



SHELL IN NIGERIA

WEST AFRICAN GAS PIPELINE

APRIL 2011

Supplying Gas to West Africa

Construction of the West African Gas Pipeline (WAGP) began in January 2005 with commissioning occurring in early 2011. Since then, the pipeline has been transporting Nigeria's gas to Ghana, and shortly would be doing same to the neighbouring countries of Benin and Togo to generate electricity, thus boosting economic development in the sub-region. The Shell Petroleum Development Company of Nigeria Limited (SPDC) and its joint venture partners expect to supply half of the initially required gas, an estimated 65 – 70 million standard cubic feet per day (MMscf/d), through the WAGP when it begins full commercial operations. SPDC supply to the pipeline has scope to grow over time since the pipeline has a maximum technical capacity of 450MMscf/d.

"The West African Gas Pipeline will have an immensely positive impact, both for Nigeria and for her neighbours. SPDC is proud to help deliver this project," said Mutiu Sunmonu, Country Chair, Shell Companies in Nigeria and Managing Director, SPDC. "We are happy that it will also contribute towards realisation of the Federal Government's objective to enhance regional economic cooperation and development whilst capturing the opportunity to reduce associated gas flaring."

The West African Gas Pipeline Company (WAPCo) is in charge of both construction and operation of the pipeline. WAPCo is a limited liability company owned by Chevron West African Gas Pipeline Limited (36.9%); Nigerian National Petroleum Corporation (24.9%); Shell Overseas Holdings Limited (17.9%); and Takoradi Power Company Limited (16.3%), Societe Togolaise de Gaz (2%) and Societe BenGaz S.A. (2%).

Gas supply to WAGP and the Nigerian domestic market

SPDC pioneered the domestic gas industry in Nigeria and has been the leading domestic gas supplier since the early 1960s. In addition to meeting growing domestic gas demand, the SPDC JV intends to supply WAGP customers via the Escravos- Lagos Pipeline System (ELPS) owned by the Nigerian Gas Company (NGC). The WAGP is connected to the ELPS by an onshore line from Itoikin, near Lagos, to the (WAGP) Lagos



Beach Compressor Station at Badagry from where the second section of the pipeline runs offshore along the West African coastal waters to the Takoradi and Tema Power Plants in Ghana.

SPDC has modified its non-associated gas (NAG) plant at Utorogu fields in the western Niger Delta in order to deliver gas to the WAGP and ensure security of supply to customers connected to the ELPS. The modification entailed upgrading of the process modules within the plants, to enhance liquid recovery from the gas wellstream. This liquid removal is necessary to meet the more stringent specification required to ensure safe operability of the WAGP as well as receiving power plants.



Aerial view of SPDC's Utorogu gas plant

West African Gas Pipeline



Nigerian Content

As much as possible, SPDC employs Nigerian companies and workers to execute projects. In the case of Utorogu, LEE Engineering & Construction Company Limited – a Nigerian company – won the main contract that carried out the design, procurement and construction work required to upgrade the Utorogu plant. A large proportion of the heavy equipment used to connect the gas wells to the gas plants was built in Nigeria and much of the construction materials and supplies including power cables, cable trays and accessories, paint and civil infrastructure materials were locally manufactured.

More information on the operations of Shell companies in Nigeria can be found at www.shellnigeria.com