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PAN OCEAN OIL CORPORATION NIGERIA:

A Celebration of Tenacity

PROFESSIONALISM, INTEGRITY, TENACITY

Pan Ocean Oil Corporation (Nigeria), (POOC), has experienced rapid growth since its inception in 1973. She is the only indigenous E&P operator currently in a joint venture relationship with the Nigerian National Petroleum Corporation (NNPC). The NNPC has a 60 per cent working interest in Oil Mining Lease Number 98 (OML- 98), while Pan Ocean as Operator, has 40 per cent.

POOC maintains her vibrancy and profitability by running efficient operations employing local resources and expertise. POOC's main theatre of activity - OML-98 straddles Delta and Edo States in the oil rich Niger Delta, occupying an

area of 523square Kilometres and the company operates from two offices in Nigeria - the Corporate Headquarters in Lagos and the Operations and Logistics Office in Warri, which oversees oilfield operations.

ACCOMPLISHMENTS & FUTURE MISSION

From very humble beginnings, Pan Ocean has risen to become a major player in today's Nigerian Oil Industry. The Joint Venture agreement with the Federal Government through the Nigerian National Petroleum Corporation (NNPC), was birthed after difficult

negotiations. But it finally got the approval of the authorities due to the core POOC values of doggedness, focus, and commitment to performance and excellence.

Pan Ocean has gradually increased crude oil production capacity in OML-98 from 2000 barrels per day, to about 40,000 barrels per day at the present time, with a target of 50,000 to 60,000 barrels per day in the next few years.

THE FUTURE

GAS PROCESSING AND POWER GENERATION

POOC has taken a leadership position in implementing the gas flare out objective of the Federal Government of Nigeria. In the process, it has adopted a strategy of developing new streams of income as well as demonstrating its support for environmental protection.

To this end, a US\$250million LPG Gas processing facility with an ultimate capacity of 200 Million Standard Cubic Feet per day (MMSCFD) of lean gas will soon be commissioned. This will end all routine flaring in POOC operations by recovering associated gas from producing wells for processing. She is currently producing 75 million standard cubic feet of gas per day of lean gas, and the plant is starting with two trains of 130MMSCFD each.



In July 2007, Pan Ocean Oil Corporation (POOC) signed a US\$144 million contract agreement with Lemna Energy Resources of



• Dr. Fadeyi

COMMUNITIES

As the only indigenous oil company operating a similar Joint Venture with the NNPC as those operated by the International Oil Companies, Pan Ocean has challenged herself to set the standard for Corporate Social Responsibility, demonstrating respect and commitment to her host communities by physically enhancing their economic and social conditions.

POOC maintains very cordial community relations in its areas of operation by effectively providing social amenities, through construction, furnishing and equipping classroom blocks and building, equipping and maintaining health clinics. She also impacts the human development indices in her operating environs through scholarship awards, skills acquisition training and provision of seed capital for graduates of such training programmes. Other areas of POOC intervention in the communities where she operates include provision of infrastructure through portable water supply, provision of electricity and construction of paved roads. These social investments and demonstration of a high sense of Corporate Social Responsibility have ensured to a large extent, peaceful coexistence with Pan Ocean's host communities.

Already, visible results in sustainable development terms have been recorded with POOC trained entrepreneurs creating jobs and employing others in the communities.

Pan Ocean is also committed to carrying out its operations with due consideration for the environment and the ecosystem, hence its dynamic policy to ensure that the operating environment is not impacted negatively. She has further consolidated her front line role in environmental protection as an active member of the Clean Nigeria Associates formed in November 1981.



China for the phase one of the Gas Processing plant project. Two Factory Acceptance Tests were successfully concluded in Houston in the second quarter, before the first batch of equipment arrived Nigeria in the middle of 2008.

In addition to reducing pollution in the environment by not flaring out gas, POOC plans to supply some of its gas to her planned Ihovbor (Eyean) IPP project, which will generate 250MW of electricity in Edo area of the Niger Delta region. This will create an enabling environment for the growth of small scale industries within her operating environs.

In the recent past, the company has invested heavily in gas processing equipment, way ahead of her peers in the industry as well as in research and personnel training in this area of her operations. The Gas Team is geared up and ready to go as they await the commissioning of the LPG project - another success story at Pan Ocean.

Pan Ocean Oil recently won another block on a Production Sharing Contract (PSC) arrangement with the Nigerian National Petroleum Corporation (NNPC), and the whole team is working round the clock to bring this field on stream within the next 24 months, by 2010..

Little wonder, everyone at Pan Ocean looks unto the future with hope and confidence, as she is poised to consolidate her strong position in the industry to move to the next level.

ABOUT DR. FESTUS ALANI FADEYI

(Chairman/CEO)

Born on December 12, 1941 in Abeokuta, Ogun state, Dr. Festus Alani Fadeyi is a trail blazer in the sense that he became the first Nigerian to manage an E&P company operating a joint venture with the NNPC.

He holds a Bachelor of Science Degree in Accountancy, a Masters Degree in Business Administration and a PhD in Management, all from the California State University in the United States. He is a Chattered Accountant in Nigeria as well as a Certified Public Accountant in the United States. He also belongs to several other professional associations.

He launched his foray into the oil sector when he worked for an Oil Service Company called Amdumac Group from June 1973 -



• Dr. Fadeyi

October 1974. He joined Pan Ocean Oil Corporation Nigeria in executive capacity in 1974, and has successfully overseen Pan Ocean's expansion of oil and gas assets through an aggressive exploration, field development and production campaign.

Dr. Fadeyi has also acquired extensive experience in several challenging aspects of the petroleum industry, including active involvement in marginal fields financing and development; and more recently, structuring and executing gas processing and power generation projects in Nigeria.

For his tenacity and leadership in his pioneering role at Pan Ocean, Dr. Fadeyi received the **Pathfinder Award**, at the recent **NIGERIA PETROLEUM GOLDEN JUBILEE AWARDS**.

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