NASS to begin public hearing on PHICB May 15

MKPOIKANA UDOMA, Port Harcourt

The 8th National Assembly will begin public hearing on the much-awaited Petroleum Host and Impacted Community Bill, PHICB, on May 15, *SweetcrudeReports* has gathered.

PHICB is one of the four segments that make up the Petroleum Industry Bill, PIB, which is before the National Assembly.

The resident consultant, Senate Upstream Petroleum Committee, Dr. Francis Adigwe, disclosed this to our correspondent in Port Harcourt on the sidelines of a discourse on the Nigerian Petroleum Industry Reforms, explaining that the bill was targeted at companies big enough to make impact on their host communities.

Adigwe explained that the essence of the bill was to bring host communities into full participation in the development process from resources that come from oil and gas activities.

He expressed optimism that the 8th Senate, which he described as committed, would pass the PIB and its concomitant bills in no distant time.

"The PHICB is a bill before the National Assembly. It has gone through first and second reading and is ready for public hearing.

"The bill is going for public hearing on the 15th of May in the House and then subsequently at the Senate."

Adigwe, who is also an oil and gas law expert, further explained that host communities in the PHICB refer to any community in the country that is impacted by oil and gas activities, including

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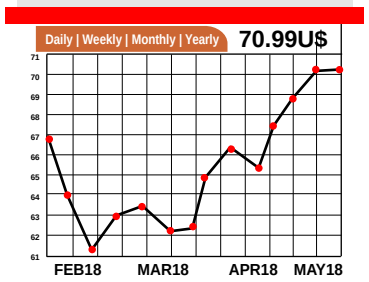
UPDATES

WEEKLY BASKET PRICE

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
FEB-23	63.09
FEB-16	61.34
FEB-09	63.86



Baru: NNPC raises $11.9bn for oil and gas sector investments

Dr. Maikanti Baru, Group Managing Director of the NNPC (left) receiving a copy of SweetcrudeReports from Mr. Hector Igbikiowubo, Editor-in-Chief of the publication, at the NNPC stand at the just-concluded OTC in Houston, Texas.

OPEOLUWANI AKINTAYO

The Group Managing Director of the Nigerian National Petroleum Corporation, NNPC, Dr. Maikanti Baru, has revealed that the corporation has recently raised $11.9 billion for investments in the Nigerian oil and gas sector.

He disclosed this at the just-concluded Offshore Technology Conference in Houston, Texas, saying the funds are for exploration and production as well as pipeline projects.

"Each time we go out to raise finance, the appetite is quite good. We had already signed four financing deals on upstream development in support of our cash call exit.

"We are also closing some financing deals on forward sales of the country's and Nigerian Petroleum Development Company's (NPDC) crude oil," Baru said.

The NNPC boss also revealed that the corporation was undertaking some major projects through contractor financing, citing the Ajaokuta-Abuja-Kaduna-Kano, AKK, gas pipeline project as an example.

Giving further insight on the $11.9 billion raised by the NNPC, Baru said: "In total, we have raised $3.6 billion (for projects Chetah, Santolina, Falcon and the Schlumberger/First E&P FSA), we are raising $5.5 billion from crude forward sales and $2.8 billion for AKK projects".

He expressed delight at last week's announcement by the Royal Dutch Shell of an investment plan totalling $15 billion in Nigeria's oil and gas, the NNPC saying it "is a clear demonstration of the confidence investors have in the sector."

The NNPC group managing director, who also spoke on the Petroleum Industry Bill, PIB, still in the National Assembly, expressed optimism that it would be fully passed by the third quarter of this year.

The PIB, which originally was conceived as whole, has been split into four parts: the Petroleum Industry Governance Bill, PIGB; the Host Communities, Fiscal Reforms and the Administration Bills. The

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NNPC disowns phantom recruitment announcement

The Nigerian National Petroleum Corporation, NNPC, has disowned a recruitment advertisement currently trending in the social media.

The advertisement, set in NNPC's corporate colours and its logo, invites candidates with background in sciences, engineering, business/finance, social sciences, arts/humanities as well as medical/health sciences to apply, giving required educational attainments of prospects to include Master's degree, Bachelor's degree, Higher National Diploma and National Diploma.

Describing the advertisement as phantom, the corporation called on unsuspecting members of the public to be wary of the scam.

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Oil marketers allege AGO, DPK price hike

...Say development will increase circulation of adulterated products

The Rivers State Indigenous Petroleum Marketers Association has raised the alarm over an alleged increment in the price of petroleum products by the government.

The association said the Federal Government has increased the depot price of Dual Purpose Kerosene, DPK - domestic kerosene - from N140 to N180 per litre while Automotive Gas Oil, AGO, or diesel. which was originally sold at N160 is now N180 per litre.

Chairman of the association, Mr. Obelle Ngechu, told SweetcrudeReports in Port Harcourt that the increment will negatively affect the economy and also encourage the circulation of adulterated petroleum products.

Ngechu disclosed that some petroleum marketers across the country are planning a peaceful demonstration in conjunction with civil society

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Oil

Abia State signs MoU with investors on modular refinery

Modular refinery

The Abia State government has signed a memorandum of Understanding, MoU, with investors for construction of a modular refinery in the state.

A statement by the state's Information Ministry said the agreement was signed with two firms and that the refinery is to be sited in Ukwa West Local Government Area of the State. Ukwa West has the highest volume of oil deposit in the state.

According to the statement, the agreement was signed in Umuahia, with the Secretary to the State Government, SSG, Dr. Eme Okoro, signing for the government while the Managing Director of GoldTrust Limited, Mr. Freeman George Amadin, and the Managing Director of White Page Concept, Engr. Mohammed Yakubu, signed on behalf of their respective companies.

According to the statement, the SSG assured the investors that the administration of Governor Okezie Ikpeazu would provide the enabling environment that would aid their investments.

Dr. Okoro called on other investors to invest in the state, saying Abia remains one of the safest states in Nigeria with top quality infrastructure deployed by the Ikpeazu administration.

He assured the indigenes of oil producing communities in the state that they would benefit maximally from the oil refinery deal.

Some government functionaries, including Commissioner for Petroleum, Barr. Chizuru Kanu; the Deputy Chief of Staff, Office of the State Governor, Chief Ukpai Agwu Ukpai; ASOPADEC Chairman, Chief Sam Nwogu, among others witnessed the signing ceremony.

LNG ship

Gas

LNG prices firm despite low-demand spring season

Traders have said global liquefied natural gas, LNG, prices still remained firm despite the LNG markets being in the midst of the northern hemisphere's low-demand spring season, during which little gas is used.

"LNG prices are being supported by external factors, namely oil and coal," said one Singapore-based trader, according to Reuters.

The assertion came as Asian LNG spot prices firmed over the past week, supported, as the trader said, by strong oil and coal markets, and amid a structural tightening of the fuel's fundamentals.

Asian LNG prices for delivery in June were at $8.1 per million British thermal units, MmBtu, up 15 cents from last week's value and more than 15 percent above a seasonal low from early April.

Crude oil, to which gas markets are closely linked, are near three-year highs on expectations that the United States will re-introduce sanctions on major exporter Iran.

Asian benchmark thermal coal prices are at their highest seasonal level in more than five years at over $100 per tonne, driven by unexpectedly strong demand.

Coal and gas markets are linked as they are the main fossil fuel competitors in power generation.

Overall, the LNG market in Asia has tightened over the past year, with the winter seasonal demand peak (December/January) and spring low (April/May) seeing significantly higher prices in 2017/2018 than in 2016/2017.

Booming demand for LNG is also visible in the shipping sector, where hundreds of new LNG tankers are being built.

Oil marketers allege AGO, DPK price hike

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organisations, to protest the increment.

He added that an increase in the price of diesel will lead to increase in the price of goods, because factories and industries all over the country use diesel for production.

According to him, "What pains us most is that Nigerians are usually quick to shout when they hear increment in price of PMS, but they do not shout when there is increment in the price of AGO, forgetting that every producer and manufacturer uses diesel.

"I will advise the Federal Government to increase the price of PMS and leave that of AGO alone, because all factories and industries depends on diesel.

"Every industry in Nigeria depends on diesel. Increment in the price of diesel will affect cost of production which will directly affect price of goods in the market.

"It will also lead to increase in the circulation of adulterated products," he said, querying rhetorically, "Why will an ordinary Nigerian want to buy kerosene at N180 per litre when he can buy illegally refined one at N50 per litre?".

Power

Azura, Afam, Kaduna plants to add 914MW to national grid

The Azura Power station in Edo State, Afam power plant in Rivers State and the Kaduna power plant are to boost electricity supply in the national grid by 914 megawatts, MW, soon.

Of the 914MW, the Azura plant will produce 459MW, Afam 240MW while 215MW will come from Kaduna.

In his statements in recent times, the Minister of Power, Works and Housing, Mr. Babatunde Fashola had stated that the country's power generation had increased to 7,000MW, transmission also to 7,000MW while distribution had increased from 2,690MW to oscillate between 4,900 and 5,000MW.

The 914MW from Azura will go to push up national power output.

Fashola and the newly sworn-in Chairman of the Nigerian Electricity Regulatory Commission, NERC, Prof. James Momoh, at last week's inauguration of latter as the substantive NERC boss in Abuja, had spoken of expected additions to the national grid from other sources.

According to the minister, the electricity market has a capacity of 2,000MW that has been stranded, which the ministry is working to distribute before the end of this year.

Fashola also said the mini-grid regulation has started yielding results, and that the ministry is already seeing the impact in the market.

Momoh added that the market is also expecting power from the Kashimbilla plant, but, maintained that "the distribution end is where our challenge lies."

Fashola

Power

PHED appoints recovery agent over N121bn debts

Electricity workers

MKPOIKANA UDOMA, Port Harcourt

Worried by the huge outstanding debts of over N121billion by customers, the management of the Port Harcourt Electricity Distribution Company, PHED, has engaged the services of an accredited agent to assist in debt recovery drive in three out of four states of its coverage.

The company said the agent would recover outstanding debt owed the company from the last six months backwards from her customers in Akwa Ibom, Cross River and Rivers states, with exception of Bayelsa state, which already has an agent.

A statement by PHED's Manager, Corporate Communications, Mr. John Onyi, said the decision by the company to appoint an agent was aimed at bringing the company out of its present financial status with a view to meeting its statutory obligations and also towards profit making.

Onyi explained that the agent is to recover debts owed by residential customers, but added that "he is not to collect bills but to direct customers to the company's payment channels".

He urged customers with electricity-related issues to visit the nearest PHED office for prompt resolution before the arrival of the agent to their premises.

According to the statement, "An accredited agent has been appointed by PHED, solely to recover debt from three states of her coverage area namely; Akwa Ibom, Cross River and Rivers states.

"The agent is saddled with the responsibility of going after residential (non-MD), indebted customers who have not made any payment to the company in the last six months.

"All staff and indeed members of the public, especially electricity users should accord the newly appointed team the necessary support to get the job done and achieve sustainability of the company".

Finance

Forte Oil seeks shareholders' approval for sale of assets

SAM IKEOTUONYE

The energy firm Forte Oil says it will seek shareholders' approval for the sale of some of its assets on May 23.

The company announced, last week, plans to sell its upstream services and power businesses in Nigeria and divest from Ghana to focus on its core fuel distribution operation at home in Nigeria.

It also said in a notice to investors that it plans to appoint advisers.

Forte Oil said interest costs attributable to the businesses to be sold stood at N2.2 billion as of December.

The company did not give any reasons for the plan to sell the assets but stated that the downstream sector in Nigeria had gone through changes in recent years and was expected to evolve further.

It added that the industry has operated under a tightly regulated fixed margin but could be deregulated especially given its impact on the Nigerian currency and import bill.

The government increased petrol prices by 67 percent to N145 in 2016 to cut subsidies paid for fuel imports after a plunge in oil prices hit state revenues, caused dollar shortages and halted infrastructure projects with firms laying off tens of thousands of workers.

However, the hike did not prevent gasoline shortages which have plagued Nigeria for much of last year and this year.

Forte Oil has two storage depots, five aviation fuel depots and a lubricant blending plant. It also has 100 trucks for distribution of products across its more than 500 retail outlets which would require a lot of capital to expand.

Forte Oil said proceeds from the divestment would be used to expand its downstream fuel distribution business and to invest in storage infrastructure.

The unit in Ghana has declared losses over the last three years and has uncollectible trade debts due to tough economic conditions and a currency devaluation in the cocoa-rich country.

Forte Oil tank farm

NASS to begin public hearing on PHICB May 15

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communities playing host to oil facilities like a refinery.

"Host communities are communities that are impacted by oil and gas activities. And they are communities not only resident in the Niger Delta but anywhere there is oil and gas activity in the country.

"For example, communities around Kaduna refineries are host communities, communities around the Dangote Refinery that is being built in Lagos are also host communities. In terms of scope, the bill covers Niger Delta communities and every other community in the country."

According to him, "The essence of the PHICB is that oil and gas activity impacts on the livelihood of communities, it affects their means of survival, occupation and their environment. So there is need to confer some of those resources on the communities.

"The eight National Assembly is committed to enacting developmental and economic laws that will move the country forward. This is the first time I have seen lawmakers work till late in the night to ensure that a bill is passed.

"The PIGB has been passed and the eight National Assembly has made commitment that the outstanding three bills will be passed."

Labour

April jobs report shows thousands added in oil & gas

April was another good month for oil and gas employment in the US, according to to data released May 4 from the US Bureau of Labour Statistics.

Statistics quoted by Rigzone showed that employment in mining increased by 8,000 jobs. Most of those gains came in support activities for mining, with the industry adding 7,000 jobs.

Oil and gas extraction added 1,200 jobs in April. Since hitting a recent low in October 2016, mining employment has risen by 86,000 jobs.

In April, oil prices jumped to the highest they have been in three years. Onshore activity has been positive, including talks of a possible joint venture with Exxon and Qatar in which there would be investment in US shale gas and the ever popular Permian Basin – which is expected to become the world's largest oil patch in the next 10 years.

Workers on an oil platform

Additionally, optimism in the offshore sector continued to increase, as noted during last week's Offshore Technology Conference in Houston, Texas.

Stowaways: Ship brokers raise alarm over effect on Nigeria's ISPS Code rating

VINCENT TORITSEJU

Nigeria's rating on the International Ship and Port Security, ISPS, Code could be negatively affected by the frequent discovery of stowaways at the nation's seaports, the Institute of Chartered Ship Brokers has warned.

Speaking at the annual general meeting, a representative of the institute, Mr. Mike Akoh, said the menace of stowaway was one issue that has become a challenge for operators in the industry.

Akoh, in a paper, titled "Challenges of Port Infrastructure on Shipping Business in Nigeria", noted that infrastructural deficit has led to security challenges thereby allowing free operations of illegal activities.

He said infrastructural deficit has brought security challenges especially in the face of lack of monitoring equipment and facilities.

Similarly, another member of the institute, Mr. Mike Oyewo, disclosed that a major implication of stowaways on the nation's port industry is the increase of freight rate on cargoes destined for Nigeria.

Oyewo explained that once the international shipping community is aware that a country's port is prone to high level of stowaways, the tendency is to increase the rate for such country since the ports in that country are seen as danger zones.

"The menace will impact on the Nigerian Maritime Administration and Safety Agency, NIMASA's drive on 100% percent ISPS compliance of all Nigerian ports,", he said, stressing that it will also bring about "increase in insurance premiums, delays in vessel schedule and threat to life of vessel crew".

Also speaking on the development, the Chairman of the Port Facility Security Officers, PFSO, Forum, Dr. Ignatius Uche, said the issue of stowaways has become a concern for everybody in the maritime industry.

Uche explained that the economic situation in the country has pushed young people to take unnecessary risks such as hiding in vessel's propeller and containers.

Stowaways arrested at the seaport

We must not allow sentiment to stop passage of PIB - Varsity Don

MKPOIKANA UDOMA, Port Harcourt

A call has been made to oil and gas stakeholders not to allow sentiment to derail the passage of all aspects of the Petroleum Industry Bill, PIB.

The PIB has been broken into four with one aspect of the bill, the Petroleum Industry Governance Bill, PIGB, having been passed by the National Assembly and the other three still awaiting passage.

Public hearing on a second aspect of the bill, known as the Petroleum Host and Impacted Community Bill, PHICB, is expected to open at the National Assembly on May 15.

This is of particular interest to Niger Delta communities as the bill is expected to fast track infrastructural development in the country, with particular attention to the Niger Delta.

The bill is also expected to ensure peace and security in petroleum operations as well as enhance the creation of a Petroleum Host Community Development Trust.

Speaking in Port Harcourt, the Director, Emerald Energy Institute for Petroleum, Energy Economics, Policy and Strategic Studies of the University of Port Harcourt, Prof. Omowumi Iledare, said the proposed PIB is clear and transparent, and has set out separate roles for players and stakeholders as well as accountability processes.

He spoke at a meeting sponsored by a non-governmental organisation, Facility for Oil Sector Transformation, on the Nigerian Petroleum Industry Reforms, with the tag "Understanding the elements of the governance (PIGB) and host community (PHIC) Bills".

Iledare, who said further delay in the passage of the PIB would be devastating, explained that the purpose of the meeting was to review, explain and evaluate the rudiments of the PIGB, and to stimulate discussions on the principles and structure of the PHICB among stakeholders in petroleum host and impacted communities.

He added that the PIGB will lead to efficiency in the governance of the oil and gas industry; and also separate the role of the policy maker from the regulator and from the commercial institutions.

According to him, "We must not allowed sentiments to stop the passage of the PIB. Nigeria must timely exploit her oil and gas resources to realise maximum value for rapid development of her economy.

"Roles and accountability is better clarified, governance and transparency strengthened, it will refocused attention to frontier exploration and also abolish ministerial discretional power".

The Senate in session

Baru: NNPC raises $11.9bn for oil and gas sector investments

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PIGB has been passed by the National Assembly earlier this year while the other three are at different levels of review at the Senate and the House of Representatives.

"From a policy perspective, there are ongoing reforms in the industry in the mold of the Petroleum Industry Bill".

"We have assurances from our National Assembly that by early Q3, 2018 there will be light at the end of the tunnel. Its passage is important to help unlock billions of dollars of investments, which have been held up due to the uncertainty of its passage. Permit me to use this opportunity to commend our legislature for their commitment to delivering on this very important national assignment," he said.

NNPC disowns phantom recruitment announcement

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In a statement signed by the NNPC spokesman, Mr. Ndu Ughamadu, it advised members of the public to disregard any announcement of recruitment or invitation to recruitment interview appearing in the social media, saying the corporation was not carrying out any recruitment exercise now.

The corporation reminded job seekers to note the antics of scammers who deploy such communication strategies as text messages, vacancy announcements on social media platforms as well as forged letters inviting job seekers for non-existing job interviews with a view to extorting money from them.

NNPC cautioned that any applicant who entertained such invitations would have himself or herself to blame, encouraging those who had already fallen victims to volunteer information to the law enforcement agencies.

The corporation stated that as an equal-opportunities going concern, it would, as usual, advertise vacancies in the corporation through the national dailies.

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