



# OPTS: Introduction to Inventory Sharing Platform

Workshop presentation

11 April 2019

# Acknowledgement of the OPTS anti-trust guidelines

The Lagos Chamber of Commerce & Industry

## OPTS Anti-Trust Guidelines



Oil Producers Trade Section  
**OPTS**

### Guidelines on Exchange of Information Applicable to all OPTS Activities

#### Why these guidelines?

OPTS Management Committee is very concerned that only appropriate information is exchanged at OPTS meetings or forums

- There is no anti-trust legislation currently in force in Nigeria but such legislation has been proposed
- OPTS members export their products into markets in Europe & N. America which have stringent anti-trust regulations
- **OPTS members must comply with anti-trust requirements of their parent companies wherever they operate**

#### Guidelines

OPTS Management Committee has approved the following guidelines

- Each OPTS meeting or forum is to have a specific written agenda and discussions should be limited to topics outlined in such agenda
- **Commercially sensitive information should never be discussed at OPTS meetings and forums e.g. market share, profit margins, pricing policies of a member or its affiliate**
- The Legal Department of one or more members should review the agenda prior to each OPTS meeting or forum to identify any potential anti-trust concerns
- Detailed and formal minutes shall be taken and agreed upon by all participants at each meeting

OPTS Secretariat,  
Founded Nov 2007

The Lagos Chamber of Commerce & Industry

## Use of Consultants

Should OPTS advocacy efforts require collation of commercially sensitive information, a 3rd party consultant should be retained to collate such information

- **The information should be presented anonymously and in such a way that no individual company's data will be identifiable**
- Any such 3rd party consultant should be required to share such information only on a need to know basis related to the purpose for which it is collated
- Anti-trust regulations are fact-specific so when in doubt legal counsel should be consulted

## Deployment of the Guidelines

Each legal department of each OPTS member is to be responsible for ensuring these guidelines meet the requirements of such member and for proposing any updates to the guidelines as required

- Each legal department to obtain signed acknowledgement from OPTS reps of that company that they are aware of and will comply with these guidelines
- The chairperson of each OPTS Sub-Committee is to have a copy of the guidelines available at each meeting as a reminder to all members of such Sub-Committee
- Any OPTS Sub-Committees dealing with Realizable Price, Establishment of a Strategic Aggregator and PSC negotiations and any other Sub-Committee that may review commercially sensitive information should ensure they receive legal guidance on what matters they can appropriately deal with and how
- It is recommended that a lawyer of one or more members be present at such Sub-Committees' meetings or at least available to attend, if needed, for providing guidance

OPTS Secretariat,  
Founded Nov 2007.

# Agenda

1. **Introduction to the inventory sharing initiative**

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2. **Introduction to Ampelius including live demonstration of platform**

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3. **Q&A and next steps**



# 1 IOCs in Nigeria are following an industry wide approach to optimize their supply chains by investigating opportunities to share inventory

Operators in Nigeria have large inventory positions, and experience long delivery lead times

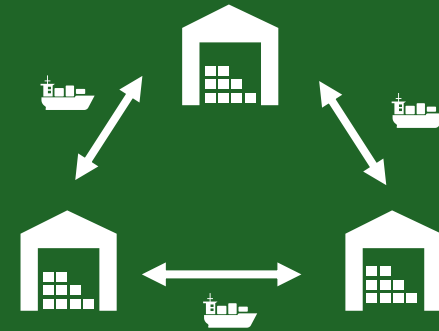


Overbought or unused materials remain following project completion, leading to large inventory build up



Operators face long delivery lead times for materials, further leading to “buffer stock” buying practices

An industry wide approach to trade inventory could help to address such inefficiencies



## Reduce inventory levels

Sell material that is not critical within the foreseeable future



## Shorter supply chain

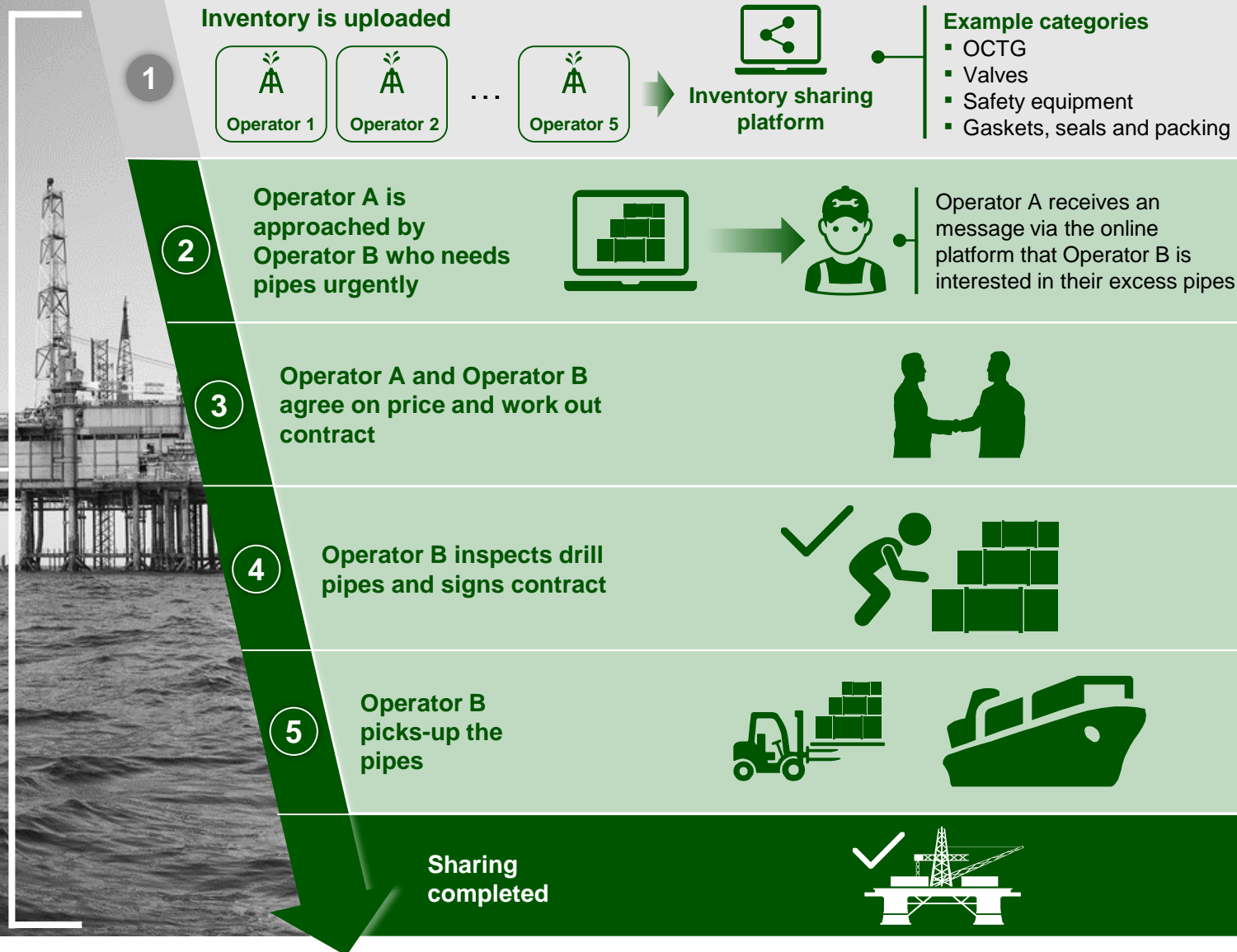
Use materials which are already in Nigeria, reducing lead times



# 1 As part of this initiative, IOCs successfully piloted an online platform to trade inventory (Ampelius)








Use of platform is supported by NAPIMS, and adheres to relevant JOA / PSC agreement terms

NAPIMS has granted approval of the initiative as a way of working in the industry going forward




















# 1 Following a first workshop in November, IOCs now would like to gauge interest from additional operators to participate on the platform

## Current platform users

	Chevron
	Eni
	ExxonMobil
	Shell
	Total
	SEPLAT
	First E&P



## Additional OPTS operators approached

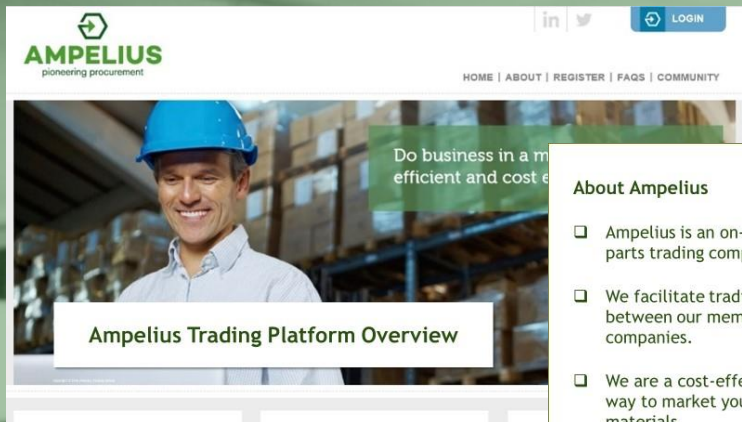
	Sinopec / ADDAX		Niger Delta
	Dubri Oil Company Limited		Oando
	Elcrest		Oriental Energy Resources Limited
	Equinor		Pan Ocean
	Eroton		Petrobras
	Lekoil		Sapetro
	Monipulo		Walter Smith
	ND Western		Yinka Folawiyo Group
	Nexen		

### Today's objectives are to

- Share the rationale behind the initiative
- Introduce Ampelius and demonstrate the use of the platform
- Clarify any questions and discuss potential interest from additional operators



## 2 Introduction to Ampelius and the online platform



**AMPELIUS**  
pioneering procurement

HOME | ABOUT | REGISTER | FAQS | COMMUNITY

Do business in a more efficient and cost-effective way

**Ampelius Trading Platform Overview**

### About Ampelius

- ❑ Ampelius is an on-line parts trading company.
- ❑ We facilitate trading between our member companies.
- ❑ We are a cost-effective way to market your materials.
- ❑ We have over 35 member companies and over 250,000 items for sale.

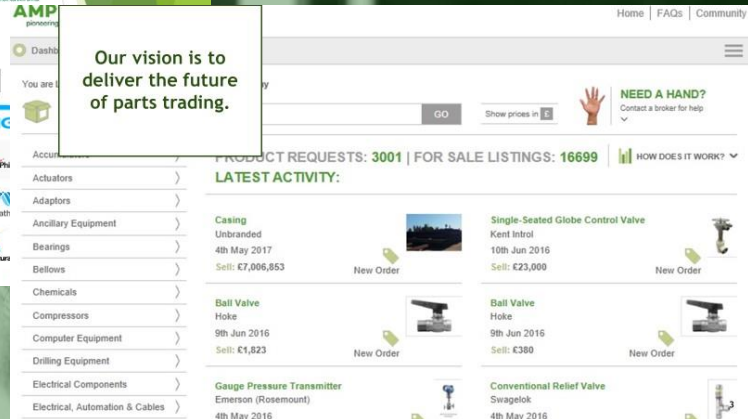
### Current Nigerian IOCs using the platform



### Some of our other members



Our vision is to deliver the future of parts trading.



Home | FAQs | Community

GO Show prices in £

NEED A HAND? Contact a broker for help

PRODUCT REQUESTS: 3001 | FOR SALE LISTINGS: 16699 | HOW DOES IT WORK?

**LATEST ACTIVITY:**

Item	Status	Price	Date
Casing Unbranded	New Order	Sell: £7,006,853	4th May 2017
Single-Seated Globe Control Valve	New Order	Sell: £23,000	10th Jun 2016
Ball Valve Hoke	New Order	Sell: £1,823	9th Jun 2016
Ball Valve Hoke	New Order	Sell: £300	9th Jun 2016
Gauge Pressure Transmitter Emerson (Rosemount)	New Order	Sell: £1,823	4th May 2016
Conventional Relief Valve Swagelok	New Order	Sell: £1,823	4th May 2016

### We differentiate ourselves by providing;

- ❑ A secure trading environment.
- ❑ A messaging & contract exchange process.
- ❑ Price negotiation.
- ❑ Market intelligence.
- ❑ Access to the an engineering data library to enhance your data.
- ❑ Search assistance.



**Conventional Relief Valve Complete**

Equipment Class: Conventional Relief Valves  
Manufacturer: CROSBY  
Manufacturer P/N: 9511017A  
Model #: 900  
Dimensions: ID: 3/4" x OD: 1"  
Classifications: ID: CL600 x OD: CL300  
Product Type: Part  
Condition: Good  
Materials: SA216 WCB  
Quantity: 1  
Unit of Measure: EA

Buy Stack: 4,525  
Sell Stack: 5,250

4,500 25,000  
4,400 99,999,999

Quick Buy Quick Sell

### Transforming your business.

- ❑ Adopt Ampelius as part of your supply chain change programme.
- ❑ This illustration highlights the strategic objectives typically associated with adopting Ampelius.
- ❑ We provide our members with regular email promotions and offer bespoke analysis & group newsletters.

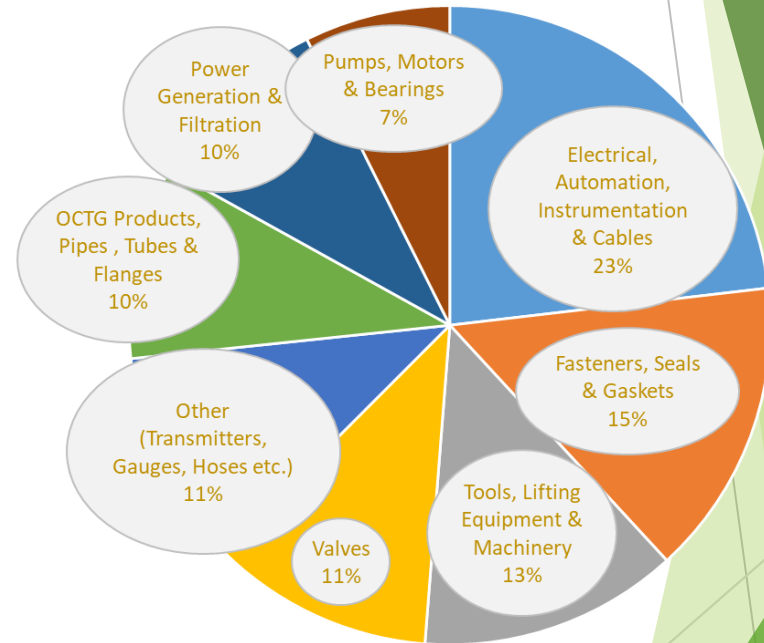


Ampelius has supported the Nigeria inventory sharing hub since 2017. 200 users can access the system through their browser.

There are 36 product categories

The composition and volume is refreshed each month.

This chart shows the main groups.





There are materials from over 3000 different manufacturers available.

### Electrical, Automation, Instrumentation & Cables



### Tools, Lifting Equipment & Machinery



### OCTG Products, Pipes, Tubes & Flanges



### Pumps, Motors & Bearings



### Valves



### Fasteners, Seals & Gaskets



### Power Generation & Filtration

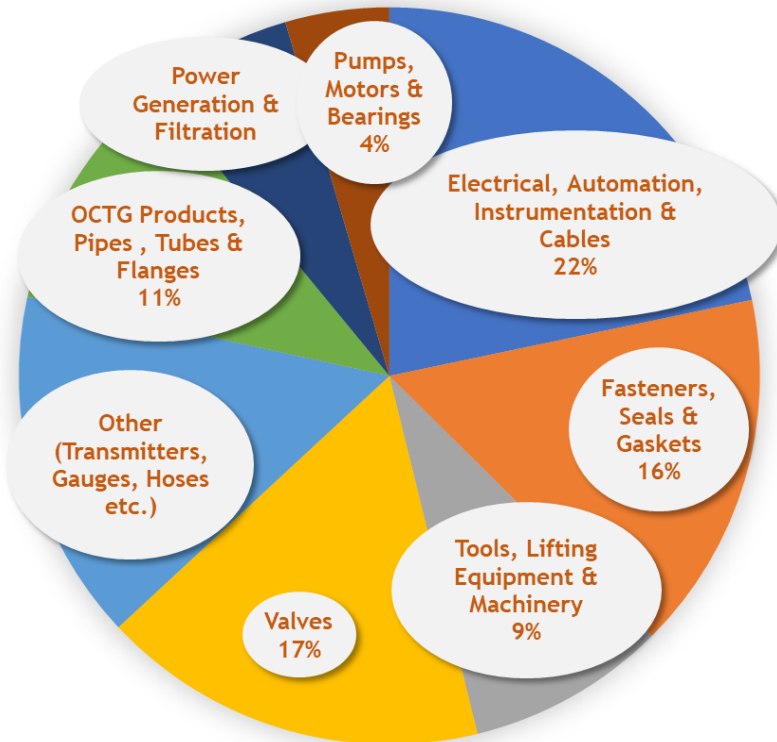


### Other (Transmitters, Gauges, Hoses etc.)



# Demand For Materials

## Areas of Demand

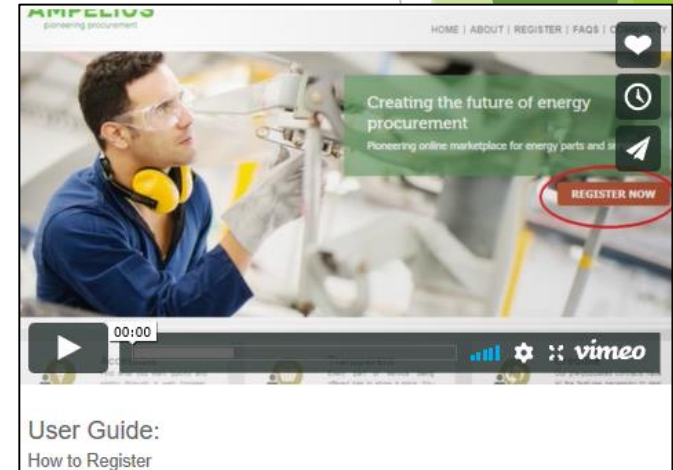


In the first 18 months of operation we have received more than an \$105M of purchase requests.

## Joining

- For new member in Nigeria we offer a variation to our Standard Terms of Business.
- An invoice is issued when your company completes the 'Registration' step.
- Registration is performed on-line at [www.ampeliustrading.com](http://www.ampeliustrading.com)
- You must provide the company name, registration number, business address and contact details. Watch our video guide for more help.

Annual fixed payment  
Buyer Only = \$5000  
Buyer & Seller = \$13500



### 3 Discussion



**Are there any topics or questions you have that we can help to clarify?**

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**Would there be potential interest to join the platform?**

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**If so, in what capacity would operators be interested in joining the platform?**

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**... any other questions?**

### 3 Suggested next steps

Key next steps	Action owner(s)	Proposed dates
<ul style="list-style-type: none"><li>▪ Share details of new member terms and conditions with operators</li></ul>	<ul style="list-style-type: none"><li>▪ Ampelius</li></ul>	Within a week
<ul style="list-style-type: none"><li>▪ Answer any additional follow-up questions on Ampelius, or the wider initiative</li></ul>	<ul style="list-style-type: none"><li>▪ All</li></ul>	Within a week
<ul style="list-style-type: none"><li>▪ Indicate interest to join platform to Ampelius and OPTS</li></ul>	<ul style="list-style-type: none"><li>▪ Additional operators approached</li></ul>	End of April 2019
<ul style="list-style-type: none"><li>▪ Detail out agreement with Ampelius (including commercial contract, onboarding, and user account creation)</li></ul>	<ul style="list-style-type: none"><li>▪ Ampelius</li><li>▪ Additional operators approached</li></ul>	May 2019




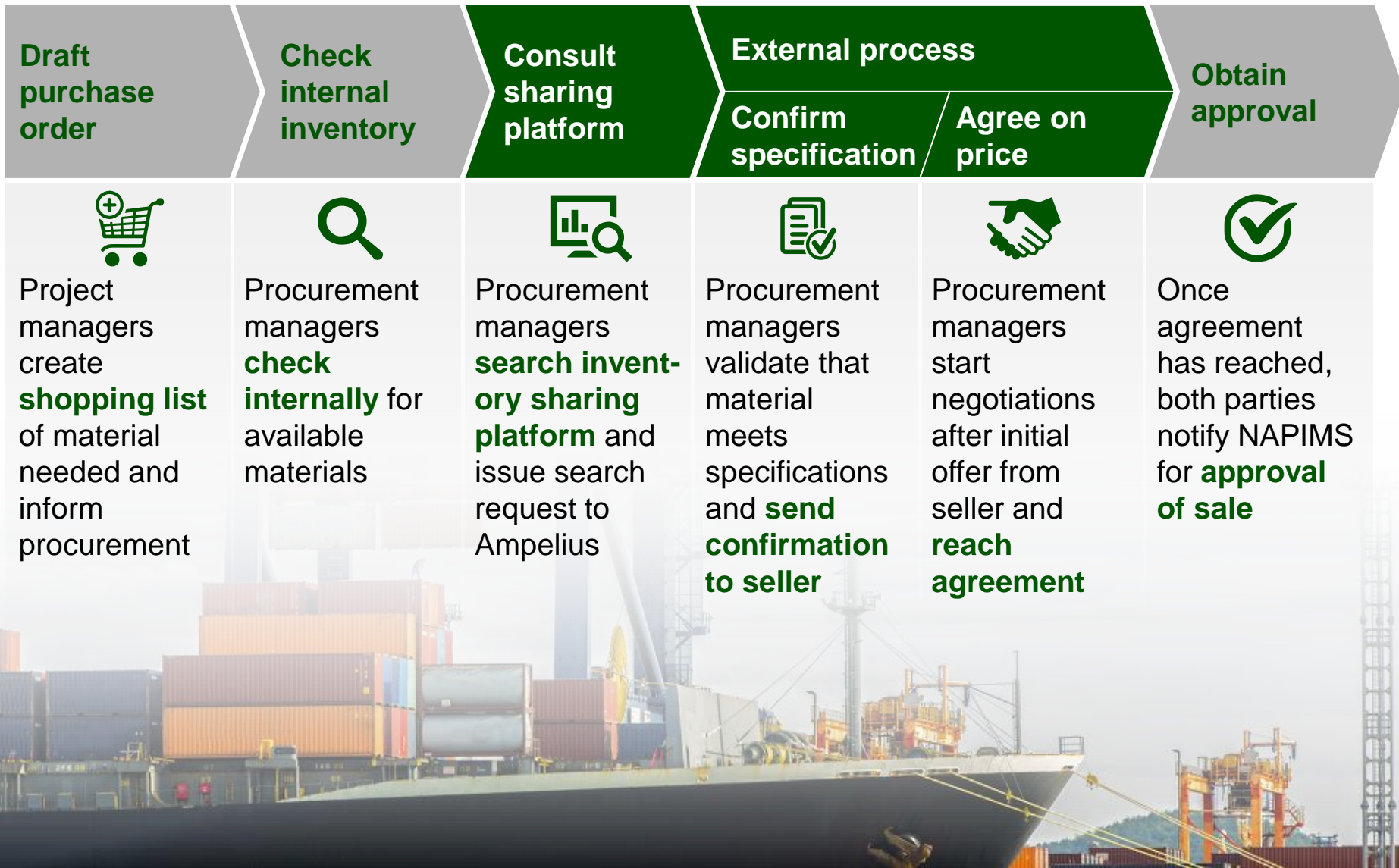
# BACKUP



### ③ The procurement process does not change fundamentally – however before sourcing externally the platform needs to be checked

What is the new process?

 New process steps



### 3 The inventory group is responsible for selling inventory to other Operators and keeping items up to date on the platform

What is the new process?



Selling materials on inventory sharing platform

Uploading and updating items on inventory sharing platform

