

Twenty-five years after oil exploration and production were halted in OML 11, traditional rulers in Ogoniland have endorsed an indigenous oil firm, RoboMicheal Limited, to commence operation in the Ogoni oilfield.

The Supreme Council of Ogoni Traditional Rulers and the Conference of Ogoni Traditional

OML11: Ogoni endorse RoboMicheal to commence oil exploration

Rulers jointly gave the endorsement at the end of a meeting of the 27 members of the council held in the palace of its chairman, His Royal Highness, HRH, King Godwin Giniwa, in Korokoro, Tai Local Government Area of Rivers State.

The 27 members of the Ogoni traditional council, which

MKPOIKANA UDOMA, Port Harcourt

represents the 27 monarchs in the kingdom and communities of Ogoni, said the endorsement of RoboMicheal was imperative as the company has been engaging with the people and already had obtained the operatorship license for OML11 from the

Federal Government.

Spokesperson of the Supreme Council of Ogoni Traditional Rulers and Paramount Ruler of Kpite Community, HRH King Samuel Nnee, who read the communiqué to newsmen at the end of the meeting, maintained that RoboMicheal was committed to the development of Ogoniland.

Nnee explained that the resumption of oil exploration activities in Ogoniland by the indigenous oil firm will generate wealth, provide employment for Ogoni indigenes, and also open up the area, which has been impoverished by endless years of environmental degradation, to further investment

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Sweet Crude

In collaboration with



A Review Of The Nigerian Energy Industry

WEEKLY

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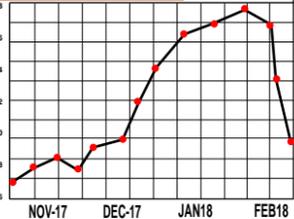
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UPDATES

WEEKLY BASKET PRICE

| | |
|--------|-------|
| FEB-16 | 61.34 |
| FEB-09 | 63.86 |
| FEB-02 | 66.89 |
| JAN-26 | 67.64 |
| JAN-19 | 67.21 |
| JAN-12 | 66.81 |
| JAN-05 | 65.49 |
| DEC-29 | 63.99 |
| DEC-22 | 62.17 |
| DEC-15 | 61.71 |
| DEC-08 | 60.84 |
| DEC-01 | 61.35 |
| NOV-24 | 60.94 |

Daily | Weekly | Monthly | Yearly **62.41US\$**



● An offshore oil rig

PPMC earns N126bn from PMS, kerosene, diesel sales

The Pipelines and Products Marketing Company, PPMC - the downstream subsidiary of the Nigerian National Petroleum Corporation, NNPC - earned N125.73 billion from the sale of white petroleum products in the month of November 2017.

White petroleum products comprise Premium Motor Spirit, PMS, also known as petrol; Dual Purpose Kerosene, DPK and Automotive Gasoline Oil, AGO, also known as diesel. According to data obtained from the NNPC's Monthly Financial and Operations Report for November, the amount from white petroleum products sale in November was 25.4 per cent lower than the previous month's revenue of N168.56 billion.

Giving a breakdown of the sales, the report noted that PMS accounted for 85.96 per cent of total white products sales, with N108.075 billion; followed by AGO with N13.35 billion and DPK, with N4.3 billion,

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How Nigeria lost over \$27bn oil revenue in 3 years

● NNPC accounts for \$11.7bn of losses ● \$2.5bn NLNG dividends 'wrongly' spent ● \$1.17bn lost to 'questionable' tax and royalty rates

OPEOLUWANI AKINTAYO

Nigeria lost over \$27 billion oil revenue between 2009-2011, data obtained from the Nigerian Extractive Industry Transparency

Initiative, NEITI, has revealed. Specifically, the NEITI report said a total of twenty-seven billion, three hundred and sixty-one million, three hundred and forty-seven thousand, two

hundred and seventy-five dollars (\$27,361,347,275) was lost within the years under review.

The report said the amount was lost through conversion losses due to favourable foreign exchange

rates granted to the state-owned Nigerian National Petroleum Corporation, NNPC; discretionary deductions by the Corporation from its earnings; deductions from its key operational accounts; its debts to the Federation as at 2011; lost value due to stolen oil, and losses through Petroleum Profit Tax, PPT.

Other losses were through royalties, accrued dividends from the Nigerian Liquefied Natural Gas, NLNG, wrongly spent on petroleum subsidy, improper tax deductions, unpaid full education tax, questionable tax and royalty rates and unpaid Niger Delta

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PIGB: Scrap PEF, separate upstream, downstream regulators — NEITI

The Nigeria Extractive Industries Transparency Initiative, NEITI, has faulted certain provisions in the Petroleum Industries Governance Bill, PIGB, calling for the scrapping of the Petroleum Equalisation Fund, PEF.

NEITI, in its 2015 Audit Report for the Petroleum Industry,

released recently, disclosed that its review of the Bill showed that the Petroleum Equalisation Fund was provided for but the management of the Fund was not adequately discussed.

In its recommendations, NEITI stated that the management of PEF should be given to the private sector as was done with pension

fund.

It also faulted the section of the Bill which gave the responsibility of regulating both the upstream and downstream sectors of the petroleum industry to a single entity, the Nigeria Petroleum Regulatory Commission.

According to NEITI, there should be separate regulatory

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Oil demand will grow this year - Barkindo

Secretary-General of the Organisation of the Petroleum Exporting Companies, OPEC, Mohammed Barkindo, has said oil demand will grow in 2018 compared to 2017.

Barkindo stated this at the eighth annual IEA-IEF-OPEC Symposium on Energy Outlooks occurring in Riyadh.

According to the OPEC chief, this year's increase will be at "healthy levels", adding that available data pointed to

continued high compliance by producers in January with their pledges under the supply cut deal.

OPEC, in its Monthly Oil Market Report, MOMR, for February had said that in 2018, world oil demand will reach 98.60 million barrels per day, mb/d, representing a growth of 1.59 mb/d, 60,000 barrel per day higher than the previous month's projections and mainly reflecting the positive economic outlook.

World oil demand growth in

2017 was estimated to increase by 1.60 mb/d, representing an upward adjustment of some 30,000 barrels per day compared to last month's projections, mainly to reflect the continuing better-than-expected data in Organisation for Economic Cooperation and Development, OECD, Europe in 3Q17. Total world oil demand stood at 97.01 mb/d in 2017.



● Crude oil barrels

How Nigeria lost over \$27bn oil revenue in 3 years

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Development Commission, NDDC, contributions.

A breakdown of the figures showed that conversion losses arising from NNPC receiving favourable exchange rates was \$635 million while discretionary deductions by NNPC accounted for a loss of \$1.733 billion.

Another discretionary deductions from NNPC's key operational accounts cost Nigeria \$1.746 billion, NEITI said, adding that losses through NNPC's debts to the Federation as at 2011 stood at \$7.6 billion.

NEITI put revenue losses due to stolen oil at \$7.652 billion and revenue missed to lost royalties at \$683.67 million.

NEITI disclosed that lost Petroleum Profit Tax was \$1.32 billion while accrued dividends from Nigerian Liquefied Natural Gas Company, NLNG, wrongly spent on subsidy was \$2.5 billion within the three years under review.

Improper tax deductions within the three years under review accounted for a total loss of \$604 million and unpaid full education tax was \$512.2 million, with losses to "questionable tax and royalty rates" accounting for \$1.17 billion and \$449.6 million respectively.

NEITI said losses due to unpaid NDDC contributions stood at \$102.2 million.

Industry stakeholders have continuously condemned the loss of national revenues through unwholesome and questionable practices with NNPC often coming into sharp focus.

NNPC handles all oil and gas transactions on behalf of the Federal Government of Nigeria. However, several investigations have indicted the Corporation for highhandedness in terms of remittance of oil and gas revenue into the national coffers, including discretionary withdrawals and sometimes misappropriation of such funds, leading to debt on its part.

Reports have also surfaced, over the years, on how the country lost over N135 billion from 2012-2015 as a result of under-assessment of Petroleum Profit Tax, signature bonuses, royalty, and other specific revenue flows.

For instance, a total of \$675.8 million (N135 billion) was lost to under-assessment of the various taxes in 2012 alone, owing largely to the defective tax assessment regime still operational in Nigeria's oil and gas industry.

In June 2016, the Executive Secretary, NEITI, Mr. Waziri Adio, also said Nigeria lost at least \$9 billion in 2013 alone to unremitted oil money.

In June 2017, the House of Representatives ad-hoc committee investigating \$17 billion stolen crude oil and liquefied natural gas funds, unearthed \$15 billion unremitted revenue which should have been paid into the federation account.

Saudi Arabia to double gas production by 2028



Gas



● Saudi Aramco's Ju'aymah gas plant

Saudi Arabia's Energy Minister Khalid Al-Falih says the country plans to double its natural gas production to 23 billion cubic feet by 2028.

Al-Falih disclosed this at last week's eighth annual IEA-IEF-OPEC Symposium on Energy Outlooks in Riyadh.

"When it comes to natural gas, over the next decade we are going to be roughly doubling our production to 23 billion cubic feet per day and substantially increasing the percentage of natural gas in the Kingdom's fuel mix, displacing liquids and therefore reducing carbon (emissions)," Al-Falih said.

Natural gas is considered a "green" fuel because burning it releases less carbon dioxide into the atmosphere than coal or oil.

As of 2014, Saudi Arabia's total proved natural gas reserves were 8488.9 billion cubic metres, which gave the country the sixth most proved natural gas reserves globally and the third most in the Middle East specifically.

Saudi Arabia produced 102.4 bcm of natural gas in 2014, which made them the eighth largest natural gas producer in the world. The country was the world's fifth largest consumer of natural gas in 2014 as they consumed 108.2 bcm.

Power



Fashola makes case for TCN over 2,000MW stranded power

OPEOLUWANI AKINTAYO

Minister of Power, Works and Housing, Mr. Babatunde Fashola, says the Transmission Company of Nigeria, TCN, is putting all in place to be able to transmit extra 2,000 megawatts, MW, being produced by electricity generating companies or Gencos in the country.

The minister stated this as he sought to allay fears of lack of capacity on the part of TCN to meet up with the demand.

Fashola stated at a stakeholders' meeting with the Manufacturers Association of Nigeria, MAN, that TCN "is able to transport the 5,000MW and extra 2,000MW as it is currently expanding its capacity daily".

The meeting with MAN was geared

towards how the additional 2,000MW generated by the Gencos could be delivered to industries and homes, as well as the smooth implementation of the eligible customers regulation released in 2017 by the Nigerian Electricity Regulatory Commission.

The regulation gives eligible customers the opportunity to buy stranded power directly from Gencos, just like the power distribution companies or Discos and the Nigerian Bulk Electricity Trading Plc.

Fashola disclosed that the electricity distribution companies have increased their load taking capacity to 5,000MW.

Before now, the Discos have been criticised for rejecting power/load apportioned to them by TCN.



● Power transmission line

PPMC earns N126bn from PMS, kerosene, diesel sales

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representing 10.62 per cent and 3.42 per cent respectively.

On the other hand, the report stated that PPMC earned N6.18 billion from the sale of special petroleum products, Low Pour Fuel Oil, LPFO, and others. Specifically,

the PPMC received N849.6 million from the sale of LPFO and N5.33 billion from the sale of other special products.

The report added that total revenues generated from the sales of white products for the period November 2016 to November 2017 stood at N1.964 trillion, where PMS contributed about 84.91 per

cent of the total sales with a value of N1.668 trillion.

In volume terms, the report stated that, "A total of 996.97 million litres of white products were distributed and sold by PPMC in the month of November 2017 compared with 1.353 billion litres in the month of October 2017.



World Bank says \$486m loan to Nigeria will increase power transfer

OSCARLINE ONWUEMENYI, Abuja

The World Bank's \$486 million loan to Nigeria will increase the power transfer capacity of the transmission network, Ms. Olufunke Olofon, Senior Communications Officer, at the Bank, has said.

In a statement announcing the approval of the International Development Association, IDA, Credit of \$486 million for the rehabilitation and upgrading of electricity transmission substations and lines, the World Bank said that in addition to increasing power transfer capacity, the loan will enable distribution companies to supply consumers with additional power.

"The investments under the Nigeria Electricity Transmission Project will increase the power transfer capacity of the transmission network and enable distribution companies to supply consumers with additional power," the Bank said.

The World Bank's International Development Association helps the world's poorest countries by



● Shiroro power transmission switch yard

providing a grant, low to zero-interest loans for projects that boost economic growth and reduce poverty.

The World Bank Country Director for Nigeria, Mr. Rachid Benmessaoud, said the Nigeria Electricity Transmission Project, NETP, would help address key bottlenecks in the transmission network.

"It will also improve access to affordable and reliable electricity

service to citizens. The credit will also enable distribution companies to supply consumers with additional power.

"Together with other investments and policy measures, the project will contribute to ensuring adequate and reliable electricity supply that is necessary for Nigeria's continued economic development," he said.

OML11: Ogoni endorse RoboMichael to commence oil exploration

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opportunities.

He said: "We, the Supreme Council of Ogoni Traditional Rulers in consultation with our people, have resolve to adopt RoboMichael Limited as our preferred company to operate OML11 assets situated in our land in line with the decision of the Federal Republic of Nigeria.

"We further agreed that RoboMichael Limited only will be allowed to operate OML11 Ogoni fields, which was before now managed by SPDC.

"RoboMichael in consultation with the community leaders will ensure community development projects that have been identified by the communities such as establishing schools, building of power stations, provision of employment, establishing of modular refineries, awarding of scholarships etc, for the overall benefit of the people of Ogoni. Our youths, who after many years of training in the higher institutions with their certificates, will stop roaming the streets in search of employment."

PIGB: Scrap PEF, separate upstream, downstream regulators — NEITI

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authorities for the upstream and downstream sectors, as it is done in Ghana.

Furthermore, NEITI observed that the issue of Health, Safety and Environment was conspicuously missing from the PIGB, warning that the passage of the bill without taking into considerations these salient issues would result to future agitations in the Niger Delta.

"Before the Bill is finally passed into law, the issues of environment should be adequately addressed in view of recent happenings in Niger Delta and other oil producing areas," NEITI stated. However, NEITI commended both chambers of the National Assembly for the passage of the PIGB, stating that the Bill would stem the massive loss of revenue recorded in the petroleum industry, arising from corrupt practices and process lapses.



● Mrs. Adeosun

Nigeria has lowest global tax-to-GDP ratio - Adeosun

OSCARLINE ONWUEMENYI, Abuja

The Minister of Finance, Mrs. Kemi Adeosun, has said that Nigeria has one of the lowest tax-to-Gross Domestic Product, GDP, ratio in the world at just six per cent.

The minister also said that Nigeria is the biggest loser of the 50 billion dollars illicit financial flows out of Africa annually.

Adeosun, who spoke on taxation and revenue leakages at a tax conference organised by the Organisation for Economic Cooperation and

Development, OECD, in New York, regretted that Nigeria also suffered from tax avoidance and evasion, stressing that the country has no tax laws as the tax laws are poor and weak.

She lamented over the frustrations the Nigerian government encountered in getting illicit funds stashed abroad repatriated to the country.

Adeosun regretted that the amount of money Africa lost through illicit financial flows was more than the aid coming into the continent, citing the Thabo Mbeki's Committee Report.

"On the part of the destination countries, the simple that we have from the developing nations perspective is: 'why do they not ask questions when the money is coming in?' And yet when we turn up and say this money was stolen, then they give you an entire questionnaire. We're battling with the Swiss on Abacha loot.

"Abacha loot sat in the Swiss Bank account, 320 million dollars, for 22 years. We've been battling through the courts and we still have more recent cases," she said.

Rise in foreign reserves impact of govt policies on economy, says CBN

The Central Bank of Nigeria, CBN, says the recently reported rise in Nigeria's foreign reserves was a result of positive policies on the part of the Federal Government.

The CBN reported the increase in reserves last week, saying it grew by \$8 billion in January.

Announcing this in Abuja, CBN's spokesman, Mr. Isaac Okoroafor, said the country's economy continues to grow as inflation drops.

According to Okoroafor, the rise in foreign reserves indicated the positive impact of government policies on the economy.

The growth in reserves, he also said, was as a result of CBN's policies geared at reducing importation of goods that could be produced in the country.

CBN in 2015, introduced policy barring importation of 41 items and services produced within Nigeria from accessing foreign exchange from the

official inter-bank market.

"CBN decided to go into the funding of rice and other agricultural produce because we felt that food supply is key if price stability is to be maintained," he said.

"Food makes up a

disproportionately large portion of the basket of prices in the country. We (CBN) decided to target food supply to bring down inflation.

"Second, we went into this business of funding agriculture because we felt that food,

especially rice, was a key component of importation in Nigeria," he said.

According to him, importation of rice had gulped billions yearly resulting in depletion of the country's foreign reserves.



● CBN headquarters, Abuja





Fuel scarcity: Stop deceiving Nigerians, PENGASSAN urges govt

MKPOIKANA UDOMA, Port Harcourt

As fuel scarcity persists in many parts of the country, the Petroleum and Natural Gas Senior Staff Association of Nigeria, PENGASSAN, has urged the Federal Government to stop deceiving Nigerians, but to say the truth about the scarcity.

It also urged Nigerians to demand accountability from their elected political leaders.

The association, while reacting to Minister of State for Petroleum Resources, Dr. Ibe Kachikwu's directives to the Nigerian National Petroleum Corporation, NNPC, to clear fuel queues, said Nigerians have been deceived by the same rhetoric since last year, and wondered why the Federal Government was not keen in fixing the nation's refineries for

optimal operation.

The chairman of PENGASSAN, Port Harcourt Zone, Mr. Azubuike M. Azubuike, who made the reaction, regretted that the government has refused to be honest and accountable to the citizens over fuel supply.

Azubuike explained that due to the logistics involved in fuel importation, the landing cost of fuel was between N160 and N180 per litre, adding that the mother vessels that bring products into the country do not even berth in the nation's territorial waters.

He stated that it was impossible for fuel to be sold at N145 per litre as the private importers were not currently importing products and even if they did, cannot sell at N145 per litre because the landing cost was above N160 per litre.

He stated that only the NNPC

was currently importing and that the corporation lacked the capacity to import enough products for the country.

Said he: "This same directive to end fuel scarcity was given in December 2017. In January 2018, this same directive was issued. Even the Senate gave their own directive, and now in February, the minister is giving the same directive, again.

"But then, giving directive is one thing, availability of products is another thing. You don't hoard what is not available. Why are we

deceiving ourselves?

"The truth is that products are not available, coupled with our refineries not working. Let me tell you what Nigerians may not even know in this fuel racketeering: Do you know that the mother vessels do not even berth in Nigeria?"

"It is very unfortunate. Some mother vessels berth in Port Novo, and other vessels are used to bring products into Nigeria, thereby increasing the landing cost which affects the pump price per litre. These are the issues".

"It is unfortunate that the

government does not tell Nigerians the truth, they have kept on lying to the people. They will not tell us how much NIMASA and NPA are taking, they will not tell us why the landing cost of PMS is between N160 and N180 per litre.

"This is the longest period of fuel scarcity in the history of this country. What is most worrisome is that anybody who tries to question the government is regarded as corrupt, but the question is, are we really fighting corruption?," Azubuike queried.



● Vehicular queues at a fuel station



● IMO office in London

Freight

IMO to ban non-compliant fuel by 2020

OPEOLUWANI AKINTAYO

The International Maritime Organisation, IMO, has said it will not allow non-compliant fuel on board vessels as from 2020, according to Danish Shipping.

IMO's Sub-Committee on Pollution Prevention and Response, PPR, have since early this month discussed how to

ensure that the global sulphur requirements were implemented and enforced effectively.

According to IMO's Secretary-General, Kitack Lim, there was no turning back.

The global sulphur requirements will come into force in 2020, he said, adding that the move is for the benefit of the environment and public health.

IMO countries have agreed to submit to the IMO Marine

Environment Protection Committee that as from 2020 it should be prohibited to have fuel with a content of sulphur of more than 0.5 pct on board any ship, unless the ship has a scrubber installed to clean the exhaust.

"Danish Shipping is very pleased with the clear signal IMO has sent this week. Effective enforcement is something we have worked long and hard for together with our members and a handful of sister organisations. Therefore, it was also very positive that a joint international industry proposed a ban as a prelude to the meeting of IMO and it was very helpful that the Danish authorities were at the forefront of support," said Maria Skipper Schwenn, Executive Director at Danske Shipping.

She referred to the concrete proposal of ICS, BIMCO and a number of other international industry organisations that was tabled prior to the meeting.

"This week has been a good example of how the IMO countries take responsibility for both the environment and the shipping industry's competitiveness. Concerns from both NGOs and shipping organisations have been heard and IMO has shown its ability to act just as a global regulator of a global industry should do," Schwenn said.

Community



Shell must apologise to Ogoni - Ken Saro-Wiwa

MKPOIKANA UDOMA, Port Harcourt

The Ken Saro-Wiwa Associates have said the Royal Dutch Shell and its Nigerian subsidiary, the Shell Petroleum Development Company, SPDC, must accept responsibility and apologise for their complicity in human rights violations and murder of Ogonis between 1993 and 1998.

This was part of the resolutions reached at the end of the 2018 Ogoni General Assembly convoked by the group on the planned resumption of oil production in OML11 Ogoni oil field, held in Bori, Ogoniland.

National coordinator of the group, Chief Gani Topba, who read the resolutions, called on President Muhammadu Buhari, who is also the substantive Minister of Petroleum Resources, to reject the application of SPDC to renew its

lease over OML11.

Topba also called on the Federal Government to immediately revoke the subsisting OML11 lease from SPDC to pave the way for discussions with Ogoni leaders on the demands of the people as captured on the Ogoni Bill of Rights presented to the government since the year 1990.

He called on the Federal Government to rebuild all Ogoni communities that were destroyed by the Nigerian military between 1993 to 1998, resettle and rehabilitate all Ogoni refugees in Nigeria and in the diaspora and victims of human rights violations during the period.

"The people of Ogoni reiterate that the Royal Dutch Shell and its Nigerian subsidiary, SPDC, must accept responsibility and apologise for their complicity in

the human rights violations and murder of Ogonis between 1993 and 1998.

"Can a man beat and kill your father yet cannot tell you sorry? The apology is a step for Shell to talk to Ogoni.

"Whether the company agrees or not, Shell must apologise to Ogoni people. Even if they are not operating in Ogoni, they are bound to apologise to the people of Ogoni," the group said in the resolution.

"SPDC must establish and implement an appropriate and adequate compensation mechanism consistent with the

requirement of international law and industry best practices to compensate the Ogoni people for the environmental degradation, health impairment and loss of livelihoods, to which they have and continue to be subjected through the decades of SPDC's reckless oil and gas operations in Ogoniland.

"The Ogoni people are not opposed to oil production in Ogoniland, however the Royal Dutch Shell and SPDC remains persona non grata in Ogoniland and cannot hold stakes or profit from exploration and production of oil and gas in the land," the group further stated.

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