



## **GMD's Address**

### **43<sup>rd</sup> Nigeria Annual International Conference & Exhibition of the Society of Petroleum Engineers (SPE)**

Eko Hotel, Victoria Island, Lagos, Nigeria  
**5<sup>th</sup> August 2019**

**Mallam Mele K. Kyari**  
GMD NNPC

## **Conference Theme:** Artificial Intelligence, Big Data and Mobile Technology: Changing the Future of the Energy Industry

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# **Protocol**

1. Special guest of Honor and Perm Sec Min of Petroleum Resources.
2. The acting Dir. DPR.
3. The Principal/CEO, PTI, ably represented by Mr. Richard Obashe.
4. The Executive Sec. NCDMB, Egr. Simbi Wabote.
5. The Intl President, SPE, Engr. Sami Al-Nu'aim
6. The Council Chairman, SPE, Nigeria Council, Mr. Debi Fagbami.
7. The African Regional Director, SPE, Prof. Wunmi Iledare.
8. The BOT Chairman, SPE, Mr. Andy Olotu.
9. GGM NAPIMS, Musa Lawal & MD NETCO Mrs. Kate IHEME.
10. CEOs/MDs of IOCs and Indigenous Oil & Gas Companies.
11. Captains of Industry
12. Members of the Press
13. Distinguished Ladies and Gentlemen.

Good morning.

1. It is my honour and privilege to join this gathering of Professionals under the auspices of the Society of Petroleum Engineers. I thank you for having me here as the Guest of Honour at the SPE 2019 conference.
2. Distinguished Ladies and Gentlemen permit me at this juncture to use this medium to gratefully

acknowledge the kind words and goodwill messages I received from stakeholders within and outside the industry on my assumption of office as the Group Managing Director of the NNPC including the SPE.

3. I am grateful also for the privilege given to address this very important conference and distinguished audience.
4. I am attuned with the theme of this year's conference, especially at this time that the industry is becoming increasingly ambitious and also challenged.
5. No doubt, the emergence of Artificial Intelligence has altered the dynamics of our operations by providing quicker processes and interventions in the conduct of petroleum operations. This also is on the back of big data that provides the platform for an effective AI system.
6. The combination of AI and big data are complemented further by mobile technology that enables real time access to information and the execution of apparently complicated operation from remote locations.
7. Today single data platforms exist that link large amount of information to create robust decision support across variety of industry operations.
  - to grow reserves.
  - increase production at the lowest possible UTC

- compete for market with emerging alternative production sources.
- to take market position in renewable energy

#### 8. ...and address the challenges posed by:

- regional security issues
- market volatility
- activities of vandals and saboteurs,
- Oil thieves and pirates

Our industry is beleaguered by other issues that are not necessary technology driven. Issues associated with fiscal regime would have to be addressed in order to accelerate investment across the value chain.

Today despite the opportunities that exists, investment decisions in Oil & Gas projects in Nigeria have become increasingly difficult to closeout.

9. This I believe is driven by unclear fiscal terms of various Production Contracts and the delays in the passage of the lingering petroleum legislation.

10. The effect is for investors to opt for alternative portfolios when making financing decisions. We therefore need to collaborate to ensure the timely resolution of contractual issues and the passage of the necessary petroleum legislation.

11. Today, NNPC with our Partners are driving the National aspiration to grow the National reserve to **40 billion barrels by 2025** and improve crude oil production to **3 Million barrels/day**.

- 12.To achieve this ambition, huge investment is required across the value chain.
- 13.We have to attract investment to deploy improved technology in the exploration and production of hydrocarbons from inland as well as the ultra-deep offshore basins.
- 14.We have to open up the midstream, complete all critical gas development Projects targeted to deliver about **3Bscfd** to gas market, ensure the closeout of investment decision on NLNG Train 7 and improve domestic utilization to improve power generation and industrial growth.
- 15.Nigeria is still a net importer of petroleum products due to the current state of our Refineries, and the long absence of private investment in the refining sector.
- 16.We require more investment to revamp and expand our domestic refineries and associated infrastructures to support the growth of the downstream sector and guaranty energy security to the Nation.
- 17.We are progressing with the establishment of Condensate Refineries to fast-track domestic supply of petroleum products.
- 18.In the same vein, the Corporation would support the actualization of the 650K bbl/day Dangote Refinery, as well as other private initiatives along this line.

19. Our plan is for Nigeria to become net exporter of petroleum products by 2023.
20. And of course this will offer our Petroleum Engineers and other professionals the opportunity to render critical services and share in the drive to develop our country.
21. However, taking the first step to grow reserve, expand the frontiers of our production requires enabling environment to attract the investment that is being subdued by our fiscal regimes.
22. But today we are optimistic, that this Government under the leadership of President Muhammadu Buhari is determined to deliver a stable fiscal environment to support the needed growth in the oil and gas sector.
23. The oil and gas industry is dynamic and must remain so in order to survive frequent disruptions associated with changing economic, social, political environments.
24. Technology and innovation will permit us to test new ways of achieving better results, but the validity of such endeavor will depend squarely on the availability of quality data which will ultimately support the deployment of Artificial Intelligence with the overall effect of delivering more efficient and perhaps cheaper solutions.
25. NNPC will leverage technology and innovation to achieve the goal of building Energy Company of Global Excellence. We are determined to improve Transparency, Accountability and the overall

Performance of our businesses to deliver maximum value to our stakeholders including 180 Million Nigerians.

26. Today Artificial Intelligence is leading digital transformation across the oil and gas industry, from exploration to production and facility management. And many oil companies have taken advantage of this to enhance operations reliability and profitability.

27. Technology and innovation will therefore continue to shape the way we do our businesses, especially in the deep offshore and other hard to operate environments.

28. Finally, Artificial Intelligence, Big Data and Mobile Technology will continue to shape our industry in practically unimaginable ways, but certainly the transformations it promise will lead to quantum shift in the delivery of our task.

Distinguished Ladies and Gentlemen, I thank you for your attention. I wish you a successful conference and exhibition.

**Mallam Mele K. Kyari**

Group Managing Director, NNPC

5<sup>th</sup> August, 2019