

### Oil: Nigeria Plans \$20bn spending

*Nigeria Minister of State for Petroleum, Odein Ajumogobia said government plans to spend about between \$15 and 20 billion annually on oil exploration and production.*

The minister said this “aggressive production capacity expansion plan” will put Nigeria in the forefront of investments in the Gulf of Guinea. This region also comprises Angola, Cameroon, Gabon, Congo, Equatorial Guinea and Sao Tome and Principe. In all, it has estimated oil reserves of about 60 bln barrels.

Ajumogobia said Nigeria’s crude oil reserves currently stand at about 35 bln barrels, putting the west African country in a good position to play a critical role in global crude oil supplies. The minister said the state-run oil company, NNPC, was being restructured for better performance, adding that “this reform will address the challenge of funding that has threatened the sector growth”.

Nigeria is Africa’s biggest oil producer, accounting for a daily output of 2.1 mln barrels.

### OPEC Earnings to hit \$850bn

*The Organization of Petroleum Exporting Countries (OPEC) member nations are expected to earn about \$850 billion from their crude exports in 2008, a difference of about \$175 billion earnings in 2007.* According to the United States based Energy Information Administration (EIA), the net oil export earnings from the OPEC should jump 26 per cent from the last year’s record \$675 billion and then fall to \$783 billion in 2009 on lower oil prices.

On a per capita basis, OPEC’s oil export revenue reached \$1,147 last year and is forecast to increase by 24 per cent in 2008 to \$1,424. EIA did not however make public its oil export earning estimates for individual OPEC member during the year, but said the largest six OPEC oil export earners last year were Saudi Arabia with \$194 billion, United Arab Emirates \$63 billion, Iran \$57 billion, Nigeria \$55 billion, Kuwait \$54 billion and Algeria \$51 billion.

### Gas: Oando to Invests N10.541 bn

*Oando’s group managing director, Wale Tinibu said Oando has invested additional N2.921 billion on Lagos gas pipeline expansion project while the company has completed arrangement to build 120 kilometers gas grip from a town in Akwa Ibom to Calabar, Cross River State under its eastern gas gathering project. The project, he said, would gulp N7.620 billion. Work on the project is expected before the end of the second quarter.*

### Oil Sector gulps \$39.2 bn

*Minister of State for Energy (Petroleum), Odein Ajumogobia has said that about \$39.2 billion was allocated to develop the nation’s oil and gas industry in the last eight years.*

He said though the oil and gas sector is capital intensive, budgetary allocation from the federal government between 1999 and 2007 averaged \$4.9 billion per year. According to him, an estimated yearly spending of about \$15 billion and \$20 billion is anticipated, going forward in Nigeria’s exploration and production sector on capacity growth and exploration. He said Nigeria has an aggressive production capacity expansion plan that targets a robust portfolio of supply development plans from 2007 to 2010.

### Equator Plans to raise Funds

*Equator Exploration said it plans to raise \$700,000 in addition to the \$1,172,160. The company confirms that it has obtained the approval of other parties to the Joint Operating Agreement for the assignment of a 20 per cent interest in the deep water block OPL323 to BG Exploration and Production (Nigeria) Limited.*

The company has made submission to Nigerian National Petroleum Corporation (NNPC) for its approval, which once received will allow the farm-out to be completed shortly thereafter. Expressions of interest have been received from a number of parties wishing to participate in the company’s interest.

### Rates & Exchange

@ 18 February, 2008

#### Exchange Rates

UK Pound	=	Ngn. Naira 229.62
US Dollar	=	Ngn. Naira 117.65
EU Euro	=	Ngn. Naira 172.37

#### US Dollar LIBOR

Three months	=	3.07%
Six months	=	2.98%
One year	=	2.77%

#### Interest Rate Swaps (US\$)

3-years	=	3.06%
5-years	=	3.63%
10-years	=	4.47%
15-years	=	5.00%

**Oil: Brent = \$94.63/bbl**