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A REVIEW OF ENI ASSETS DIVESTMENT TO OANDO



On September 5, 2023, Eni, an Italian oil and gas company, announced that it had signed an agreement to sell its entire stake in Nigerian Agip Oil Company (NAOC) to Oando, a Nigerian energy solutions provider. The deal is worth \$1.5 billion and is expected to close in the first half of 2024.

NAOC is a wholly-owned subsidiary of Eni and is one of the largest oil and gas producers in Nigeria. It has a portfolio of onshore and offshore assets, including four oil blocks and two exploration leases. The company also operates two power plants in Nigeria.

The divestment of NAOC is part of Eni's strategy to reduce its exposure to oil and gas in Nigeria. The company has been facing increasing challenges in the country, including production declines, security threats, and regulatory hurdles.





Oando is a major player in the Nigerian energy sector. It has a diversified portfolio of assets, including oil and gas, power, and gas infrastructure. The acquisition of NAOC will significantly increase Oando's oil and gas reserves and production capacity.

The divestment of NAOC has been met with mixed reactions. Some analysts have welcomed the move, saying that it is a positive step for Eni and will allow the company to focus on its core businesses. Others have expressed concerns about the implications of the deal for the Nigerian oil and gas sector.

The NNPC, Nigeria's state-owned oil company, has raised concerns about the divestment. The NNPC is a minority shareholder in NAOC and has a 5% stake in the company. The NNPC has said that it was not consulted about the deal and that it has not been given any guarantees about the future of NAOC's operations.

The divestment of NAOC is a significant development in the Nigerian oil and gas sector. It remains to be seen what the long-term implications of the deal will be for the country.

Here are some of the pros and cons of the ENI assets divestment to Oando:

■ Pros:

- The divestment will allow Eni to reduce its exposure to oil and gas in Nigeria and focus on its core businesses.
- The divestment will provide Oando with a significant boost in its oil and gas reserves and production capacity.
- The divestment could help to improve the transparency and accountability of the Nigerian oil and gas sector.

■ Cons:

- The divestment could lead to job losses in the Nigerian oil and gas sector.





- The divestment could reduce the government's revenue from oil and gas production.
- The divestment could make it more difficult for the Nigerian government to regulate the oil and gas sector.

Overall, the ENI assets divestment to Oando is a complex deal with both potential benefits and risks. It remains to be seen how the deal will ultimately play out for the Nigerian oil and gas sector.





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