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**NNPC, AFREXIMBANK
SIGNS \$1.04 BILLION
DEAL FOR OIL EXPLORATION**

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The African Export-Import Bank (Afreximbank) has signed a \$1.04 billion deal with the Nigerian National Petroleum Corporation (NNPC) Limited to finance the exploration of crude oil. This was made known in a statement released on Wednesday 17, 2021 by Afreximbank. The agreement was concluded on Tuesday in Durban during the second Intra-Africa Trade Fair (IATF 2021), which held from November 15 to November 21, 2021.

The transaction comprises a Pre-Export/Shipment Finance Facility which is supported by a Forward Sale Agreement (FSA) and an Offtake Contracts from the NNPC Limited acting as the Borrower and the Seller.

In the statement issued by Afreximbank, NNPC Limited would enter an FSA within which it shall deliver 35,000 barrels of crude oil per day. The proceeds from the facility would increase tax revenues and foreign currency receipts to the tune of over \$2.4 billion.

The transaction is in line with Afreximbank's requirement to promote local content in Africa's Oil and Gas and other mining industry and to help generate foreign receivables into Africa. The transaction is also coming after NNPC Limited signed a deal with some of the world's biggest oil companies earlier in the year that could unlock over \$10 billion investment in an offshore oilfield.

This is a laudable development as it could serve as a huge boost to NNPC Limited's goal to be a globally recognized commercial entity and it will help attract more financing and investments into the oil and gas sector in Nigeria.
