



GMD/CEO Address

“MAKING NATURAL RESOURCE BENEFITS WORK FOR ALL”

At

NEITI NATIONAL EXTRACTIVES DIALOGUE 2022

21st June 2022

Venue: Rockview Royale Hotel, Wuse II, Abuja

By

**Mele Kyari
CEO, NNPC Limited**

Protocols

1. I am delighted to deliver this address at the 2022 NEITI National Extractives Dialogue themed: ***Making Natural Resources Benefit Work for All.*** I would like to commend NEITI for their leading role in promoting transparency and accountability in the Extractives industry.
2. The theme for this dialogue speaks to the central role that NNPC attempts to play in the economic resource of the country. The extractive industry, especially the oil and gas, is very important many countries, especially in the developing nations, where there is huge reliance on incomes derived from the extractive industry for national development.
3. The natural resources from the extractive industries are only beneficial, when they are extracted in a responsible and cost-effective manner and the revenues accruing from these activities are promptly remitted to the coffers of government for the benefit of the citizenry.
4. In the past, opaqueness of the oil and gas industry operations in Nigeria has contributed to low performance both in terms of profitability and contribution to the economy. Thus, the call for action by stakeholders on the need for a more transparent and accountable industry is in order.
5. This call by stakeholders was heeded to by this present government, recognizing that transparency underpins improved performance and improved performance of NNPC is necessary for the ultimate benefit of our citizenry.
6. Since 2015, NNPC has created the building blocks for ensuring that our shareholders enjoy the benefit of the natural resources. Consequently, we have employed several strategies to actualize this goal. Central amongst our strategy was to improve on our transparency to our shareholders via the publication of our monthly financial performance reports and audited financial statements. We have also strengthened our relationship and collaboration with NEITI, by being more responsive to Audit requests and implementation of audit recommendations.

7. Equally, as a further testament to our desire for openness and with the support of NEITI, we became an EITI supporting company since 18th August 2020 and we have expanded the frontiers of our engagement, by reporting on our website such information as: upstream costs and revenues, gas production and utilization, information on Direct Sale Direct Purchase etc. It is worthy of note that these data are beyond our traditional monthly financial and operations report which we had been reporting since July 2015 through our website.

8. In recognising our stakeholders for whom we manage their resources in trust, and in a quest to be more accountable, NNPC in 2020 began releasing the financial statements of the group and its subsidiaries. The financial statements of 2019 was released in June 2020. We have also released 2020 financial statements. The 2021 financial statement of the Company and its subsidiaries will soon be published.

9. As part of our transparency journey, we have understood that disclosing contracts supports open, fact-based dialogue that can help build trust, reduce conflict, and reinforce a company's social license to operate. We have therefore, since November 2021, been working with NEITI as part of a Joint Committee with other stakeholders to implement Contract Transparency in Nigeria. The committee amongst other things is to develop a Contract Transparency implementation road map. The road map will aid NNPC in systematically disclosing its contracts. This is also in line with PIA 2021.

10. Ladies and Gentlemen, the aftermath of COP26 in Glasgow has shown that the world is committed to energy transition which the EITI and other stakeholders have also recognised. I would like to assure you that as NNPC transitions to a CAMA company, we are restructuring our businesses to take advantage of the opportunities that energy transition will bring forth. As we commence implementation of our revised strategy, we will use our large gas resource as transition fuel to aid this process. We are committing our resources for the next decade, which is tagged the decade of gas, to explore and produce

financial
statements
release

more gas relative to oil, to power Nigeria and the international community as we transit away from hydrocarbons.

11. The next decade ahead will be an interesting one, therefore I call on stakeholders to support the industry and NNPC Limited so that our resources can work for all Nigerians and, by extension, the world.
12. Ladies and gentlemen, I thank you all for listening and I wish you great insights and deliberations during this dialogue.

Mele Kyari
CEO, NNPC Limited
21st June 2022.