



## SHELL IN NIGERIA **NIGERIAN CONTENT**

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### **Spreading wealth and developing talent**

Shell-run companies in Nigeria continue to have a positive impact on the economy. After the passing of the Nigerian Oil and Gas Industry Content Development Act, 2010, we have continued as far as possible to make use of local contractors and hire workers from the local communities where we operate. Our Nigerian Content strategy also promotes the use of locally manufactured goods and Nigerian service companies in production operations, projects and well engineering.

In 2010, Shell-run companies in the country awarded contracts worth more than \$947 million to Nigerian companies. This represented more than 96% of the overall number of contracts and amounted to over 94% of the total amount we spent on contracts which is slightly higher than the \$892 million awarded in 2009. As of December 2010 SPDC and SNEPCo employed around 6,000 direct employees and contractors – about 90% of them Nigerian. Our projects help create tens of thousands more jobs for contractors and supporting industries.

### **Nigerian content development**

Transferring skills and technology to Nigerians is a big part of what Shell companies in Nigeria contribute to Nigerian Content Development. Our focus is on helping to increase the capacity of Nigerians and Nigerian companies in a range of oil and gas industry activities, from design and engineering, to exploration and drilling. This supports the Federal Government's drive to increase Nigerian participation in the oil and gas industry. It also makes business sense for Shell companies in Nigeria - by developing a skilled Nigerian workforce we can lower operating costs over the long term while contributing to a more prosperous Nigeria, which is good for the country and good for business.

Our deep-water operations offshore are a good example. Bonga – Nigeria's first offshore deep-water project, which is operated by SNEPCo, has helped create the country's first generation of engineers with deep-water experience, and they will help expand this sector of the industry. There are only a handful of locations around the world with expertise in this technically challenging environment.



*Bonga topside*

SNEPCo continues to build Nigerian deep-water capability through partnerships. SNEPCo Deep-water Projects organisation, which was established in 2007, continues to play a key role in developing deep-water skills and capacity of Nigerian contractors. The Opportunity Delivery and Studies Centre, located within Nigeria, has been handling the majority of SPDC and SNEPCo's exploration studies since 2005. This work was previously done overseas.



### **Contracts awarded**

In 2010, SNEPCo and SPDC awarded contracts to Nigerian-owned Caverton Helicopters Ltd to provide helicopters and associated services. In total, this five-year contract is worth \$694 million. We also awarded a \$26.7 million contract to Sonar Limited for ocean bottom node seismic acquisition. An operational insurance policy contract worth \$7.6 million was awarded to Sovereign Trust Insurance for the Bonga deep-water production vessel, while Dorman Long Engineering, an indigenous Nigerian company, was awarded a contract worth \$41 million for brown field maintenance of the Bonga and EA FPSOs.

SPDC awarded a \$59 million contract for brownfield engineering services and integrated pipeline maintenance to another Nigerian company, Baywood Continental Limited and a contract for \$28 million to B. G. Technical Limited for integrated pipeline pigging and corrosion control.

### **Training and support**

By December 2010, Shell Companies in Nigeria had trained about 1900 service providers in general contracting processes, developed eight local dredging companies, awarded ten post graduate scholarships to three top UK universities, and trained over 3,300 more people in a range of skills including entrepreneurship, scaffolding, project

management, HSE, welding, local catering and diving. We have created business opportunities worth tens of millions of dollars for local companies.

In 2010, SPDC and SNEPCo collaborated with United Kingdom Trade and Investment group to organise a trade mission in London, during which over 20 Niger Delta vendors met with 150 British companies in an effort to help foster partnerships. To date, ten partnerships have emerged from this effort.

Shell companies in Nigeria continue to nurture talented young people by sponsoring research programmes in five Nigerian universities for core technical skills in geosciences. We offer sabbaticals and student internships at our offices in Port Harcourt to introduce new concepts in underground evaluation techniques, using the latest technologies. In addition to several thousand scholarships and bursaries that SPDC awards to students every year, we run the Shell Intensive Training Programme (SITP) for graduate employees. This one-year course prepares new employees for the type of work they will perform when they join projects later. In 2010, 98 students graduated from this programme.

More information on the operations of Shell companies in Nigeria can be found at [www.shellnigeria.com](http://www.shellnigeria.com)

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