

**L**agos -- Nigeria lost two oil rigs between the month of July and August, this year, information from the Organization of the Petroleum Exporting Countries, OPEC, has shown.

The number of oil rigs working in Nigeria grew to 35 earlier this year, but, the latest edition of OPEC's Monthly Oil Market Report, MOMR, showed that between July and August, the

## Nigeria loses two oil rigs in July, August

number fell to 33.

Nigeria had 25 oil rigs working in 2016, 28 in early part of 2017, dropping to 27 in the third quarter of the year.

By the fourth quarter of that year, it rose to 28, rising again to 32 by the second quarter of this year and then 35 by July before sliding to 33 in August.

**OPEOLUWANI AKINTAYO**

The rig count for the entire OPEC members rose by 9 to 563 between July and August as against 554 recorded in June and July.

Overall, world rig count increased by 27 to 2,360 in August, from 2,333 in July.

The crash in oil prices to below \$30 per barrel which started in late

2014, had led to low investments in the oil sector, including investment in drilling of new oil wells and engagement of oil rigs as oil companies had to cut down costs.

However, the rise in oil prices to \$80 per barrels earlier in the year and the steady disappearance of oil glut have boosted investors'

confidence in the market, leading to gradual return of investments.

For Nigeria, an oil-dependent economy, the loss of two oil rigs means a drop in oil exploration and development, and by extension a loss of potential oil revenue.

In April, the International Monetary Fund, IMF, in its World Economic Outlook,

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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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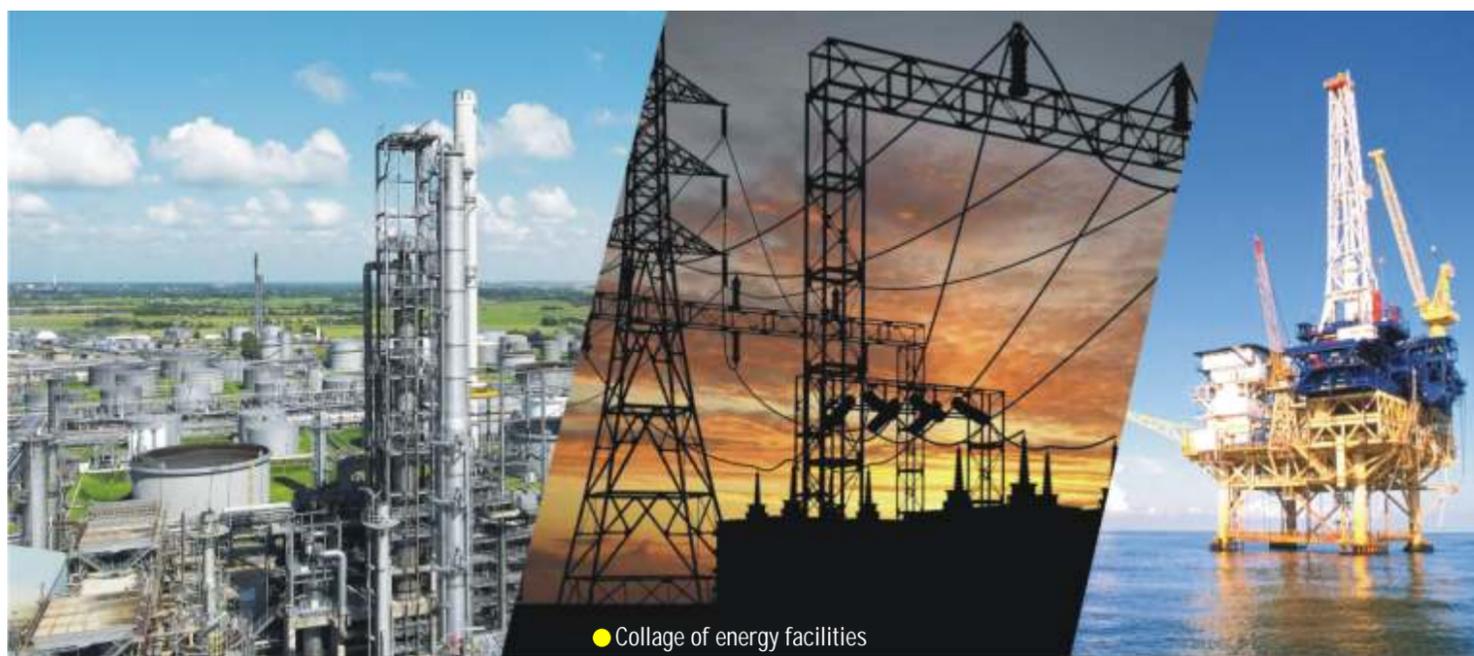
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### UPDATES

WEEKLY BASKET PRICE

SEP -21	76.62
SEP -14	76.18
SEP -07	75.19
AUG -31	74.76
AUG -24	72.09
AUG -17	70.36
AUG -10	71.88
AUG -03	72.59
JUL -27	72.81
JUL -20	70.95
JUL -13	74.05
JUL -06	75.13
JUN -29	73.94

Daily | Weekly | Monthly | Yearly **77.13 US\$**



● Collage of energy facilities

**Ogoni cleanup: HYPREP says contractors must have technical, financial competencies**

**MKPOIKANA UDOMA**

**P**ort Harcourt -- The Hydrocarbon Pollution Remediation Project, HYPREP, says all contractors bidding for participation in the cleanup of oil-impacted sites in Ogoniland must have technical and financial competencies before they would be allowed to participate in the process.

The Project Coordinator of HYPREP, Dr. Marvin Dekil, stated this in Port Harcourt, saying the cleanup in Ogoni will be a template for the rest of the Niger Delta region.

"The Ogoni clean-up project is going to be a template for the rest of the region. It is a very important project to the Ogoni people, Niger Delta people, for Nigerians and Nigerian government as well.

"It is very important for the economy, important for the environment and also important for the health. It is one project

**CONTINUES ON PAGE 04**

## Energy firms owe Nigerian banks N5.5 trillion

**IKE AMOS**

**A**buja -- The exposure of energy firms, comprising oil and gas as well as power companies, to the banking industry dropped slightly to N5.492 trillion by the end of 2017, according to data released by the Central Bank of Nigeria, CBN.

The CBN, in its 2017 annual report, disclosed that the energy

sector's exposure to the banking sector dipped by 1.61 per cent from N5.582 trillion recorded at the end of 2016.

According to the report, the energy sector accounted for 34.89 per cent of the banking sector's total loans to the Nigerian economy in the year under review, compared to 34.63 per cent of the total loans to the industry in 2016.

Specifically, the report noted that the banking sector's cumulative loan to the economy dropped by 2.33 per cent from N16.117 trillion in 2016 to N15.741 trillion in 2017.

Giving a breakdown of energy firm's exposure to banks, the report stated that the cumulative indebtedness of oil and gas firms in the downstream sector of the petroleum industry, comprising

natural gas and crude oil refining companies to Nigerian banks stood at N3.576 trillion in 2017, dropping slightly by 0.30 per cent from N3.588 trillion recorded in 2016.

The report further revealed that the cumulative exposure of upstream oil and gas companies and oil services companies declined by 8.4 per cent to N1.161 trillion in 2017, from N1.268 trillion recorded in 2016.

On the other hand, the CBN also stated that Independent Power Plants, IPP, and power generating companies' exposure to deposit money banks rose by 5.0 per cent from N432.3 billion in 2016 to N453.9 billion in the year under review.

The CBN report added that the cumulative indebtedness of power transmission and distribution companies to banks also appreciated by 2.4 per cent to N301.1 billion, from N294 billion recorded in 2016.

### Oil marketers yet to resume PMS import, two years after

**A**buja -- Two years after, a major and independent petroleum products marketers in the country are yet to resume the importation of Premium Motor Spirit, PMS., leaving the Nigerian National Petroleum Corporation, NNPC, as the sole importer of the commodity for consumption by Nigerians.

According to documents

obtained from the regulator of the downstream petroleum industry, the Petroleum Products Pricing and Regulatory Agency, PPPRA, only the NNPC currently has vessels waiting to berth or discharging PMS at jetties across the country, as well as stocks of the commodity both in its land and offshore storage facilities.

Despite being the only importer

of the commodity, the PPPRA disclosed that the NNPC, as at August 9, 2018, had 30.31 days of PMS sufficiency, comprising 16.06 days of land-based storage and 14.25 days of products in marine storage.

Specifically, the NNPC's land-based stock for PMS stood at 722.707 million litres while the

**CONTINUES ON PAGE 02**



## Nigeria loses two oil rigs in July, August

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WEO, report, warned Nigeria and other oil-dependent countries of another possible crash of oil prices in the near future.

The Fund projected a 1.9 percent economic growth for Nigeria in 2019, adding that the country's economy will grow from 0.8 percent in 2017 to 2.1 percent by the end 2018.

IMF's forecast of another crash in oil prices may as well be true especially with rising output from US shale oil producers.

OPEC's MOMR for September said there was an unexpected 6.8 million barrels increase in US crude stocks during the second week of August and a recovery in Libyan crude production to over one million barrels per day, mbd - up from 700,000 barrels per day, b/d, in July. The rise in crude inventories was driven by a combination of higher imports and a 100,000b/d increase in US crude production to 10.9 mbd, supported by shale drilling.

## Oil marketers yet to resume PMS import, two years after

CONTINUED FROM PAGE 01

marine-based stock of the commodity stood at 641.071 million litres, bringing the total stock of the commodity to 1.364 billion litres.

In addition, total stock of Household Kerosene, HHK, stood at 175.85 million litres, translating to 1.07 days sufficiency; Automotive Gasoline Oil, AGO, sufficiency stood at 425.68 million litres, translating to 1.07 days; while Aviation Turbine Kerosene, ATK; Low Pour Fuel Oil, LPFO; and base oil sufficiency stood at 36.38 million litres, 82.24 million litres and 36.38 million litres, representing 31.73 days, 54.83 days and 24.25 days respectively.

The PPPRA put the national average daily consumption of PMS at 45 million litres per day; while it put daily AGO, HHK and ATK consumption at nine million litres, eight million litres and 1.5 million litres respectively.

Giving a breakdown of PMS sufficiency as it concerns the NNPC and other oil marketers, the PPPRA report stated that, as at August 9, 2018, the NNPC, major marketers and the Depot and Petroleum Products Marketers Association, DAPPMA, had 869.69 million litres, 2.0 million litres and 5.12 million litres of PMS in its land-based storage and jetty stock, representing 101 per cent, zero per cent and -1 per cent sufficiency level.

For marine offshore stock, the report disclosed that the NNPC had 501.21 million litres of PMS, representing 100 percent the total, while major marketers and DAPPMA had none.

In total, the report said the NNPC's combined land and offshore stock stood at 1.371 billion, while major marketers and DAPPMA recorded 2.0 million litres and 5.12 million litres of the commodity respectively, as at August 9, 2018.

## Gencos produce 8,705,606MWh in Q4 2017 - NERC



● Omotosho II NIPP plant

OPEOLUWANI AKINTAYO

Lagos -- Power generating companies or Gencos produced a total of 8,705,606MWh of electricity in the fourth quarter of 2017.

The latest operational performance report obtained from the Nigerian Electricity Regulatory Commission, NERC, said the 8,705,606MWh produced within the period was 15 percent more than the total generation in the third quarter and the highest quarterly generation in 2017.

Total energy generated by Gencos in the third quarter stood at 7,568,489MWh,

NERC had said in its third-quarter report.

The industry's peak daily generation of 5,222MW for 2017 was also recorded in the fourth quarter, specifically, on December 18, 2017.

Despite the increase in the peak generation in the fourth quarter, average utilisation of the total available generation capacity was estimated at 54.4%, and is relatively lower than the first quarter estimate and was still constrained by a combination of factors.

The report listed limited distribution networks as the main constraint, listing inadequate gas supply and transmission line bottlenecks as other reasons.

## OPEC sitting on 2.7 mb/d spare production, says IEA ... 60% in Saudi Arabia

OPEOLUWANI AKINTAYO

Lagos -- The International Energy Agency, IEA, has said members of the Organization of the Petroleum Exporting Countries, OPEC, are sitting on about 2.7 million barrels per day, mb/d, of spare production capacity, and that 60% of this is in Saudi Arabia.

"Based on our August estimates of production, OPEC countries are sitting on about 2.7 mb/d of spare production capacity, 60% of which is in Saudi Arabia," the IEA said in its recent-released Oil Market Report, OMR.

But, it stated that the point about spare capacity was that, having been idle, it was unclear exactly how much, beyond what is widely thought to be "easy" to bring online, will be available to coincide with further falls in Venezuelan exports and a maximisation of Iranian sanctions.

Said the IEA: "It is not just a question of volume; refiners used to processing Venezuelan or Iranian crude will compete to find similar quality barrels to maintain optimal refinery operations. Alternative supplies of lighter crude might not be ideal for this reason. Even before we

factor in any further fall in exports from Venezuela or Iran, record global refinery runs are expected to result in a crude stock draw of 0.5 mb/d in 4Q18. Any draw will be from a basis of relative tightness: in the OECD, stocks at end-July were 50 million barrels below the five-year average".

"If we are looking for additional barrels from elsewhere to help compensate for further export declines from Venezuela and Iran, the picture is mixed. Brazil was supposed to be one of the big production success stories of 2018, but various problems have stymied growth to the extent that output will rise by only 30 kb/d this year versus a first estimate of 260 kb/d".

On the upside, the report said the United States continues to show outstanding performance with total liquids output expected to grow by 1.7 mb/d this year and another 1.2 mb/d in 2019.



● LNG ship

SAM IKEOTUONYE, with agency reports

Lagos -- The price of shipping liquefied natural gas, LNG, is likely to remain high next year after spiking this month

It will be buoyed by rising production from new plants and concerns that demand for LNG vessels will outpace supply.

The rate for vessels shipping LNG from the Atlantic Basin to Asia jumped to \$90,000 to

\$95,000 a day last week from \$75,000 a day at the end of August, brokers and traders, quoted by Reuters, said.

Rates, which broadly hovered around \$30,000 to \$40,000 a day from 2015 to 2017, have risen due to longer distances covered to transport LNG from new terminals in the United States and Arctic Russia, surging demand in China and a limited number of ships.

Rates have hit "the highest levels since the last bull market of 2012

... elevating the starting point for another anticipated winter market rally and the next cyclical upturn," said Jonathan Chappell, analyst with Evercore ISI.

Shipping firms see little sign of them slipping soon, predicting high rates for 2019 or longer, during their earnings calls this month.

Hoegh LNG Chief Executive Sveinung Stohle told investors and analysts he expected rates to "increase on the levels where they are, certainly, for the next two to three years".



Gas

## LNG shipping rates likely to remain high in 2019

Power



## Kaduna Electric installs over 130 transformers in 9 months

Lagos -- Kaduna Electric says it has, in collaboration with its contractors, installed over 130 new distribution transformers worth millions of naira for use by individuals, organisations and various communities under its franchise this year.

It did this as part of its efforts to improve power supply by upgrading its network infrastructure.

Head of Corporate Communication at the

company, Abdulazeez Abdullahi, disclosed this in a statement, saying the newly installed transformers were in addition to hundreds of transformers installed by Kaduna Electric since it came into business as a power distribution company.

"This year alone, across our franchise states, we installed 91 transformers in Kaduna, 12 transformers in Kebbi, 11 transformers in Sokoto and 16 transformers in Zamfara State.



● Electricity transformer

The new transformers installed added over 30 megawatts capacity to our network thereby increasing our service delivery to the beneficiary communities," he said.



# NIGERIAN CONTENT DEVELOPMENT AND MONITORING BOARD (NCDMB)

NCDMB CORPORATE HEADQUARTERS: GLASS HOUSE, ISAAC BORO EXPRESSWAY, OPOLO, PMB 10, YENAGOA BAYELSA STATE  
info@ncdmb.gov.ng;www.ncdmb.gov.ng

## INVITATION TO TENDER

The Nigerian Content Development and Monitoring Board (NCDMB), Yenagoa, Bayelsa State hereby invites interested reputable Companies with good track record of performance and experience to bid for the Following: **Construction of Perimeter fencing at proposed Polaku Pipemile Land, Procurement of ICT Productivity Software - Tools & Procurement of Laptops** as broken down in the below lots:

S/N	DESCRIPTION	LOT
1	Construction of Perimeter fencing at proposed Polaku Pipemill Land	Lot 1
2	Procurement of ICT Software - Productivity Tools	Lot 2
3	Procurement of Laptops	Lot 3

### SCOPE:

The Scope is as detailed in the Standard Bidding Documents.

### CONDITIONS FOR ELIGIBILITY

All bids must be accompanied with the Following:

- i) Evidence of company registration with Corporate Affairs Commission (CAC) and supporting documents (Forms CO2 and CO7) showing that the ownership of the company is 51% owned by a Nigerian(s)
- ii) Evidence of current three (3) years Tax Clearance Certificate expiring 31st Dec, 2018
- iii) Evidence of similar previous jobs carried out in the last three (3) years including Verifiable Award Letters and Job Completion Certificates
- iv) It must have a current:-
  - I) ITF Compliance Certificate
  - ii) PENCOM Compliance Certificate
  - III) NSITF Compliance Certificate
- v) Affidavit declaring the Bidder free of Pecuniary interest, falsification and prior Conviction of any of the Directors and pecuniary interests in the Nigerian Content Development Monitoring in Board and certifying that all information submitted in the bid to be true and correct
- vi) Interim Registration Report (IRR) as an Evidence of registration on the National Database of Contractors/Consultants and Service Providers
- vii) Relevant DPR Permit
- viii) Office Presence within the Oil and Gas Zone will be an advantage.
- ix) Evidence of Financial Capability [6 (Six) Months Bank Statements and Sealed 3 (Three) Years Audited Accounts] including Bank Reference Letter Guaranteeing Financial Support
- x) Evidence of Professional Competence (COREN, NSE) and certification respectively
- xi) Detailed Nigerian Content Plan in line with Section 35 of NOGICD Act 2010

- xii) Detailed HSSE, QA and QC Policy document.
- xiii) Other information as contained in the Tender Documents

### COLLECTION OF TENDER DOCUMENTS

Interested Bidders are to **Collect Bid documents** from the Procurement Dept. upon the presentation of evidence of payment of a non-refundable tender fee of N20,000.00 (Twenty Thousand Naira) this payment can be made via various payment channels or through any bank as Stated below: [www.Remita.net](http://www.Remita.net) – Pay a Government Agency. - Paste **-023200700100** on launched page under “Name of MDA” - Purpose of Payment – click “**Payment for Asset Disposal**” - Complete the form to obtain RRR Number and make payment -before the closing date on this advert.

### SUBMISSION/OPENING OF BID DOCUMENTS

- I) The tender documents should be bound with covering letter duly signed to reach the undersigned by **Friday, November 2nd 2018 at 12 noon**  
Addressed to the:-  
**The Manager, Procurement Dept.,  
Nigerian Content Development and  
Monitoring Board, GLASSHOUSE, Isaac  
Boro Expressway, Opolo- Yenagoa.**
- ii) The Technical and Financial Tenders and Proposals should be submitted simultaneously in two separate sealed envelopes and both placed in a bigger sealed envelope clearly marked on the top left hand corner of the envelop according to the tender Lots as indicated above and company name and address on the flip side:
- iii) The tender documents must be delivered in the tender box located on the Fourth Floor, NCDMB Head Office, Opolo, Yenagoa.
- iv) Companies delivering bids are expected to Sign the “**Tenders Register**” before delivery in the Tenders Box.
- v) Bid documents will be **opened** immediately after the close of submission at the Conference Room, 4th floor, **Nigerian Content Development and Monitoring Board, Glasshouse, Isaac Boro Expressway, Opolo-Yenagoa**
- vi) Submitting a tender does not commit NCDMB to awarding contract to any bidder
- vii) For further enquiry please contact the undersigned at the address indicated above

**SIGNED**  
**Manager Procurement (NCDMB)**

24th Sep, 2018.



## FAAC disburses N3.946tr in first half of 2018

IKE AMOS

**A**buja -- The Federation Accounts Allocation Committee, FAAC, disbursements in the first half of 2018 stood at N3.946 trillion, rising by 41.4 percent over the amount recorded in the same period in 2017, according to data released by the Nigeria Extractive Industries Transparency Initiative, NEITI.

The data showed that N2.788 trillion was disbursed in the first half of 2017 and N2.019 trillion in the first half of 2016.

"The disbursements in the first

half of 2018 were almost double the disbursements in the first half of 2016.

"The breakdown of the data reveals that in the first half of 2018, the Federal Government received N1.652 trillion, which made up 41.8 percent of the total amount disbursed; the states got N1.375 trillion, representing 34.8 percent of the total; while N795 billion was disbursed to the LGAs, representing 20.1 percent of the



● Map of Nigeria

total," NEITI said in its Quarterly Review, titled, 'Highlights of Federation Account Allocation Committee disbursement in the second quarter and half year 2018'.

NEITI also said Delta State, Akwa Ibom, Rivers, and Bayelsa state governments received a total of N364.25 billion from the federation account in the first six months of 2018.

## Ogoni cleanup: HYPREP says contractors must have technical, financial competencies

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that we cannot over emphasised the importance and we all are here to make it succeed," Dekil said.

Minister of States for Environment, Mr. Ibrahim Jibril, had recently announced the pre-qualification of 183 firms for the exercise. Submission of technical proposals and financial bid documents by the pre-qualified companies ended two days ago, following which the government is expected to evaluate their submissions and come out with the list of successful bidders.

Jibril revealed that over 400 firms applied for the contract, out of which the 183 companies were pre-qualified.



## Labour

## NCDMB partners Bayelsa govt in training 250 teachers

MKPOIKANA UDOMA

**P**ort Harcourt -- The Nigerian Content Development and Monitoring Board, NCDMB, in collaboration with the Bayelsa State Government has commenced a development programme for a select number of teachers of junior secondary schools in Bayelsa State.

The programme, according to the board, commenced last week and will ultimately benefit teachers from the six geopolitical zones of the nation, with Bayelsa being the pilot state.

The training, holding at the University of Africa in Toro-Orua, Sagbama Local Government Area of the state, will last for six weeks.

The General Manager, Capacity Building Division, NCDMB, Dr. Ama Ikuru, said 250 teachers are participating in the current scheme, which includes 75 in Mathematics, 75 in English Language, 50 in Basic Science and 50 in Basic Technology.

Ikuru explained that the programme

was conceived because the board had over time detected some deficiencies in many Nigerian graduates while conducting training programmes and preparing them for opportunities in the oil and gas industry.

Some of these deficiencies, he explained, were attributed to the graduates' poor learning foundations.



● Dr. Ama Ikuru

## Minimum wage committee working within timelines - Ngige

SAM IKEOTUONYE

**A**buja -- Minister of Labour and Employment, Dr. Chris Ngige, has assured that the National Minimum Wage Committee set up by the Federal Government was still working within its timelines.

He also assured that the government would soon disclose a definite figure payable by both the governments and the private sector as minimum wage.

The minister, who spoke in the backdrop of the recent two-week ultimatum issued to the government by the Nigeria Labour Congress, NLC, on the matter, said the conventions of the International Labour Organisation, ILO, and other forms of negotiations on minimum wage do not allow

partners to issue threats as the other partner could regard that as negotiating under duress.

Maintaining that the new national minimum wage being articulated by the government might not be above N25,000, he disclosed that organised labour had first proposed N56,000 to the government, but later withdrew the proposal and replaced it with N65,000 demand.

According to him, the organised private sector, on the other hand, demanded N42,000 minimum wage, which it later dropped and replaced with N25,000.

Dr. Ngige, in disclosing that the new minimum wage might not be above N25,000, said the figure was being proposed to avoid unemployment that could follow putting the minimum wage at a figure the private would not be able to cope with.

## Freight



## NigerStar 7's new vessel to deepen local content

OPEOLUWANI AKINTAYO

**L**agos -- NigerStar 7's newly-acquired vessel, recently launched and renamed NigerStar 7 Adaba, will boost capability in the maritime segment of the oil and gas industry.

The vessel - a DP2 Anchor Handling and Supply Vessel with a 140 tonnes bollard pull, owned by a Nigerian company and operating in Nigerian waters - has a 52-passenger on-board accommodation capacity.

It has a 460 square metres deck

space and an electronic fuel monitoring system and has been hailed as a major complement to the local content policy of the Federal Government.

Speaking at the renaming ceremony at the Nigerdock shipyard on Snake Island, Lagos, NigerStar 7's Chief Executive Officer, Mr. Yann Cottart, said, "Our mission is to serve Nigeria's offshore oil and gas industry by executing the largest and most complex EPCI deep-water projects, and today with this new addition to our fleet, we are closer to our goal as we become the only Nigerian Tier 1 EPCI contractor

with a number of modern assets 100 percent-owned and positioned in the country."

"With this investment, NigerStar 7 is not bringing only possibilities into the oil and gas sector but creating job opportunities," he said.

NigerStar 7 Adaba will be flying the Nigerian national flag, rated as DP2 and is equipped with Kongsberg DP system. The vessel is also equipped with fire fighting system, FIFI, Class 1 and is capable of fighting offshore facility and ports fire incidents.

## Community



## Avoid re-pollution of environment through oil bunkering, NOSDRA charges youths

MKPOIKANA UDOMA

**P**ort Harcourt -- The National Oil Spill Detection and Response Agency, NOSDRA, has charged youths in Ogoniland to desist from illegal bunkering so as to avoid a re-pollution of the environment after the planned cleanup exercise in the area.

Director General of NOSDRA, Mr. Peter Idabor, gave the charge as the agency began a campaign against illegal oil refining activities in the Niger Delta, popularly called 'Kpo-fire'.

The campaign, which is being carried out in conjunction with the Rivers State Ministry of Environment, is also demanding an end to oil theft.

Speaking at the launch of the programme tagged, "End Kpo-fire Campaign" in Tai Local Government Area of Rivers State, Idabor said the move was imperative to ensure the success



● Oil pollution

of the the cleanup of oil-impacted communities in Ogoniland.

Represented by the Principal Environmental Scientist in the agency, Mr. Solomon Nkpenewi, Idabor said: "The issue of re-pollution if it is not stopped, more and more areas will be affected and which will not be to our advantage.

"So we are appealing to you people that we should desist from anything capable of re-polluting the environment in the Niger Delta, for our own future, for our

own good and for our own sustainability."

Also, the Rivers State Commissioner for Environment, Prof. Roselyn Koinya, charged the youths of Ogoni to support moves by the government to make the area clean.

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