

As other aspects of the Petroleum Industry Bill, PIB, await passage into law in the National Assembly, oil workers have expressed concerns over what they described as excessive powers created for the Nigeria Petroleum Regulatory Commission, NPRC, in the proposed Petroleum Industry Administration Bill, PIAB, 2018.

## Oil workers decry excessive powers of Petroleum Commission in new PIB ...Say such concentration of powers will lead to abuse

The oil workers, under the aegis of Petroleum and Natural Gas Senior Staff Association of Nigeria, PENGASSAN, and the National Union of Petroleum and Natural Gas Workers, NUPENG, in their joint position on PIAB presented to the National Assembly, said the powers

**MKPOIKANA UDOMA, Port Harcourt** conferred on NPRC is too enormous such as the power to grant, revoke and extend licences and authorisation to flare gas, amongst others. Chairman, PENGASSAN and NUPENG Committee on PIB, Mr.

Chika Onuegbu, said the unions are worried that given the wide powers of NPRC, a serving Nigerian President may one day appoint himself or herself as the chairman of the Commission, adding that the concentration of such powers in one body will create not only unnecessary

bureaucratic bottlenecks but also lead to abuse. The workers also demand the outright deletion of the discretionary powers in the Bill given to the President to award oil blocs and licenses, explaining that such will lead to abuse, as Nigerian Presidents have been known to award oil blocs to their cronies as political patronage. **CONTINUES ON PAGE 02**

# Sweet Crude

In collaboration with



A Review Of The Nigerian Energy Industry

WEEKLY

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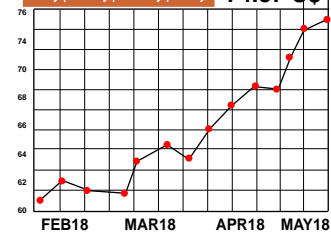
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### UPDATES

#### WEEKLY BASKET PRICE

MAY-25	76.26
MAY-18	75.40
MAY-11	73.46
MAY-04	70.74
APR-27	70.92
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

Daily | Weekly | Monthly | Yearly **74.87 US\$**



An oil vessel

## Nigeria imports 5.6bn litres of petrol in Q1

OPEOLUWANI AKINTAYO & SAM IKEOTUONYE

Nigeria imported over five billion litres of Premium Motor Spirit, PMS, popularly known as petrol, in the first quarter of this year, figures from the National Bureau of Statistics, NBS, has shown.

According to newly-released data by the bureau, the Nigerian National Petroleum Corporation,

currently the sole fuel importer into the country, brought in 5.67 billion litres of petrol in the said period.

The figures also showed that 954.47 million litres of automotive gas oil, AGO, or diesel was imported during the prior while 66.914 million litres of household kerosene, HHK, or domestic kerosene was also imported during the period. Also, 5.122

billion litres of aviation turbine kerosene, ATK, also known as aviation fuel or Jet-A1 was imported into the country in the first quarter.

The months of March recorded the highest volumes of petrol imports at 2.41 billion litres while the highest volume of diesel and household kerosene was imported in February and January respectively.

Nationwide distribution of truck-out volume for the first quarter showed that 4.89 billion litres of petrol, 1.24 billion litres of diesel and 1.49 million litres of domestic kerosene and 150.81 million litres of aviation kerosene were distributed nationwide during the period under review.

Going by NBS figures also, Nigeria imported 17 billion litres of petrol in 2017, an 8 per cent drop in 2016 imports. The volume of petrol imported in 2016 stood at 18.8 billion litres.

The Petroleum Products Imports and Consumption (Truck In) Statistics showed that the highest volumes of petrol (1.88 billion litres) were imported in July and August while 18.36 billion was distributed state-wide during the year.

The report indicated that 17.31 billion litres of petrol, 4.28 billion

**NPA working to arrest attacks on vessels at berth - Usman**

VINCENT TORITSEJU

Managing Director of the Nigerian Ports Authority, NPA, Ms. Hadiza Bala Usman, has spoken of challenges in the operations of the nation's ports, but, stated that they were being addressed.

Of worry to industry stakeholders has been the increasing rate of attacks on vessels berthed at the Lagos Ports Complex, LPC.

Maintaining that NPA has commenced strategies to arrest the attacks, Usman assured that by the time some of the strategies were in place, the agency would point fingers to stakeholders perceived to be responsible for such attacks.

Usman, who spoke through NPA's Executive Director, Marine and Operations, Mr. Sekonte Davis, at the company's quarterly stakeholders meeting in Lagos, disclosed that more patrol boats

**CONTINUES ON PAGE 03**

### Oil spill: Over 5,000 impacted sites found in Niger Delta

Over 5,000 oil spill sites have been found in the Niger Delta, according to the Niger Delta Development Commission, NDDC's Director, Special Duties, Dr. Princewill Ekanim.

Ekanim revealed this in a statement while hinting that the commission had flagged off a training exercise for technical assistants for the Ogoni clean-up.

According to him, out of the 5,000 oil-impacted sites, 25

OPEOLUWANI AKINTAYO

percent are found in Ogoniland.

Speaking further about the Ogoni clean-up and remediation exercise, he said NDDC would collaborate with the Hydrocarbon Pollution Remediation Project, HYPREP, in the area of provision of support for the exercise.

According to a report by United Nations Environment Programme, remediation of oil-

impacted sites in Ogoniland will take at least 30 years.

"There are over 5,000 impacted sites in the Niger Delta region and about 25 percent of that are in Ogoniland.

"Section 2, subsection (A), (H) and (I) of the NDDC Act 2000, mandates the Commission to tackle

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## Ghana to award three oil blocks next year

Ghana is to award three oil blocks next year through a mix of open competitive tender and direct negotiations, the country's Energy ministry said in a statement.

They are part of the nine oil blocks the country plans to give out for commercial exploration off its western coast beginning this year.

Reuters reports that the former Gold Coast plans to award six of the nine blocks this year while the remaining three will be given out next year.

The Energy ministry said state oil company Ghana National Petroleum Corporation will acquire one of the blocks to explore in partnership with a strategic partner to develop its technical capacity and become an operator.

Ghana, which began commercial crude production in late 2010, currently produces around 180,000 barrels per day mainly from three fields offshore the western coast, including its flagship Jubilee reserves operated by UK's Tullow Oil Plc.

"This year's licensing round focus would be on the western basin because of the existence of infrastructure, including two gas pipelines to the shore, three

production facilities with a fourth FPSO in the offing by 2021," it said.

The government last week named a 23-member committee to oversee the allocation of oil blocks to local and international companies through evaluation and negotiation.

## Oil workers decry excessive powers of Petroleum Commission in new PIB

CONTINUED FROM PAGE 01

"You would recall that the major concerns raised by stakeholders against the 2012 PIB was the excessive powers of the Minister. The 8th National Assembly in their bid to address this problem seem to have inadvertently created a very powerful Nigeria Petroleum Regulatory Commission," the oil stated in their joint position.

They continued: "Under the Petroleum Industry Administration Bill 2018, the Commission is responsible for the administration of all acreages (Section 3); vested with the power to grant, revoke, renew, modify or extend licences or permits, including relinquishment of licenses;



● An offshore oil rig

authorisation to flare gas (Section 34), power to issue regulation detailing the mechanics for the imposition of a domestic crude oil supply obligation on upstream crude producers (section 36) etc.

"In addition, the Petroleum Industry Governance Act 2018 transfers all the powers and duties of the Minister under the Oil Pipelines Act Cap 07 of the Laws of the Federation of Nigerian 2004, Section 28(1) of Hydrocarbon Oil Refineries Act and Sections 3, 4 and 5(3) to the Commission. Also, various provisions of the Petroleum Industry Fiscal Bill 2018 gave enormous powers to the commission.

"The combined powers of the Commission under the Petroleum Industry Governance

Bill, the Petroleum Industry Fiscal Bill and the Petroleum Industry Administration Bill are too expansive and should be curtailed as the concentration of such powers in one body will create not only unnecessary bureaucratic bottlenecks but can also lead to abuse. As the popular saying goes, power corrupts and absolute power corrupts absolutely."

They also appeal to the National Assembly to clearly define in the Bill "good oil field practice" in accordance with international standards, explaining that the phrase which appears vague with no referenced standard or benchmark, may create room for different licensee interpretations and unnecessary debate with the Commission.

## Nigeria imports 5.6bn litres of petrol in Q1

CONTINUED FROM PAGE 01

litres of diesel, 340.33 million litres of household kerosene, 592.73 billion litres of aviation fuel and 15.61 million litres of low pour fuel oil, LPFO, were imported into the country in 2017.

The months of July and August of that year recorded the highest volumes of petrol import into the country at 1.88 billion litres while the highest volume of diesel and domestic kerosene were imported in March and April respectively.

## Oil spill: Over 5,000 impacted sites found in Niger Delta

CONTINUED FROM PAGE 01  
ecological problems in the Niger Delta environment. The

Commission is to work with oil companies operating in the region and other stakeholders to carry out this task.

Ekanim stated that "in the exercise of this mandate, and in demonstration of the commitment of the current Board of the Commission, a technical person, Dr. Udeme Udofia, who is an Associate Professor in the area of environmental protection and pollution control has been appointed to work with HYPREP and build the capacity of the local people in environmental remediation".

Explaining further, he said the training on oil spill assessment was important, as it would help develop capacity of the young environmental scientists as well as improve involvement of the Ogoni community in the clean-up project.



● Gas facility



## Nigeria produces about 25% of gas reserves - Shell Boss

OPEOLUWANI AKINTAYO

As the Federal Government seeks to harness the nation's gas resources for increased supply for domestic

usage and industrial power, and to achieve sustainable economic growth, the Country Chairman, Shell Companies in Nigeria, Mr. Osagie Okunbor,

has disclosed that the country was tapping only about 25 percent of its gas reserves.

He revealed this in the company's 2018 briefing notes obtained by SweetcrudeReports.

According to the Oil Producers Trade Section, OPTS, of Lagos Chamber of Commerce and Industry, Nigeria is endowed with over 181 trillion cubic feet of gas reserves, with much more in undiscovered gas reserves.

There is currently a lot of efforts at dedicating a large chunk of the gas produced in the country to power generation.

But, Okunbor said although Nigeria currently has around seven gigawatts, GW, of installed electricity capacity, less than five GW is actually in operation.

Osagie spoke of Federal Government's aspiration to increase electricity generation from the current five GW to 40 GW, which, he said, represents "a huge development" opportunity for Nigeria's domestic gas industry.



● Electricity worker

your collaboration we have done so in a safe manner.

"Therefore, it is with great pleasure I inform you of the great improvement in our HSE performance since January 2018.

As at today PHED has officially reclaimed its enviable position as number one safe Disco in Nigeria, according to NEMSA ranking as published".

## Power



## 'Safety is top priority at PHED'

Acting Chief Executive Officer of the Port Harcourt Electricity Distribution Companies, PHED, Mr. Syed Taha, says safety is top priority at the company.

Taha disclosed this as he announced PHED's emergence as the best in safety consciousness among the power distribution companies in the country, for the month of May 2018.

The safety ranking was released recently by the Nigerian Electricity Management Service Agency, NEMSA, a body

responsible for maintaining standards in the electricity industry.

Announcing the feat to the management and staff of the company at its head-office in Port Harcourt, Taha said: "Safety is our top priority at PHED, not only because we care about our employees, but because we want to provide a safe working environment for our employees and customers.

"We have worked effortlessly to redeem our image following the April 2017 viewing centre incident at Calabar, and with



● CBN head-office in Abuja

## CBN says BDCs must access forex thrice weekly

The Central Bank of Nigeria, CBN, has ordered that all Bureau de Changes, BDCs, must access the Forex window at least three times weekly

This was part of the recent directive by the agency to all commercial banks and BDCs to sell foreign exchange to travellers over the counter without delay, warning that failure to do such would lead to a penalty.

CBN's spokesperson, Isaac Okoroafor, said banks and BDCs are to sell forex to eligible travellers irrespective of their status.

According to a statement, the CBN said the steps were necessary to make forex available to travellers, adding that it would also make liquidity available in the market.

The statement read: "All-Deposit Money Banks (DMBs) are mandated to buy and sell foreign exchange to travellers (both customers and non-customers) upon presentation of relevant,

valid travel documents, such as visa and ticket over the counter".

"All travellers shall be attended to immediately at the banks' counters. Any contravention shall be sanctioned by the CBN.

"All BDCs (bureaux) shall henceforth access Forex from the CBN on Mondays, Wednesdays, and Fridays.

"It is compulsory that all BDCs

access Forex at least three times weekly.

"Any BDC that fails to access the Forex window at least three times weekly shall have its license reviewed by the CBN. Compliance is Compulsory."

Last week, CBN injected an additional \$100 million into the foreign market, 24 hours after it had made \$210 million available to the wholesale segment of the market the previous day.

## Reform at NSE will make it more attractive - Saraki

President of the Senate, Dr. Bukola Saraki, says the upper chamber of the National Assembly is looking into the reform of the Nigerian Stock Exchange, NSE, to make

it more attractive.

He revealed this when the President of the Lagos Chamber of Commerce and Industry, LCCI, Mr. Babatunde Paul Ruwase, led other executive

members of the Chamber on a courtesy visit to the senate president.

According to Saraki, the 8th Senate has been keen on working with the private sector

to improve the nation's economy and business environment right from its inception in 2015.

He said the Senate with the collaboration of major players in the private sector had identified a number of critical laws that required urgent review to improve the ease of doing business in the country, most of which have now been passed and signed into law.

"There are some bills that are still pending like the the Investment and Securities bill where there is a major amendment that we hope to pass very soon. We are also looking into the reform of the Stock Exchange to make it more attractive and also in line with global best practice," he stated.

Saraki said the aim of the Senate is to strengthen the economy and be able to provide jobs for the youth through legislation.

Speaking during the visit, Mr. Babatunde Ruwase lauded the passage of the Companies and Allied Matters Act, CAMA, Act amendment Bill by the Senate.

He said that CAMA will greatly boost and increase the viability of small businesses in the country.

## NPA working to arrest attacks on vessels at berth - Usman

CONTINUED FROM PAGE 01

would be purchased by the agency to enhance port waterfront patrols.

It was also gathered that one of the most attacked berths is the ENL terminal that handles bulk cargoes and fish.

The NPA boss advised the management of ENL terminal to look into their internal system, adding that there could be sabotage from within.

"ENL should look within its system and see if there is sabotage because the mode of these attacks suggests that there is an insider that gives out information to these criminals.

"ENL should also increase its operational vehicle patrols as this could help to detect and forestall attacks at the berths," she said.

"NPA has said that there are challenges and when these challenges are addressed, we will now have a better platform to point finger at people that we find culpable.

"Presently, we are not pointing fingers. We are discussing together, we are looking at the operations, and we are suspecting that there could be sabotage inside some of these terminals," she added.

Usman explained that the NPA has also commenced discussions with the port Police Command with a view to strengthening waterfront security at the ports.



● Nigeria Stock Exchange

## Labour



## BP to cut 3 percent of upstream jobs this year

British oil giant BP Plc said it plans to cut 3 percent of jobs in exploration and production, as part of a restructuring of its global upstream business to make the division more efficient and competitive.

A BP spokesman said the cuts of around 540 jobs from the company's 18,000-strong total upstream workforce will be carried out by the end of the year.

The move is part of an ongoing process to simplify the company's structure and increase efficiency, following the \$50 billion worth of divestments

over recent years, BP said in a statement. It did not comment on any possible cost savings associated with the redundancies.

The company held out the prospect of a first dividend increase since 2014, after first-quarter profits beat forecasts earlier this month, thanks to rising oil and gas prices and production.

The 110-year old company is undergoing its fastest growth in recent history with new oil and gas fields from Egypt and Oman to the U.S. Gulf of Mexico, riding a tide of higher oil prices



● BP headquarters, London

following the 2014 downturn.

BP remains committed to developing its upstream opportunities and delivering its existing five-year growth strategy, the company said in an emailed response.



## Only one scanning machine working at Lagos ports, says Customs

Customs Area Controller, CAC, in charge of Apapa Area 1 Command in Lagos, Jibrin Musa, has revealed that the ports in Lagos currently had only one functional scanning machine and that it was not adequate for the volume of work at the port.

Speaking at a meeting with journalists in Lagos, the Customs boss also lamented the failure of the Customs server, saying this has slowed down port operations.

"We have only one scanner that is working in Apapa. At Tin Can and other areas, we



● Apapa Port, Lagos

do not even have any, but in Apapa we have one that is functioning.

"If you have a backlog of work, how many containers can pass the scanner? If every

importer wants to pass their containers through the scanning site it would not be

obtainable because we have just one machine," he said.

Musa also spoke of the challenge of system errors experienced in the execution of the Nigeria Customs Integrated System 2, NICIS2 - the new Customs automated system for cargo clearance.

The Apapa Customs boss, who was represented by Yahaya Mukhtar, Officer in Charge of Customs Processing Centre, CPC, Apapa, called for stakeholders' understanding of the situation, even as he called on importers to always make correct declarations.

He said that wrong declaration and infractions were the major cause of delay in cargo clearance.

Jibrin however assured that the server failure at the ports will not lead revenue losses for the command.

## NDDC begins training of technical assistants for Ogoni clean-up



## Community



● Oil spillage in Ogoniland

MKPOIKANA UDOMA, Port Harcourt

The Managing Director of the Niger Delta Development Commission, NDDC, Dr. Nsima Ekere, has flagged off a two-day training workshop for technical assistants in the Ogoni clean-up and remediation project.

Ekere said that the Commission would collaborate with Hydrocarbon Pollution Remediation Project, HYPREP, to provide the needed support in the effort to address the environmental concerns of the Ogoni people and restore their livelihood.

Ekere, represented by NDDC Director, Special Duties, Dr. Princewill Ekanim, stressed the need to make the Ogoni clean-up exercise a success, so as to provide the roadmap to the clean-up of all hydrocarbon impacted sites in the Niger Delta region.

The NDDC boss regretted that no significant success was recorded by HYPREP three years after it was established in 2012, till in 2016 when the structure of HYPREP was amended to include a Board of Trustees, a Governing Council and a project management team.

He added that the Ogoni clean up Governing Council was a multi-stakeholder body which

included the NDDC, is charged with the responsibility of providing the necessary oversight to ensure

the implementation of the UNEP report.

"There are over 5,000 impacted sites in the Niger Delta region and about 25 per cent of that are in Ogoniland.

"Section 2, subsection (A), (H) and (I) of the NDDC Act 2000, mandates the Commission to tackle ecological problems in the Niger Delta environment. The Commission is to work with oil companies operating in the region and other stakeholders to carry out this task.

"In the exercise of this mandate, and in demonstration of the commitment of the current Board of the Commission, a technical person, Dr. Udemé Udofia, who is an associate Professor in the area of environmental

protection and pollution control has been appointed to work with HYPREP and build the capacity of the local people in environmental remediation," Ekere said.

Also speaking, the Project Coordinator of HYPREP, Dr. Marvin Dekil, underscored the essence of the training on oil spill assessment, stating that it would develop the capacity of the young environmental scientists as well as foster the involvement of the Ogoni community in the clean-up project.

Dekil commended NDDC for supporting the training and urged that the cooperation would continue throughout the life span of the project.

## Cleanup fund: Match your words with action, Ogoni tell Buhari

The Movement for the Survival of the Ogoni People, MOSOP, has urged President Muhammadu Buhari to match his words with action concerning funds for the clean up of oil-impacted sites in Ogoniland, as recommended by the United Nations Environmental Programme.

MOSOP, an apex body of Ogoni ethnic nationality in Rivers State, disclosed this while reacting to the announcement by the Minister of State for Petroleum, Dr. Ibe Kachikwu, that President Buhari has ordered NNPC and its JV companies to immediately release funds for the Ogoni clean-up.

President of MOSOP, Legborsì Pyagbara, told our correspondent that although the directive is a positive development, it was not the first time the President has given

such directive on Ogoni clean up.

Pyagbara stated that the people of Ogoni will not be overly excited about the directive until visible and clear actions have been put on the ground by the Federal Government.

According to him, "The directive is a positive development because, for us, we believe that once the funds are there, the proper work will be done because we can't go forward without adequate funding."

On claims by critics that the presidential directive was a political gimmick to secure Rivers State votes since the elections are nine months away, the MOSOP



● President Buhari



● Pyagbara

president said it was still okay if politics would fast-track the remediation of Ogoni environment.

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