



PUBLIC NOTICE

Protect NLNG

The impending passage of the bill amending the NLNG Act (Fiscal, Guarantees, Assurances, and Incentives) by the House of Representatives is laden with dire consequences that every stakeholder deserves to know about and act against, in protection of NLNG.

These include:

PULLING DOWN NIGERIA'S NO 1 COMPANY

NLNG is proudly the country's biggest and most successful indigenous company, run by 100% Nigerian Management and over 95% Nigerian staff, yet competing effectively globally. It is today the country's highest tax payer and the 4th largest supplier of LNG in the whole world. NLNG is a pride to Nigeria and the nation's flagship corporation whose model is being considered for replication in various sectors of the economy. But the fact that the company is being targeted by this amendment while fellow gas purchasers and processors in other businesses such as fertilizer, petrochemical, and electricity are left untouched, gives the world the impression that Nigeria would rather drag down than support its best.

THREAT TO NLNG'S CONTINUED EXISTENCE

NLNG succeeded largely due to the provisions of the NLNG Act, which gave investors the confidence to invest in the country. But with an amendment, that confidence will be eroded and jeopardize critical ongoing investments for the continued survival of the company; critical among which is the \$1 billion needed annually for the next three years to guarantee the current operations.

DISCOURAGE INFLOW OF FOREIGN INVESTMENT

After 35 years of unsuccessful efforts, NLNG could only be incorporated upon the enactment of the NLNG Act which then enabled the establishment of the company. To thus amend the basis of the investment in Nigeria will obviously breach the promises of Government to its co-investors. This will badly damage the reputation of the country, its credit rating, and ability to attract or even retain future investments.

LEAD TO LOSS OF \$25 BILLION INVESTMENT

Any amendment will also mean an immediate potential loss of foreign investment of US\$25 billion in respect of Train 7 investment (US\$ 15 billion by the gas producing and

supplying companies (Upstream), and US\$ 10 billion for construction of the project).

LEAD TO LOSS OF 18,000 POTENTIAL JOBS

The expected 18,000 construction jobs for Train 7 will also be lost if the Act is amended. This is at a time when the Niger Delta, and the country at large, is in such dire need of jobs. Needless to mention the impact of such a huge amount of jobs on the peace of the Niger Delta region and the economy of the country.

REVERSE GAINS IN GAS FLARING REDUCTION

NLNG purchases gas which would have otherwise been flared and has almost single-handedly led to the reduction of gas flaring from about 65% in 1999 to about 20% currently. With the required investment, NLNG is capable of reducing that figure even further with the completion of the Train 7 Project.

Any Amendment will however ultimately result in a return to high flaring if NLNG ceases to exist with attendant negative impact on the Niger Delta environment.

CONSTRAIN NLNG'S DEVELOPMENT INITIATIVES IN THE NIGER DELTA

NLNG has a robust and sustainable development programme in the Niger Delta which will of course cease if the company dies. This company supports the provision of 24-hour power supply on Bonny Island, provision of water supply, construction of roads, schools, scholarships etc. costing nearly US\$200 million so far.

Furthermore, NLNG recently committed to providing billions annually towards the development of Bonny Kingdom for the next 25 years to turn Bonny into a mini Dubai. It also recently offered major financial support to the Federal Government towards the construction of the Bodo-Bonny Road- a vital road neglected for decades, expected to link the mainland through Ogoni, Andoni, etc. to Bonny. With these legislative constraints, breaking fundamental promises to investors the company would definitely begin to pine away, and the Niger Delta region would be a prime loser.

Clearly amendment of the NLNG Act is thus NOT in the overall interest of Nigeria.



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