

Shell in Nigeria

Shell interests in Nigeria



In 2008, Shell and Nigeria celebrated 50 years of oil exports from the country. The first commercial export - in 1958 - was from Shell's Oloibiri field. Shell is Nigeria's oldest energy company, and has a long term and continuing commitment to the country, its people and the economy. Today Shell companies in Nigeria produce oil and gas from land and swamps in the Niger Delta and from deep-water reserves some 120 kilometres off the coast. They also operate Nigeria's largest liquefied natural gas (LNG) plant, which exports all over the world.

The Shell Petroleum Development Company of Nigeria Ltd (SPDC)

SPDC is the largest private-sector oil and gas company in Nigeria. It is the operator of a joint venture between the government-owned Nigerian National Petroleum Corporation – NNPC (55%), Shell (30%), Elf Petroleum Nigeria Limited – a subsidiary of Total (10%), and Agip (5%). SPDC's operations in the Niger Delta are spread over 30,000 square kilometres. They include a network of more than 6,000 kilometres of flowlines and pipelines, 90 oil fields, 1,000 producing wells, 72 flowstations, 10 gas plants and two major oil export terminals at Bonny and Forcados. Although the company's operations are spread throughout the region, its footprint impacts directly in only a tiny fraction of the Niger Delta. The company is capable of producing an average of 1 million barrels of oil equivalent per day (boe/d). In 2008 production from Shell-run operations averaged over 850,000 boe/d.





Shell Nigeria Exploration and Production Company Ltd (SNEPCO)

SNEPCO, 100% owned by Shell, was formed in 1993 to develop Nigeria's deep-water oil and gas resources offshore – the new frontier for the country's energy industry at the time. It signed a production-sharing contract with NNPC that year to operate two deep-water licences. The company produces oil and gas in water depths up to 2,500 metres and has made some significant discoveries.

The first of these – Bonga – is Nigeria's first major deep-water oil and gas project. It started production in November 2005 and is currently producing near its daily capacity of 225,000 barrels of oil and 150 million standard cubic feet of gas (see separate briefing note). It is located 120 kilometres offshore in 1,000 metres of water. SNEPCO is also a venture partner in a deep-water block with ExxonMobil.

Nigeria Liquefied Natural Gas Company (NLNG)

NLNG was incorporated as a limited liability company in 1989 to harness Nigeria's vast natural gas resources and to produce LNG and natural gas liquids for export. Shell holds a 25.6% interest in NLNG together with NNPC (49%), Total LNG Nigeria Ltd (15%) and Eni (10.4%). With the completion of a sixth production train in December 2007, the Nigeria LNG Plant at Bonny Island has an overall capacity of some 22 million tonnes a year of LNG and 4 million tonnes per annum of LPG. It accounts for approximately 11% of the world's total LNG capacity and is well positioned to serve the European and North American markets. SPDC is the major supplier of gas to the NLNG Bonny Island plant from its onshore and offshore fields.

Shell Nigeria Gas Ltd (SNG)

SNG, wholly owned by Shell, was incorporated in March 1998 to promote gas as a more reliable and cleaner alternative for Nigerian industries than liquid fuel. SNG operates a gas transmission and distribution pipeline network of approximately 80 kilometres. It operates several systems including Agbara-Ota, which has a supply capacity of 121 million standard cubic feet per day. The Aba Cluster distribution system supplies natural gas to industrial customers around Aba city, Abia State, including industrial customers in industrial parks at Agbara and Ota (Ogun State) and Aba (Abia State).

More information on Shell's operations in Nigeria can be found at www.shellnigeria.com