



SHELL IN NIGERIA

# SHELL NIGERIA GAS: HELPING TO DRIVE ECONOMIC GROWTH IN NIGERIA

April 2012

## Introduction

Shell Nigeria Gas Limited (SNG) was established in March 1998 as a wholly-owned gas sales and distribution company. It has been operating in the industrial clusters of Agbara, Ota, Igbessa and Aba respectively, to supply natural gas used as fuel for various industrial processes and power generation. New projects have also recently been completed in Port Harcourt, Rivers State.

Since inception, SNG has helped to drive economic growth by enabling the industries currently served on its network to use natural gas, a cleaner substitute for diesel and other liquid fuels. Natural gas is abundantly available in Nigeria, acceptable for its lower emissions to the environment and is affordable for the industries. The gas supplied by SNG through its network has resulted in significant savings to its customers and enabled many of them to expand their production lines. In 2011, SNG distributed an average of about 25 million standard cubic feet a day of natural gas produced from the Niger Delta to industries and factories in its areas of operation. Many multinational and local companies for example, GlaxoSmithKline Consumer Nigeria Plc, Unilever Plc, and Nestle Nigeria Plc are among the customers that are currently being supplied by SNG.

## Technology Application

SNG leverages on the use of technology and has entered into a partnership with a private company that specializes in the delivery of Compressed Natural Gas (CNG) to industries that are far from existing pipelines. Consequently, CNG has further extended natural gas utilization to customers within a 100km radius of existing pipelines. This is helping to realise the Government's aspiration of increasing industrialisation, even ahead of the infrastructure that is expected to be built under the National Gas Master Plan.

## Local Company, Global Standards and International Certification

Shell has been the pioneer oil and gas industry player in Nigeria. In the period since its establishment, SNG has excelled as a local company that maintains global standards. It is the first and currently the only local gas distribution

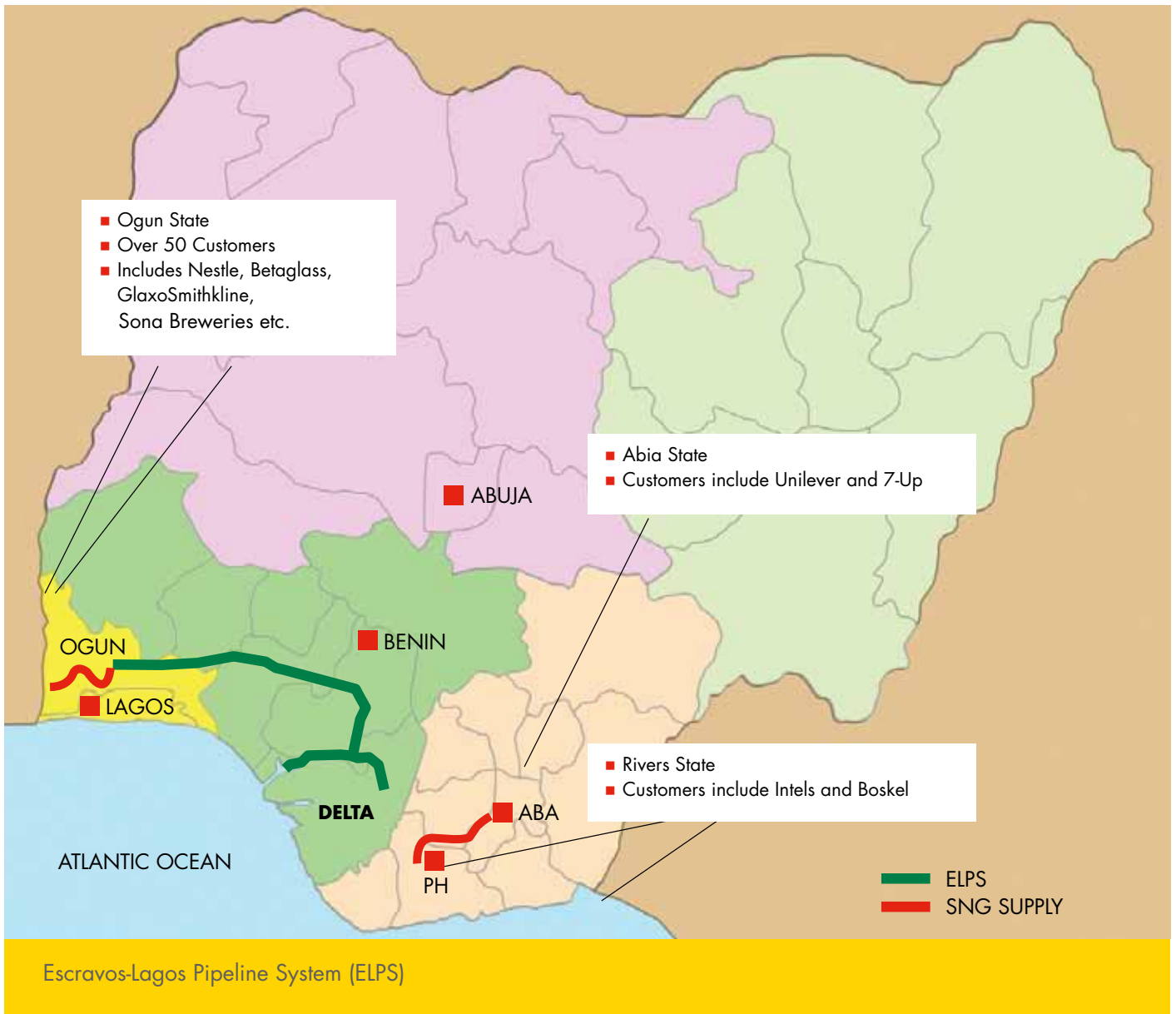


*An employee at Soku gas plant*

company within Nigeria to be certified to the ISO 14001 environmental standards. It has successfully maintained the stringent certification and re-certification exercises carried out since initial award in 2004. Furthermore, SNG remains the first and only wholly-owned subsidiary of an international major oil and gas company in Nigeria to be involved in local gas distribution. This is a mark of SNG's long term view in Nigeria, contributing to growth and development and a demonstration of commitment to good business and operational practices that minimize negative impacts on the environment.

## Nigerian Content & Value Creation

SNG carries out its operations with an all-Nigerian staff. The company is also helping to create value and set standards to deliver its services. In compliance with the legislation to increase local participation in the oil and gas industry, SNG engages the services of Nigerian companies and indigenous contractors for its operations. Furthermore, by attracting companies and encouraging their expansion in its distribution zone, it has helped to grow the local economy and generate local employment. SNG has also fostered excellent relations with its host communities in all its areas of operation.



- Incorporated March, 1998, commenced operations in 2002
- 100% Shell-owned company
- Operational areas: Agbara/Ota, Aba and Port Harcourt in Ogun, Abia and Rivers States respectively.
- Foreign direct investment in Nigeria > N6 billion

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

- ACHIEVEMENTS**
- 60+ connections to industries
  - ISO14001 certified
  - Sustainable Development
  - Cost reduction for customers through the use of cost-effective natural gas.
  - Greater employment generation in operational areas.
  - Higher tax revenues for government
  - Higher property values in operational areas

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