018 critical for incumbent President Buhari, who has led the country through three years of rough oil markets and recovered crude output after months of attacks from Niger Delta militants. If Buhari signs the completed bill, it would complement his push to rid his nation's oil business of corruptive forces.

BP To Sell Oil fields in Egypt

British Petroleum (BP) has begun to sell off its mature oil fields in Egypt to shift its focus to developing the country's large natural gas reserves, according to a new report by Bloomberg.

The Gulf of Suez assets have been available to purchase for a few months, it has now been disclosed, and British Petroleum is hoping to raise roughly \$1 billion from a deal, sources close to the matter said.

BP has an overall goal to sell between \$2b and \$3b in assets this year, which is a less ambitious liquidation goal than last year when it sold \$4.3b in properties, leases, and projects. The company has been on the road to recovery since the oil spill in the Gulf of Mexico in 2010.

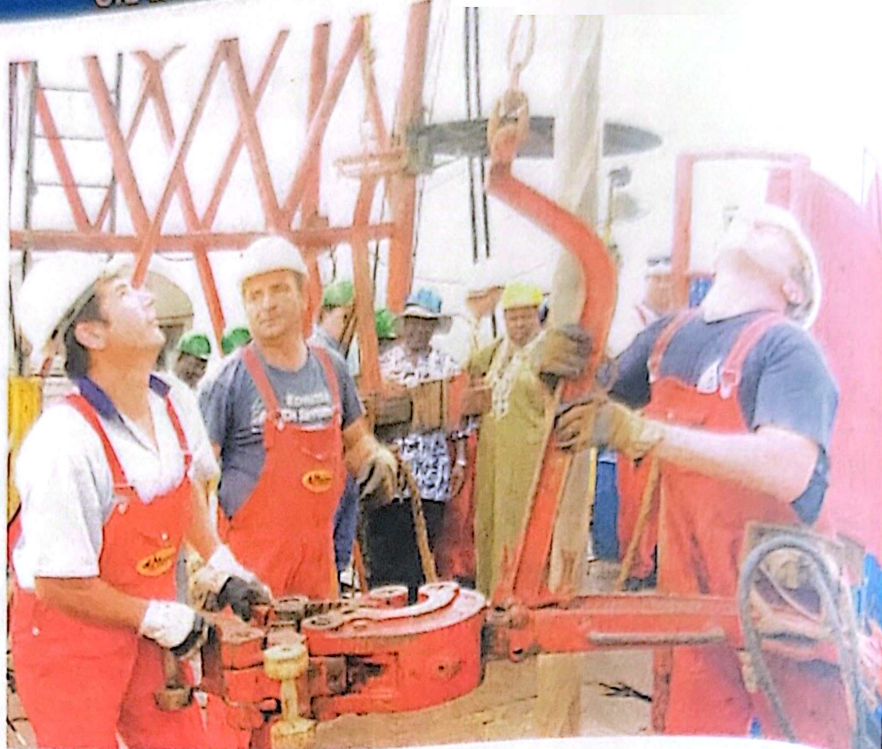
Last year, BP CEO Bob Dudley said he saw 2017 as a recovery year after a period of crisis that devastated the company's bottom line, according to a report by *The Financial Times*.

"This year has felt like a turning point. We are never going to feel complacent," Dudley said.

BP brought a total of seven oil and gas production projects online in 2017, almost breaking the company's record for maximum inaugurations in a year. The multinational oil major is also trying to increase the share of its gas production as part of its effort to become friendlier to the environment, while still producing fuels that will power civilisation.

oilprice.com

Petroleum drillers at an exploration area near Lake Albert in Hoima district. UNOC is evaluating companies that have expressed interest in buying the 45,211 barrels of test crude oil in the Albertine Graben



Uganda not planning to export crude oil via Kenya

By Pascal Kwesiga

The Uganda National Oil Company (UNOC) is evaluating companies that have

expressed interest in buying the 45,211 barrels of test crude in the Albertine Graben.

In January, UNOC announced intentions to dispose of the test crude stored in Exploration Areas 1 and 2 and called for bids from firms/individuals interested in purchasing it.

"We plan to dispose of a total of 45,211 barrels of the waxy crude oil extracted from well testing activities during the appraisal period," UNOC announced.

The national oil company indicated that it had since received bids from a number of companies, but did not divulge details about the firms and whether they are local or foreign enterprises.

In a statement issued recently (March 14), UNOC stated that interested companies had submitted bids by March 9 before evaluation activity commenced on March 12. The evaluation is expected to end on March 23. The display and communication

45,211 barrels
The amount of waxy crude oil extracted from well testing activities during UNOC's appraisal period

expected to take place between March 26 and April 9.

"It is expected that the contract award will be on April 27. The plan is to sell the test crude oil "as is where is" basis. Whoever purchases it will transport it

of their plant/industry," the company stated.

Inaccuracies

The Kenyan Business Daily published a story last week suggesting that Ugandan had made a turnabout and decided to export what it called "early crude" through Kenya. It suggested that Uganda had abandoned the Tanzanian crude oil export route for the Kenyan one.

The UNOC corporate affairs officer, Ibrahim Kasita, said the article contained grave inaccuracies, and that it misrepresented the facts.

"The issue of logistics and transport of the test crude oil from the Albertine Graben would be the business of the successful bidder. The Government will not be involved in transporting that test crude oil," he stated.

UNOC explained that the route through which the test crude would be moved would be determined by the location of the buyer.

"Logistical issues will be handled by the buyer of the test crude oil from Hoima to their destinations via means of their choice, and through the port of their choice. UNOC has no

reported," it stated.

UNOC was established under the Petroleum (Exploration, Production and Development) Act, 2013, to handle Uganda's commercial interests in the oil and gas sector, and to ensure that the resource is exploited in a sustainable manner.

It is also supposed to investigate and propose new upstream, midstream and downstream ventures locally and internationally.

The company says it plans to start new upstream ventures and is reviewing data relating to prospects in the Albertine Graben.

Uganda and Tanzania are working with the joint venture partners - Total E & P, Cnooc and Tullow - in the petroleum sector to develop the 1445km East Africa Crude Oil Export Pipeline (EACOP) from Hoima to Tanga sea port on the Indian Ocean.

The foundation stones for the \$3.5b pipeline were laid last year in Uganda and Tanzania.

The Gulf Interstate Engineering, the US firm, which undertook the Front End Engineering Design for EACOP recently unveiled some of the opportunities that will be presented for what is expected