

Abuja -- The Central Bank of Nigeria, CBN, has disclosed that the country spent \$2.577 billion on importation of crude oil and gas in the first quarter of this year.

But, it did not specify the actual amount of oil or volume of gas imported nor the country from which they were imported.

According to the CBN, crude oil and gas import in the first quarter of 2018 represented an

Nigeria imports \$2.58bn oil, gas in first quarter —CBN

IKE AMOS

increase of 99.5 per cent compared with \$1.3 billion imported in the fourth quarter of 2017 and a 6.4 per cent increase compared with \$2.42 billion worth of crude oil and gas imported in the first quarter of 2017.

The CBN said: "Available data showed that payments for import

of goods (Free on board) to the economy in the review period grew by 13.9 per cent to \$8.642 billion above the level recorded in the preceding period. This was largely as a result of 99.5 per cent increase in the imports of petroleum products."

On the other hand, the CBN

noted that crude oil and gas exports rose by 10.1 per cent and 45 per cent from \$12.2 billion in the fourth quarter of 2017 and \$9.26 billion in the first quarter 2017 respectively, to \$13.43 billion in the first quarter of 2018.

To this end, it said: "The provisional balance of payments (BOP) estimates for the first

quarter 2018 showed a significant improvement in the country's position as the overall balance of payments indicated a surplus of \$7.322 billion compared with a surplus of \$6.18 billion in the preceding quarter.

"It also indicated a better position when compared to a surplus of \$2.976 billion recorded in the corresponding

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SweetCrude

REPORTS

In collaboration with

The Guardian
Conscience, Nurtured by Truth

A Review Of The Nigerian Energy Industry

WEEKLY

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September 05, 2018

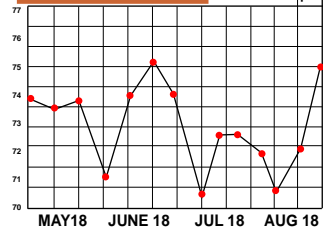
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UPDATES

WEEKLY BASKET PRICE

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
JUN -22	71.60
JUN -15	73.60
JUN -08	73.45

Daily | Weekly | Monthly | Yearly **75.72U\$**



● Egina FPSO

\$3.3BN EGINA FPSO:

Samsung connives with corrupt Nigerians, subverts local content

● Demands extra \$300m on contract

OPEOLUWANI AKINTAYO

Lagos -- It has been alleged that Samsung, the company responsible for the fabrication of the Egina

Floating Production Storage and Offloading, FPSO, vessel integrated at the Ladol yard in Lagos, has been conniving with some corrupt Nigerians to ship jobs meant for Nigerians to South

Korea.

According to information at SweetCrudeReports' disposal, the fabrication, part of which Nigerians were made to believe would be done in Nigeria, has

seen personnel being shipped into the country from South Korea to handle the very integration of the vessel originally planned to be handled by Nigerians at the Ladol yard.

The development thus created jobs for the Koreans here in Nigeria to the detriment of the Nigerian labour force, against the provisions of the Nigerian Content Act and the promise by the Nigerian Content Development and Management Board, NCDMB, Nigerian National Petroleum Corporation, NNPC, and Total, the operators of the FPSO, that the project would create substantial number of jobs for

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NERC to float centralised payment system for MDAs

The Nigerian Electricity Regulatory Commission, NERC, is working on a centralised payment system for Ministries, Departments and Agencies, MDAs.

NERC chairman, Prof. James Momoh, disclosed this while addressing chief executive officers of electricity distribution companies on how to ensure better performance and service delivery in the Nigerian Electricity Supply Industry, NESI. He said the centralised payment system of government when completed will address the issue of non-payment of electricity bills by these agencies.

Before now, debts from unpaid electricity bills worth billions of naira have been recorded against the MDAs.

As at 2016, electricity distribution companies said debts owed by MDAs and the various military formations across the country, stood at N58 billion.

Trans-Ramos spill: Communities ask Shell to expand scope of impacted sites

SAM IKEOTUONYE

Lagos -- Representatives of host communities impacted by the recent oil spill on the Trans Ramos Pipeline, TRP, in Aghoro community, Bayelsa State, want the Shell Petroleum Development Company of Nigeria, SPDC, to expand the scope of areas affected by the spill.

The communities claim that the spill had spread to wider areas and affected more places than the ones covered by the joint investigation team that inspected the spill.

Specifically, the Joint Investigative Visit, JIV, report was expected to unravel the cause of the spill, volume of oil discharged and the area adversely impacted,

and volume of oil recovered in the spill incident as well as serve as a basis to determine compensation.

Shell confirmed that the JIV report was ready. However, representatives of some of the affected communities have refused to sign the report claiming some satellite



OPEC pumps 32.79mbd in August

Vienna -- The 15-member Organization of the Petroleum Exporting Countries, OPEC, pumped 32.79 million barrels of crude oil per day in August, according to a recent Reuters survey.

The figure, up 220,000 barrels per day from July's revised level, is a 2018 high, coming as Libyan production recovered and Iraq's southern exports hit a record.

OPEC and allies agreed in June to boost supply as U.S. President Donald Trump urged producers to offset losses caused by the renewed sanctions on Iran and to dampen prices, which this year hit \$80 a barrel for

the first time since 2014.

In June, OPEC, Russia and other non-members agreed to return to 100 percent compliance with oil output cuts that began in January 2017, after months of underproduction in Venezuela and elsewhere pushed adherence above 160 percent.

Top exporter Saudi Arabia, which promised a "measurable" boost in its own output, said the decision

would translate into an output rise of about 1 million barrels per day.

Even so, OPEC's adherence with supply targets has actually risen to 120 percent in August from a revised 117 percent in July, the survey found, because extra barrels from Saudi and others did not fully offset losses in Iran and declining output in Venezuela and Angola.



\$3.3bn Egina FPSO: Samsung connives with corrupt Nigerians, subverts local content

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Nigerians.

The Egina FPSO had arrived Nigeria from South Korea amidst pomp and pageantry on January 24, this year.

The vessel, which was already more than half-way completed as at the time of its arrival, was merely planned to create an illusion of its last six modules being locally fabricated in the country by Nigerians.

SweetcrudeReports found that the FPSO, which was due to have left the Ladol yard for its operational base at the deep offshore Egina oil field in June, had faced technicality hitches and controversies surrounding an extra one percent charge by Ladol for hosting the vessel.

It eventually left the free zone location of the Ladol yard in Lagos on Sunday, August 26 for the deepwater Egina oil field operated by Total.

In January when SweetcrudeReports visited the vessel soon after its arrival from South Korea, it was learnt that some South Koreans were hiding in the vessel, having been brought in to handle the integration job on the facility originally meant for Nigerians.

Findings then showed that Nigerians who were working on the vessel were employed on contract basis. In fact, on the second visit to the vessel between February and March, a protest by the Nigerian contract workers was on.

When SweetcrudeReports spoke with some of the workers, it was gathered that they were worried that they would become jobless after the FPSO had left Ladol for the Egina oil field.

Again, when SweetcrudeReports visited earlier this month, it was observed that Samsung had shipped in more South Koreans into Ladol.

ALLEGED CORRUPTION, UNDER-HAND DEALINGS

It was gathered that in the first instance, Samsung was the lowest bidder among the contractors who had vied for the Egina FPSO contract. However, according to our source, some "corrupt and unpatriotic Nigerians" had connived to swing the contract for Samsung, shoving aside some of the necessary conditions required of the would-be winner of the contract.

Findings showed that part of what is causing the current controversy with the Egina FPSO is Samsung's demand for an extra \$300 million before the final phase of the job, which we learnt is at 95 percent, is completed and the FPSO handed over to Total.

Our sources did not specify what the extra \$300 million being demanded by Samsung was meant for.

But, the sources revealed that the demand was one of the reasons for the extra one percent being demanded by Ladol from Samsung and Total.

"That was what caused the rumour that Ladol is making the free trade zone unfriendly to foreign investors. They wanted to cheat Nigerians," a source said.

Upon arriving at the Egina oil field, the FPSO will begin production for Total. It will first produce 200,000 barrels of oil per day by the first quarter of 2019.

However, we learnt that Samsung was bent on collecting the extra \$300 million from Total and its joint venture partners, including the NNPC, before releasing the vessel.

"Samsung is sending signals that the vessel would not be released until it gets an extra \$300 million. The case is in court and the court will decide whether this happens or not," a source told this newspaper.



● Hilli Episeyo FPSO, offshore Kribi, Cameroon

Lagos -- The floating LNG production, FLNG, vessel Hilli Episeyo put Cameroon into the industry record books as the world's 20th LNG exporting country when it produced its first liquefied natural gas, LNG, on May 17, this year.

The operators, Golar, says it is now running at commercially agreed levels and that it is moving ahead to develop another FLNG project in West

Africa.

The company said it is moving ahead with its portion of the BP-operated Tortue development, which straddles Mauritania and Senegal, having penned a preliminary agreement with BP in April to provide an FLNG for the project.

"The FEED (front end engineering development) update is being progressed at pace -- we have a couple of

months to go on that and we have strong interest with lenders," chief executive officer Iain Ross said.

According to him, BP and partner Kosmos Energy aim to take a final investment decision on the development by the end of the year, with first LNG due to be produced before the end of 2021.

But aside from Tortue, Ross said there were two or three "strong" FLNG prospects that have emerged thanks to proving the FLNG technology and commerciality.

"We're seeing Hilli's proof of concept triggering new interest... We think this is a truly disruptive solution in an industry not known for its disruptive solutions," he said.

Cameroon's Hilli Episeyo FLNG 'running at commercially agreed levels'



Gas

Power



NERC unveils four-year plan to address transmission, distribution constraints

Lagos -- The Nigerian Electricity Regulatory Commission, NERC, has unveiled a four-year strategic plan, covering year 2017 to 2020, for addressing transmission and distribution constraints in the powersector.

In its recently-released report for the third quarter 2017, the commission said it had identified actionable items

towards addressing constraints in the transmission and distribution networks in the four focus years.

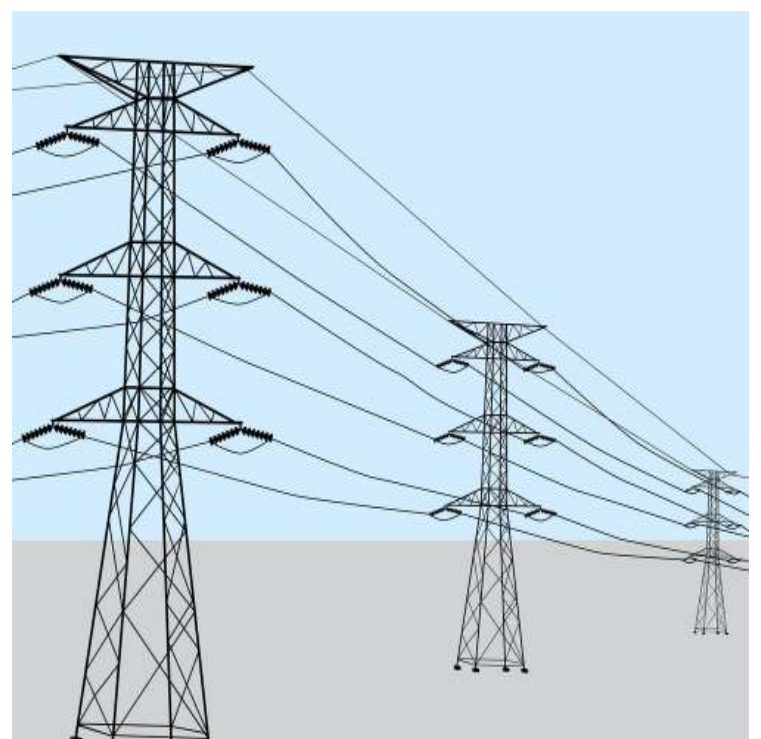
According to the regulator, the planned strategy includes a thorough technical assessment of the power distribution companies' utilisation of capital expenditure allowances for relevance and cost efficiency, and a tariff reset in order to

stimulate investments in network infrastructure.

It said the plan is a followup to Federal Government's implementation of a payment assurance facility for power generators as a means of sustaining generation levels.

Also in the third quarter 2017 report, NERC said it has initiated public consultations towards the

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● Power transmission line



NNPC to get new revenue reporting template this month



● NNPC headquarters, Abuja

OPEOLUWANI AKINTAYO

Lagos -- The Nigerian National Petroleum Corporation, NNPC, will soon get a new revenue reporting template, according to the Federation Accounts Allocation Committee, FAAC.

Minister of Finance, Kemi Adeosun, who disclosed this at the end of the FAAC meeting in Abuja, said the template would serve as a guide for the corporation on revenue remittance to the federation account, and a lasting solution to the frequent issue of revenue controversy between FAAC and the state oil company.

Adeosun said the revenue template was at the final stage of the draft and would be ready by the next FAAC meeting slated for September 26.

This came as she also

disclosed that President Muhammadu Buhari had directed the NNPC to always hold a pre-FAAC meeting with the Ministry of Finance to avoid issues that always led to crisis between FAAC and NNPC.

"A committee for the revenue reporting template for the NNPC and the federation account will be ready before the next meeting. It will define the flow of revenue to the federation account," Adeosun said.

"We are working with the Department of Petroleum Resources (DPR), the office of Accountant General of the Federation (OAGF), NNPC and all the stakeholders to develop a new template," the minister said.

Following series of crises as a result of recurring discrepancies in the monthly revenue returns by the NNPC, which culminated

in successive stalemate in FAAC meetings in April and June, President Buhari ordered a review of the existing revenue template.

The review, the minister said, uncovered monumental deficiencies in the reporting template used by the NNPC, as its parameters had not been updated for over a decade.

Although the post-mortem committee report from the Revenue Mobilisation Allocation and Fiscal Commission, RMAFC, was submitted to the FAAC meeting, discussions were deferred till this month.

Two months ago, Adeosun had said Mr. Buhari also directed that every month, prior to FAAC meetings, the NNPC, OAGF and the Ministry of Finance should hold a pre-FAAC review meeting to reconcile figures and eliminate discrepancies in revenue returns.

Nigeria imports \$2.58bn oil, gas in first quarter —CBN

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period of 2017. The current account balance (CAB) also improved significantly from a surplus of \$3.656 billion in fourth quarter 2017 to a surplus of \$4.469 billion in first quarter 2018.

"The financial account balance indicated a net acquisition of financial assets of \$10.293 billion in the review period as against \$3.859 billion recorded in the preceding period."

The CBN added that export earnings rose by 10.2 per cent to \$14.394 billion in first quarter 2018 when compared with fourth quarter 2017, indicating an increase of about 44.4 per cent when compared to first quarter 2017.



Labour

Maritime workers tackle shipping firm over unpaid salaries, other issues



● Onne port

MKPOIKANA UDOMA

Port Harcourt -- Maritime workers under the aegis of Maritime Workers Union of Nigerian and the Senior Staff Association of Shipping, Freight and Forwarding Agency, are tackling the management of Murphy Shipping and Commercial Services, accusing it of owing workers and mismanaging the workers' pensions funds.

The workers last week shut down the Port Harcourt branch of the company Trans Amadi, Port Harcourt, Rivers State.

The workers, numbering over 50, mounted a canopy on the entrance of the company and carried placards with various inscriptions.

According to them, they decided to shut down the company over failure of the management to pay them salaries for over six months and other benefits such as leave allowances since 2014.

They also alleged that the management have continuously deducted their pension funds without remitting the funds to their pension administrators.

Speaking to newsmen, the unit chairman of Maritime Workers Union of Nigeria, Murphy Shipping Branch, Morgan Reward, said picketing the company became the last option after they have sought

the intervention of the Federal Ministry of Labour and the Rivers State House of Assembly, to no avail.

Reward explained that they have been picketing the company for the past seven weeks, and would head to court as well as involved their parent unions, the Nigerian Labour Congress and the Trade Union Congress, if the company did not respond to them.

Also speaking, the secretary general of the Senior Staff Association of Shipping, Freight and Forwarding Agency, Chijioke Avuru, said the picketing commenced since July 16, 2018.

Avuru, who explained that the attitude of the management of the shipping firm changed towards them since 2014, called on the Rivers State government to intervene in the matter.

When contacted by our correspondent, the management of Murphy Shipping and Commercial Services refused to comment on the matter.

A management staff of the company, Adeola Agbabiaka, said she would not speak with a journalist she had no appointment with, while directing our correspondent to write an email to the corporate affairs department of the firm.

Freight



Govt plans wreck insurance policy for vessels calling on Nigerian ports

Lagos -- The Federal Government will soon institute a wreck insurance policy, WIP, on all vessels calling at the Nigerian ports.

The policy, according to the Managing Director, Nigerian Ports Authority, Hadiza Bala Usman, will provide avenue for the port management to evacuate abandoned vessels in all the nation's territorial water.

Disclosing this to major stakeholders of the nation's maritime sector at a one-day quarterly summit of the Ports Consultative Council, PCC, Usman said the policy will accelerate operational efficiency and navigational safety in the nation's seaports.

The Managing Director, according to a statement by I. A. Suwaid, Assistant General Manager, Corporate and Strategic Communications, also disclosed that the Federal Executive Council has granted approval for a private public partnership of N72 billion for the ports access road in Apapa and Tin can Island,

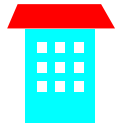


● Cargo vessel

Lagos.

Commenting on the issue of trucks and access to the nation's seaports, she stated that very soon only trucks that were housed in the proposed trailer parks would be allowed entry into the port locations and added that the NPA is to deploy an electronic call-up system that allows access to the ports only when it is needed.

She told the meeting that the Apapa Wharf Road reconstruction project has reached 85 per cent completion, while assuring that the road would be fully completed in the next four to six weeks period.



OMLs 83 & 85: Bayelsa communities sign GMoU with oil firm



● A community in Bayelsa State

Stakeholders urge youths to embrace peace for sustainable development

Port Harcourt -- Youths in the Niger Delta have been urged to shun destruction of the ecosystem and pollution of air and surface water through pipeline vandalism, and embrace peace and unity as the only panacea to sustainable development in the region.

These were the key points by various speakers at the Niger Delta Youth Sensitisation and Entrepreneurship Workshop, organised by the Niger Delta Youth Front and sponsored by Total Exploration and Production Nigeria Limited, TEPNG, in Port Harcourt.

A resource person at the event, who is a visiting scholar, Institute of Foundation Studies, Rivers State University, Dr. Anthony Clark, frowned at the activities of youths in the region such as kidnapping, pipeline vandalism, closure of flow stations and rigs, piracy and ghost workers syndrome.

Clark called on government agencies to ensure the standardisation of the oil and gas industry, with emphasis on local content to provide jobs for qualified youths from the region.

He urged the international oil companies, IOCs, to respect the Memorandum of Understandings, MoUs, entered into with their host communities, lamenting that some of the MoUs when formulated, were not



● Protesting Niger Delta youths

implemented judiciously.

Clark also urged youths to desist from acts that lead the over-militarisation of the region while emphasising on the need for unity and peace.

"We must stop the consistent destruction of the ecosystem, pollution of air and surface water, through pipeline vandalism.

"Under no provocation should pipelines be blown, because it is injurious to our lives, environment and the nation's economy; the economy of Nigeria depends solely on oil.

"Entrepreneurial skill development should be encouraged, communities must collaborate with IOCs to ensure lasting peace and youths, traditional rulers must be educated on the need to protect oil infrastructures," he said.

MKPOIKANA UDOMA

Port Harcourt -- An indigenous oil firm, First Exploration and Petroleum Development Company Limited, has signed a Global Memorandum of Understanding, GMoU, with its Oil Mining Leases, OMLs, 83 and 85 host and neighbouring communities in Bayelsa State.

According to the company, the development is part of its commitment to social performance and demonstration of value to its host communities within the Niger Delta region.

The communities are Koluama I, Koluama II, Ezetu I, Ezetu II, Foropa, Fish Town, Ekeni and Sangana, otherwise known as KEFFES communities, all in Brass and Southern Ijaw local government areas.

Speaking at the GMoU signing ceremony at the Bayelsa State Ministry of Mineral Resources, the General Manager, Corporate Services of First E&P, Mr. Emmanuel Etomi, said the joint venture partners were interested in the wellbeing of their host communities and wished to contribute to their development.

Etomi explained that the GMoU is aimed at formalising the partnership between First E&P/NNPC joint venture, the host communities and the Bayelsa State Government as critical stakeholders in the development of oil mining leases 83 and 85.

He explained that First E&P was an indigenous oil and gas company, established in 2011 and has been in operation since July 2012.

"We are particularly happy with our neighbouring communities represented here today. Since we opened conversation and started engagement with them, the response has been good.

"At every level of our development, we have ensured that the communities are involved because they are critical to our collective success.

"As a company, we have in the past three years been briefing various communities in the state on how development can be actualised with the support of stakeholders in the oil producing communities," he said.

Trans-Ramos spill: Communities ask Shell to expand scope of impacted sites

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communities were not captured in it.

"They (Shell) did not allow the JIV to be extensive. They excluded the satellite communities and fishing settlements.

"They only captured Aghoro 1 and 2, leaving other fishing settlements impacted by the crude oil that leaked into the waters. They recorded 33 acres for Aghoro 1 and 113 acres for Aghoro 2," said Mr Sunday Benjamin, Chairman, Community Development Committee, Aghoro 1, who participated in the JIV.

The communities are, therefore, asking for an expansion of the visit to accommodate the neglected satellite communities.

Meanwhile, Director-General of the National Oil Spills Detection and Response Agency, NOSDRA, Dr Peter Idabor, has said the JIV was "inconclusive". "From the feedback from our officers in Yenagoa, the JIV is inconclusive," Idabor said.

The oil spill on the Trans Ramos Pipeline, which occurred on May 17, 2018, leaked a yet to be ascertained volume of crude oil into the environment and polluted the river, farmlands and surroundings.

NERC unveils four-year plan to address transmission, distribution constraints

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development of a regulation to address the metering gap in Nigerian Electricity Supply Industry, NESI, in line with its metering target.

It observed that a key initiative towards improving revenue collection in the electricity industry is the provision of meters

to all end-use consumers of electricity.

According to the report, the power distribution companies or Discos, in the third quarter of 2017, collectively sent out bills totalling ₦151.75 billion but only ₦90.30 billion was recovered through collections.

This, NERC said represents an average of 55% collection

efficiency, implying that of every ₦10 worth of electricity sold during the quarter, ₦4.50 remained uncollected from customers.

NERC said it was in this regard that has initiated public consultations towards the development of a regulation to address the metering gap in NESI in line with its metering target.

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