

# Sharing the WEALTH

Nigeria's leading oil and gas producer focuses on commercial production at Otakikpo while developing Ogo oil discovery.

**A**n ambitious indigenous exploration and production (E&P) company, combining financial knowledge with local expertise. LEKOIL was founded in 2010 and shared its benefits of resource extraction with local communities. Founder and CEO, Olalekan Akinyanmi, ran a billion-dollar fund in New York before switching to the oil and gas industry. Having worked for Schlumberger in Nigeria, Egypt, Pakistan, Oman, and Scotland, his engineering expertise grew. Collaborating with leading professionals, LEKOIL began operations and six years later, was set for crude production. "It's been quite a journey," explains Akinyanmi, "We have the ingredients needed: strong assets, access to capital, and human resources."

"One good thing about Nigeria," Akinyanmi says, "the oil industry has been here for a long time and the quality of training and education is historically good, there is a pool of skilled and experienced Nigerians who are the best in their fields, and we have brought them together."

The recently produced Otakikpo field, is a marginal field in Andoni (eastern Port Harcourt). Within 18 months of acquisition, LEKOIL built infrastructure, and worked hard to become part of the community through various outreach programmes, bringing medical services and power to the people. "We believe that an asset comes with a community," rationalises Akinyanmi, "You need to have that CSR mindset. We are not doing CSR mechanically, but organically



## LEKOIL

as it's a key part of our engagement strategy. Upon arrival at the community, the first thing we did was get to know them, work out their needs and see what we could do to help." Besides medical outreach programmes, LEKOIL is also bringing power by establishing a 6MW power plant, for the area.

"Otakikpo began in a swampy location without infrastructure, and our team delivered production in under two years with over a million hours and no lost time injuries. I am extremely proud of our people's achievements." The company is expecting to ramp up production to 10,000 bpd, and subsequently up to 20,000bpd in the second phase.

LEKOIL's ambitions do not stop there. "Our next asset, Ogo, is located in OPL 310 block, offshore Lagos in the underexplored Dahomey basin, on the West African Transform Margin, (ranging from depths of 100 to 800 metres). Identified in a basin study, LEKOIL acquired an interest, drilled

an exploration well and side-track, which turned out to be the third largest discovery in the world in 2013."

LEKOIL's plan is long term, and appraisal drilling for Ogo is underway, with a prospective spud date in 2018, subject to agreements with potential financing partners. "Today, we are getting ready to start developing and shifting focus to production at Ogo."

In March 2017, LEKOIL signed a Memorandum of Understanding with GE Oil & Gas for the development of a work programme for the Ogo field. This discovery is a game changing resource, containing enough oil and gas to contribute to the country's power generation need. The find is in close proximity to the West Africa Gas Pipeline, further bolstering Nigeria's gas exporting ability to neighbouring countries.

LEKOIL's ambitions have already taken them beyond Nigeria's borders. One-third of its assets is a block 100km south of Lagos, OPL 325, a deep-water block, activity anticipated by 2019, and its two other blocks are in Namibia. LEKOIL is on the right path to becoming the world's leading exploration and production company focused on Africa.

According to LEKOIL, the future of gas is looking rosy. "The Nigerian government is serious about providing incentives to develop the gas industry. The Office of the Minister of Petroleum Resources invited us to contribute to a new gas policy, and thus far we are optimistic." With the country expecting agreements to move ahead in 2017, freeing up capex funds for the industry, the year ahead is looking up for ambitious companies. LEKOIL has already created LEKGAS, a gas midstream vehicle for LEKOIL. Beyond playing a key role in development of gas assets like Ogo in which LEKOIL has an equitable stake, LEKGAS will focus on gas processing, transportation, storage and power space in Nigeria and sub-Saharan Africa.

"Nigeria needs power; it just needs to get the right incentives to facilitate the sector's development". 