

MICHAEL JAMES

Managing Director and Chief Executive Officer of the Nigeria LNG Limited, NLNG, Mr. Tony Attah, says Nigeria is losing competitive space in the global liquefied natural gas, LNG, trade.

Nigeria, through the NLNG, currently exports 22 million tonnes per annum, MTPA, of LNG to markets in Europe.

## Nigeria losing competitive space in global LNG trade - NLNG boss

But, Attah warned that the country was losing grip of the market as older producers were expanding capacities while new entrants were coming into the business with additional outputs.

"Nigeria started 24 months after Qatar. Qatar now produces 77 million tonnes per annum (MTPA) and is the number one

LNG supplier in the world, while Nigeria is still on 22 MTPA. Australia is already flooding the market and will knock down Qatar to the third or fourth place.

"In Africa, significant gas finds in excess of 127 Tcf (trillion cubic feet) in Mozambique have created the potential for another African super player.

Mozambique is expected to become the second-largest exporter of Liquefied natural gas by 2025, as the country steps up production from 10 million tonnes per annum in 2017 to an envisaged 50 MTPA," the NLNG Managing Director disclosed at the Nigeria International Petroleum Summit in Abuja.

He maintained that the real opportunity for Nigeria was last year, saying the nation could have taken advantage of low oil and gas prices to grow the LNG business.

"The real investment opportunity was last year when prices were low; but is not too late. That is why we

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# Sweet Crude

In collaboration with



A Review Of The Nigerian Energy Industry

WEEKLY

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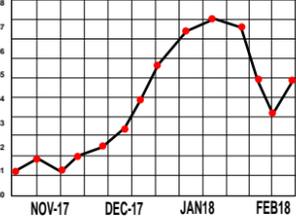
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### UPDATES

#### WEEKLY BASKET PRICE

FEB-23	63.09
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

Daily | Weekly | Monthly | Yearly **64.16US\$**



## Nigeria loses \$28m unremitted tax to Statoil



● Statoil office

company being repaid by the Nigerian government.

Tax repayment/refund is the difference between taxes paid and taxes owed.

The company also said it received tax repayments from Stavanger kemnerkontor. Stavanger kemnerkontor is Norway's tax collectors in the municipalities of Stavanger, Randaberg, Rennesøy, Finnøy, Kvitøy, and Forsand.

Oil and gas producers all over the world transfer considerable revenues and resources to host governments in the form of taxes, bonuses, royalties, fees, host government production entitlements and support for infrastructure improvements.

These large financial transfers should contribute substantially to social and economic development, yet many resource-rich countries such as Nigeria have been unable to transform resource wealth into improved standard of living for citizens.

This has led to increasing pressure from civil society organisations on governments to enhance transparency in the extractive sectors by imposing mandatory reporting requirements pertaining to

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**Nigeria needs 75 modular refineries by 2020 - Varsity don**

Lecturer at the Federal University of Petroleum Resources, Effurun, Prof. Ogbarode N. Ogbon, has indicated that Nigeria would require about 75 modular refineries of 10,000 litres capacity each, along with the four state-owned refineries and yet-to-be-commissioned Dangote refinery to be all operational, if it must meet the demands of local fuel supply by the year 2020.

Prof. Ogbon stated this during a session on "Petroleum Product Supply and Demand in Africa - Translating Crude Abundance to Product Abundance," at the maiden Nigeria International Petroleum Summit (NIPS), in Abuja.

Speaking in a presentation entitled: 'An Assessment of the Economic Viability and Competitiveness of Modular

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### OPEOLUWANI AKINTAYO

Nigeria lost \$28 million as a result of unremitted tax by Statoil in 2015, data obtained from the Nigeria Resource Governance Institute, NRG, has shown.

Figures from NRG's Resource Projects showed that the Norwegian oil company with operations in over 30 countries, failed to remit a total of \$28,055,551 in taxes to Nigeria in the year under review.

The International Oil Company, IOC, has been in Nigeria since 1992 and is involved in the production of the country's biggest deepwater field, Agbami, located 110 kilometres off the Nigerian coast in water depth of 1,500 metres.

It also operates two exploration licences - Oil Mining Licenses, OMLs 128 and 129 - with a 53.85% share in both.

Converted to the local currency, the \$28,055,551 due to be paid to

the Federal Government from January to December 2015, amounts to N10,114,026,135.50

According to the document, in the same year, 2015, the Italian multinational company, Eni, paid the Federal Government \$81.31 million (about N29.31 billion) in taxes, fees, royalties, and production entitlements.

Shell Petroleum Development Company, SPDC, also paid \$1.91 billion in taxes, fees, royalties, and

production entitlements.

On the other hand, Statoil paid only \$926,422.99 in all taxes, failing to remit \$28,055,551 million which carried a negative/minus value.

Statoil's report on payment to governments in 2015 seen by SweetcrudeReports highlighted that the negative figures represented a "repayment" from governments. However, there was no explanation of what transaction had led to the

## Lawmakers want Buhari to withhold \$1.8bn refineries TAM fund

OSCARLINE ONWUEMENYI, Abuja

The House of Representatives has written President Muhammadu Buhari, asking that \$1.8 billion earmarked for the maintenance of the nation's four refineries be withheld.

The request was made by the House Ad-hoc Committee investigating the Turn Around

Maintenance of the refineries.

The Chairman of the Ad-hoc Committee, Rep. Garba Datti, made this known in Abuja, saying the fund should only be released after the conclusion of the committee's investigation.

"We have written to the Minister of Petroleum Resources, the Minister of State, Petroleum Resources and the Group

Managing Director of Nigeria National Petroleum Corporation (NNPC) not to release any money for maintenance pending the outcome of our investigations," Datti said.

He said the committee would find a way of resolving the epileptic operations of the four refineries "in the course of our

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## Deregulate petrol price, fuel station operators urge govt



● Fuel attendant

MKPOIKANA UDOMA, Port Harcourt

Fuel station operators in Port Harcourt, the Rivers State capital, have urged the Federal Government to fully deregulate the price of Premium Motor Spirit or petrol so as to end

the incessant scarcity and hike in prices of the product by operators.

Deregulation, according to the station operators, will open up the downstream sector to private investors who hitherto are dragging feet on investing in the

sector due to heavy government interference.

The dealers, who spoke separately to our correspondent in Port Harcourt, maintained that deregulation will save the country the unnecessary pressure put on the naira due to the heavy demand for foreign exchange to fund the importation of refined petroleum products.

Emmanuel Fasuyi Enang, a dealer and station manager of Forte Oil fuel station on Azikiwe Road, Port Harcourt Township, said the only solution to the recurrent fuel crises in the country was for the government to hands-off regulating of fuel price just like it had done with diesel and

kerosene.

Enang explained that if petrol is deregulated, more investors will be attracted to invest in building of refineries as those who have had refining licenses approved several years ago will now go ahead to build.

He added that by deregulation, employment opportunities will be created as petrochemical industries will spring up alongside local refineries, unlike now where jobs are being exported to European countries where Nigeria refines her crude into petroleum products.

## Nigeria loses \$28m unremitted tax to Statoil

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payments to governments.

Regulatory initiatives to increase transparency in the extractive sectors have been undertaken by, amongst others, the EU and by the Norwegian government.

In Nigeria, limited liability companies are obliged to pay an education tax.

Inside its 2015 report on payment to governments, Statoil said it paid NOK 412.5 million (N18,988,301,062.50) in education tax.

In addition, the company reported payment of an annual contribution of NOK 64.1 million (N2,950,435,824.00) to the Niger Delta Development Commission. Both amounts are included as 'Fees'.

A breakdown of the figures of the company's payment to the Federal Government same year showed it paid NOK 412.5 million (N18,960,046,875.00) to the Central Bank of Nigeria as Education tax, NOK 4.6m (N211,201,088.00) as CBN NESS (Nigerian Export Supervision Scheme) fee, Federal Ministry of Trade received NOK 1.0m (N45,963,750.00) in fees, Niger Delta Development Commission got NOK 64.1m (N2,946,276,375.00), Nigerian National Petroleum Corporation received NOK 1.720.2 (N78.97) as fee, NOK 948.6m (N43,601,213,250.00) as host government entitlements fee, and NOK 2.3m (N105,716,625.00) as host government entitlement in million barrels of oil (mmbob), while Stavanger Kemnerkontor got NOK 226.2m (N10,397,000,250.00) as fee.

The company did not pay any royalty in the year under review.

Again, it listed taxes paid "in kind" per country/government as 5.1 million barrels of oil representing NOK1,720.2m (N78.97 million).

However, the report did not state who or which entity received the tax "in kind".

A few days ago, Nigeria's Minister of Finance, Kemi Adeosun, called for the designation of tax malpractices by multinational corporations in Nigeria and other developing countries as 'foreign corrupt practices'.

The minister explained that Nigeria was doubly affected by illicit financial flows, IFF, as a result of corruption and tax evasion.

She requested global organisations such as the Organisation for Economic Co-operation and Development, OECD, World Bank, IMF and United Nations to see the tax avoidance actions of multinational companies as corrupt practices.

"There is an absolute need for a complete understanding of how these Multinational Corporations (MNCs) behave in Nigeria and developing countries, many operate a completely different standard in Africa to what obtains globally," Mrs. Adeosun said.

She lamented the capability of defaulting MNCs to hide behind slow legislative processes to avoid doing what was right in the nations from which they derived significant income.

## Egypt faces excess natural gas supply

Egypt is facing a possible excess supply of natural gas after two Israeli companies proposed a \$15 billion supply deal, raising the prospect that the Arab nation may turn its surplus into liquefied natural gas, LNG, and export it to a market currently glutted with LNG.

Egypt was already expecting to become self-sufficient in natural gas by the end of this year with the

start of Eni SpA's giant Zohr field, Oil Minister Tarek El-Molla said last month. Noble Energy Inc. and Delek Drilling-LP said recently they plan to supply around 64 billion cubic metres of gas over 10 years to Egypt's Dolphin Holdings Limited from Israel's Tamar and Leviathan reservoirs, in a \$15 billion export arrangement.

The most populous Arab country has facilities to turn gas into super-chilled LNG,

which can be exported by ship. The global LNG oversupply is unlikely to end

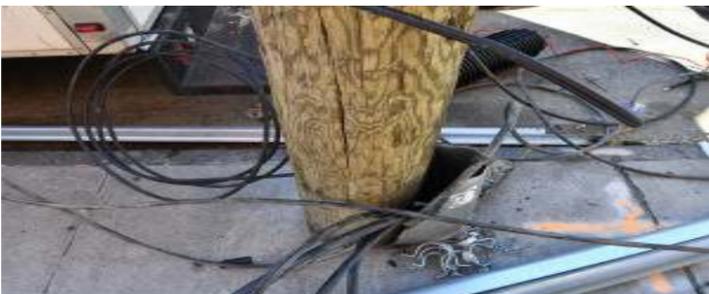


● Gas plant



before the mid-2020s, the International Energy Agency forecast in October.

## Power



● Vandalized electricity cables

OSCARLINE ONWUJEMENYI, Abuja

The House of Representatives has mandated its committees on Power, Police Affairs, Interior, National Security and

Intelligence and Justice to examine the non-prosecution of electricity equipment vandals in the country.

This followed a motion by Hon. Francis Uduyok on "the

## House demands probe of vandalism of electricity equipment

Call to Investigate the Lack of Prosecution of vandals of electricity cables and equipment in Nigeria" in Abuja.

Moving the motion, Uduyok said there had been reports by electricity companies and the Nigeria Police Force of continuing vandalism of electrical equipment.

He said electricity companies had been attributing power

failure all over the federation to vandalism of electrical equipment as a major factor.

According to him, there are reports in the media that the country loses about N500 million annually as a result of vandalism of electrical equipment.

He said, "Section 1 (9) and (10) of the Miscellaneous Offences Act, Cap. M17, Laws of the Federation of Nigeria, 2004, prescribes punishment for vandalism of power equipment. But I observe that there has hardly been any reports of prosecution of any vandal in accordance with the provisions of the law."

Uduyok expressed concern that vandals had been left for too long to carry out their nefarious activities without any form of sanction being meted out to them.

This, he said, was a development that had encouraged them to become more daring in their sinister plots.

## Nigeria losing competitive space in global LNG trade - NLNG boss

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need to take the decision on Train 7 now so we can stay within the Top 5 space. The future is gas and NLNG is ready to play. It is time for gas," he stated/

Attah added that for Nigeria to remain competitive in the global oil and gas industry, upstream investment needed to be increased, stating that "it's time to prepare for the likely demand

outlook that's positive, and has out-performed projections in the last 3 years. Let's get back to E & P (exploration and production) activities."

Other strategies recommended by Attah for Nigeria to remain competitive include stable regulatory framework and ease of doing business as well as strategic implementation of cost management by developing projects that are competitive

under current pricing, implementing structural cost-saving measures, such as standardised, modular approaches to plant construction, and embarking on new E & P projects that have shorter payback periods.

The Train 7 project under plans by the NLNG will increase its production capacity from the current 22 MTPA to 30 MTPA when it becomes operational.



## TCN suffers setback in plan to energise two substations



● Electricity distribution substation

The 132kV double circuit transmission line being constructed by the Niger Delta Power Holding Company, NDPHC, from New Haven in Enugu through 9th Mile to Nsukka has been vandalised by unknown persons.

The act was carried out at

the Ezicama Nike village in Enugu East, Enugu State.

According to the Transmission Company of Nigeria, TCN, the development would hinder prompt energising of two new transmission substations.

TCN said in a statement by its General Manager (Public

Affairs), Ndidi Mbah, that from the assessment of the site of the incident by its engineers, the vandals carted away two spans of conductors, insulators and other accessories from the towers and transmission lines through which the company plans to feed the new 9th Mile 2x60MVA 132/33kV and the Nsukka 1x30MVA substations.

It added that the vandalised double circuit lines would slow down the pace of work on that line route and hinder prompt energising of the two new transmission substations, as the transmission lines would have to be completed before the substations can be energised.

According to the statement, another transmission line was recently vandalised along Alulu Nike, still in Enugu State,

destroying four towers.

The company appealed to members of the public, particularly those residing in communities around its installations, to assist it in its

fight "against vandalism of our collective national asset". Destroying such assets is tantamount to sabotaging the development of the nation, TCN said.

## Lawmakers want Buhari to withhold \$1.8bn refineries TAM fund

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investigation" which will last three months.

Datti described the committee's assignment as "a sensitive investigation that requires time".

On the lingering fuel scarcity in the country, the former Deputy Minority Whip in the House said Nigeria remained the only country that is a member of the Organisation of the Petroleum Exporting Countries, OPEC, that is importing fuel.

He said, "Despite the quantity of crude allocated to the four refineries we still import finished products."

On the committee's terms of reference, Datti said it had the

mandate to ascertain the viability of continuing investments in the nation's four refineries and allocation of 445,000 barrels per day of crude oil to the refineries.

Datti said, "Secondly, to determine the current utilisation level of Warri, Kaduna, and Port Harcourt refineries and thirdly carry out a comprehensive investigation on the Turn Around Maintenance carried out to date on the four refineries.

He said the committee was also to identify the private and corporate individuals that have refused to utilise the licenses to build refineries and the readiness and status of all current holders.



Finance

## Onne Customs generates N11bn in two months

MKPOIKANA UDOMA, Port Harcourt

The Nigerian Customs Service, NCS, Onne Area Command, says it generated N11.4 billion revenue in January and February this year, out of the N117.8 billion revenue target set for the command in 2018 by the Federal Government.

The Controller of Customs, Onne Area Command, Comptroller Abubakar Bashir, who disclosed this while briefing newsmen, said the command has resolved to improve on its achievements of 2017 by displaying greater diligence in its activities for 2018.

Bashir also announced that

the command generated N93 billion out of its revenue target of N112 billion in 2017, adding that the focus of the command was to surpass the set target for 2018.

He stated that the command's activities have been buoyed by cordial engagements with other government agencies, saying the engagements have led to the sharing of vital information that has proven useful.

According to him, "This year the command was given a revenue target of N117,811,628,817.11. So far we have generated N11,436,381,551.50. In line with the mission and vision of the Service, this command has

once again resolved to improve on the achievements of 2017 by displaying greater diligence in all its activities for 2018

"Indeed our achievements last year was due to our efforts in training and re-training officers and other stakeholders on IT compliance and modern Customs procedures. We also deployed dispute resolution procedures for trade facilitation."

The Onne Customs boss further disclosed that the command has impounded 4,120 bags of rice and nine containers loaded with pharmaceuticals for false declaration.

He said the pharmaceuticals



● Onne port

were imported into the country from China and India, stressing that the drugs were falsely declared as pressure reducing

drugs and PVC valves, whereas the contents were Tramadol and other regulated medicines.

## Nigeria needs 75 modular refineries by 2020 - Varsity don



● Fuel queue

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Refinery in Nigeria', Prof. Ogbon noted that, "Come 2020 you will need modular refineries operating in this country to the tune of 75 modular refineries of

about 10,000 barrels per stream day.

"You have that working or we will go back to the situation of the fuel shortage irrespective of the revamping of the refineries, irrespective of Dangote refinery

coming on board."

He added that, "You look at the local PMS production and importation and consumption. On daily basis we consume almost 51.53 million litres per day according to the National Bureau of Statistics (NBS) and on yearly basis we have local production of about 1.5bn on the average. the number for 2017 is 1.7bn litres."

According to the don, the average yearly PMS importation to this country stands at 17.8bn litres and the average PMS consumption stands at 19.3 billion.

"Now you will agree with me that we have this statistics from several sources but we try as much as possible to see a realistic way out and come up with a realistic figure and in doing this we went straight to the Nigerian National Petroleum Corporation (NNPC) monthly financial and operational data and we used that data to come up with a trend to be able to analyze the situation.

"What we have done by way of basic assumptions and data that were used for computation and analysis ...What I am saying is that if you refine one barrel of

crude in the Nigerian refinery what you will be getting in terms of PMS will be 31.78%.

"If we are going to assume that by the year 2020 all the four refineries will come on board operating at full capacity and Dangote will come on board operating at full capacity, we have deduced that we will be able to have 18.48 billion litres in a year by the year 2020 that is fantastic because what we have this year is 18 billion litres. Is that what we actually want? What about the rate of increase but again I also stand to be corrected," he added.



## PENGASSAN canvasses rehabilitation of oil, gas infrastructures

The Petroleum and Natural Gas Senior Staff Association of Nigeria, PENGASSAN, has called for rehabilitation of the nation's refineries, depots and other oil and gas infrastructural facilities as the solution to the current fuel scarcity in the country.

The senior staff trade union expressed concern over the man-hours and energy Nigerians lose in queuing at fuel stations, describing the situation as an embarrassment to the nation.

The association made this known when its leaders paid courtesy visits to the offices of the Petroleum Products Pricing Regulatory Agency, PPPRA;

Petroleum Equalisation Fund, PEF; Petroleum Training Development Funds, PTDF; Pipelines and Products Marketing Company, PPMC; and the House of Representatives in Abuja.

According to PENGASSAN, all stakeholders in the industry must proffer enduring and sustainable ways to arrest the persistent fuel crisis in the country.

Addressing the management of the agencies and the legislators during the visits, PENGASSAN President, Comrade Francis Olabode Johnson, lauded them for their various roles in ensuring that Nigerians were protected from the vagaries of global price

regime of petroleum products and for preventing collusion and restrictive trade practices harmful to the sector.

At PPPRA, Comrade Johnson said, "We want sustainable steps to be taken to end the persistent fuel crisis that has inflicted undue hardship on Nigerians. Let me reinstate our call for increased local refining by ensuring that the nation's refineries work at maximum capacity.

"Government should involve the Original Equipment Manufacturers (OEM) in rehabilitation and repair of the refineries; our refineries are due for a major expansion and 'debottlenecking', development of new strategies



● Oil facility

in ensuring adequate and sustainable crude supply to the refineries. Government should also fast track processes that will encourage private sector involvement in local refining.

"We are equally calling on the Federal Government to rehabilitate and upgrade all depots in the country, while there is need to carry out an overhaul of all pipeline

networks to ease distribution and supply of petroleum products," he said.

At the headquarters of the Petroleum Equalisation Fund, the PENGASSAN leader called on the agency to continuously engender policies that will enhance its responsibilities in the value chain to ease petroleum products transportation.



● Hadiza Bala Usman

## NPA encourages use of barges for cargo evacuation

The Nigerian Ports Authority, NPA, is encouraging the movement and evacuation of cargoes from the nation's seaports to the hinterland through use of barges.

This, according to NPA's Managing Director, Hadiza Bala Usman, was in order to reduce the pressure on the access roads to the ports in Lagos and to resolve the perennial gridlock being experienced within the ports axis.

The managing director disclosed this while speaking

through the Executive Director, Marine and Operations, Dr. Sokonte Davies, at the first quarter forum of the Ports Consultative Council, PCC, on Victoria Island, Lagos.

A statement by Abdullahi A. Goje, General Manager, Corporate and Strategic Communications, said Usman informed stakeholders at the gathering that the NPA management was paying premium to the development of ports infrastructure in order to engender efficient service delivery at the seaports.

She assured that the authority was working towards ensuring the speedy completion of renovation

works on the quay apron at the Ikorodu Lighter Terminal, maintaining that the renovation of the quay would improve the operational efficiency of the ports.

Stressing that the management would continue to maintain a harmonious relationship with its stakeholders, the managing director called for their support and compliance with government directives.

The chairman, PCC, Otunba Kunle Folarin, at the occasion urged operators and other stakeholders to engage the NPA on a mutually beneficial relationship, saying this would help in moving the Industry forward.

## Community



## NDE to train 2,000 youths in electrical installations, others

MKPOIKANA UDOMA, Port Harcourt

As part of its sustainable empowerment drive, the National Directorate of Employment, NDE, has announced plans to train 2,000 youths in Rivers State in various skills.

According to the NDE, the scheme is tagged 'Basic National Apprenticeship Scheme' and beneficiaries are to be trained in electrical installations, catering, fashion designing, welding and fabrication.

Spokesperson of NDE in the state, Mr. Dumka Legenne, said the scheme has already commenced as beneficiaries have been posted to various accredited training centres for the programme, which will last for three months. The

training commenced in March.

Legenne explained that the new scheme has 600 males and 1,400 females as participants.

He added that the agency's Special Public Works Department has floated an empowerment scheme on solar power repairs and management.

According to him, "These days, there is a shift to alternative power and energy and NDE wants to tap into that area to provide skills.

"We have attended up to 95 percent of beneficiaries stipends, except those who abscond from trainings or gave variance account numbers.

"After the training, the beneficiaries are to get a loan worth about N5 million, which

they are expected to pay back within a specified period.

"We are using this medium to urge Rivers youths to acquire skills to become less dependent and shun social vices."

Legenne further disclosed that about 150 persons are to benefit from NDE and Central Bank of Nigeria, CBN, loan scheme tagged 'Start Your Own Business or SYOB.'

He stated that only those who have participated in previous NDE trainings and have registered business names will



● NDE youth training programme

benefit from the CBN/NDE loan scheme.

"The programme is to provide

loan in diverse business areas with emphasis on agriculture," NDE said.

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