

SAM IKEOTUONYE

OPEC, allies meet in Vienna over production cut deal

...Summit likely to endorse output increase

Lagos -- The Organisation of the Petroleum Exporting Countries, OPEC, and its allies in the oil production cut deal, led by Russia, will meet in Vienna, Austria at the weekend.

The summit, holding on Friday, June 22 and Saturday,

June 23, will decide whether the pact curbing output needed to be adjusted in order to rein in oil prices that topped \$80 a barrel last month.

The oil production cut

deal, also known as the Declaration of Cooperation, DoC, has been in effect since January 2017, helping to rebalance the market and shore up prices which went under \$28 per barrel in 2016 - its lowest since 2003.

Brent and U.S. West Texas Intermediate, WTI, hit 3-1/2-year highs in May but have since drifted lower, indicating investors expect the market to soon become better supplied as U.S. crude production rises

and as OPEC and its allies look poised to increase output.

Russian Energy Minister Alexander Novak said after talks with Saudi Energy

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Sweet Crude

In collaboration with



A Review Of The Nigerian Energy Industry

WEEKLY

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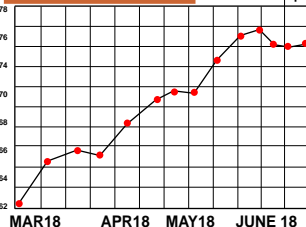
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UPDATES

WEEKLY BASKET PRICE

JUN -15	73.81
JUN -08	73.45
JUN -01	73.88
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

Daily | Weekly | Monthly | Yearly **73.35 US\$**



Dickson urges fast-track of Brass LNG project

MKPOIKANA UDOMA

Port Harcourt -- Bayelsa State Governor, Chief Seriake Dickson, has urged the Federal Government to fast-track the development of the Brass Liquefied Natural Gas, LNG, and refinery projects.

The charge comes barely two weeks after the House of Representatives resolved to set up an ad-hoc committee to probe the implementation of \$22 billion project, which, it alleged had been poorly managed.

The House had also set up a special panel to investigate the expenditure and implementation of the project and report back in six weeks for further legislative input.

Dickson, who, according to a statement, spoke during a

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● Egina FPSO

● Engr. Simbi Wabote

NCDMB, NAPIMS target early completion of oil & gas projects

OPEOLUWANI AKINTAYO

Lagos -- The Nigerian Content Development and Monitoring Board, NCDMB, and the National Petroleum Investment Management Services, NAPIMS, are working together on the need for new projects to sustain the capacities that have been developed in the Nigerian oil and gas sector.

They are also working closely to see new projects come on stream quickly.

Executive Secretary,

NCDMB, Engr. Simbi Wabote, disclosed this at the commissioning of the Offshore Loading Terminal, OLT, buoy for the multi-billion dollar Egina

deepwater project in Port Harcourt, Rivers State.

The buoy, fabricated by an indigenous company, Aveon

Offshore, will be used to offload crude oil from the Egina Floating Production Storage and Offloading, FPSO, vessel.

The Egina project is planned to come on stream later this year and will boost Nigeria's oil output by 200,000 barrels per day.

Wabote, who stressed the need for projects to come on stream quickly, stated that the Egina project has provided good opportunity for Nigerian companies to demonstrate their capacity and maturity since the enactment of the Nigerian Oil and Gas Industry Content Development, NOGICD, Act in 2010.

Besides Egina, Nigeria is currently targeting the takeoff of Zabazaba, Bonga South-West, Ekike and Owowo projects, which, on completion, will further grow the nation's oil production.

Speaking on Aveon Offshore's completion of the fabrication of the OLT buoy, Wabote said the company has recorded a new Nigerian Content feat with the fabrication of the buoy in Nigeria and the first to be delivered ahead of schedule and launched on a dedicated slid way.

He commended Aveon

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Power generation: Nigeria loses 1,087MW to gas pipeline rupture

Lagos -- Power generation in Nigeria has dropped by 1,087 megawatts in the last one week due to gas shortage resulting from pipeline leak, according to a statement sent to SweetcrudeReports by the Transmission Company of Nigeria, TCN.

Ms. Ndidi Mbah, spokesperson for TCN, disclosed that there

was a gas pipeline rupture on June 15 and that as a result of this, power generating companies could not get enough gas, which affected power generation and led to outages in parts of the country last Saturday.

According to TCN, the entity responsible for transportation of power from generating

companies to the distribution firms, the gas shortage has affected over half a dozen power generating facilities.

Mbah added that besides the pipeline rupture, the Shell Nigeria gas wells had also developed a fault on June 16.

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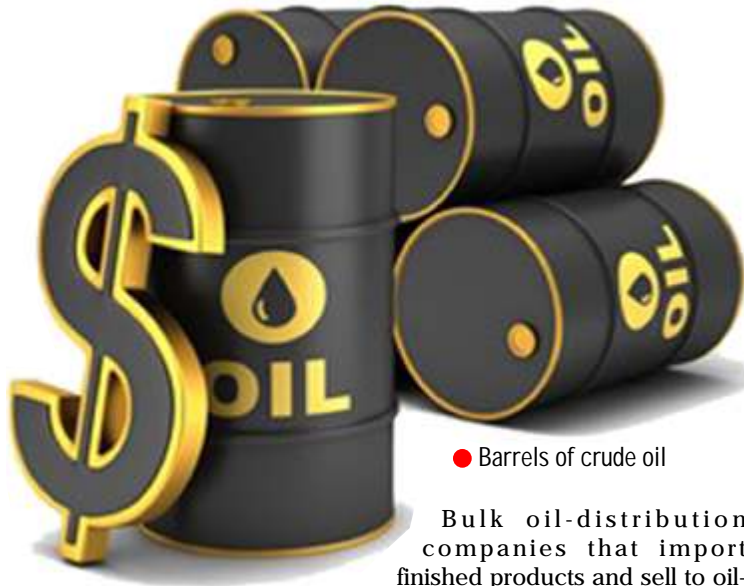
Ghana to buy, resell crude oil

Accra -- The Ghanaian government plans to buy crude oil at lower prices and then sell it when they rise, using the balance to subsidise imports of refined fuel.

Deputy Finance Minister Charles Adu Boahen, who disclosed this, told Bloomberg that the country, which became an oil producer in 2010, will buy contracts to protect it from higher oil-product prices in the third quarter as it seeks to curb volatility in what consumers pay at the pump amid rising costs of the fuel in international markets.

The government is putting together a risk-management programme to go to the market "in a month or two" for options on crude, with the strike price yet to be determined, Boahen said.

"Any time crude oil prices rise, the impact is felt six times more on the importation side than on the exportation side," Boahen



● Barrels of crude oil

said . "After we hedge if crude prices go past the strike price you wouldn't feel the effect at the pumps because it would have been capped."

Bulk oil-distribution companies that import finished products and sell to oil-marketing companies supply most of Ghana's fuel needs. The nation consumed 3.5 million metric tons of petroleum products in 2017, according to data from the National Petroleum Authority.



Gas

'Rising LNG trade, China's consumption bump global gas market'

Lagos -- Consumption and production of natural gas increased during 2017, considered a bumper year for natural gas, according to BP's Statistical Review of World Energy for 2017.

Natural gas consumption rose 3 percent, or by 96 billion cubic meters, bcm, while production jumped 4 percent or 131 bcm, at

the fastest rates since the immediate aftermath of the financial crisis, LNG World News quoted the BP Statistical Review as saying.

The growth in consumption was led by Asia, with particularly strong growth in China (15.1 percent, 31 bcm), supported by increases in the Middle East (Iran 6.8 percent,

13 bcm) and Europe.

The growth in consumption was more than matched by increasing production, particularly in Russia (8.2 percent, 46 bcm), supported by Iran (10.5 percent, 21 bcm), Australia (18 percent, 17 bcm) and China (8.5 percent, 11 bcm).

The single biggest factor driving global gas consumption last year was the surge in Chinese gas demand, where consumption increased by over 15 percent, accounting for around a third of the global increase in gas consumption, BP's chief economist Spencer Dale said in its analysis.

The other central factor supporting the strength of global gas markets last year was the continued expansion of liquefied natural gas (LNG), which increased by over 10 percent in 2017, its strongest growth since 2010, aided by the start-up of new LNG trains in Australia and the US.

China's increased need for LNG accounted for almost half of the global expansion, with China overtaking Korea to be the world's second-largest importer of LNG after Japan.



● LNG ship

Power



IBEDC warns customers against illegal connection

OPEOLUWANI AKINTAYO

Lagos -- The Ibadan Electricity Distribution Company, IBEDC, has appealed to customers within its network to desist from engaging in illegal connections to save lives and properties.

Mrs. Angela Olanrewaju, the Head of Branding and Corporate Communications, IBEDC, gave the warning in a statement issued

and made available to newsmen in Lagos.

Olanrewaju implored customers to desist from tempering with electricity cables and illegal connections during and after the celebration, saying that the menace was a major challenge to the company's operations.

According to her, the habit of

tapping electrical power directly from Low Tension, LT, lines to power light is illegal and should be stopped.

"The act has been identified as a major source of leakages and commercial losses to the company making it difficult for the company to account for the full monetary value of the energy received from the market operator.

"Nobody should assume that a wire is safe to touch even if it is down or appears to be insulated. Our customers are advised not to touch any fallen overhead power lines," she said.

NCDMB, NAPIMS target early completion of oil & gas projects

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Offshore for another sterling execution of a project, saying: "With an assemblage of over 1,300 tonnes of steel for this buoy, I am happy you did not cave in under the weight of the challenges but you have once again proved your mettle."

He noted that many other Nigerian service companies has so far performed creditably on different scopes of the Egina deepwater project.

"This flagship project has provided a good opportunity for Nigerian companies to demonstrate their capacity and maturity since the enactment of the Nigerian Oil and Gas Industry Content Development, NOGICD Act in 2010," he said.

Wabote charged Nigerian oil and gas service providers to always deliver on any project they are contracted to work on, stressing: "It is one thing to win a contract; it is another thing to deliver

the contract scope timely and safely."

He also expressed hope that future projects such as Zabazaba, Bonga South-West, Ekike, Owowo and others would utilise the capacities already developed in meeting and exceeding the Nigerian Content targets stipulated in the Nigerian Content Act.

The executive secretary commended Total for its disposition towards the development of Local Content in the Nigerian oil and gas industry. "Total remains at the forefront of pushing the boundaries of the local content practice and we are proud of the various Nigerian Content achievements under the Egina project despite the initial challenges," he said.

He counselled other operators to adopt a similar attitude in the delivery of their projects, focusing on what can be done to comply with the law rather than looking for ways to circumvent the provisions of the law.

OPEC, allies meet in Vienna over production cut deal

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Minister Khalid al-Falih in Moscow last week that both nations "in principle" supported the gradual exit from the output curb deal.

"We in general support this ... but specifics we will discuss with the ministers in a week," Novak said, adding that one option would involve gradually hiking output by 1.5 million barrels per day, possibly starting from July 1.

Saudi's Falih did not offer specific guidance on what any deal in Vienna could look like. But he said: "We will see where we go, but I think we'll come to an agreement that satisfies, most importantly, the market."

"We're going into an OPEC meeting where everyone is

talking about raising production - the only question is by how much," said Bob Yawger, director, energy at Mizuho in New York.

Greg McKenna, chief market strategist at futures brokerage AxiTrader, said Russia seemed to want a bigger rise in production than some other producers.

"My guess is the increase will be something less than the 1 million bpd (barrels per day) that the U.S. is supposed to have asked the Saudis for," McKenna said.

Oil investors are nervous ahead of the Vienna meeting, and adding to investor jitters about supply, U.S. production has continued to ramp up.



● Illegal connection



Absence of rules of practices affecting Nigeria's Excess Crude Account - Experts

VINCENT TORITSEJU

Lagos -- The absence of rules of practices governing deposits, withdrawals and investments of the Nigerian Excess Crude Account, ECA, were affecting the management of account, experts have observed.

According to these experts, which included a former Vice President (Africa Region) of the World Bank, Mrs. Obiageli Ezekwesili; former Minister of State for Petroleum Resources and Chairman of the Nigerian Natural Resource Charter, NNRC, Expert Advisory Panel, Mr. Odein Ajumogobia; former Director of the Department for Petroleum Resources, DPR, Mr. Osten Olorunsola; and a member of the Central Bank of Nigeria, CBN, Monetary Policy Board, Prof. Adeola Adenikinju, Nigeria failed to make any significant deposit into the ECA between July 2017 and January 2018, when crude oil price began to rise.

The experts observed this at a recent savings and stabilisation mechanisms roundtable organised by the NNRC and Oil Revenue Tracking Initiative, ORTI, in Lagos.

In a communique at the end

of the meeting, the experts, who also included other members of the NNRC Expert Advisory Panel such as Mr. Sam Daibo; Dr. Ukoha Ukiwo; and Ms. Ronke Onadeko, as well as officials from relevant government ministries and departments, said Nigeria required an improved legal, policy and advocacy frameworks for the ECA and other stabilisation funds it has to be more effective and beneficial to citizens.

They expressed disappointment that despite the country earning money estimated to be in excess of a trillion dollars from oil, there have not been any significant savings nor has the country been able to translate the huge revenue into productive capital through human development, physical infrastructure and institution building.

“There has been no significant increase in the ECA despite rallying oil between July 2017 and January 2018. Appropriations from the Excess Crude Account had previously gone through the FAAC (Federal Accounts Allocation Committee).

“In the past three years, however, this does not seem to be the case. Withdrawals



● Mrs. Obiageli Ezekwesili

from the ECA are not disclosed to the FAAC even when appropriately documented elsewhere.

“Successive governments have not followed due process and have not been transparent in the management of the ECA. The absence of rules or practices governing deposits, withdrawals and investments of the ECA led to Nigeria being

ranked the most poorly governed sovereign wealth fund among 33 resource-rich countries in a 2017 report by

the Natural Resource Governance Institute,” they said in the communique.



Labour

April jobs report shows thousands added in oil & gas

Houston, Texas -- April was another good month for oil and gas employment in the US, according to a recent data

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.

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



● Oil workers

Power generation: Nigeria loses 1,087MW to gas pipeline rupture

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Nigeria could generate 5,000MW, but as at June 11 (the latest report available), the Federal Ministry of Power, Works and Housing reported a peak generation of 4,159.1MW, from which generation had dropped by 1,087MW.

Mbah explained that some power stations have shut down due to the development and that the distribution companies have embarked on “massive load-shedding nationwide” in order to “maintain stability of the grid.”

Load-shedding is a critical way of ensuring that available generation is equitably allocated to distribution companies nationwide, to create a balance and avert grid instability.

Power stations that have been shut down include the Ihovbor, Azura Edo, Omotosho gas, Geregu gas, Olorunsogo gas, Sapele and the Egbin Power Station.

Egbin generates 60 megawatts on each of its units, losing a total of 211 megawatts, she said.

Afam VI power station was shut down to allow Shell to repair the rupture to its gas wells.

Although Shell has been able to partially resolve the issue and was able to supply power to Afam VI, this is at a low capacity for now.

Dickson urges fast-track of Brass LNG project

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stakeholders' meeting of the Peoples Democratic Party in Yenagoa, the Bayelsa state capital, said his call was imperative due to the lack of federal projects in the state.

The statement by Mr. Francis Agbo, the governor's chief press secretary, quoted him as saying that the take-off of Brass LNG would not only give the Ijaw people a sense of belonging but also expand the revenue base of the country.

The governor called on President Muhammadu Buhari to urgently address all bottlenecks militating against the commencement of work on the Brass LNG and refinery projects.



NIMASA charges employers on better working condition for dockers



● Apapa Port

VINCENT TORITSEJU

Lagos -- The Nigerian Maritime Administration and Safety Agency, NIMASA, has restated its commitment to the welfare of dock workers,

urging employers to ensure better working conditions for this category of maritime stakeholders.

Speaking at a meeting of the National Joint Industrial Council, NJIC, in Lagos, the

group's Chairman, Mr. Gambo Ahmed urged the operators to bear in mind that the welfare of the dock workers will impact a lot on the ports industry and, in turn, the entire economy, hence the need to ensure that

they are properly catered for.

Gambo, who is also the Executive Director, Maritime Labour and Cabotage Services at NIMASA, stressed the need for constant engagement to ensure that

the dock workers' get better living conditions in line with International Labour laws.

"When the welfare of the dockworkers is put into proper perspective, we have a healthy maritime sector, thereby leading to the actualisation of a robust economy," he said.

Similarly, Director, Maritime Labour Services, NIMASA, Mr. Ibrahim Jibril, corroborated Gambo's stance, saying it was in line with the theme of the 107th international conference held in Geneva, which is "A future with decent work and also building a future for the dock labour industry".

The chairman, Ports Consultative Council, PCC, Otunba Kunle Folarin, who represented the Seaports Terminal Operators Association of Nigeria, STOAN, commended NIMASA for its role in maintaining existing peace in the ports industry.

Community



Rivers community decries prolonged environmental degradation

MKPOIKANA UDOMA

Port Harcourt -- Bomu in Gokana Local Government Area of Rivers State - one of the Ogoni communities severely-impacted by oil spills - has lamented the prolonged pollution and devastation of its environment.

The lamentation came at a memorial service to honour three of its indigenes killed by the military government during the Ogoni crisis in 1993. They are Chief Theophilus Bariziga Orage, Chief Samuel Ntete Orage and Comrade Paul Baribeela Levuva.

Speaking during the service, the Regent Paramount Ruler of Bomu community, Chief Nledi Nasikpo, lamented that the land and the river in the community could no longer support the traditional occupation of the people, which, he said, was fishing and farming.

Nasikpo, who is also the chairman of Bomu Council of Chiefs, called on the Federal Government to speed up the process for clean-up of Ogoniland in line with the recommendations of the United Nations Environment Programme.

He said Bomu and the rest of Ogoni communities were groaning under the prolonged environmental disaster, adding that the service was to remember the good deeds and sacrifices of Bomu indigenes in the course of Ogoni struggle.

"Ogoniland that once supported productive farming, fishing and related activities now wallows in toxic mud," he said, decriing the absence of Niger Delta Development Commission,

NDDC, projects in the community.

On his part, a university teacher and the cleric of Best People Assembly, Prof. Livinus Firi, said the three Bomu "martyrs" lived lives worthy of emulation, hence, the need for the remembrance service.

Speaking on the sermon titled, "Born to make impact", Firi said people must desist from using their positions to destroy their communities as God sent everyone to the earth for a reason.



● Oil Pollution in the Niger Delta

"Late Chief Theophilus Bariziga Orage, Late Chief Samuel Ntete Orage and Late Comrade Paul Baribeela Levuva used their positions to advance

the cause of not only Bomu community or Ogoniland, but the entire Niger Delta region," he said.

32 students benefit from Total art exhibition

Port Harcourt -- A total of 32 students from the University of Port Harcourt and the Ignatius Ajuru University of Education, both in Rivers State, had the opportunity to exhibit their artworks in Total's 2018 Art Exhibition organised by Total Exploration and Production Nigeria Limited.

The two-day exhibition in Port Harcourt had students of the department of fine and applied arts from the two universities exhibiting their works such as sculptures, textile fabrics, graphics, ceramics, canvass painting, pen drawing, iron works and photo art, among others.

Speaking on the sideline of the exhibition, Total's Deputy General Manager, Public Affairs and Communication, Port Harcourt District, Mr. Onyekachi Omenuko, explained that the aim of the exhibition was to encourage, promote and celebrate young Nigerian talents.

Omenuko said Total would

continue to show commitment to developing young people, promote artistic works of young Nigerians in crafts, painting, textiles etc and create awareness on the rich Nigerian culture and its diversity.

He stated: "For Total, the idea actually came from the management. What we just did is to present a platform for them to

expose their work and to give them the needed support.

"Art is a reflection of life and these students have used non-conventional things like plastics, paper, cork etc, to reflect life. Basically, this is an experimental thing, this is the first time we are bringing the young people to do an art exhibition."

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