

OPEOLUWANI AKINTAYO

The Organisation of the Petroleum Exporting Countries, OPEC, says participating countries in the reigning oil cut agreement between it and some other oil producing nations, led by Russia, have demonstrated unwavering dedication to achieving the rebalancing of the global oil market.

## Oil producers have shown dedication to achieving market rebalance - OPEC

This came as the organisation reported the achievement of 149 percent conformity level on the 15 month old deal, by which OPEC and its allies cut crude oil production by 1.8 million barrels per day.

"Once again, participating countries have demonstrated unwavering dedication to

achieving the rebalancing of the global oil market, as demonstrated by the high conformity level of 149%", OPEC said in a statement, adding: "Their collective efforts continue to yield positive results, with market fundamentals being solid".

The Joint Ministerial Monitoring Committee, JMMC, announced

the achievement of the 149 percent compliance level at its eighth meeting last week in Jeddah, Saudi Arabia.

It announced that based on the report of the Joint Technical Committee, JTC, for the month of March 2018, following successive months of record-breaking performance, OPEC and

participating non-OPEC countries, led by Russia, have achieved a conformity level of 149% with their voluntary production adjustments, the highest level so far.

The JMMC was established following OPEC's 171st Conference Decision of

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# Sweet Crude REPORTS

In collaboration with



A Review Of The Nigerian Energy Industry

WEEKLY



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### UPDATES

#### WEEKLY BASKET PRICE

APR-20	69.50
APR-13	67.67
APR-06	65.10
MAR-30	66.39
MAR-23	65.08
MAR-16	62.33
MAR-09	62.52
MAR-02	63.58
FEB-23	63.09
FEB-16	61.34
FEB-09	63.86
FEB-02	66.89
JAN-26	67.64

Daily | Weekly | Monthly | Yearly **70.36US\$**



● Fuel station

'Chevron not soliciting expressions of interest on Nigerian assets'

PRINCEWILL DEMIAN, Abuja

Chevron Nigeria Limited, CNL, says it was not soliciting for expressions of interest, EoIs, for any of its assets.

It made the clarification in reaction to an allegation of its transfer of its interest in Oil Mining Lease, OML, 11 in Yorla Field, eastern Niger Delta to an investor.

Chevron, operator of the Joint Venture with the Nigeria National Petroleum

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## PPMC grosses N1.86tr from kerosene, diesel sale in 2017

IKE AMOS, Abuja

The Nigerian National Petroleum Corporation, NNPC's, downstream subsidiary, the Pipelines and Products Marketing Company, PPMC, sold kerosene, diesel and petrol valued at N1.86 trillion in 2017.

Premium Motor Spirit, PMS - also known as petrol - accounted for 84.71 per cent of total earnings from white products sale in 2017, the NNPC said in a financial and operating report for December 2017. Kerosene, diesel and petrol

are general called white petroleum products.

Specifically, the report noted that PMS sales stood at N1.579 trillion, while Automotive Gasoline Oil, AGO, also called diesel, and Dual Purpose Kerosene, DPK, also known as domestic kerosene, accounted for 10.52 per cent and 4.72 per cent of total white products sale in 2017 with N196.27 billion and N88.446 billion respectively.

Giving a breakdown of total white products sale on a monthly basis, the report stated that in January, February, March, April,

May and June 2017, total sales of the three products stood at N94.72 billion, N179.81 billion, N206.42 billion, N199.11 billion, N145.78 billion and N142.65 billion respectively.

In July, August, September, October, November and December, the report declared that white petroleum products sales stood at N132.04 billion, N111.36 billion, N151.42 billion, N168.56 billion, N125.73 billion and N206.43 billion respectively.

On the other hand, the PPMC earned N72.79 billion from the sale of special products in 2017,

comprising mainly Low Pour Fuel Oil, LPFO.

In the months of January to June, the PPMC recorded total special products sales of N1.39 billion, N986.51 million, N2.7 billion, N1.6 billion, N3.37 billion and N21.23 billion respectively, while for July to December 2017, sales of the commodity stood at N790.47 million, N910.8 million, N7.08 billion, N13.14 billion, N6.18 billion and N13.42 billion respectively.

On a volume basis, the report stated that the PPMC sold 15.259 billion litres of white products in 2017, comprising 13.31 billion litres of PMS, 1.29 billion litres of diesel and 647.39 million litres of kerosene.

On the other hand, the report noted that the PPMC sold 616.4 million litres of special products,

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● Offshore oil facility

## US rig count up for third week

U.S. energy companies last week added oil rigs for a third week in a row as they follow through on plans to spend more on drilling this year with crude prices near three-year highs.

Drillers added five oil rigs in the week to April 20, bringing the total count to 820, the highest level since March 2015, General Electric Co's Baker Hughes energy services firm said in its closely followed report.

More than half the total oil rigs are in the Permian Basin in west Texas and eastern New Mexico. Active units there increased by eight this week to 453, the most since January 2015.

The U.S. government expects oil output in the Permian to rise to a record high near 3.2 million

barrels per day in May, about 30 percent of total U.S. oil production.

The U.S. rig count, an early indicator of future output, is much higher than a year ago when 688 rigs were active. Energy companies have been steadily increasing spending since mid-2016 when crude prices began recovering from a two-year crash.

U.S. crude futures traded over \$69 a barrel early last week, their highest since November 2014, but pulled back to around \$68 on Friday. That is up sharply from the \$50.85 average hit in 2017 and \$43.47 in 2016.

Looking ahead, futures were trading around \$67 for the balance of 2018 and \$61 for calendar 2019.

In anticipation of higher prices, U.S. financial services firm Cowen & Co said 58 of the roughly 65 exploration and production (E&P) companies they track have already provided guidance indicating an 11 percent increase this year in planned capital spending.

Cowen said those E&Ps that have reported capital plans for 2018 expected to spend a total of \$80.5 billion in 2018, up from an estimated \$72.4 billion in 2017.

Analysts at Simmons & Co, energy specialists at U.S. investment bank Piper Jaffray, this week forecast the total oil and natural gas rig count would average 1,014 in 2018 and 1,129 in 2019. That compares with last week's forecast of 1,013 in 2018 and 1,129 in 2019.

## PPMC grosses N1.86tr from kerosene, diesel sale in 2017

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with LPFO sales accounting for 304.96 million, while other special products sales stood at 311.43 million litres.

The Nigerian National Petroleum Corporation, NNPC, yesterday, said it remitted N857.36 billion to the federation account in 2017.

The NNPC, in the monthly financial and operations report, also disclosed that it remitted N19 billion to the Federal Government for debt repayment, while N644.05 billion was used to finance its Joint Venture operations.

The NNPC stated that it recorded total export receipts of \$476.25 million in December 2017, from sale of crude oil and gas as against \$201.11 million in November 2017.

According to the report, while receipts from crude oil amounted to \$342.16 million, gas and miscellaneous receipts accounted for \$94.85 million and \$39.24 million respectively.

The report also stated that domestic crude oil and gas sales in the month amounted to N96.68 billion, consisting of N89.11 billion from domestic crude oil and N7.57 billion from domestic gas.

Of the naira receipts, the NNPC explained that the sum of N77.57 billion was transferred to the Federation Account in the month under review, while N19.11 billion was paid for Joint Venture Cash Call, JVCC, being a first line charge to guarantee continuous flow of revenue stream to Federation Account.

## Oil producers have shown dedication to achieving market rebalance - OPEC

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November 30, 2016, and the subsequent Declaration of Cooperation at the joint OPEC-Non-OPEC Producing Countries' Ministerial Meeting on December 10, 2016, at which 11 (now 10) non-OPEC oil-producing countries, cooperated with the 13 (now 14) OPEC member countries in a concerted effort to accelerate the stabilisation of the global oil market by voluntarily cutting oil production by 1.8 million barrels per day.

The declaration, which came into effect on January 1, 2017 was for six months.

The second joint OPEC-Non-OPEC Producing Countries' Ministerial Meeting on May 25, 2017, decided to extend the voluntary production adjustments for another nine months commencing July 1, 2017.

At the third joint OPEC-Non-OPEC Producing Countries' Meeting, held on November 30, 2017, the Declaration of Cooperation was amended to cover the entire 2018.



## Gas infrastructure necessary for Nigeria's industrialisation - Axxela boss

The development of critical gas pipeline infrastructure and a far-reaching national grid remains pivotal to Nigeria's industrialisation and economic empowerment, Chief Executive Officer of Axxela Limited, Bolaji Osunsanya, has said.

Osunsanya spoke in reaction to the Nigerian National Petroleum Corporation, NNPC's, award of the Engineering, Procurement, Construction, EPC, contract for the \$727 million Ajaokuta - Abuja portion of the Ajaokuta-Kaduna-Kano, AKK, pipeline project to Axxela Limited, formerly known as Oando Gas & Power, and Oilserv Limited.

The contract was awarded to the companies following their 2013 submission of bid in response to an expression of interest for a contractor-financed EPC development of the AKK Pipeline Project.

"As forerunners in the sector, we remain actively committed to the long-term realisation of the Nigerian Gas Master Plan. The development of critical gas pipeline infrastructure and a far-reaching national grid remains pivotal to the country's industrialisation and economic empowerment.

"Consequently, the implementation of the AKK

Pipeline Project will enable power-starved communities across the northern region have greater access to electricity, while providing stranded commercial and industrial customers with a cleaner and more efficient source of energy," he said in a comment on the contract.

To expand its operational base and increase value-adding opportunities in the gas and power space, Oando had divested a portion of its erstwhile midstream vehicle, Oando Gas & Power, to Helios Investment Partners, an Africa-focused private investment firm.

Oando Gas & Power



● Gas pipeline

subsequently rebranded as Axxela. The company exports gas to neighbouring countries such as Benin, Togo and Ghana with a target to deliver over 100 million

standard cubic feet per day via its newly acquired shipper status on the West Africa Gas Pipeline to fuel power plants, commercial entities, and residential homes.



● Electricity workers

## Kaduna Electric inaugurates team to tackle electricity theft

SAM IKEOTUONYE

The management of Kaduna Electric has inaugurated an enforcement team to manage cases of energy theft, which has led the company into huge losses and dwindling revenue.

The company's Chief Operating Officer, Mr. Major Bhaskar, who also doubles as the project

initiator, said the job of the team is to curtail theft and penalise offending customers.

According to him, the enforcement team is an integral part of the electricity distribution business which is not peculiar to Kaduna Electric but in line with international best practices.

"For the business to get returns on electricity sold, the level of

wide scale stealing is not only of concern to us as a Disco but to other stakeholders like the regulators, government and shareholders.

"In dishing out penalties, we ensure that we are guided by the laws as stipulated by the regulatory body with the goal of delighting the customers by providing them qualitative energy," he said.



## Ikeja Electric attributes zero fatality in Q1 to effective safety policy

OPEOLUWANI AKINTAYO

Ikeja Electric, IE, has attributed its zero-fatality record in the first quarter of this year to its effective safety policy and programmes.

The power distribution company, according to the recent safety report released by the Nigerian Electricity Management Services Agency, NEMSA, recorded no loss of life either of employees or third party between January and

March this year.

In the report which covers the eleven electricity distribution companies or Discos operating in the country and the Transmission Company of Nigeria, TCN, Ikeja Electric and two other distribution companies had a clean slate in terms of fatalities.

Speaking on the record, company's Head, Health, Safety and Environment, HSE, Engr. Jamiu Badmos, explained that safety is a non-critical

Over the years, Ikeja Electric

has elevated its safety standards to reduce hazards and fatalities. Its 2018 HSE campaign tagged 'Target Zero' encompasses series of periodic initiatives, including internal HSE training, safety hurdles at the undertaking units, contractors' safety engagement, public safety sensitisation programme on electrical infrastructure, field compliance monitoring among other activities.

The company also recently launched its proprietary board



● Ikeja Electric office

game, Power Play, an educative and entertaining game designed to inculcate the culture of safety against electricity hazards among consumers. Professional bodies such as the Nigerian

Society of Engineers, NSE, and Lagos State Safety Commission have endorsed the game, which is currently being distributed across secondary and tertiary institutions in Lagos State.



● Seplat workers

Seplat Petroleum Development Company's board of directors has approved the company's first quarter 2018 financial results

and an interim dividend for its shareholders.

The board had met on Thursday last week at the company's head office in

## Seplat board approves first quarter 2018 financial results

...Endorses interim dividend for shareholders

Ikoyi, Lagos, where it reviewed and approved the first quarter financial results for the period ended 31st March 2018 and made a decision on the declaration of interim dividend for its shareholders,

In a memo to the Nigerian Stock Exchange, NSE, the

company said the decisions at the meeting were taken by the board in line with section 1.1 of the rules relating to board meetings and general meetings of issuers.

"There is an obligation on the Issuer to notify the Exchange within twenty-four hours after the relevant board meeting of the key decisions taken by the board", the company said in the memo signed by the

company secretary, Dr. Mirian Kene Kachikwu.

"The results were duly considered and approved by the board of directors and will be filed with the Exchange on 30th April 2018 while a decision was made in relation to the declaration of interim dividend payment to the shareholders," Kachikwu said in the memo.

## Labour



## Statoil's Johan Castberg field creates new jobs

Thousands of jobs were lost during the downturn in the oil and gas sector when prices plummeted.

But, new jobs are being created as Statoil prepares for the commencement of production at its Johan Castberg field in 2022, according to Oilandgaspeople.com.

Observers see the oil field

project as one that will spark a revival of the Norwegian oilfield services industry.

Statoil struck oil in the field in 2011.

The field consists of three deposits with combined reserves estimated at between 400 and 650 million barrels of crude, making it one of the biggest recent discoveries in Norway's continental shelf.



● Statoil's Johan Castberg FPSO

## 'Chevron not soliciting expressions of interest on Nigerian assets'

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Corporation, NNPC, said it does not have any equity in OML 11.

A group, the Ken Saro Wiwa Associates, KSWA, had alleged a plot by a minister "to unilaterally transfer CNL's interest in the Yorla Oil Field

(OML 11-Ogoni Fields) to an anonymous company in which he has interest.

In a petition to President Muhammadu Buhari, the KSWA said it was an "organisation with global membership committed to promoting the ideals and the consolidation of the legacies of

the Ogoni Hero and human rights activist, Ken Saro Wiwa and his fellow martyrs in the struggle."

In a statement in Lagos, General Manager, Policy, Government and Public Affairs at Chevron Nigeria, Mr. Esimaje Brikinn, said CNL has 40 percent equity in OML 51 in Rivers State in which the Yorla South Field is located.

"While CNL regularly reviews its asset portfolio to seek opportunities for optimising its businesses, any decision on acquisitions or divestitures will be made after following its established processes.

"As with past exercises, CNL will follow consistent and transparent process if and when it determines that asset transactions will be beneficial to its operations. These

decisions are made without regard to outside pressures or influences," he added.

Copies of the petition, signed by National Coordinator, KSWA, Mr. Gani Topba, were sent to the Inspector General of Police (IGP), Director General, Department of State Services (DSS); Chief of Army Staff and National Security Adviser (NSA).



# NPA to support completion of all deep sea ports projects



● Ms Usman

The Nigerian Ports Authority, NPA, will support the completion of all deep sea ports projects across the country, its managing director, Hadiza Bala Usman, has said.

According to Usman, the support for the completion of the deep sea ports was necessary considering their importance to the future maritime activities in the country.

A statement by Assistant General Manager, Corporate and Strategic

Communications, Mr. I.A. Suwaid, said the early completion of the projects would not only facilitate operational efficiency in the nation's maritime system but further strengthen the Federal Government's policy on ease of doing business.

The managing director spoke when the management of the Infrastructure Concession Regulatory Commission, ICRC, led by its acting Director General, Engineer Chidi Izuwah, paid her a working visit in her office in Lagos.

She restated the need to fast track the nation's navigational channels so as to accommodate bigger

vessels which would generate more revenue to the country and improve trade facilitation in the West African sub-region.

Usman further stated that plans were being concluded for the business model meant for the Lilypond Terminal, as part of NPA's resolve for improved service delivery in the terminals.

She charged all concerned with the working document for the review of the terminal's agreement to speed up the processes that would allow for the swift consideration and possible approval for a five-year renewal being sought by Lilypond.



## Community

# Rivers lauds Total for youth development, to disburse N200m to entrepreneurs

MKPOIKANA UDOMA, Port Harcourt

The Rivers State government has commended Total Exploration and Production Nigeria Limited for the capacity development of youths in the state.

The state government also said it would soon launch an initiative, 'Rewriting the Narratives' aimed at changing the idea, attitude and perception of Rivers State youths.

The Director of Youth Development, Rivers State Ministry of Youth and Development, Ms. Chinedu

Kejeh, disclosed these at the graduation ceremony of the 13th Batch trainees under the NNPC/TEPNG joint venture skills acquisition training program in Port Harcourt.

Kejeh said Rivers youths are believed to be militants, lazy and would not want to work, but the present administration led by Chief Nyesom Wike was working to see that the narratives is changed.

"This administration will ensure that Rivers youths are placed on global economy and compete favourably with other youths in the world.

"I commend Total E & P

Limited for carrying out this programme and the courage and resources to carry out her social responsibility to her host communities. I believe we are going to start a conversation that will take us to another levels," Kejeh said.

She stated that the Ministry of Youths and Development was triggered to rewrite the Narratives with the vision of the present administration to ensure that Rivers youths are skilled and have relevant certificates to work in the oil and gas sector.

Meanwhile, the Rivers State Commissioner of Information and Communication, Mr. Emma



● Youths undergoing an empowerment programme

Okah, said plans were in top gear to disburse the sum of N200 million monthly as free interest loan to young entrepreneurs and traders in the state. Okah

said the State Executive Council Committee has been set up for the disbursement of the fund.

# OML11: Group warns banks against granting loan to local oil firm

The Ken Saro-Wiwa Associates wants banks operating in the country to reject all loan or funding requests to an indigenous oil firm, RoboMicheal Nigeria Limited, in connection to the

resumption of oil exploration activities in Ogoniland.

The group made the demand in a petition to the Central Bank of Nigeria, CBN.

National Coordinator of KSWA, Chief Gani Topba,

alleged that RoboMichael was a proxy of the Shell Petroleum Development Company, SPDC, adding that SPDC and other companies interested in the resumption of oil production in Ogoniland were using fraudulent tactics to re-enter Ogoniland through the back door.

Topba, in the petition, titled "Demand for rejection and/or blocking of the request of RoboMicheal Nigeria Limited and any other company for loan/funding in connection with the development and operatorship of OML 11", warned that any bank which advances loan to RoboMichael or any other company, regarding OML 11, was doing so at its own risk.

The Ogoni leader, who alleged that RoboMichael was a novice in the oil and gas business, maintained that the oil firm was broke and currently indebted to the Assets Management Company of Nigeria, to the tune of N4.8 billion.

He said it was mischievous for SPDC to say they were not

interested in resuming operations in Ogoniland, whereas in an application dated 16th October 2017, it applied to the Minister of Petroleum Resources for the renewal of its subsisting lease in OML 11 (Ogoni fields) which is due for expiry in 2019.

Topba stated that Ogoni was not opposed to the resumption of oil and gas operations in Ogoniland, but, said all approvals and granting of licenses to investors in relation to OML 11 must be preceded by fruitful discussions with the Ogoni people, "in order to obtain the metaphorical social license to operate in the land".



● Chief Topba

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