

Theme:

**POWERING FORWARD:
ENABLING NIGERIA'S
INDUSTRIALISATION VIA GAS**

GAS TO CHEMICALS IN NIGERIA

CHARTING A WAY FORWARD



Creating Markets, Creating Opportunities

Climate Change Focus and Drive Towards Low Carbon Future has Consequences

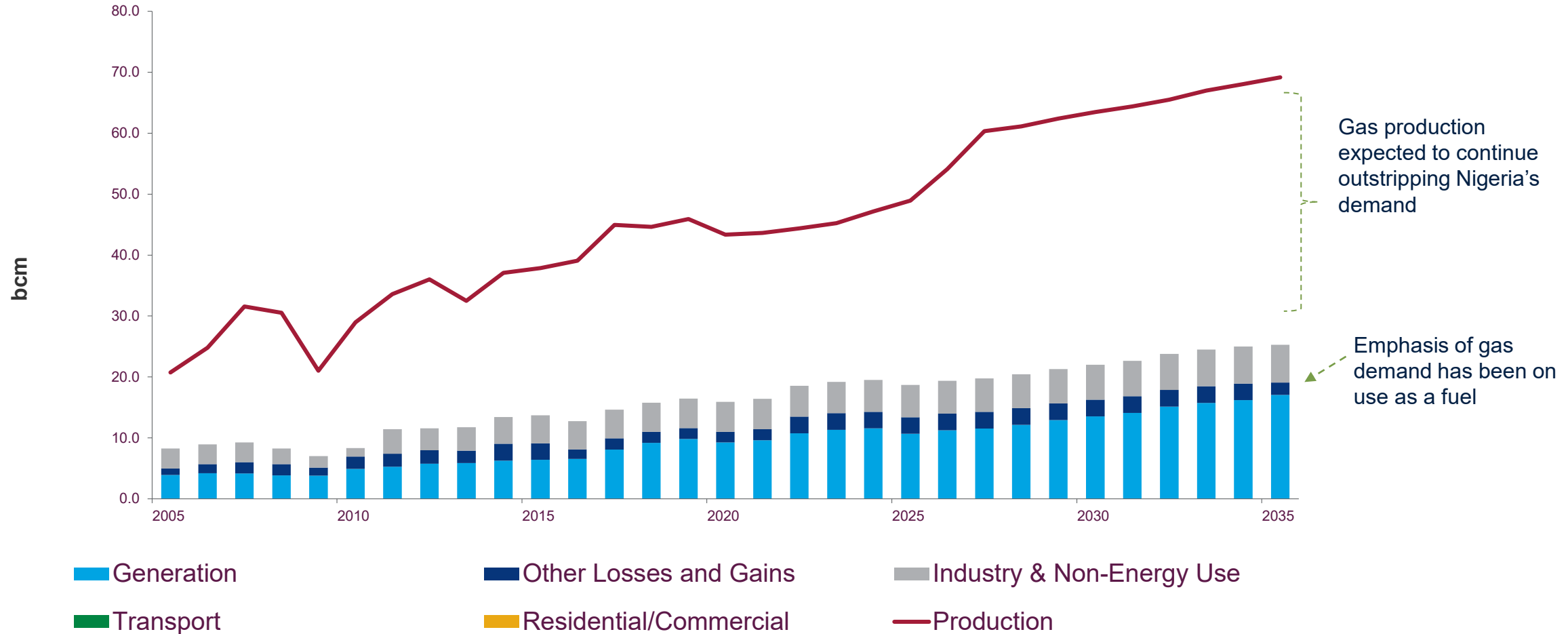
- The world is changing – low carbon drive is real and taking effect
- Decline in use of fossil fuel is accelerating
- Nigeria, with its high reliance of oil exports and its large population faces an existential threat

■ Under a low carbon scenario, combined global government oil and gas revenues worldwide could be \$13 trillion lower than expected (51% less) over the next two decades compared with business-

■ The 40 petrostates could see a gap of \$9 trillion vs expectations; 50% of these countries face a shortfall of over half of their hydrocarbon revenues in the next 20 years under a low-carbon outcome, as

Beyond Petroleum – Carbon Tracker

Despite having 187 TCF of gas reserves - the world's 9th largest - the outlook on Nigeria's gas demand remains constrained and undiversified



Source: Historical Data: IEA; Forecast: Wood Mackenzie Energy Markets Service

Gas to Chemicals – How Nigeria Compares with its Peers

i.e. Petrochemicals, Urea Fertilizer, Methanol, Ammonia etc

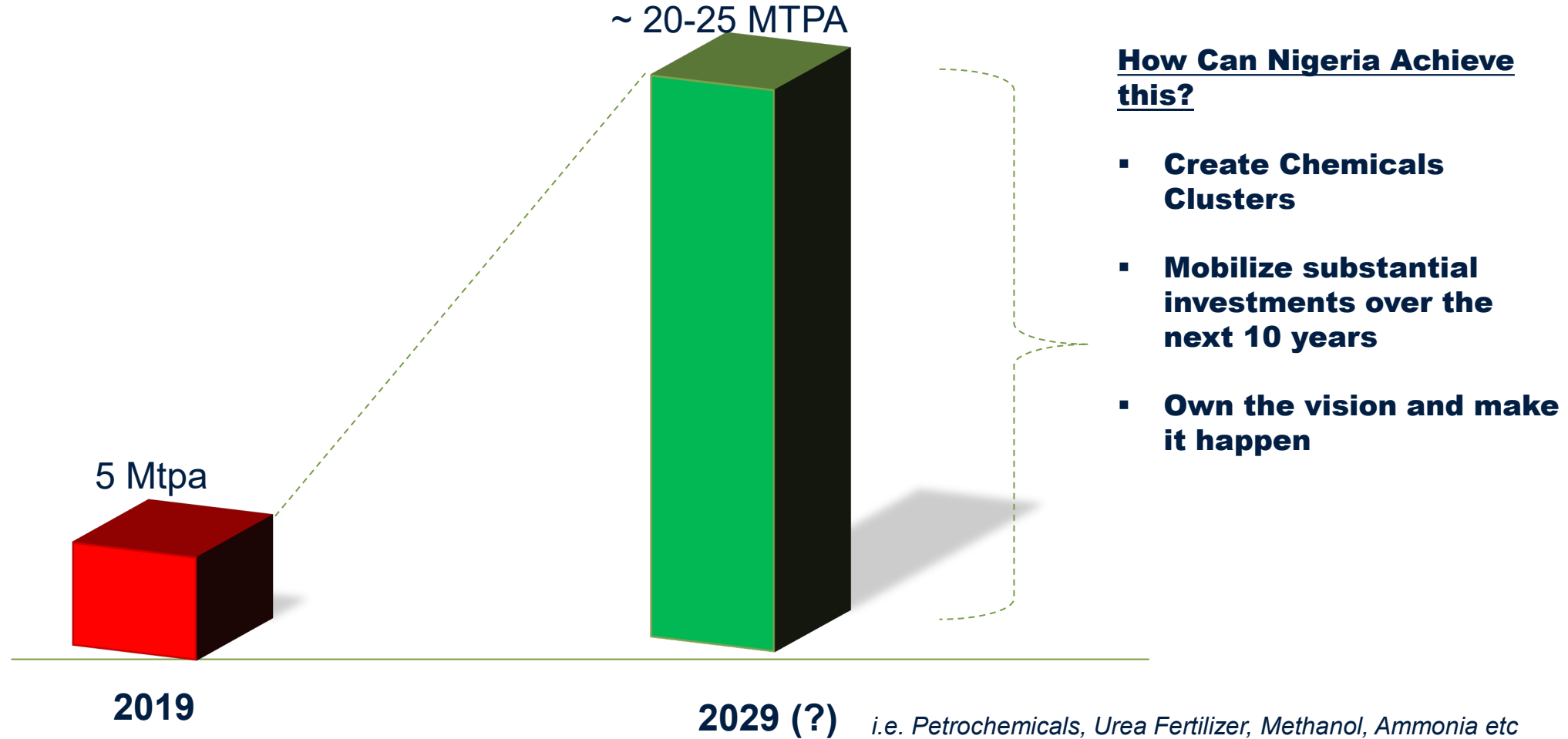
S/n	Country	Oil Reserves	Gas Reserves	Exports of Crude Oil in 2016	Exports of Chemicals and Derivative Products in 2016	Installed Capacity of Petrochemicals and Fertilizer
1	Venezuela	297 bn bbls	195 tcf	US\$ 25.0bn	US\$ 0.9bn	N.A
2	Saudi Arabia	267bn bbls	288 tcf	US\$ 183.0bn	US\$ 38.1bn	96.0m tpa
3	Iran	154 bn bbls	1,187 tcf	US\$ 18.3bn	US\$ 5.9bn	60.0m tpa
4	Iraq	141 bn bbls	112 tcf	US\$ 47.0bn	Nil	N.A
5	Kuwait	104 bn bbls	64 tcf	US\$ 33.7bn	US\$ 4.5 bn	8.8m tpa
6	UAE	98 bn bbls	215 tcf	US\$ 46.8bn	US\$ 10.5 bn	13.6m tpa
7	Russia	80 bn bbls	1,688 tcf	US\$ 75.7bn	US\$ 23.7 bn	40.0m tpa
8	Libya	48 bn bbls	55 tcf	US\$ 4.5bn	Nil	N.A
9	Nigeria	37 bn bbls	182 tcf	US\$ 27.0bn	US\$ 0.2 bn	~5.0m tpa

A concerted effort to diversify from crude oil exports

On track to increase Petrochemicals capacity at least 2.5x over next 10 years

* Other noteworthy examples include efforts in Qatar, Trinidad & Tobago, and Brazil

Gas to Chemicals – A vision for Nigeria



Global Development Partners are uniquely positioned to help Nigeria leverage this endowments for *accelerated economic diversification, and to achieve climate/ emissions benefits*

IFC INVESTMENT AND ADVISORY PRODUCTS

Loans	<ul style="list-style-type: none">▪ Project and corporate financing	<ul style="list-style-type: none">▪ Long-term patient capital at appropriate price
Equity	<ul style="list-style-type: none">▪ Direct equity investments▪ Asset Management Company (AMC)	<ul style="list-style-type: none">▪ Up to 20% shareholding for own account, plus equity mobilization
Blended Finance	<ul style="list-style-type: none">▪ Using concessional donor funds to mitigate risks	<ul style="list-style-type: none">▪ Opening the door to much larger amounts of private investment
Upstream	<ul style="list-style-type: none">▪ Support project development from feasibility	<ul style="list-style-type: none">▪ Share development risk and IFC expertise
Syndications	<ul style="list-style-type: none">▪ Parallel Loan mobilization and Syndications	<ul style="list-style-type: none">▪ Over 60 co-financiers: banks, funds, DFIs
Advisory	<ul style="list-style-type: none">▪ Valued-added service IFC provides	<ul style="list-style-type: none">▪ CG, operational and resource efficiency, EH&S standards etc