

**Ref:** NUI/2.01/GAS.P/PE/22.089 **Date:** 24<sup>th</sup> November 2022

The Managing Director,
The Shell Petroleum Development Company of Nigeria Ltd,
Freeman House,
21/22 Marina,
Lagos

Dear Sir,

## RE: CONTINUATION OF NLNG GAS SUPPLIES PROJECT - GBARAN DEBOTTLENECKING PROJECT (INSTALLATION OF TURBO TRAYS)

Reference: SPDC letter ref. SPDC-MPR-2022-0140L dated 23 August 2022.

We refer to the communication under reference on the above subject.

In consideration of your request and discussions between NUIMS and SPDC on Shell Turbo Tray installation we note that:

- The JV urgently need to accelerate delivery of additional gas to NLNG considering the threat by NLNG in a letter dated 22 October 2021 to invoke relevant clauses in its Gas Sales Agreement (GSA) with SPDC in order to seek remedy for losses suffered and damages incurred due to the JV's failure to deliver quantities of Gas in accordance with the provisions of the GSA should such claims materialize from its LNG Buyers.
- 2. The Gbaran debottlenecking project through installation of Shell Turbo Tray provides an opportunity to accelerate gas supply to NLNG at reduced CAPEX and Operational costs compared to installation of new TEG train.
- 3. The proposed contractor, Seflam SGL Limited is currently executing Facilities project (Uzu with CPF Upgrade Project Package 2) at the same location and the need to leverage on the contractor's presence to execute the debottlenecking project.

In view of the foregoing, we hereby convey NUIMS Management position as follows:

- NUIMS concurrence with SPDC's proposal to increase the scope of Uzu project – package 2 (facilities scope) to include the scope for debottlenecking of Gbaran CPF using Turbo Tray.
- 2. SPDC JV to purchase the license for Shell Turbo Tray from Shell Global Solutions International (SGSI) and enter a commercial negotiation with the Uzu project package 2 contractor and SGSI for procurement of the services.
- 3. The outcome of the negotiation to be communicated to NUIMS, to obtain its Tenders Board approval to increase the contract scope of Uzu project package 2 (facilities scope) to include the procurement and installation of Shell Turbo Tray to carry out the debottlenecking of Gbaran CPF.

Please contact the Manager, Gas Projects, Mr Timothy Akinyemi, via email: timothy.akinyemi@nnpcgroup.com or telephone number 08039754900, if you require further clarification.

Thank you for your usual cooperation.

Yours faithfully,

For: NNPC LIMITED

**Bala Wunti** 

Chief Upstream Investment Officer, NUIMS