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HEIRS HOLDINGS SIGNIFICANTLY EXPANDS OIL AND GAS PORTFOLIO

by APO Group

Heirs Holdings ("HH") (www.HeirsHoldings.com), the leading African strategic investor, in partnership with affiliated company Transnational Corporation of Nigeria Plc ("Transcorp") (https://TranscorpNigeria.com), Nigeria's largest publicly listed conglomerate, announced today the unconditional acquisition of a 45% participating interest in Nigerian oil licence OML 17 and related assets, through TNOG Oil and Gas Limited (a related company of Heirs Holdings and Transcorp) (http://TNOG.HeirsHoldings.com), from the Shell Petroleum Development Company of Nigeria Limited, Total E&P Nigeria Limited and ENI. In addition, TNOG Oil and Gas Limited will have sole operatorship of the asset.

The transaction is one of the largest oil and gas financings in Africa in more than a decade, with a financing component of US\$1.1 billion, provided by a consortium of global and regional banks and investors. OML 17 has a current production capacity of 27,000 barrels of oil equivalent per day and, according to our estimates, 2P reserves of 1.2 billion barrels of oil equivalent, with an additional 1 billion barrels of oil equivalent resources of further exploration potential.

The investment demonstrates a further important advance in the execution of Heirs Holdings' integrated energy strategy and the Group's commitment to Africa's development, through long term investments that create economic prosperity and social wealth. Heirs Holdings' heritage and approach to business fundamentally underscores its commitment to inclusive development and shared prosperity with its host communities. Heirs Holdings is fully invested in the development of the Niger Delta region.

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NAVY ARRESTS 24 SUSPECTED OIL THIEVES IN ONDO

by Rasheed Sobowale

The Nigerian Navy, Forward Operating Base (FOB), Igbokoda, on Sunday, said no fewer than 24 suspected illegal oil thieves were arrested on the coastal waters in Ilaje Local Government Area (LGA) of Ondo State.

Navy Capt. Shuaibu Muhammed-Ahmed, the Commanding Officer, FOB, parading the suspects in Igbokoda, told newsmen that the men were apprehended on January 13 at 4.00 pm during the Navy personnel's routine patrol on Ondo-Lagos open sea channel.

Muhammed-Ahmed said that the arrest was in fulfilment of the navy's mandate to combat all forms of illegalities in the maritime environment.

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NIGERIA'S FORCADOS CRUDE EXPORTS ON FORCE MAJEURE DUE TO PIPELINE CLOSURE: SHELL

by Eklavya Gupte

Loadings of Nigeria's key export grade Forcados are on force majeure due to the shutdown of the Trans Forcados pipeline, terminal operator Shell said late Jan. 14.

The force majeure took effect from 1000 local time (0900 GMT) on Jan. 14, a Shell spokesperson said.

A representative at Heritage said the Trans Forcados pipeline had initially shut down for "maintenance services" but "community disturbances" had disrupted the exercise. The pipeline therefore remained shut for longer than scheduled, leading to Shell declaring force majeure, the source said.

Forcados is a gasoil-rich sweet crude blend and is one of Nigeria's top export grades. Output has averaged around 250,000 b/d over recent months.

Nigerian oil output has fallen sharply in the past six months as it has come under pressure to adhere to its OPEC+ cut obligations.

Some of the country's key grades have had faced outages.

Exports of Qua Iboe are also currently on force majeure due to production issues triggered by a fire at the Qua Iboe terminal in mid-December.

Exports of Brass River were on force majeure from late November to mid-December after a sabotage attack on an oil and gas pipeline.

Nigeria's crude and condensate production slumped to around 1.66 million b/d in 2020 from 2.04 million b/d in 2019, according to S&P Global Platts estimates.

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Oil rig on outer Marina waters in Lagos. PHOTO: FEMI ADEBESIN-KUTI

## SHIP INSURERS TO RAISE RATES AFTER RED SEA ATTACKS

by Ship & Ports

Insurers are set to raise the cost of providing cover for merchant ships through the Red Sea after a series of incidents that have hit vessels around Saudi Arabian waters, industry sources said.

The possibility of more attacks on commercial shipping carrying oil and commodities through these waterways is growing after the outgoing U.S. administration's move to designate Yemen's Iran-aligned Houthi movement as a foreign terrorist organisation.

"We are seeing increased rates for vessels making port calls in the Red Sea due to concerns over risk of attack by militia groups, whereas previously this was of an issue of more concern in the Arabian Gulf," said Mike Ingham with insurance broker Gallagher. "This will be impacting vessels travelling to Red Sea ports such as Jeddah.

"Every ship needs various forms of insurance, including annual war-risk cover as well as an additional "breach" premium when entering high-risk areas. These separate premiums are calculated according to the value of the ship, or hull, for a seven-day period.

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## NNPC CAUTIOUSLY HOPEFUL ABOUT OIL DEMAND RECOVERY, DEEPENS GAS DEVT

by Femi Adekoya and Kingsley Jeremiah

The Nigerian National Petroleum Corporation (NNPC) has expressed cautious optimism about oil demand growth, adding that it had begun the process to diversify its portfolio beyond oil assets to hedge future crisis and align with global energy transition.

The oil firm noted that the country's huge unharnessed gas resources as well as condensate could provide additional revenue that will address shortfall in the 2021 budget.

The Group Managing Director, NNPC, Mele Kyari, made this known on Wednesday while speaking at a virtual event, the Gulf Intelligence "Global" UAE Energy Forum 2021.

Despite optimism about oil demand, Kyari said he does not see oil demand recovering to pre-Covid19 levels before the end of 2022.

Even though oil prices are now at 11-month high, coronavirus-inspired lockdowns continue to drag on any hopes of an oil demand rebound, dampening oil price gains.

Oil prices maintained a rally yesterday, as Brent Crude rose by 0.19 per cent to \$56.69 while Nigeria's Bonny Light was up by 0.05 per cent to \$54.94 a barrel at 1:41pm local time.

Kyari, also said gas would provide a more stable revenue for Nigeria

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## NGO SHIPBREAKING: BEACHING OF SHIPS IN BANGLADESH CONTINUES TO CLAIM LIVES

by Ship & Ports

At least five workers have lost their lives while dismantling out of service ships at shipbreaking facilities in Bangladesh in the final quarter of 2020, the latest quarterly report from the NGO Shipbreaking Platform shows.

Two workers fell to their deaths while dismantling two different vessels.

In one of the cases, local sources reported that the cutting process was happening at a very fast pace since the workers were under pressure to quickly finish the job.

Two additional men died after falling sick at Janata Steel and Mother Steel shipbreaking yards, however, the cause of their deaths remains unclear.

Finally, a 35-year old man lost his life after being hit by a large iron piece at Khawja shipbreaking yard in Chattogram, Bangladesh. In 2020, at least four accidents were reported at shipbreaking yards owned by Kabir Steel group.

The NGO Shipbreaking Platform publishes quarterly reports denouncing dirty and dangerous practices, such as the dumping of end-of-life vessels on the beaches of developing countries.

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