



Press Release

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NSIA signs landmark agreements with OCP of Morocco, Akwa Ibom State, NNPC, GACN, NCDMB and FEPSAN for development of US\$1.4 billion plant to produce Ammonia and Diammonium Phosphate, under its Gas Industrialization Strategy.

2nd March 2021, Benguerir, Morocco

Key Highlights

- Agreements further cement the joint resolve of His Excellency, Muhammadu Buhari, President of Nigeria and His Majesty, King Mohamed VI, King of Morocco to develop a Multipurpose Industrial Platform project in Nigeria, a project of monumental significance in the quest for industrialization, food security and continental cooperation.
- The Multipurpose Industrial Platform Project is a backward integration initiative, which builds on the successes of the Presidential Fertilizer Initiative (PFI) and other sovereign bilateral initiatives between Nigeria and Morocco.
- The project is structured to commercialize Nigeria's vast natural gas resources and satisfy Morocco's demand for cost-competitive Ammonia.

Update

NSIA, the OCP of Morocco and key operators in the oil and gas value chain executed 5 crucial agreements today at the Mohamed VI Polytechnic University (UM6P) in Benguerir, Morocco.

The agreements are designed to create a clear path for the second phase of the Presidential Fertiliser Initiative as well as the creation and operationalization of a Multipurpose Industrial Platform (MPI) in Nigeria.

The parties to the agreement included the Nigerian National Petroleum Corporation (NNPC), Nigerian Content Development & Monitoring Board (NCDMB), GACN (Gas Aggregation Company Nigeria Limited), Akwa Ibom State Government, the Fertilizer Producers & Suppliers Association of Nigeria (FEPSAN) and Mobil Producing Nigeria (MPN).

Principally, 5 agreement were executed as follows:

- A Memorandum of Understanding (MOU) between Nigeria Sovereign Investment Authority (NSIA), OCP Africa and the Fertilizer Producers and Suppliers Association of Nigeria (FEPSAN) to commit to the second phase of the Nigerian Presidential Fertilizer Initiative (PFI II).
- A Shareholders Agreement (SHA) between the NSIA and OCP Africa for the creation of the Joint Venture Company (JVC) which will oversee the development of an industrial platform that will produce ammonia and fertilizers in Nigeria.
- A MOU between NSIA, OCP Africa and the Akwa Ibom State in Nigeria on land acquisition, administrative facilitation, and common agricultural development projects in the Akwa Ibom State.

- A MOU between NSIA, OCP Africa, and the Nigerian National Petroleum Corporation (NNPC), to evaluate the opportunity of an equity investment by the NNPC in the JVC and for its support on gas.
- A Framework Agreement between NSIA, OCP Africa, Mobil Producing Nigeria (MPN), the NNPC and the Gas Aggregation Company Nigeria (GACN) on gas supply for the MPI.

The first two agreements relate to the second phase of the Presidential Fertiliser Initiative (PFI II) while the last three contracts underpin the creation of a Multipurpose Industrial Platform (MPI) to be sited in Akwa Ibom State.

The agreements on the second phase of the PFI give effect to the presidential directive which has restructured the PFI programme. Under the revised structure, NSIA's role moves upstream thereby limiting its involvement to bulk importation of raw materials on behalf of the fertilizer blenders, with bank guarantees provided by the blenders. This approach will make the programme more sustainable, strengthen the productive capacity of the blending plants and eliminate financial risk to the NSIA.

On the MPI project, three agreement were signed. The first is for land acquisition, the second for equity investment in the joint venture company to operate the MPI and the last for gas supply to the project.

The first phase of the MPI Project will produce 1.5 million tonnes per annum of Ammonia in two phases. Up to 70% of the Ammonia produced will be allocated for export to Morocco and the balance will be routed to the production of 1 million tonnes per annum of Di-ammonium Phosphate (DAP) and NPK fertilizers to feed domestic demand. It is expected that project construction will commence no later than Q3, 2021. In the first phase of the project, US\$1.4billion will be invested in building out the plant and its supporting infrastructure with a target operations-commencement date of 2025.

The project will be sited in Akwa Ibom State in a gas-rich location. Factors such as land availability and accessibility; gas adequacy; sufficiency of marine draft; and other environmental and social considerations informed the decision to site the plant in Akwa Ibom.

At completion, the integrated Ammonia and fertilizer plant will house – within its battery limits – the process plants for Ammonia and fertilizer production, administrative buildings, fertilizer bagging units, water purification units, storage for raw materials and finished goods, onsite power plant and other ancillary facilities. The plant will have a dedicated jetty to facilitate seamless importation of raw materials from Morocco and other suppliers and export of excess Ammonia and fertilizer to Morocco and potentially other regional markets.

Comments



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Speaking on the development, His Excellency, Chief Timipre Sylva, Hon. Minister of State for Petroleum and head of the Nigerian delegation said "I assure you that President Muhammadu Buhari is very committed to actualisation of this project. He has mandated the Ministry of Petroleum Resources and all its agencies, notably the NNPC, DPR, NCDMB and all other government agencies to give maximum support for this project."

Welcoming the Nigerian contingent, the Chairman and CEO of OCP, Dr. Terrab said "Ultimately, these agreements will strengthen the partnership between the NSIA and OCP Group and the different institutions in the gas industry in Nigeria. The outcome of today's agreements will translate to knowledge transfer and broader economic opportunities as we build out the industrial platform. The platform will leverage the best of Nigerian and Moroccan natural resources, namely the Nigerian gas and the Moroccan phosphate and create a new basis for stronger ties".

In his comment, Mr. Uche Orji, MD & CEO of NSIA said "this project forms a key part of NSIA's gas industrialisation strategy and will deep intra-continental trade which is essential to Africa's development and economic renaissance. This landmark project, the MIP, will explore increased levels of synergy between NSIA and OCP and the partners to the transactions and ultimately ensure that Nigeria builds an industrial base that is sustainable and complimentary to mutual objectives of developing the agriculture sector in Nigeria". The changes to the PFI significantly reduces NSIA involvement and transfers the responsibilities to the blenders .

Speaking on the project, Mal. Mele Kyari, GMD NNPC remarked that the "NNPC and all its subsidiaries are committed to the project". He further added that "NNPC is committed to taking equity stakes in the joint venture company and will ensure sufficient gas is available for the project to succeed".

In his remarks, His Excellency Gov. Udom assured the parties that "Akwa - Ibom is committed to ensuring the PMI project is a resounding success. Our state is receptive to investments and we are prepared to offer the necessary support to make the project a reality. With a site that is suitably located to enable operational logistics and an abundance of gas resources, all that is left is for the parties to accelerate the project development process".

Engr. Wabote, Executive Secretary, the Nigerian Content Development and Monitoring Board (NCDMB). "We are committed to ensure that clear operational guidelines and constructive oversight is provided to support the project. The investment is a welcome development, and we look forward to the commencement of the project".

Speaking on the development, Mr. Ogunleye, Managing Director and Chief Executive Officer, Gas Aggregation Company Nigeria (GACN) remarked "We are looking forward project. All the support required for its success within our remit will be provided. We expect that this will encourage more investment of this nature in Nigeria".



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Making his comments, Mr. Thomas Eteh, Chairman FEPSAN, said "Nigeria possesses an enviable reserve of natural gas while Morocco is a leader in Fertiliser production. These comparative advantages make for a partnership between our two countries that is mutually beneficial and scalable. FEPSAN was a party to the first structure of the Presidential Fertiliser Initiative (PFI). We are working now to ensure that the results of the first phase are improved upon and broadened in the new structure".

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ABOUT THE NSIA

The Nigeria Sovereign Investment Authority ("NSIA" or "the Authority"), an investment institution established by the Nigeria Sovereign Investment Authority (Establishment, etc.) Act 2011. It was set up to manage funds in excess of budgeted hydrocarbon revenues on behalf of all tiers of government in preparation for the eventual depletion of the resource. The Authority's mission remains to play a leading role in driving sustainable economic development for the benefit of all Nigerians.

Based on its mandate, the NSIA operates three (3) ringfenced funds namely: the Stabilisation Fund, the Future Generations Fund, and the Nigeria Infrastructure Fund.

Within the remit of its mandate, NSIA invests in a diversified portfolio of medium and long-term assets, serves as a catalyst to attract co-investments, and manages third party funds on behalf of other government institutions against target returns.

For more information: www.nsia.com.ng

ABOUT OCP GROUP

OCP plays an important role in feeding a growing global population, by providing essential elements for soil fertility and plant growth. With a century of experience and revenues reaching US\$5.62 billion in 2019, OCP is a leader in plant nutrition and the world's first producer of phosphate-based fertilizers. OCP provides a wide range of customized fertilizer products to enhance soil, increase agricultural yields and help feed the planet in a sustainable and affordable way. Headquartered in Morocco and present on five continents, OCP works in close partnership with more than 160 customers across the world. Closer to home, OCP is committed to help drive forward Africa's environmental and social development and implement sustainable and prosperous agriculture through innovation. The Group is firmly convinced that leadership and profitability are necessarily synonymous with social responsibility and sustainable development. Its strategic vision is rooted in the meeting of these two dimensions.

For more information: www.ocpgroup.ma

ABOUT THE NNPC

Established in 1977, the Nigerian National Petroleum Corporation ("NNPC") is Nigeria's state oil corporation. The NNPC is one of Africa's largest state Oil & Gas company with a presence in every area of the Oil and Gas value chain. In addition to its exploration activities, the Corporation was given powers and operational interests in refining, petrochemicals, and products transportation as well as marketing. The NNPC is also charged with regulating and supervising the oil industry on behalf of the Nigerian Government.

For more information: www.nnpcgroup.com



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ABOUT THE FEPSAN

The Fertilizer Producers & Suppliers Association of Nigeria ("FEPSAN") was launched in February 2004 to represent the needs and interests of fertilizer manufacturers, blending plants, major distributors, dealers, and farmers in Nigeria. The FEPSAN's vision is to "attain improved productivity and environmental sustainability of Nigerian Agriculture through balanced and judicious use of fertilizers" while its mission is to develop effective public private partnerships to ensure the timely supply of adequate quantity and quality fertilizers; and to promote professional, moral, and ethical practices in the industry.

For more information: www.fepsan.org

ABOUT THE GACN

Gas Aggregation Company Nigeria Limited (GACN) was established by the Federal Government of Nigeria in 2010, further to the National Domestic Gas Supply and Pricing Regulations, 2008 "The Regulation" for the implementation of the Nigerian Gas Master Plan and Management of Domestic Supply of Gas to the market. The Domestic Gas Aggregator is amongst other things responsible for ensuring adequate supply of Gas to the strategic sectors of the Domestic market for the purpose of enhancing natural gas usage to achieve the much-desired industrialization in Nigeria. With a gas management portfolio of more than 80% of current domestic gas supply, GACN has over the last decade facilitated commercialization of gas supply to critical demand sectors (power, industries, etc.) in the Nigerian domestic market.

For more information: www.gacn.com

ABOUT THE NCDMB

The Nigerian Content Development and Monitoring Board (NCDMB) is a Federal parastatal under the Ministry of Petroleum Resources. It was established in April 2010 under the Nigerian Oil and Gas Industry Content Development (NOGICD) Act 2010.

NCDMB is vested with the mandate to make procedures that will guide, monitor, coordinate and implement the provisions of the NOGICD Act signed into law on April 22, 2010.

Key functions of the Board include:

- To review, assess and approve Nigerian Content plans developed by operators.
- To set guidelines and minimum content levels for project related activities across the oil and gas value chain.
- To engage in targeted capacity building interventions that would deepen indigenous capabilities- Human Capital Development, Infrastructure & Facilities, Manufactured Materials & Local Supplier Development.
- To grow and manage the Nigerian Content Development Fund.



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- To establish, maintain and operate the Joint Qualification System (NOGICJQS) in conjunction with industry stakeholders.
- To monitor Nigerian Content Compliance by operators and service providers. This will be in terms of cumulative spending, employment creation and sources of local goods, service and materials utilized on projects and operations.
- To award Certificate of Authorization for projects that complies with Nigerian Content provisions.
- To conduct studies, research, investigation, workshops, and trainings aimed at advancing the development of Nigerian Content.

For more information: www.ncdmb.gov.ng