

NNPC/MPN JV: 55 Years of Delivering Value to Akwa Ibom State

The NNPC/MPN Joint Venture in Akwa Ibom State

The Nigeria National Petroleum Corporation/Mobil Producing Nigeria Joint Venture (NNPC/MPN JV) has operated in Akwa Ibom state for 55 years, having been granted its first Oil Prospecting License (OPL) in 1961.

Since then, the JV has consistently delivered significant economic value to Akwa Ibom State and Nigeria.

Current State of the Business

The current decline in oil prices has forced a global cut back in investments. There has been about a 75% reduction in JV profitability compared to 2015, and JV partner cash call obligations have reached a cumulative arrears in excess of \$1.3bn, and growing, undermining business sustainability. Additionally, vandalism and community unrest have resulted in significant production losses. The resultant effects on our business include: scaled down operations, limited new hire opportunities, reduced personnel, project deferments, contract renegotiations.

Surviving the Odds

These are trying times, indeed. A mind-set of stakeholder collaboration has become the irreducible minimum to assure business sustainability for continued value creation for all. An atmosphere/environment of ramped-up hostility expressed in threats, abduction of contractors, blockades and protests is counter-productive. It poses an existential risk to our operations with grave implications for the revenue base of the state and our capacity to provide employment and support on-going social investments in our neighbouring communities.

Mobil Producing Nigeria Unlimited has consistently discharged its corporate and Joint Venture duties and obligations to country, state and communities. We, therefore, expect to be treated as partners, as would anyone with rights and privileges.

We are part of the Community

MPN is made up of people: Over 1700 citizens living and working in Akwa Ibom State, mostly indigenes. These individuals and their families

are actively contributing to the economy of the state. We expect all people including our staff, as law abiding members of the community, to be free to go to work without enduring threats and illegal tolls on the road.

We seek and appreciate the support and collaboration of all stakeholders, as we work to assure near term business sustainability. Our long term business outlook and community investments can remain positive only if all stakeholders genuinely collaborate towards maintaining an atmosphere that is conducive for business for everyone in Akwa Ibom State.

We invite all to continue to work with us to ensure continued value delivery and prosperity in Akwa Ibom State.

