

Gas production data: NEITI indicts Britannia-U, Allied Energy, 4 others

Abuja -- The Nigeria Extractive Industries Transparency Initiative, NEITI, has accused six companies of failing to provide gas production data to enable it determine the volume of gas flared by the companies and the fines to be paid by them.

Report released recently, NEITI listed the defaulting companies as Britannia U, Allied Energy, Atlas, NewCross, Prime Exploration and Production, as well as Sheba Exploration and Production company.

NEITI also disclosed that outstanding gas flare liability as at 2016 stood at \$6.23 million, while

it noted that gas flare penalty payments are still recurring issues.

The NEITI report stated that total payments from gas flared penalty in 2016 were \$8.799 million, as against \$12.683 million received in 2015, representing a 30.62 per cent reduction.

The report added that total

volume of gas flared in 2016 was 288.209 billion Standard Cubic Feet, SCF, representing 9.45 per cent of the total gas produced, that is, 3.05 million SCF in 2016.

It said, "The outstanding liability on gas flared penalty as at December 31, 2016 is \$3.63 million. However, the entities did not provide evidence as to

whether the outstanding has been offset subsequently."

The NEITI report said the Federal Government should enforce the new gas flared regime to deter gas flared on the one hand and promote investment in gas utilisation

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WEEKLY

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JAN-04	53.40
DEC-28	51.34
DEC-21	55.20
DEC-14	59.05
DEC-07	59.95
NOV-30	58.80
NOV-23	62.83
NOV-16	66.52
NOV-09	70.51

Daily | Weekly | Monthly | Yearly **60.93US\$**



African oil producers to raise \$2bn to finance energy projects

IKE AMOS

Abuja -- The African Petroleum Producers Organisation, APPO, has announced plans to set up a new financing body, called the African Energy Investment Corporation, that would mobilise between \$1 billion and \$2 billion, to address the issue of infrastructure financing and collaboration among oil producing countries in the continent.

Revealing this at the Nigeria International Petroleum Summit in Abuja, Minister of State for Petroleum Resources, Dr. Ibe Kachikwu, said APPO member nations were concerned about the lack of collaboration in the continent, adding that it had become expedient for the countries to partner to drive

development in the continent.

He said: "We are presently looking at expanding the role of a particular financing body we are going to be calling the African Energy Investment Corporation. The whole idea is to mobilise between \$1 billion and \$2 billion of resources to fund all the essentials necessary for us to properly collaborate."

"Today, most African countries are silos, everybody does their own thing; you build your own refineries, plants, gas turbines etc. If we could just cross the Rubicon and be able to extend



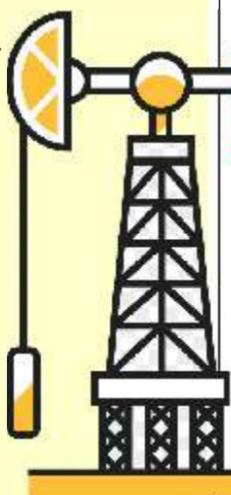
Oil rig and barrels of crude oil

UNEP sets up office to monitor Ogoni clean-up

MKPOIKANA UDOMA

Port Harcourt -- The United Nations Environment Programme, UNEP, will set up an office in Port Harcourt to monitor the progress of the ongoing implementation of its report on the environmental impact study in Ogoniland.

UNEP recommended in the study in 2011, the clean-up of Ogoniland, which is now



Nigeria named among deepwater oil producers to watch in 2019 ...Global deepwater production to surpass 10mb/d

OPEOLUWANI AKINTAYO

Lagos -- Research firm, Rystad Energy, has named Nigeria among the biggest deepwater oil producers to watch out for this year.

In a research note released recently, it said new fields will come up Nigeria, Brazil, the US, Angola and Norway, making the five countries the largest deepwater producers in 2019.

It said deepwater production will reach record high level and surpass 10 million bb/d.

"With new fields starting up in Brazil and Gulf of Mexico, we expect the total deepwater liquid production to reach 10.3 million b/d (barrels per day) in 2019" - this is an increase of 700,000b/d compared to 2018.

Already, Total's Egina field in Nigeria produced its first oil - 150, 000 barrels per day - in December. The crude grade found its way into January loading. The field is expected to produce 200, 000b/d at full

hands of infrastructural relationship across Africa; build joint pipeline, plants and refineries; begin to protect the

African market, we would have taken a huge step, not only in the development of Africa, but to the stabilisation of independent countries.

"We have finished that meeting and signed on to resolutions that endorsed all the changes that we have suggested. We are now going to move on to the implementation stages."

Kachikwu noted that unless African countries collaborate and get their policies, market place collaborative mechanisms and infrastructure right, they would face a huge amount of challenge in the competition for the very scarce resources and

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African oil producers must collaborate to remain competitive - Baru

OPEOLUWANI AKINTAYO

Lagos -- Group Managing Director of the Nigerian National Petroleum Corporation, NNPC, Dr. Maikanti Baru, says African oil producers must collaborate in the area of oil and gas infrastructure in order to remain competitive on the global stage.

Proposing the collaboration at the recent Nigerian International Petroleum Summit, NIPS, in Abuja, Baru said cross-nation collaboration among oil producing countries in Africa was essential to convert the challenges in the oil and gas sectors of individual countries to opportunities for economic growth.

He listed other areas of

possible collaboration to include legal and regulatory framework, noting that synergy in these areas could enhance the abundant opportunities inherent in the new oil and gas discoveries across many countries in Africa.

According to him, the huge opportunities in the African oil and gas industry would not be fully tapped if African countries fail to address critical issues of lack of infrastructure, legal and regulatory impediments, and transparency issues.

Citing the proposed Nigeria-Morocco Gas Pipeline as an example of the type of infrastructural collaboration needed across the continent, the NNPC helmsman disclosed that the project would traverse at least



● Baru

fifteen West-African countries with intake and offtake points in the various countries before the pipeline links with the existing Maghreb-Europe Gas Pipeline in northern Morocco.

Nigeria imports 23mt of LPG from Argentina



Gas

IKE AMOS

Abuja -- Nigeria imported 23.2 million metric tonnes of Liquefied Petroleum Gas, also known as cooking gas, from Argentina in December 2018.

According to data released by the Petroleum Products Pricing Regulatory Agency, PPPRA, this is part of the overall 42.09 million metric tonnes of LPG imported by the country during the month.

According to the PPPRA in its 'LPG Vessel Receipt and Discharge Data for December 2018', product from Argentina represented 26.61 per cent of total LPG supplied in the period

under review.

Import from other destinations, including the United States, stood at 18.89 million metric tonnes, representing 21.67 per cent of total LPG supplied in the country in the month under review.

The PPPRA disclosed that while the country imported 48.27 per cent of total LPG supplied in the country in the month under review, total LPG supplied was 87.19 million, both from domestic and foreign sources.

Of the total 87.19 million metric tonnes of LPG supplied in the country in December, 48.27 per cent came through import, while

51.7 per cent was sourced from both local and unlisted sources.

Furthermore, from local sources, the PPPRA report noted that 34.38 million metric tonnes of LPG was supplied by the Nigerian Liquefied Natural Gas Company, NLNG, from its Bonny terminal, representing 39.4 per cent of total LPG supplied in the month under review.

Two unlisted sources accounted for 3.86 million metric tonnes and 6.86 million metric tonnes of LPG, bringing their combined supplies to 10.72 million metric tonnes, representing 12.3 per cent of total LPG supplied in the month.

Power



Applications open for USADF, All On 2019 off-grid energy challenge

Lagos -- The U.S. African Development Foundation, USADF, and All On have opened the application window for the 2019 Nigeria Off-Grid Energy Challenge, which will provide up to \$100,000 in blended finance per enterprise for the successful applicants.

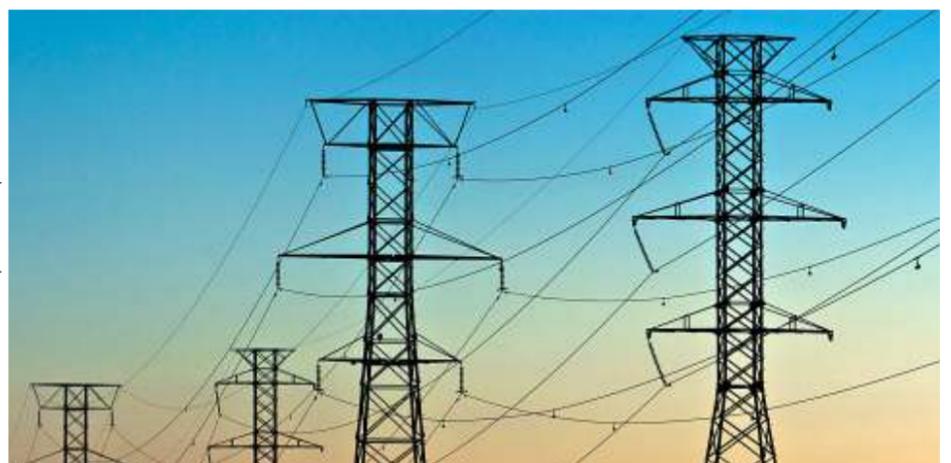
USADF is a founding member of Power Africa and an independent U.S. Government agency established by Congress to support and invest in African owned and led enterprises. On the other hand, All On is an investment company backed by Shell, investing in off-grid energy solution providers in Nigeria.

The challenge is a multi-year partnership to identify and help scale innovative off-grid solutions to "power up" underserved areas in Nigeria.

Now in the second year of an initial three-year partnership, the parties will jointly provide funding to 100% African owned and operated small and medium enterprises that improve energy access through off-grid energy solutions spanning solar, wind, hydro, biomass and gas technologies.

The enterprises may be developers of their own technology and/or acquiring and implementing technologies developed elsewhere.

● National grid



African oil producers to raise \$2bn to finance energy projects

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scarce capital.

He added that Nigeria has one of the best skill sets in the petroleum industry in the world and was looking at leveraging on this advantage to grow the African petroleum industry and promote collaboration.

He said: "Our skill sets are unbelievable. Over 90 per cent of the oil majors' workforce are Nigerians. This means that some of the best skill sets are here. One of the things I find going into the NNPC in 2015, was that every detail of capability that you need to run a global company sat in NNPC. They are very trained, very well exposed. We have issues in terms of policies, but in terms of skill sets, we are solid.

"Where better to begin to show skills than here. We are hoping that with the collaborative spirit we are beginning to build, we would be able to export some of these to Africa; sit down with some of those countries coming into oil production for the first time; get some of our local participants and investors to begin to get into those countries

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and infrastructure development, while it added that covered entities should be encouraged to provide relevant data as at when due to ease reconciliation.

The report added that the Nigerian National Petroleum Corporation, NNPC, deducted first line charge of N60.997 billion for crude and product oil losses; N112.818 billion for pipeline repairs and maintenance; and N316.721 billion for subsidy deduction.

It cautioned the NNPC on the need to adhere to the provision of the constitution of the Federal Republic of Nigeria 1999, and the framework of the Petroleum Support Fund, PSF, while it noted that the first-line deduction should be as appropriated.

UNEP sets up office to monitor Ogoni clean-up

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ongoing.

A representative of the agency, Mike Cowing, stated this when he led a UNEP delegation in conjunction with the Hydrocarbon Pollution Remediation Project, HYPREP, to the palace of the Chairman, Supreme Council of Ogoni Traditional Rulers, King Godwin Giniwa, in Korokoro, Tai Local Government Area of Rivers State.

Cowing announced that the office would be set up in March, shortly after the country's general election, and that it would be manned by Nigerian and international staff members.

He said UNEP would be partnering as well as training HYPREP staff for a period of 12 months both in Nigeria and in Europe on methodology in field remediation and to ensure that the recommendations UNEP made in its report in 2011 on Ogoni clean-up were successfully implemented.

"We will supervised training and monitor the clean-up to enable the implementation of the report to the later.

"We will establish UNEP office in Port Harcourt in March, after elections. We will be monitoring, partnering and training of HYPREP staff, both here in Nigeria and in Europe on how to monitor the clean-up," he said.

Cowing added: "Wherever there is a need, UNEP will be assisting HYPREP. We will be bringing in a team of water and soil sediment scientists and public health specialists to complement and supplement the expertise already in HYPREP.

"It is going to be a joint initiative between the two entities to make sure the contaminated sites of Ogoniland are remediate to a desirable standard.

"We are also looking forward to partnering with the communities to ensure the clean-up is successful."



Fashola lauds power sector stakeholders over safety compliance

Lagos -- The Minister of Power, Works and Housing, Mr. Babatunde Fashola, has commended stakeholders in the power sector for coming together to drive safety compliance geared towards stability of the industry.

Fashola gave the commendation at the official commissioning of the upgraded and remodeled Chemical and Engineering

Laboratory by the Nigerian Electricity Management Services Agency, NEMSA, in Lagos.

According to him, he is gratified by the presence of many stakeholders within the value chain, ensuring an all-round safety which is important to the industry.

"This is now an upgraded and properly fitted laboratory to help the agency in enforcing compliance in the

power sector.

"This will also make them do the jobs effectively now that they have tools. We hope there will be an improvement in all the operators' compliance conducts.

"This laboratory will help to enforce compliance in the power sector in the area of power equipment certification and standardisation.

"It will also translate to better service delivery," he said.



● Electricity workers

Nigeria named among deepwater oil producers to watch in 2019

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capacity.

Total will also formally approve to continue with the Ikike project - another Nigerian asset - in the first quarter of the year, according to its chief executive officer, Patrick Pouyanne, who said Total sees vast potential in Nigeria and would waste no time in proceeding with the project.



● Electricity workers



Labour

Kaduna Electric, labour sign conditions of service, procedural agreements

Kaduna -- The management of Kaduna Electric has signed the conditions of service and procedural agreements with the two trade unions operating in the company.

The unions are the Senior Staff Association of Electricity and Allied Companies, SSAEAC, and the Nigerian Union of Electricity Employees, NUEE.

The management, at the signing ceremony, reiterated its commitment not to leave any

stone unturned in building a highly-motivated and result-driven workforce through provision of comprehensive welfare package and other necessary incentives to attract the best talents in the industry.

The Managing Director/Chief Executive Officer of the company, Engr. Garba Haruna, who described himself as a member of the labour unions, called on the leadership of the labour movements as well as the

generality of the workers to focus their attention and energy on addressing the wide revenue deficit currently existing in the company.

He disclosed that the investors have the interest of the workers at heart and demanded more commitment and dedication from them to enable the company meet its obligations to the electricity market and improve on the current staff welfare package.

The leadership of the labour

unions, Comrade Nasiru Dembo of SSAEAC and Comrade Joe Ajaero of NUEE commended the management for staying the course and patiently ensuring the success of the exercise.

High point of the event was the signing of the agreements by the managing director of company representing the Management and Comrades Ajaero and Dembo, representing NUEE and SSAEAC, respectively.

Goldman Sachs tops global M&A financial advisers table in Oil & Gas

Goldman Sachs has claimed the top position in the latest M&A league table of the top 10 financial advisers for the Oil & Gas sector for FY 2018, compiled by leading data analytics company GlobalData.

The American bank scored the top rank with a deal value of \$151.8bn, with 46 deals advised during the quarter - which incidentally was also the highest in terms of volume. Barclays stood second with \$143.5bn earned on the strength of 32 deals.

Praveen Karnati, Financial Deals Analyst at GlobalData, said: "Goldman Sachs emerged as the top financial adviser in the oil and gas sector, mainly bolstered by two mega deals - Marathon Petroleum's acquisition of Andeavor for \$35.6bn and BP's acquisition of Petrohawk Energy from BHP for \$10.5bn."

Global Oil & Gas deals market FY 2018

The Oil & Gas sector increased by nearly 40% in value from \$388.0bn in FY2017 to \$541.0bn in FY2018; however, volume rise was sedentary, with only about 3% increase between the years under review.

Finance



Shell records highest profit since 2014

Lagos -- Royal Dutch Shell recorded \$21.4 billion profit for 2018 operating year, representing a 36 percent jump and the company's highest profit since 2014.

The sharp rise in profit was as a result of cost cuttings during the oil price slump of 2014, trading in natural gas and higher oil prices last year.

However, despite the high profit recorded during the year under review, the company said it is skeptical about spending and investments this year due to uncertainties in oil prices.

After oil prices crashed to below \$30 per barrel in 2014

upwards, prices later rallied to over \$87 in October 2018. Prices have since dropped to about \$60 per barrel so far this year.

Shell said it would focus on businesses such as deepwater oil and liquefied natural gas.

"We delivered on our promises for the year, including the completion of the \$30 billion divestment program and starting up key



growth projects while maintaining discipline on capital investment," CEO Ben van Beurden said in a statement.

"We will continue with a strong delivery focus in 2019, with a disciplined approach to capital investment and growing both our cash flow and returns."

Shell's cash flow from operations in the fourth quarter rose to \$22 billion,

boosted by a \$9 billion working capital movement, which brought the annual figure to \$53 billion.

Free cash flow - cash available to pay for dividends and share buybacks - rose to \$39.4 billion from \$27.6 billion in 2017.



Nigeria plotting return to international shipping - Hassan Bello

Lagos -- The Executive Secretary of Nigeria Shippers' Council, Mr. Hassan Bello, has revealed Federal Government's plan to return the country to international shipping.

Bello, who doubles as chairman, Nigerian Fleet Implementation Committee, NFIC, the Vice President, Prof Yemi Osinbajo has directed the NFIC and the Nigerian Investment Promotion Commission, NIPC, to review an existing proposal on the plan and work out the details of incentives that would make the plan work.

According to the executive secretary, the vice president also requested for a holistic and credible approach to address the issue and for the proposal to be represented for consideration and approval.

With the directive from the vice president, Bello said the committee has held meetings with the NIPC to work out the modalities for the granting and implementation of incentives to achieve the development and sustainability of the national

fleet.

He said the vice president equally charged his committee to identify partnerships, benefits and the role of the private sector in achieving the Nigerian fleet project.

Also, Bello lamented that oil

rigs in Nigeria waters and the vessels which service them are owned and controlled by foreigners. He said even the vessels involved in coastal trade and inland waterways covered by the Cabotage Act are mostly controlled by foreign ship owners.



● Cargo ship

CSA 2020 says port discharge rules should be based on scientific facts



● Tin Can port

Lagos — The Clean Shipping Alliance, CSA, 2020 has called on the global maritime industry not to single out scrubber wash waters when coastal states and port authorities adopt local regulations to lessen the impact of ship operations on their ports and harbours.

Responding to reports that coastal states and ports are implementing rules that "restrict the discharge of wash waters", the shipowners' association says that most ports and harbours already have discharge requirements which have been in place for years.

Citing Belgium, which imposed a general ban on all water discharges from ships in 1971, and Germany, which in 2009 placed restrictions on the Rhine and its inland waterways, Ian Adams, Executive Director, CSA 2020, said: "Ports have the right to mandate their own requirements and it is commonplace for local administrations to continually assess their ship discharge requirements. But to link these decisions to sensationalist statements in the scrubber debate, without any reference to scientific data, is unfounded, unreasonable and impacts port clients while perpetuating the spread of factually incorrect information.

Michael Kaczmarek, Senior Vice-President, at Carnival Corporation, a member of the Clean Shipping Alliance, said: "It is understandable the discharge of scrubber wash waters will figure in some local discharge discussions and these rules may currently differ from one place to the next. However, we strongly encourage any port considering a restriction to first investigate the existing data before creating such an impact on their shipping clients.

Communities decry NDDC neglect despite 15% oil, gas revenue contribution



● Niger Delta Community

MKPOIKANA UDOMA

Port Harcourt -- A group known as Ekpeye Elites, has said that Ekpeye ethnic nationality in Rivers State contributes 15 percent of Nigeria's oil and gas revenue, thus deserved due recognition and patronage by the Niger Delta Development Commission, NDDC.

The leader of the group, Dr. Chigbo Sam-Eligwe, who stated this when the group paid a courtesy visit to the NDDC headquarters in Port Harcourt, said 'Ekpeye nation' was contributing immensely to the oil and gas wealth of the country.

Sam-Eligwe claimed that Ekpeye ethnic nationality, which are in Ahoada-East and Ahoada-West Local Government Areas of

the state, was the third largest oil and gas producing area in Rivers State.

He said Ekpeye communities had been peaceful, shunning violent agitations which had ensured a safe environment for the exploration and exploitation of oil resources in the area, yet the communities have faced neglect by NDDC.

According to him, "Ekpeye nation is the third largest oil and gas producing area in Rivers State, with a production capacity of about 15 percent of the total oil and gas revenue of Nigeria, with several pipelines conveying crude oil and gas traversing Ekpeye land and communities.

"This abject neglect is glaringly reflected in the current NDDC budget, where out of a list of

about 900 projects in the mandate states, only one paltry and insignificant project of construction and equipping of a science laboratory of the Community Secondary School, Edeoha, Ahoada East Local Government Area, was included."

He appealed for more infrastructural projects such as rural electrification, roads, and bridges. He also called attention to the plight of the Internally Displaced Persons who, he said, had been rendered homeless and had lost their sources of

livelihood due to the damages occasioned by continuous flood on their farms, homes, and properties.

Responding, Chairman of the Governing Board of NDDC, Sen. Victor Ndoma-Egba, commended communities of the Ekpeye ethnic nationality in Rivers State for embracing dialogue in their quest for development.

Sen. Ndoma-Egba said considering the enormous

Community

Kokodiagbene community asks Chevron to provide electricity, water

Warri, Delta State -- Chevron has been urged to provide electricity and potable water for Kokodiagbene community, Gbaramatu kingdom, Warri South Local Government Area of Delta State, from the power plant at its Utonana flow station.

The community, in a letter signed by its chairman, Mr. Uyadoghan Powede, and General Secretary, Mr. Timiyan Jackson, enjoined the oil

company to construct a water scheme in the area to make the people have access to potable drinking water.

The letter, addressed to the Chairman/Chief Executive Officer of Chevron, Mr. Michael Wirth, said the community had not benefitted from the long years of oil exploration by the company in the area, warning that it should not be forced to demand these with protests.

EDITOR
Chuks ISIWU

WEBSITE:
www.sweetcrudereports.com

ENQUIRIES: +234 8135057899, email: chuks@sweetcrudereports.com
Sweetcrude Limited, Plot 2191 Osiefa Crescent,
GRA, Amuwo Odofin, Lagos.

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