

Abuja -- The Nigeria Extractive Industries Transparency Initiative, NEITI, has disclosed that the 10 oil-producing states in the country received a total of N556.58 billion from the Federation Account Allocation Committee, FAAC, in the first half of this year.

Oil producing states receive N557bn from FAAC in six months

tagged 'Highlights of Federation Account Allocation Committee, FAAC, disbursement in the second quarter and half year 2018', stated that the amount

received by the oil-producing states accounted for 14.1 percent of the total disbursements of N3.946 trillion recorded in the first six-months of the year.

According to the report, Delta State received the highest allocation of N101.19 billion in the six-month period, followed by Akwa Ibom with N100.2 billion; Rivers State, N85.01

billion and Bayelsa, N77.14 billion.

Others are Edo, N32.88 billion; Ondo, N30.96 billion; Abia, N26.46 billion; Imo, N25.38 billion; Cross River N17.13 billion and Lagos N59.52 billion.

The report further stated that there was a wide disparity in total net disbursements to

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A Review Of The Nigerian Energy Industry

WEEKLY

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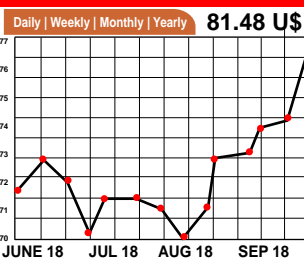
October 03, 2018

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UPDATES

WEEKLY BASKET PRICE

SEP -28	80.64
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



Nigeria earns N499bn from LNG, LPG export in Q2 2018



● NLNG vessel

NUPENG, PENGASSAN warn Chevron against disengaging workers

MKPOIKANA UDOMA

Port Harcourt -- Oil industry workers, under the aegis of the National Union of Petroleum and Natural Gas Workers, NUPENG, and the Petroleum and Natural Gas Senior Staff Association of Nigeria, PENGASSAN, have warned the management of Chevron Nigeria Limited, CNL, against the disengagement of its members under her employment after the end of their contract.

Recall that there has been an industrial face-off between oil workers' unions in the country and CNL over workers casualisation in the company and its disclosure that contracts with all its manpower services providers would expire by October 2018.

The oil said the issue of casualisation of Nigerian workers must be reviewed while lamenting the manner Chevron's

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IKE AMOS

Abuja -- Nigeria earned N498.795 billion from the export of Liquefied Natural Gas, LNG; Liquefied Petroleum Gas, LPG; and other gaseous products in the second quarter of 2018.

The National Bureau of Statistics, NBS, in its Second Quarter 2018 Foreign Trade Statistics, however, disclosed that export earnings from gaseous products in the second quarter of 2018, represented a

decline of 7.5percent compared with N539.252 billion earned from the export of the commodities in the first quarter of 2018.

According to the report, Liquefied Natural Gas export topped, with N433.038 billion in the second quarter of the year, compared to N482.54 billion in the first quarter, while other petroleum gases export also dropped to N29.176 billion, from N30.75 billion recorded in the first quarter.

Liquefied propane and liquefied butane export stood at N15.606 billion and N12.145 billion respectively in the second quarter of 2018, compared to N8.85 billion and N12.304 billion recorded in the first quarter.

In addition, the report noted that Nigeria earned N8.83 billion from the export of LPG, also known as cooking gas, in the quarter under review, rising by 83.6 percent from N4.81 billion recorded in the first quarter

of the year.

In addition, the report noted that Nigeria exported crude oil valued at N3.729 trillion in the second quarter of 2018, rising by 4.2 percent from N3.58 trillion recorded in the first quarter.

The report further stated that crude oil export in the second quarter of 2018 appreciated by 53.77 percent compared to N2.425 trillion recorded in the same period in 2017.

Banks seize assets of oil marketing firms over unpaid loans ...60 percent of firms forced to close shop - DAPPMA

OPEOLUWANI AKINTAYO

Lagos -- The Depot and Petroleum Products Marketers Association, DAPPMA, says over 60 percent of oil marketing companies in the country has closed shop as banks have taken over their assets following inability to settle their

indebtedness to the banks.

Executive Secretary of DAPPMA, Mr. Olufemi Adewole, disclosed this as he made an urgent appeal to the Federal Government to save the assets of oil marketing companies from banks. He said the inability of the government to pay the N650 billion subsidy arrears owed the oil marketers

was responsible for the banks taking over the assets of oil companies and forcing many into closure.

Adewole stated that the development had

CONTINUES ON PAGE 04



● Nigerian banks



Barkindo makes case for oil relevance

OPEOLUWANI AKINTAYO

Lagos -- Secretary-General of the Organization of the Petroleum Exporting Countries, OPEC, Dr. Mohammed Barkindo, has made a case for members of the organisation on the issue of oil remaining relevant in the long term.

In a keynote speech at the Committee of the World Energy Council in Madrid, Barkindo, speaking from the perspective of oil and gas, said the fact remained that they (oil and gas) would remain central to supplying the growing global population with the critical energy it needed in the decades ahead, rubbishing every other forecast that oil and gas will soon go out of relevance.

He said: "Of course, you may say to me, well you would say this – you are the OPEC Secretary General. But, I am also a realist. I do not see any outlook predicting that other energies will come close to overtaking oil and gas in the decades ahead.

"In terms of oil, specifically, I think the key message from our outlook is that there is no doubt that oil will remain a fuel of choice for the foreseeable future".

Barkindo said OPEC sees oil demand increasing by around 14.5 million barrels a day, mb/d, between now and 2040 to reach close to 112 million barrels a day.

Moreover, this is the second consecutive year OPEC has raised its oil demand numbers for 2040.

In terms of sectors, Barkindo said transportation remained the major incremental demand driver to 2040, with expectations for an increase of more than 8 mb/d, mostly in the road transportation sector, which sees growth of 4.1 million barrels a day.

This demand growth is driven by the expected increase in the total vehicle fleet for passenger

and commercial vehicles. This is projected to increase by over 1.1 billion vehicles to hit close to 2.4 billion in 2040.

Here, OPEC says it is important to underscore that the majority of the growth continues to be for conventional vehicles.

Nonetheless, the outlook does see the long-term share of electric vehicles in the total fleet



● Mohammed Barkindo

expanding and reaching a level of around 13% in 2040, supported by falling battery costs and policy support. For all alternative fuel vehicles, the figure is 18%.



Gas

Nigerians paid 2.17% more for cooking gas in August - NBS



● Cooking gas cylinders

OPEOLUWANI AKINTAYO

Lagos -- Average price for the refilling of a 5-kilogramme cylinder of Liquefied Petroleum Gas, LPG, popularly known as cooking gas, increased by 2.17% month-on-month and 3.19% year-on-year to N2,054.14 in August 2018, from N2,010.45 in July 2018, statistics from the National Bureau of Statistics, NBS, has shown.

While states with the highest average price for the refilling of the 5kg cylinder were Bauchi (N2,490.00), Borno (N2,400.00) and Gombe (N2,354.55), states with the lowest average price

were Kaduna (N1,825.00), Kano (N1,800.00) and Enugu (N1,791.11).

Similarly, average price for the refilling of a 12.5kg cylinder of the product increased by 2.88% month-on-month and 8.00% year-on-year to N4,366.48 in August 2018 from N4,244.35 in July 2018.

States with the highest average price for the refilling of a 12.5kg were Benue (N5,100.00), Akwa Ibom (N4,750.25) and Cross River (N4,733.33), while those with the lowest average price include Katsina and Kebbi (N4,000.00), Lagos (N3,952.38) and Oyo (N3,948.13).

Oil producing states receive N557bn from FAAC in six months

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states in the first half of 2018, explaining that disbursements to states ranged between N10.24 billion and N101.19 billion.

It said, "The highest receiving state over this period was Delta State with N101.19 billion, while the lowest receiving state was Osun State with N10.24 billion. This implies that Delta State received 988 percent more than Osun State received.

"Five states received between N10 billion and N19 billion: Osun, Cross River, Ekiti, Zamfara, and Ogun. Majority of the states, 21 specifically, received between N20 billion and N29 billion: Plateau, Gombe, Kwara, Ebonyi, Taraba, Nassarawa, Adamawa, Enugu, Kogi, Yobe, Sokoto, Imo, Bauchi, Kebbi, Benue, Anambra, Abia, Niger, Oyo, Katsina, and Jigawa.

"Five states received amounts between N30 billion and N40 billion: Borno, Ondo, Kaduna, Edo, and Kano. The five highest receiving states got between N41 billion and N101.19 billion. These were Delta, Akwa Ibom, Rivers, Bayelsa, and Lagos."

The report further stated that total FAAC disbursements in the first half of 2018 stood at N3.946 trillion, rising by 41.4 percent compared to N2.788 trillion disbursed in the first half of 2017 and 95.4 percent higher than the N2.019 trillion disbursed in the first half of 2016.

It said, "Thus, 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, FG 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 total.

"In the first quarter of 2013, total disbursements were N2.607 trillion. This figure for the first quarter of 2013 was the highest over this period while the N886.4 billion disbursed in the second quarter 2016 was the lowest.

"This indicates a difference of N1.721 trillion between disbursements in the highest and lowest months. This figure is very large and further highlights the volatility in revenue for the Federation, arising from the dependence on oil."

It added that "This shows a generally declining pattern in disbursements from first quarter 2013 until a trough was reached in second quarter 2016. Thereafter, an upward pattern is observed, and this increase continued until the second quarter of 2018."

For national Household Kerosene, average price per litre paid by consumers increased by 4.29% month-on-month and 28.04% year-on-year to N288.75 in August 2018, from N276.87 in July 2018.

States with the highest average price per litre were Abuja (N333.33), Yobe (N332.86), and Enugu (N326.67).

Those who paid the lowest average price per litre of kerosene were consumers in Borno (N237.61), Abia (N237.08) and Kogi (N233.33)

Similarly, average price per gallon paid by consumers for the products increased by 8.40% month-on-month and by 10.85% year-on-year to N1084.24 in August 2018 from N1000.19 in July 2018.

Power



World's tallest floating wind turbines to be powered by ABB transformers

Lagos -- ABB has been selected to deliver its pioneering WindSTAR transformers specifically designed for floating wind turbines, to MHI Vestas Offshore Wind, a joint venture between Vestas Wind Systems A/S and Mitsubishi Heavy Industries, MHI.

The transformers will be installed in each of the three turbines on WindFloat Atlantic, a floating, offshore wind farm, comprising the world's largest

and most powerful wind turbines ever installed on a floating foundation.

The 8.4 megawatts, MW, wind turbines are 190 meters tall to blade tip, more than double the height of the Statue of Liberty. Just three of these turbines will provide enough electricity for over 18,000 households in Portugal. The WindFloat Atlantic wind farm will come into operation in 2019.

Floating wind farms comprise

wind turbines mounted on floating structures that allow the turbines to generate electricity in water depths where fixed-foundation turbines are not feasible. Floating wind farms have the potential to significantly increase the sea area available for offshore wind farms, especially in countries with limited shallow waters.

The WindFloat Atlantic wind farm will be positioned 20 kilometres off the coast of Viana de Castelo, Portugal, in a location where the sea is 100 metres deep. Traditional offshore wind turbines

are secured onto the seabed and can only be used in depths of approximately 40 – 50 meters. This floating solution opens up large regions of previously unusable ocean to renewable offshore wind power generation.

ABB will supply its WindSTAR power transformers that are specifically engineered to be extra resilient against strong vibrations and extreme and sudden movements encountered on floating wind farms. The compact transformers are all



● Wind turbine

CONTINUES ON PAGE 06

POWERING PROGRESS IN NIGERIA

For over 60 years, The Shell Petroleum Development Company of Nigeria Limited has played a leading role in the Nigeria oil and gas industry, providing a profitable partnership to its joint venture partners and to Nigeria and its people.

With a payment of N5.31 trillion to the Nigerian government between 2013 and 2017 by the SPDC JV, and contribution of over N41.1 billion in the last 12 years for the development of our host communities under our celebrated Global Memorandum of Understanding, in addition to our multimillion naira scholarships and social investments across Nigeria, we sure do more than the energy we produce and the revenues we generate to make Nigeria as great as it is.

HAPPY 58TH INDEPENDENCE ANNIVERSARY NIGERIA!



SPDC's Afam VI Power Plant,
(650 mega watts (MW) capacity)
Rivers State, Nigeria

The Shell Petroleum Development Company of Nigeria Limited
Operator of the NNPC/SPDC/TEPNG/Agip Joint Venture





Schneider Electric says world to need double electricity capacity by 2050

OPEOLUWANI AKINTAYO

Lagos -- Schneider Electric, SE, says the world will need double of the electricity capacity it currently has by 2050 due to urbanisation, industrialisation and digitalisation.

According to the firm's Services Director, Projects and Services, Anglophone West Africa, Obinna Uche, there is need to increase electricity capacity to cater for the too many equipment and electronic gadgets that are coming into the market.

Uche, who disclosed this

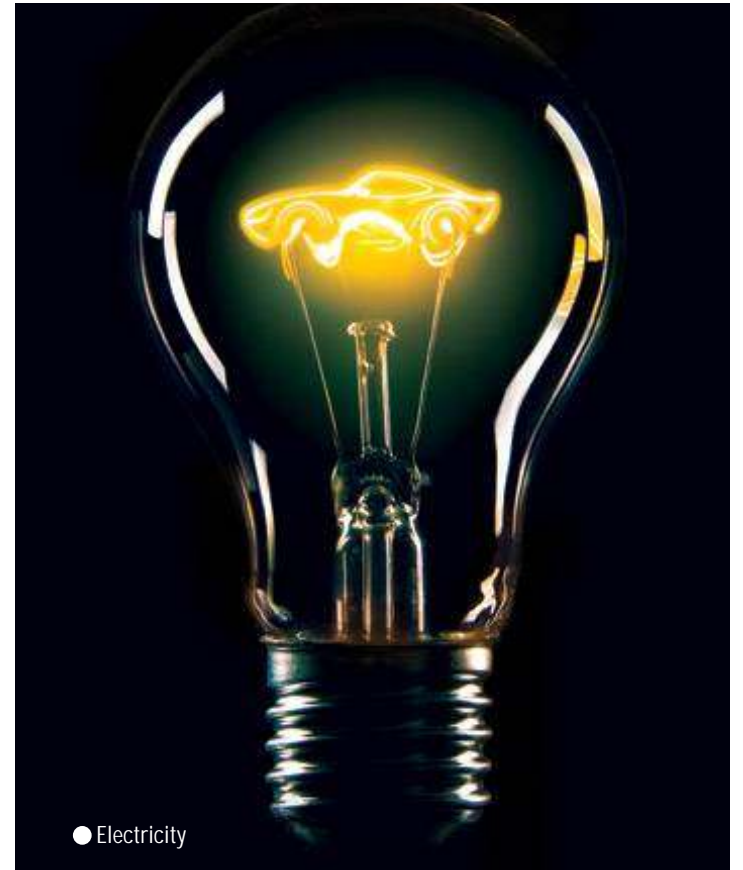
during a chat with journalists, said the future would be more electric and more digitised, hence, SE is prepared as it combines energy management, automation and software to serve four key markets - buildings, infrastructure, industry and IT - that collectively make up 70 percent of the world energy consumption.

To SE, more decarbonisation of the world's electricity is needed while the challenge in the next 40 years would be to increase energy consumption by 1.5 percent, reduce by half carbon dioxide emissions to address

climate change, and triple its efficiency.

"By 2050, we will have double of connected products than people in the world. This is so because today, one person has more than one phones, and before we pray in the morning, we first check our phones for updates. That is why we need to increase electricity capacity to cater for all these products on ground and for more of them that will be produced," he said.

To support his point for increased electricity capacity, he added that population in the cities will triple by 2050.



● Electricity

Banks seize assets of oil marketing firms over unpaid loans

CONTINUED FROM PAGE 01

resulted in massive job losses in the oil and gas industry as he maintained that the oil marketing companies, which are still in business, were struggling to survive.

He disclosed that the amount owed marketers in the last four years had not been paid, stressing that marketers had run out of cash and that their businesses were gradually dying as a result of lack of capital.

"No marketer can import petrol with the present price differential

"We cannot buy fuel at N174 per litre at the international market and government is forcing us to sell at N145 without paying the differentials.

"That was the reason we are urging the government to urgently embark on full deregulation of the sector to create free flow market and allow government to use the money to develop other sectors," Adewole said.

The marketer said that only the Nigerian National Petroleum Corporation, NNPC, imports fuel and then uses its discretion to allocate products to marketers, adding that if the business is deregulated, it would help government to invest the subsidy money into other sectors.

Also, the Chairman of South-West Chapel of the Nigeria Union of Petroleum and Natural Gas Workers, NUPENG, Mr. Tayo Aboyeji, told SweetcrudeReports that loading activities had been bad at most private depots.

Aboyeji attributed the situation to inability of the marketers to import petroleum products.

According to him, most tanker drivers had been lamenting low activities at the private depots due to non-payment of marketers' subsidy arrears, among other factors.



● NNPC building, Abuja

Finance

NPDC, PPMC drives NNPC to N17bn trading surplus

IKE AMOS

Abuja -- Enhanced performance by the Nigerian National Petroleum Corporation, NNPC's, upstream, midstream and downstream arms of the corporation has led the corporation to a N17 billion

trading surplus.

The improvement in NNPC's financial was also as a result of reduction in corporate headquarter's operational expenditure, the corporation said, adding that the trading surplus appreciated by 46.29 percent, rising by N5.43 billion to N17.16

billion in April 2018.

"This enhanced performance is attributable to robust revenues from sales of crude oil and petroleum products by the Nigerian Petroleum Development Company (NPDC) and the Petroleum Products Marketing Company (PPMC) as well as the upsurge in refineries' performance, particularly in the Port Harcourt Refining Company (PHRC)," NNPC's Group General Manager, Group Public Affairs Division, Mr. Ndu Ughamadu, said in a statement in Abuja.

Ughamadu further stated that average daily gas production for April 2018, stood at 8,054.46 billion cubic feet, bcf, out of which an average of 835.27 million metric standard cubic feet, mmscf, the equivalent of 3,283 megawatts, MW, of electricity, was supplied to the power sector daily during the period under review.

"The result when compared with that of April 2017, implies an increase of 496MW of power generated relative to the same period last year", Ughamadu noted.

Labour



Court dismisses dockworkers' suit over appointment letters

Port Harcourt -- The National Industrial Court of Nigeria, NICN, sitting in Port Harcourt, has dismissed a suit filed by dockworkers against Bua Ports and Terminal Operators Limited, over their inability to provide their permanent employment letters.

Recall that over 300 aggrieved dockworkers in BUA Ports and Terminal Operator Limited in

Port Harcourt seaport had dragged their employer, BUA PTOL, to court for allegedly disengaging them wrongfully instead of respecting the collective bargain agreement reached by the Federal Government, Nigerian Maritime Administration and Safety Agency, NIMASA, and Nigerian Ports Authority, NPA, on the basic wage for dockworkers.

The workers approached the industrial court to, among other things, ask the defendants to pay them all their entitlements arising from the payment of N33,000 as minimum wage for dockworkers.

The presiding judge, Justice Polycarp Hamma, who dismissed the suit for lack of merit, said the claimants (dockworkers) do not deserve what they asked for since they were not permanent staff of



● National Industrial Court of Nigeria

the company.

Justice Hamma, in the ruling, stated that the sacked workers have failed to establish that they had a relationship with the company which they sued, since they could not provide permanent appointment or employment letters to that regards.

According to him, there was no

way the court could grant them their prayers for the payment of the new minimum wage as being sought based on the temporary letter they submitted.

Speaking to newsmen after the court session, Counsel to the dockworkers, Barr. Uche Ogwudu, said he would study the judgment in order to advise his clients on way forward.

Celebrating Nigeria@58

HAPPY INDEPENDENCE DAY, NIGERIA!

Total remains proudly committed to Nigeria and Nigerian Content.
We believe that when Nigeria prospers, Total also prospers.

Nicolas Terraz,

Country Chair & Managing Director, Total Upstream Companies in Nigeria



PARTNERS:





African Ports and Harbours calls for multi-modal transport linkages

Lagos -- The African Regional Conference of the International Association of Ports and Harbours, IAPH, has called for the development of sustainable multi-modal transport linkages with emphasis on rail, inland waterways and pipeline infrastructure.

This is one of the recommendations of the conference, which held in Abuja.

The conference, hosted by the Nigerian Ports Authority, NPA, called on African countries to leverage on the support platforms provided by international bodies such as the International Maritime Organisation, IMO; World Trade Organisation, WTO; and the United Nations Conference on Trade and Development, UNCTAD and others to build technical, financial and operational competence and capacity to raise standards and efficiency levels.

A communique from the conference also urged African countries to "take advantage of opportunities afforded by infrastructural financial institutions such as AfDB, ADF and NTF to access funds required to address the menace of infrastructural deficits as it stressed "the need to build models that will domesticate environmental compliance processes with regard to the peculiarity of the African situation".

It also advocated Introduction

and strengthening of private sector participation, PPP, to improve dilapidated port infrastructure and efficiency in port operations as well as African ports developing the right capacity to take investment opportunities in landlocked countries.

To overcome the cumbersome and difficult experiences on intra-Africa trade route occasioned by heavy infrastructural deficit and unfriendly

border post procedures, it called for ministerial/inter-government collaborations across sub and regional levels.

The conference also urged, for the purposes of encouraging

funding, that port service providers form viable consortiums to provide the required size for credit guarantees.

The conference drew key stakeholders in port and harbours from across the African continent and other parts of the world.

The assembly of key experts and stakeholders in the port logistics and transport industry provided deeper understanding of the concept of port hinterland connectivity, assessing the present landscape of Africa's port sector and the challenges faced in hinterland connectivity.

Community



Wike urges communities to cooperate with investors for sustainable development

MKPOIKANA UDOMA

Port Harcourt -- Rivers State Governor, Nyesom Wike, has called on communities across the state to cooperate with willing investors to create employment opportunities for the people.

Governor Wike, who stated at the official opening of the largest

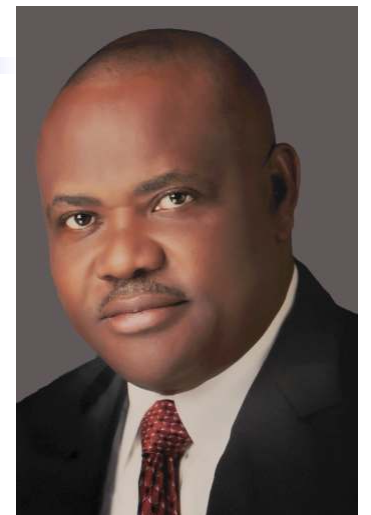
shopping centre in West Africa, Next Cash and Carry Mall, in Port Harcourt, commended Oginigba community for supporting the construction of the hypermarket complex.

He expressed happiness that the private investor that sited the complex in Port Harcourt and directed the Ministry of Works to compel the contractor handling

the road leading to the mall, to commence work immediately.

"I urge host communities to support and cooperate with investors to create jobs for our youths. When you protect investments, you encourage them to expand.

"For the management of Next Cash and Carry, I advise you to carry the host community along.



● Wike

Whatever you know they are entitled to, in terms of employment, ensure they get them.

"I am one of the happiest persons that this major facility is here. You have supported Rivers State by this singular action.

"I want to say, because you brought this major investment to Rivers State despite the negative propaganda, God will bless you," Governor Wike said.

Also, the Chairman of Next Cash and Carry Super Mall, Mr Ndibe Obi, said the mall would offer 1,000 direct and indirect jobs to people in the state, while 700 direct jobs will be created at the height of operations.

Participate in oil and gas activities, HOSTCON tasks women

Port Harcourt -- A group known as Host Communities of Nigeria, HOSTCON, has tasked women in the Niger Delta region to actively participate in oil and gas activities in the region.

The charge was given at the inauguration of Women's Wing of HOSTCON held in Port Harcourt, the Rivers State capital.

Rivers State Leader, Women's Wing of HOSTCON, Pastor Mercy Azuka Gani, who lamented the continuous neglect of women in oil and gas activities, explained that women constitute greater percentage of persons affected by the oil exploration and exploitation activities.

Gani added that the situation has necessitated the need for women to be involved and carried along in the development of the oil and gas sector.

She further explained that the formation of the women wing of HOSTCON was imperative as women are the catalysts of development and not sponsors and agents of economic sabotage.



● Oil platform

"Apart from Aba women riot of 1929 which many now consider as history, the disruption and stoppage of oil exploration and exploitation activities in Rumuekpe in 1991, Ogoniland 1993 and most recently at K-Dere in 2018, attests to the fact that women are key players and so should be carried along in the scheme of things for the development of the oil and gas sector.

"HOSTCON Women Wing is poised to mobilise, educate and sensitise women from oil and gas

host communities to be awake to their responsibilities socially, politically and economically to support fair and genuine development in their communities," she said.

Also, the national chairman of HOSTCON, Dr Mike Emuh,

commended the Rivers women of the group, for being the first women wing of HOSTCON to be inaugurated.

Emuh disclosed that the group was inaugurated in 2002 as grassroots mass movement to advocate for rights and privileges associated with oil and gas exploration without the use of violence.

World's tallest floating wind turbines to be powered by ABB transformers

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designed to fit into the tower of offshore turbines.

These 66 kilovolts, kV, transformers for floating applications, present an important opportunity to facilitate offshore wind farms installed in deeper water. Traditional wind turbines are not viable in deeper waters and require expensive and difficult-to-install subsea infrastructure. The 66 kV voltage level is the highest wind turbine rating in the industry, allowing for significant reduction in transfer

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