

Abuja - The Petroleum Products Marketing Company, PPMC, the downstream subsidiary of the Nigerian National Petroleum Corporation, NNPC, earned N566.157 billion from the sale of petroleum products in three months, from January to March 2018.

According to data obtained from the NNPC's Monthly

PPMC earns N566bn from petroleum products sale in 3 months

Financial and Operations Report for March 2018, the PPMC recorded revenue of N26.003 billion from the sale of special petroleum products and N540.154 billion from the sale of white petroleum products.

Other special petroleum products comprise mainly Low Pour Fuel Oil, LPFO, white

IKE AMOS

petroleum products consist of Premium Motor Spirit, PMS, also known as petrol, Dual Purpose Kerosene, DPK, also known as kerosene and Automotive Gasoline Oil, AGO, also known as diesel.

The report noted that majority of

the PPMC earnings in the three-month period came from the sale of PMS, accounting for 82 percent and 86.65 percent of white petroleum products' sale and total petroleum products sale respectively.

Specifically, it added that PPMC recorded revenue of N468.069 billion from the sale of 998.534

million litres of PMS from January to March 2018.

On the other hand, the NNPC report explained that the PPMC received N46.653 billion from the sale of 283.367 million litres of AGO in the period under review, representing 8.24 percent and 8.64 percent to total petroleum products and white petroleum products sale

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Sweet Crude

REPORTS

In collaboration with

The Guardian
Conscience, Nurtured by Truth

A Review Of The Nigerian Energy Industry

WEEKLY

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UPDATES

WEEKLY BASKET PRICE

AUG -03	72.59
JUL -27	72.81
JUL -20	70.95
JUL -13	74.05
JUL -06	75.13
JUN -29	73.94
JUN -22	71.60
JUN -15	73.60
JUN -08	73.45
JUN -01	73.88
MAY-25	76.26
MAY-18	75.40
MAY-11	73.46

Daily | Weekly | Monthly | Yearly **72.07 US\$**



● Crude oil export vessel and crude oil barrels

Govt says Ogoni clean-up now to commence in October

MKPOIKANA UDOMA

Port Harcourt -- The Federal Government has announced the postponement of the date for the commencement of the implementation of the United Nations Environment Programme, UNEP's, report on oil-impacted sites in Ogoniland to October - two months from now.

Recall that Minister of State for Environment, Mr. Ibrahim Jibril had in April this year announced that Ogoni clean-up will commence this month, as the Hydrocarbon Pollution Remediation Project, HYPREP, and the Ministry of Environment were in the process of selecting the best companies from the list that tendered bids for the clean-up exercise.

The Federal Government had also assured that local and international companies have tendered bids for the cleanup project and that actually clean

Nigeria's oil exports fall to 1.45mb/d in July

OPEOLUWANI AKINTAYO

Lagos -- Nigeria's crude oil exports fell below 1.45 million barrels per day in July, the lowest level recorded this year, due to outages in major streams, such as Bonny Light and Forcados..

Nigeria's crude oil export

decline has also been fuelled by key consumers in China, India, Taiwan, and Indonesia opting to take light, sweet US crudes rather than Nigerian grades.

According data by the Organisation of the Petroleum Exporting Countries, OPEC, while Nigerian grades may have fallen out of favour in Asia, shipments of

Angolan crude, which includes more sour grades, have risen, partly due to the Brent/Dubai arbitrage, but also to the imminent loss of Iranian cargoes as US sanctions take effect.

Asian buyers already started to cut their intake of Iranian crude back in June, according to official import and ship-tracking data.

Refiners in China, India, Japan and South Korea took 1.45 million bpd of Iranian oil, the smallest amount for seven months, although compared with the previous year, imports were virtually unchanged.

The United States is reimposing sanctions on Iran and demanding other countries cut their trade ties with Tehran.

The first set of sanctions will take effect on Aug. 6, and the rest, notably in the petroleum sector, after a 180-day "wind-down period" ending on Nov. 4.

Generally, West African exports of crude oil to Asia reached their highest level this year in July, thanks largely to more favourable shipping economics and as a major buyer, India seeks to replace Iranian supply that will soon be unavailable, a Reuters survey of traders and shipping data

Essar secures \$50m financing for OPL 226 development

IKE AMOS

Abuja -- Nigerian Oil firm, Essar Exploration and Production Limited, has secured a \$50 million project financing and offtake deal from the Mauritius Commercial Bank Limited, MCB, and Trafigura PTE Limited, for the development of Oil Prospecting License, OPL, 226 in the Niger Delta region.

According to a statement by the international oil and gas exploration and development

company, Canadian Overseas Petroleum Limited, COPL) said the deal was secured by its 50 percent-owned joint venture company, Shoreline Canadian Overseas Petroleum Development Corporation, which owned 80 percent stakeholders in Essence Exploration.

According to the statement by COPL, Shoreline Canada had

received and agreed to a project financing and offtake agreement term sheet, providing for a minimum \$30 million to a maximum of \$50 million Senior Secured Facility, for investment by ShoreCan into its 80 per cent owned affiliate Essar Nigeria, from the MCB") and Trafigura.

Canadian Overseas said the Facility would provide funding for all production related

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Reports put Nigeria's oil reserves at 37.45 billion barrels

SAM IKEOTUONYE

Lagos -- A report by the Italian multinational, Eni has put Nigeria's oil reserves at 37.45 billion barrels.

The report said global oil demand grew by 1.7 percent in 2017, according to a new report released by Eni.

Eni's 17th edition of the World Oil, Gas and Renewables Review showed that global oil demand grew by 1.2 percent in 2016.

World oil production in 2017 grew by 0.3 percent, according to the report, which revealed that the US and Canada set the biggest increases in the non-OPEC area.

"OPEC's production, on the other hand, has declined following the cuts policy and the crisis in Venezuela," Eni said in a company statement

accompanying the release of the report.

The report also outlined that oil reserves decreased by 0.2 percent in 2017 and that OPEC remains the biggest reserves holder, with 72 percent of the world's total.

The world's top 10 reserves holders in 2017, as outlined in the report, can be seen below.

- Venezuela (302.809 billion barrels)
- Saudi Arabia (266.260 billion barrels)
- Canada (197.928 billion barrels)
- Iran (155.600 billion barrels)
- Iraq (147.223 billion barrels)
- Kuwait (101.500 billion barrels)
- UAE (97.800 billion barrels)
- Russia (80.000 billion barrels)
- Libya (48.363 billion barrels)



● Oil rig

● Nigeria (37.453 billion barrels)
Eni's World Oil, Gas and Renewables Review is an annual statistics report on oil, natural gas, and renewables sources. The review is split into two volumes, with the first dedicated to the oil industry, and the second to natural gas and renewables.



● LNG carrier

Nigeria risks losing gas market-share without new FIDs - NLNG

IKE AMOS

Lagos -- The Nigerian Liquefied Natural Gas Company, NLNG, has stated that Nigeria would drop to the 12th highest gas supplier in the world by 2025, from its current fourth position, if no new investments or Final Investment Decisions, FID, is reached in the gas sector in the years ahead.

Speaking during the visit of the Minister of State for Petroleum Resources, Mr. Ibe Kachikwu, to the NLNG plant complex in Bonny Island, General Manager, Production of the NLNG, Mr. Tayo Oginni, disclosed that fresh investments are required in the upstream petroleum industry to meet the planned expansion in gas projects in the coming days.

He explained that the

investments in the upstream petroleum sector would free stranded gas and increase feed-gas to existing plants and fresh ones, such as its proposed Train 7. Also speaking, Kachikwu enjoined the NLNG to make meaningful contributions towards driving gas consumption in Nigeria, and not placing its emphasis solely on production

He said, "With the market beginning to thin out, with a lot more LNG investments coming out, even within Africa, the NLNG market was likely going to become very challenged. I am happy you noted that long-term contracts are going out of fashion. Then you need to begin to invest in your own market."

"I urge you to work with us on this trend to build infrastructure. The reality is that a huge amount of infrastructure is required to

deploy LPG consumption in Nigeria and for the common man on the street that is the most important item."

Kachikwu stated that the NLNG should contribute towards the creation of distribution centers, and also in the creation of incentives for people to buy gas at the right price, noting that this would help drive local gas consumption.

He said, "We would have to sit down with you to begin to invest in that lower market, in terms of how do you help that narrative to happen and it might just be a couple of models set up in such a way that people see a shift in policy; not necessarily putting in money, but creating enough incentives that people can go to the bank, raise money and come to build these facilities. Without those, it is not going to happen."



Gas

Nigeria's oil exports fall to 1.45mb/d in July

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showed on Thursday.

Loadings for Asia rose marginally to 2.44 million barrels per day in July from the roughly 2.43 million bpd in June, and from May's 2.085 million bpd. This is the highest since January this year and 24 percent above last July's 10-month low.

China's daily intake rose to 1.571 million bpd in July, from 1.567 million bpd in June, also the highest since January, while Indian imports rose to their highest in over two years.

Some 613,000 bpd of West African crude went to Indian last month, up from 600,000 bpd in June. This was the largest amount since April 2015, when Indian refiners bought 1.08 million bpd.

The narrowing in the premium of Brent crude futures to benchmark Dubai futures has been instrumental in creating more demand for Atlantic Basin grades generally.

The spread fell to an average of \$2.53 a barrel in July, from \$3.44 in June, touching its lowest since mid-2017 at one point, which makes West African or North Sea crudes more attractive for Asia-based buyers.

PPMC earns N566bn from petroleum products sale in 3 months

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in the period under review.

In addition, the report declared that sales of 172.4 million litres of kerosene fetched the PPMC N25.432 billion in the three months period, representing 4.5 percent and 4.71 percent of total petroleum products and total white products sales respectively.

To this end, white products sale accounted for 95.41 percent of total petroleum products revenue, while special products sale accounted for 4.6 percent.



Power

Agency blames Discos for Nigeria's electricity woes

OPEOLUWANI AKINTAYO

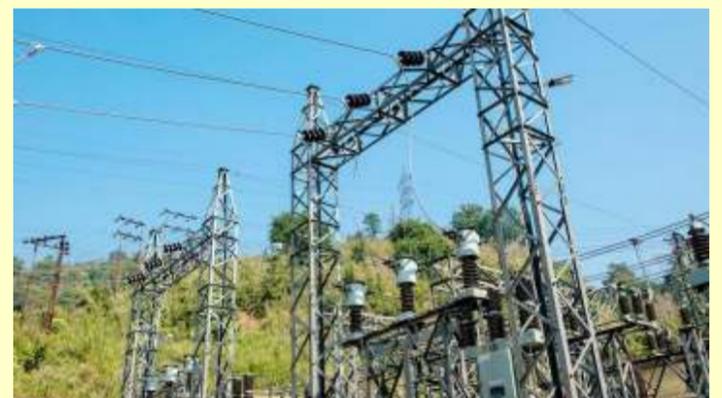
Port Harcourt -- The Rural Electricity Agency, REA, has blamed challenges in the power sector on electricity distribution companies or Discos and their inability to know the exact number of meters already distributed to customers.

In a statement on Wednesday, Mrs. Damilola Ogunbiyi, Managing Director of the agency, said the nation's access to electricity is still challenged because of inaccurate data from power distribution companies on the exact number of metered customers, adding that the utility firms have conflicting figures from what the Nigerian Electricity Regulatory Commission, NERC, has.

According to her, access to electricity is also challenged because the cost of grid extension is greater than revenue achievable, especially for small communities.

She, however, said her agency is currently pushing for solar home systems through which millions of Nigerians could have access to reliable light and power from the private market.

She also said the agency would exploit the mini-grid regulation designed to accelerate electrification in areas without any existing distributed grid and in areas with an existing but poorly electrified or non-functional distribution grid, adding that about 80million Nigerians lack access to grid electricity in the country.



● Electricity sub-station



NCDMB expresses dissatisfaction over low access to \$200m NCI Fund



● Welder at work

OPEOLUWANI AKINTAYO

Lagos – The Nigerian Content Development and Monitoring Board, NCDMB have expressed its dissatisfaction with the low access of Small and Medium Enterprises, SMEs, to its \$200 million Nigerian Content Investment Fund, NCIIF.

According to the NCDMB Director of Finance and Personnel Management, Mr. Isaac Yalah, the Board is dissatisfied with the low number of companies and community contractors that have accessed the \$200m NCI Fund since it was launched in August 2017 and released to BOI.

He disclosed that only about \$10.55m which is less than 10 percent of the NCI Fund has been disbursed. "We are concerned about the poor accessibility of the NCI Fund. We will engage the companies that have tried and others seeking to apply to discuss the way around the challenges."

The NCI Fund covers Manufacturing Loan, Asset acquisition, Contract Finance, Community contractor finance scheme and Loan re-financing and they have a maximum tenor of 5 years. Applicants seeking loans for Manufacturing and Asset acquisition can access \$10million at 8 percent interest

rate while applicants for Contract finance Loan can access \$5million also at 8 percent interest rate. Loan Re-financing applicants can access \$2million at 8 percent interest rate whereas community contractors can get N20million, repayable at 5 percent interest rate.

In his presentation, the General Manager, Nigerian Content Development Fund and Treasury Management, NCDFTM, Mr. Obinna Ofili explained that about \$45m was remitted by operating

and service companies to the NCDF Account between January and April 2018. He stated that remittances to the Fund increased because of the third party forensic audit which the Board plans to commission, which would reveal companies that are in default of NCDF payments.

Ofili disclosed further that the NCDF Account has a current balance of \$450m and is domiciled in the Central Bank of Nigeria's TSA Account aside the \$200m NCI Fund with the BOI.

N5.2tr pension fund invested in govt securities - PenCom

Abuja -- The National Pension Commission (PenCom) says N5.2 trillion pension funds has been invested in Federal Government Securities.

PenCom in a statement signed by its spokesman, Mr. Peter Aghahowa, said the funds were invested in Federal Government Securities by the Pension Fund Administrators,

PFAs.

It revealed this as it announced a jump in the total pension fund assets to N8.14 trillion as at May 2018, from N7.52tn as at December 2017.

According to the commission, the investment in the Federal Government securities represented 70.08 percent of the N8.14 trillion pension assets.

"In a breakdown of the



● FGN bonds

investment, FGN bonds got N3.96 trillion; treasury bills, N1.68 trillion, agency bond like the Nigeria Mortgage Refinancing Company (NMRC) and the Federal Mortgage Bank of Nigeria (FMBN) got N6.54

billion, Sukuk bonds got N51.98 billion and green bond got N8.26 billion.

Solid Minerals



Nigeria produced over 45m tons of solid minerals in 2017 - Report

OPEOLUWANI AKINTAYO

Port Harcourt -- The States Disaggregated Mining and Quarrying Data for 2017 show that Nigeria produced 45,748,257.14 tons of solid minerals during the year.

Ogun State produced the highest quantity of solid minerals among the 36 states of the federation, with 23,302,575.08 tons of solid minerals, representing 50.94% of the total volume of solid minerals produced in the country in the

year under review.

Kogi State and Abuja - the Federal Capital Territory - followed with 5,228,608.15 and 4,461,541.31 tons, representing about 11.43% and 9.75% of the total volume of minerals produced while Enugu and Bayelsa states produced the least with 5,227.70 and zero tons of minerals, respectively.

Granite is the most produced solid minerals in 2017 with 17,454,600.97 tons, which represented about 38.12% of the



● Solid minerals

total quantity of minerals produced.

Essar secures \$50m financing for OPL 226 development

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expenditures following the drilling and testing of the initial production well to be drilled by Essar Nigeria on its 100 percent contracted interest in OPL 226, which is located in shallow to mid-water offshore Nigeria.

The company added that, "Drawing on the Facility is contingent on among other things: An additional \$20 million to \$33 million of funding from ShoreCan; \$100 million funding from an offshore oil services group to deliver the project; a minimum of 6,000 barrels per day production rate averaged over 20 days; and the execution of a formal definitive binding agreement between the parties."

"Other material terms of the proposed Facility include the following: Two-year term to maturity; and a grant to the lenders of \$3 million worth of warrants to purchase COPL common shares for two years with an exercise price equal to the market price of the COPL common shares on the date of closing of the Facility," it added.

The company noted that project, as planned, involved the drilling and completion of a horizontal oil production well offsetting the 2001 NOA#1 oil discovery well and the drilling and completion of two to three additional high angle oil production wells in the adjacent NOA East fault block from a common wellhead platform, and placing these wells on production in an approved early production scheme.

It said Essar Nigeria had prepared a work program for this initial campaign on OPL 226 in the form of a field development plan (FDP) for submission to the Concessionaire, NNPC, while it expects the presentation of the FDP to NNPC to occur in the near term.

It added that ShoreCan was in late-stage discussions with the service provider, which involved the provision of drilling services, the supply of a mobile production unit and a storage vessel for a deferred fee.



Labour

Govt says Ogoni clean-up now to commence in October

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up and provision of potable water to Ogoni people would commence in August, after the selection process. But the Minister of State for Environment, who is also the chairman, Governing Council of HYPREP, while speaking in Port Harcourt at the 2nd stakeholders' meeting on Ogoni clean up organised by HYPREP in Port Harcourt, said the clean up will now commence in October.

Jibril explained that HYPREP has used the last one year to put in place the recommended structure to pave the way for the actual clean-up exercise.

He further disclosed that HYPREP has in the last one year embarked on community sensitization and training of Ogoni youths, who are graduates of environmental sciences, on skills needed to monitor the cleanup exercise.

"President Buhari is committed to clean up of Ogoniland; for the last one year, the governing council and HYPREP have been working hard and leaving no stones unturned in ensuring that this

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LCCI proposes 13% derivation to states hosting ports

VINCENT TORITSEJU

Lagos — The Lagos Chamber of Commerce and Industry, LCCI, says the 13 percent derivation principle applied to oil producing areas should be extended to states hosting the nation's ports.

The President of LCCI, Mr. Babatunde Ruwase, made the suggestion at a news conference on the state of the economy in Lagos.

Ruwase said that ports

activities created profound negative externalities to host states and exerts tremendous pressure on the states' facilities, which significantly affects roads, health facilities, traffic, environmental management, and pollution.

"These are costs that are borne by the states in which the ports are located and offer a basis to argue that derivation principles should be applied to revenue generated through customs'

duties from the ports," he said.

Ruwase said that the basis for derivation principles to oil producing areas was the negative externalities of oil production.

"The same logic should apply to Lagos State that suffers tremendous negative externalities because it is hosting the busiest ports in the country," he said.

Ruwase said that it was imperative for the derivation principle to be applied to Customs Duty and Value Added Tax (VAT) in



● Apapa port

the spirit of equity.

According to him, it allows the state to provide facilities and infrastructure to support economic activities.

He said there was an increasing complaint by exporters regarding the difficulty of exporting goods from Nigeria to other West African countries.

Maritime security: Lawmakers order disbandment of MASECA personnel, threatens arrest

Lagos -- The House of Representative Committee on Marine Safety, Education and Administration has ordered the disbandment of the uniformed personnel of the proposed Maritime Security Agency, MASECA, pending the legislation of the Bill.

Speaking at the just concluded Public Hearing on the proposed agency, Committee chairman, Hon. Muhammed Umar Bago threatened to arrest the personnel of the proposed agency if they keep wearing the military camouflage uniforms.

Bago, who was visibly angry at the presence of the uniformed personnel, said that but for peace sake, he would have ordered for

● Nigeria's House of Representative



the arrest of the unapproved uniforms being worn by personnel of an agency whose bill is still undergoing the legislative process.

He also cautioned one Captain

Jacob Ovweghre, who parades himself as the Acting Director-General of the proposed agency to addressing himself as such.

Govt says Ogoni clean-up now to commence in October

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project will come out successful.

"We are now at the last stage of preparation to enable the commencement of the actual clean up of Ogoniland which will commence in October."

Jibril, who was represented by an official of the Federal Ministry of Environment, Dr. Ishaku Mohammed, assured stakeholders and residents of the oil-impacted Ogoniland that no part of the fund paid for the remediation process would be diverted for any other use.

He also assured that all the money so far paid for the project were intact in a designated account, adding that an Ogoni Trust Fund has been incorporated.

Also speaking, the Project Coordinator of HYPREP, Dr. Marvin Dekil, explained that the actual clean up of oil-impacted sites was delayed because of the procedures that will lead to the exercise.



Community

Group decries plan to sell OML11 stake to Heirs Holding

MKPOIKANA UDOMA

Port Harcourt -- The Ken Saro Wiwa Associates, KSWA, has petitioned the international community over alleged plans by the Shell Petroleum Development Company, SPDC, to sell its stake in OML11 to Heirs Holding Ltd, a company owned by business tycoon Tony Elumelu, for the sum of \$2 billion.

National Coordinator of the

group, Chief Gani Topba, in a letter to the Managing Director of SPDC, Mr. Osagie Okunbor, said the people will resist any attempt by Shell to sell the stake in OML 11 to any company, without the consent of the people as enshrined in Article 32 of the United Nations declaration on the rights of indigenous peoples.

Topba, in the letter copied to 22 stakeholders, including President Muhammadu Buhari; the

Diplomatic Community in Nigeria; the Head of Secretariat, ECOWAS; the President, Unrepresented Nations and Peoples Organisation, UNPO in Brussels; the Secretary-General, Commonwealth of Nations; amongst others, explained that the plans by SPDC to sell its asset was reported in Bloomberg magazine of Friday, July 20, 2018.

"Royal Dutch Shell Plc is in talks to sell two Nigerian oil licenses in

an area that is at the heart of environmental and human rights controversies for \$2 billion, according to people familiar with the plan.

"The Anglo-Dutch oil major is discussing selling oil mining licenses 11 and 17 to Heirs Holdings Ltd., a company run by Nigerian tycoon Tony Elumelu," Topba quoted the report in Bloomberg magazine as reporting.

The Ogoni leader further stated that SPDC which has been declared persona non grata in Ogoni, cannot hold stakes or profit from exploration and production of oil and gas in Ogoniland until the Royal Dutch Shell accepts responsibility and apologise for their complicity in the human rights violations and murder of Ogonis between 1993 and 1998.

Topba maintained that Ogoni people, like indigenous people all over the world, have the right to determine the sale and development of their resources.



● Tony Elumelu

Stakeholder faults Buhari's plan to revisit 13% derivation allocation

Port Harcourt -- A Niger Delta stakeholder and elder statesman in Rivers State, Mr. Lawrence Jumbo, says the promise by President Muhammadu Buhari to revisit the 13 percent derivation benefits to the Niger Delta states is not necessary, rather the country should be restructured.

Recall that the president had during a visit by Isoko Traditional Rulers Council in Delta State to the Presidential Villa in Abuja,

last week promised to revisit the constitutional 13 percent derivation benefit to ensure an even spread of developmental projects across the region.

Jumbo, who was a presidential aspirant under the defunct Social Democratic Party during the 1992 national election, argued that states should be allowed to control their resources and pay tax to the federal government.

He explained that Nigeria as a country was too big to have a

unitary government, maintaining that some powers should be transferred to the states in order to help reorganise the country.

"I do not think we should be talking about derivation now because we do not want

derivation what we want is the restructuring of the country. Nigeria is too big to have a unitary government where everything is decided from Abuja, I think restructuring will help the country to be more efficient.

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