

Nigeria: Govt to relinquish power to hire, fire oil sector regulators

IKE AMOS, Abuja

The Federal Government says it will relinquish the power to hire and fire workers of companies and regulatory authorities in the petroleum industry to the board and management of the

institutions as stipulated in the recently passed Petroleum Industry Governance Bill, PIGB.

Speaking at a roundtable on understanding the PIGB, organised by the Nigeria Natural Resource Charter, NNRC, and the Media Initiative on Transparency

in the Extractive Industry, MITEI, Minister of State for Petroleum Resources, Dr. Ibe Kachikwu, also stated that the management of the institutions would be given a mandate to set benchmarks, upon which staff's performance would be evaluated.

Kachikwu, who was represented by his Senior Technical Adviser on Policy and Regulation, Mr. Adegbite Adeniji,

said: "It has nothing to do with the minister, it is up to the management to retain their staff afterwards. You then have to make sure you actually meet up to task as far your job is concerned. That is how we dealt with the issue of labour.

"After that, with the mandate that each institution would have for efficiency, people there have

to work and display their performance in their jobs. But at the inception, the existing jobs would be there, but then people would then have to rise up to the occasion, because those boards that would be in those entities would be mandated statutorily to ensure efficiency in the public interest. Therefore, from that point on, you do not have a job for life. You now have to be worth that salary, that money you are paid."

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REPORTS

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A Review Of The Nigerian Energy Industry

WEEKLY

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WEEKLY BASKET PRICE

MAR-09	62.66
MAR-02	63.58
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

Daily | Weekly | Monthly | Yearly **61.85U\$**



ExxonMobil to increase earnings to \$31bn by 2025

CHUKS ISIWU

Oil major ExxonMobil Corporation is targeting to more than double its earnings in seven years time.

In an aggressive growth plan unveiled recently, the company said its target is to increase earnings from last year's adjusted profit of \$15 billion to \$31 billion by 2025 at 2017 oil prices.

"We've got the best portfolio of high-quality, high-return investment

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No buyer yet for 50 cargoes of Nigerian crude



● Crude oil vessel

OPEOLUWANI AKINTAYO, with agency reports

Nigeria might soon be faced with a crude oil market supply glut as fresh reports say 50 cargoes of the country's crude are yet to find buyers.

Quoting a trader, Reuters said the development comes as a large supply of light and medium grades from the North Sea and the Mediterranean have shifted buyers' interest away from Nigerian crude. Market reports as at March 9 indicated demand for

Agbami and Qua Iboe has been higher than demand for other grades, while Qua Iboe was being offered at about dated Brent plus \$2.

This is not the first time Nigerian crude grades would struggle to get buyers at the international market.

Nigeria's March 2016 crude programme struggled to find outlets, with some 25 million barrels, calculated to cost N159 billion at the time, still unsold as at April that year.

As a result of the low patronage, sometimes, the Nigerian National

Petroleum Corporation, NNPC, had been severally forced to slash prices of Nigerian crude grade to attract buyers.

Despite the seeming gloom some Nigerian grades could be facing in the international market, the NNPC said Indonesia wants to increase its purchase of crude oil from Nigeria.

According to a statement by the NNPC in Abuja, Head of Economic Affairs of the Indonesian Embassy, Mr. Dwiyatna Widinugraha, who disclosed this during a visit to the NNPC, stated that the country was seeking a government-to-

government arrangement with Nigeria to facilitate the deal.

Over the last decade, Nigeria's oil output has ranged between 2.2 million barrels per day and 2.6 million barrels per day.

Production has, however, suffered a downward slide due to ageing facilities and unrest in the oil-rich Niger Delta, where militants staged attacks on oil personnel and facilities, these bringing production as low as below 1.5 million barrels per day, mb/d.

As a result, the country has

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NCDMB to prosecute violators of Local Content Act

OSCARLINE ONWUEMENYI, Abuja

Oil and Gas companies that fail to comply with the provisions of the Nigerian Oil and Gas Industry Content Development, NOGICD, Act will henceforth be dragged before the law courts by the Nigerian Content Development and Monitoring Board, NCDMB, the Executive Secretary, Engr. Simbi Wabote, said in Abuja.

He spoke at the first national seminar for justices and judges on 'the Role of the Judiciary in the development of the Nigerian Local Content Law and Policy', organised by the Juris Law Office and NCDMB in collaboration with the National Judicial Institute, NJI.

He noted that the NCDMB had used administrative procedures to enforce the Act in the past eight years but will begin to prosecute cases of infringement in line with Section 68 of Nigerian



● Simbi Wabote

Content Act.

The Executive Secretary said the board delayed the prosecution option because it wanted to fully exploit the Alternative Dispute Resolution (ADR) methods, develop its operating guidelines and organise capacity building workshops on the Nigeria Content Act for the judiciary.

He noted that, "After this workshop, we will begin to institute cases in the courts. If we don't enforce the provisions of the Act, we will not be able to create employment opportunities for Nigerians from the activities in the industry."

Giving details of the board's achievements, Wabote explained that most fabrication,

engineering, and procurement in the oil and gas industry were done abroad prior to the enactment of the NOGICD Act in 2010 and it resulted in estimated capital flight of \$380 billion Dollars in 50 years.

"Estimated job lost opportunities was in the region of two million. The narrative then was that nothing can be done in-country resulting in less than five percent of in-country value addition," he said.

He added that much of the 28 percent Local Content achievement recorded since the enactment of the Act till date were done using the passion and commitment of the various directorates in the board.

ExxonMobil to increase earnings to \$31bn by 2025

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opportunities that we've seen in two decades," Darren W. Woods, chairman and chief executive officer, said at the company's annual meeting of investment analysts at the New York Stock Exchange.

"Our plan takes full advantage of the company's unique strengths and financial capabilities, using innovation, technology and integration to drive long-term shareholder value and industry-leading returns," he added.

Woods said this plan projects double-digit rates of return in all three segments of ExxonMobil's business – upstream, downstream and chemical – which are all three world-class businesses in their own right.

In the upstream, the company expects to significantly increase earnings through a number of growth initiatives involving low-cost-of-supply investments in US tight oil, deepwater and liquefied natural gas, LNG. Growth coming online from new and existing projects is expected to increase production from 4 million oil-equivalent barrels per day to about 5 million.

The company plans to increase tight-oil production five-fold from the US Permian Basin and start up 25 projects worldwide. Those startups will

add volumes of more than 1 million oil-equivalent barrels per day. In LNG, the company expects to bring on new production to meet a projected increase in global demand.

Upstream growth will benefit from ExxonMobil's industry-leading exploration success and strategic acquisitions. In 2017 alone, the company added 10 billion oil-equivalent barrels to its resource base in locations including the Permian, Guyana, Mozambique, Papua New Guinea and Brazil.

ExxonMobil's downstream business is projected to double earnings by 2025 by upgrading its product slate through strategic investments at refineries in Baytown and Beaumont in Texas and Baton Rouge, Louisiana, Rotterdam, Antwerp, Singapore, and Fawley in the UK.

In its chemical business, ExxonMobil expects to grow manufacturing capacity in North America and Asia Pacific by about 40 percent. The company said that growth will be achieved in part by adding 13 new facilities, including two world-class steam crackers in the United States. These investments would enable the company to meet increasing demand in Asia and other growing markets.

No buyer yet for 50 cargoes of Nigerian crude

CONTINUED FROM PAGE 01

enjoyed exemption from the Organisation of the Petroleum Exporting Countries, OPEC's cut deal which has been in effect since January 2017.

The country will join OPEC's cut agreement once its production reaches 1.8mb/d.

OPEC and its partners, especially Russia, agreed to cut production by 1.8mb/d in a pact reached in November 2016.

The agreement has, since it came into effect in January 2017, achieved over 100 percent compliance, reducing oil glut and pushing oil prices to around \$71 per barrel early in the year after an all-time low price of below \$30 per barrel in 2015.

However, the continuous surge in output from US shale producers has continued to undermine the group's efforts at reducing glut and increasing prices.

Incentives, fiscals'll boost Nigeria's gas fortunes — Thomas

IKE AMOS, Abuja

President of the Nigerian Gas Association, Mr. Dada Thomas, has stated that providing the needed incentives and passing the petroleum fiscal bill, as well as other versions of the Petroleum Industry Bill at the National Assembly, would help improve Nigeria's gas fortunes.

Speaking at an oil and gas forum in Abuja, Thomas stated that the gas sector would become viable and bankable if the Federal Government provides the necessary incentives to operators and other stakeholders along the gas value chain.

According to him, this included

an end to the government's mindset that considers gas as a tax-revenue earner rather an economic enabler.

He noted that the other components of the PIB yet to be passed by the National Assembly needed to be accelerated, as the delay was sustaining the uncertainties in the industry.

He explained that the PIB was critical to addressing issues affecting the development of the gas sector in the country.

He said, "Critical to the ability to develop our gas resources properly, really is the Petroleum Fiscal Bill and which would be built upon the Petroleum Fiscal Policy which the Minister and his team have been working on.

"If we are going to get the



● Gas pipeline

revolution we want gas to provide for this country, I think that we have got to change the mindset on the way we think of gas. When you look at the way gas has been treated in the past, gas has been treated as a source of tax revenue for the government.

"Government needs to think differently and should see gas as an enabler for the economy and therefore the revenue that the government is looking for will come from a larger economic pie rather than taxing gas."

Power



World Bank grants PHEDC \$.250m for energy bulbs

MKPOIKANA UDOMA, Port Harcourt

The World Bank says it has made available a grant of \$250,000 to support the Port Harcourt Electricity Distribution Company, PHEDC, in her ongoing energy efficiency programme.

This was disclosed by Mr. Jinping Zhao, the leader of the World Bank delegation, during a visit to PHEDC's corporate headquarters on Moscow Road, Port Harcourt, to assess the progress of the pilot programme of

the free energy bulb distribution, by the company.

Zhao stated that the Federal Government had requested a credit facility of \$500,000 to help in enhancing the network of power distribution companies, with a view to improving the power sector in the country.

The World Bank representative explained that before the credit facility could be given to any Disco in Nigeria, the World Bank would ascertain the status and

requirements of such distribution company, and ensure that all requirements are met.

He said the World Bank would also partner the power distribution company in the area of technical support, by procuring, distributing and installing energy bulbs in order to ensure improvement in its sustainability. He charged the management of PHEDC to train and re-train her personnel so as to encourage professionalism and better service delivery in the sector.

According to him: "On the first technical support, we are happy to inform you that the World Bank has given a small grant of \$250,000 to support PHEDC in procuring and distributing of energy saving bulbs".



● Electric bulb



NNPC delivers gas equivalent of 3,342MW - Report

PRINCEWILL DEMIAN, Abuja

The Nigerian National Petroleum Corporation, NNPC, says a total of 828 million standard cubic feet, mscf, of gas per day was delivered to the gas-fired power plants in December 2017.

This, the corporation said, enabled the power plants to generate an average of 3,342

Mega Watts, MW, a modest 11.4% increase over the November 2017 gas-to-power delivery of 743mscf to generate 3,115MW.

This is contained in the monthly NNPC Financial and Operations Report for December 2017, released in Abuja.

Giving further details of natural gas off-take,

commercialisation and utilisation, the report indicated that out of the 234.08 billion cubic feet, bcf, of gas supplied in December 2017, a total of 138.99bcf was commercialised, comprising of 39.53bcf and 99.46bcf for the domestic and export markets respectively.

This translates to a total daily supply of 1,275.09 million standard cubic feet of gas,



● NNPC head-office, Abuja

mscf, to the domestic market and 3,209.70mscf of gas supplied to the export market.

The report also showed that 60.89% of the average daily gas

produced was commercialised, while the balance of 39.11% was re-injected, used as upstream fuel gas or flared.



● Chevron office, Lagos

Chevron Corporation has hosted its annual security analyst meeting in New York, where executives highlighted the company's plans to excel in any market environment. "We intend to grow free cash flow in 2018 and thereafter," said Michael K. Wirth,

Chevron's chairman and chief executive officer.

"Even with no commodity price appreciation, we expect to deliver stronger upstream cash margins and production growth. This is a powerful combination."

"And we intend to maintain

capital discipline, as evidenced by an \$18 billion investment program this year and an \$18-\$20 billion annual investment range projected through 2020," Wirth added.

The company emphasised its portfolio strength, highlighting resilience and sustainability through the price cycle, as well as numerous attractive development opportunities under a ratable capital programme.

"We plan to further lower our cost structure, get more value from our existing assets and

continue to high-grade our portfolio. We believe execution of these plans will support our primary commitment to shareholders, which is a sustained and growing dividend over time. As we generate surplus cash, we would expect to be in a position to resume our share repurchase programme," he also stated.

Jay Johnson, executive vice president, upstream, reviewed Chevron's upstream opportunities. "Our objective is to ensure our upstream

business provides competitive returns throughout the price cycle. We're focused on operating safely and reliably, continuing to lower our costs, and delivering production growth from the Gorgon and Wheatstone LNG projects in Australia.

"In addition, we're advancing development of our unconventional resources, particularly in the U.S. Permian Basin, where we have a leading position. We're seeing reserves grow, costs shrink, efficiencies expand and production rise," he said.

Solid Minerals



OSCARLINE ONWUEMENYI, Abuja

The Minister of Mines and Steel Development, Dr. Kayode Fayemi, has revealed that a technical audit on the Ajaokuta Steel Company, commissioned by the Federal Government, would be ready in the next six weeks.

Fayemi disclosed this at a press conference in Abuja, where he also announced that the present administration would not spend any money to complete the steel plant.

The minister, who stated that the Federal Government had sunk over \$8 billion into the project since 1979 without any result, pointed out that no fewer than 14 organisations from different countries had since 2016 indicated interest in the Ajaokuta Steel

Complex.

He said: "We have also said to them that we are not going to repeat the mistake of the (ex-President Olusegun) Obasanjo administration. We will not undertake the re-concession without one, a technical audit; two, a transaction advisory service that will look into all these and advise us accordingly as to who really has the technical capacity, the financial wherewithal, and the track record to really bring Ajaokuta back to life.

"However, the government took a principled position on one thing: that Nigeria will not spend one dollar on the so-called completion of the Ajaokuta steel plant. The reason for that is very simple; today from our record, we have spent close to \$8 billion

since 1979 when this process started and we have not seen the result."

The minister added that the government and the House of

Representatives agreed on the concession of the plant and that the House approved the sum of N2 billion for the purpose in 2017.

The House had two weeks ago passed a vote of no confidence in Fayemi and the Minister of State for Mines and Steel Development, Alhaji Abubakar Bwari,



● Dr. Fayemi

following their failure to appear before it for sectoral debate on the steel plant.

The lawmakers also instructed the ministers to suspend every step towards the concession of the plant, adding that they preferred that the government should invest and complete the project.



Finance

Chevron 'to grow free cash flow' this year

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Nwabunike becomes ANLCA President

SAM IKEOTUONYE, Enugu



● Nwabunike

A former chairman of the Council for the Regulation of Freight Forwarding in Nigeria, CRFFN, Mr. Tony Iju Nwabunike, has been elected the National President of the Association of Nigerian Licensed Customs Agents, ANLCA.

He will take over from the incumbent, Prince Olayiwola Shittu, whose two-term tenure is coming to an end.

To emerge the new ANLCA president, Nwabunike defeated the only other contestant, Mr. Emenike Nwokeoji, in an election held during the association's annual general meeting in Enugu. He polled 38 votes as

against Nwokeoji's 35.

The new president would be working with other members of the new executive council, who emerged at the elections in Enugu. Dr. Kayode Farinto emerged vice president; Alhaji Mukaila Abdulazeez, national secretary; and Denis Okwu, assistant national secretary.

Hajia Bola Muse was elected national financial secretary; Dada Livinus Agubuzo, national treasurer; and Joe Sanni, national publicity secretary, among others.

Nwabunike, soon after his election, pledged to fulfill his campaign promises, working closely with other executive council members.

Prior to the elections, the new president had promised to join the Nigerian Shippers'

Council, NSC, in moving against terminal operators over arbitrary charges.

Nwabunike also vowed to rescue clearing jobs from Customs officers and foreigners denying ANLCA members of their duty.

He revealed these in his manifesto in Lagos while promising to facilitate cordial engagement with Customs and relevant committees to attain equal benefit for clearing agents.

Nwabunike, who is also the former Chairman, Apapa Chapter of the association, also promised to standardise cargo clearing process and charges, encourage and facilitate members to team up to acquire Customs licenses.

PFSO urges increased security for Egina FPSO

VINCENT TORITSEJU

Due to the porous state of the nation's coastal and territorial waters, the Port Facility Security Officers, PFSO, Forum has called on the Federal Government to increase the security currently being provided for the Egina Floating Production Storage and Offloading, FPSO, vessel.

The multi-billion vessel, which arrived Nigeria recently from South Korea, where it was built, is currently anchored at the Lagos Deep Offshore Logistics, LADOL, base in Lagos, for integration of its topsides, after which it would be deployed for duties at the deepwater Egina oil field, operated by Total

Nigeria.

Speaking at the PFSO Forum's monthly meeting in Lagos, its Chairman, Mr. Ignatius Uche, said the investment on the Egina FPSO was too much for it to be left without adequate security.

Uche suggested that a Maritime Security Fund should be established to ensure the provision of adequate and proper security of investments like the Egina FPSO.

He explained that beside the sector, the Fund could also be extended to other prime investment in the oil and gas industry, suggesting that if every stakeholder contributed as little as N1,000 on a monthly basis, it would go a long way in building such Fund.

He commended LADOL for

hosting the Egina FPSO in its base and providing the needed security.

"The Forum is very concerned about the security of the Egina because this is an investment the country cannot afford to toy with.

"I also think that the establishment of a maritime security fund will go a long way to take care of the Egina and every other investment in the maritime industry," Uche said.

Also, the Forum called the Designated Authority for the Nigerian maritime sector, Nigerian Maritime Administration and Safety Agency, NIMASA, to accommodate it on its website so that stakeholders could have easy access to the group.



● Egina FPSO

Community



MKPOIKANA UDOMA, Port Harcourt

Oil magnate and founder of Belemaoil Producing Limited, Mr. Jackrich Tein Jr. has pledged to award scholarship to 300 children of soldiers, who died or got incapacitated on active service.

A statement by the Assistant Director, Army Public

Relations, 16 Brigade, Yenagoa, Major Danjuma Jonah, said Tein disclosed this in Yenagoa, the Bayelsa State Capital, at the groundbreaking ceremony for the construction of the 16 Brigade barracks, with the codename, Camp Buratai.

Belemaoil founder, who explained that the

scholarship would run for N45million per annum, also pledged to undertake the construction of one block of 30 flats for corporals at the barracks with immediate effect.

He stated that the Nigerian Army has done so much for the unity of the country, stressing that the officers and men who laid their lives in defence of the

nation should be appreciated.

Also speaking at the event, Bayelsa State Governor, Henry Seriake Dickson, said he will continue to partner with the Nigerian Army to enhance the development of the barracks.

Governor Dickson said as a

demonstration of his administrations commitment to security, he has undertaken to build a Command Children's School, Officers Mess and Soldiers' Canteen Mess in the barracks.



● Seven Energy workers on the job

Seven Energy reaffirms commitment to security, human rights initiative

OPEOLUWANI AKINTAYO

Seven Energy has reaffirmed its commitment to implementing the Voluntary Principles on Security and Human Rights initiative, VPI.

The reassurance was given during the hosting of the

Steering Committee of the VPI at the Seven Energy Security Forum in Eket, Akwa Ibom State.

The Seven Energy Security Forum is a monthly stakeholder engagement held in Akwa Ibom State to facilitate dialogue and flow of information between oil and

gas companies and related government security agencies in the state.

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Freight