- Nigeria -

*Tomorrow e go betta!*

( Tomorrow will be better! )

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SPTEC Advisory – 2016 Country Review

Issued February 2017
Table of Contents

Outline

Available Compilations

Key Notes

Oil & Gas Reserves Estimates

Nigeria 2016 Press Articles

About SPTEC Advisory
About SPTEC Advisory

SPTEC Advisory was established in 1994 as an independent advisory firm focusing on the Oil & Gas industry in Africa and the Middle-East.

We deliver un-biased advice supported by in-depth knowledge of the sector value chain.

We have developed a comprehensive technical and economic understanding of assets and business models.

The team has been involved in numerous transactions in the industry and has demonstrated the capability to deliver outstanding execution and in-depth advice to clients.

Our client base includes corporations, financial institutions, governments and individuals within our focus industry.

SPTEC Advisory’s management has an extensive network of relationships with access to global industry leaders and decision makers.

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Outline

2016 - a challenging year for the country

2016 was a challenging year for the Nigerian oil and gas industry. The year started with global oil prices dipping below $28/bbl. As the year went on, prices did improve but no month traded an average of $50.

It had significant influence on Nigeria, who heavily depends on oil and gas revenue for its budget and exports. Revenue from oil and gas accounted for 47% of Nigeria’s total government revenue and more than 95% of Nigeria’s total exports in 2015\(^1\).

This resulted in a decline in the foreign exchange reserves. In 2016, the exchange rate went from the 200 NGN/USD to more than 300NGN/USD officially. In the parallel market, the exchange rate was even higher, reaching 500 NGN/USD at some point\(^2\).

The Oil and Gas industry also suffered during this period as shown by the declining active rig count in the country for which 2016 was a decade record low. The monthly average rig count decreased from 16 in 2013 to 6 in 2016. Hence not only were oil prices low and militant activity high, investments into the sector were not happening.

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1 Data from International Monetary Fund, Nigeria, country report
2 Data from Investing.com
**Indigenous companies**, after buying international companies’ onshore and shallow water assets in the **Niger Delta**, suffered from their **indebted balance sheets**. With this year’s oil price drop, concerns were raised about the companies’ ability to survive the **drop of cash flow from assets**.

Besides, **NNPC’s difficulties to meet its funding obligations** to joint venture operations and uncertainty in the operating environment to a **delayed Petroleum Industry Bill (PIB)** made the situation in Nigeria worrying for some investors.

**Government measures to tackle challenges**

Faced with the recent challenges, the government has been **taking measures** to improve the investment environment of Nigeria.

Corruption has always been the biggest problem at Nigerian National Petroleum Corporation (NNPC). On 2015, Muhammadu Buhari was appointed the New President of NNPC, who has built his reputation on being less tolerant of the corruption. To **tackle with the corruption**, he **fired several the company’s senior officials** to **overhaul the NNPC**. On 2016, President Buhari announced policies **unfavorable to amnesty beneficiaries**. He also **discontinued the infrastructure protection** contracts with former militants.

On April 2016, the Federal Government was determined to **cut the contracting cycle** in the country’s oil and gas industry from the current average period of two to four years, **to just six months**. The long contracting cycle used to be a major challenge to the Nigeria’s oil productivity. The government believed that this measure will make it easier to do business.

Crude oil production in Nigeria peaked at 2.44 million b/d in 2005, but it began to decline significantly as **violence from militant groups** surged, resulting in the frequent announcement of **Force Majeure** by the companies. On August 2016, the Nigerian government **entered into negotiation with the leaders of the militants** of the Niger-Delta region which resulted in a ceasefire. This was short-lived however as by the time the year was drawing to a close, the militants were back blowing up more oil and gas installations. But the Nigerian Army is working to investigate these cases and restore peace to affected areas.

**Window of opportunities in the country**

Despite the challenges, Nigeria presents a host of strengths in oil and gas industry:

In 2016, Nigeria lost its status as the largest oil producer in Africa to Angola³. Nevertheless, it holds the **largest natural gas reserves** on the continent. It was the world’s **fourth-largest exporter of LNG** in 2015. The country mainly produces high value low sulphur content light crude oils, and generally trades at a premium to Brent crude.

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³ From website of Organization of Petroleum-Exporting Countries (OPEC)
Nigeria is also the most **populous country** in Africa and the seventh most populous country in the world. It ranks first in labor force in Africa.

**Oil extraction costs in Nigeria are also favorable for investors**, with the Unit Technical Cost of oil onshore the Niger Delta coming in at around $30 per barrel, which is approximately $20 per barrel cheaper than in regions such as the North Sea, according to Kazeem Raimi, Seplat Petroleum Development Company Corporate Planning Manager. This suggests that, even at a $50-per-barrel oil price, the cost and potential profit margins of oil extraction and production operations from certain areas of Nigeria would still be highly worthwhile.

Even though the situation was quite difficult, the oil and gas industry of Nigeria has been active and managed to attract some foreign investments, which showed the potentials of the industry:

- San Leon Energy has completed a 9.72% indirect stake in Nigeria’s onshore Oil Mining Licence (OML) 18;
- Eland Oil & Gas PLC, mainly operating in Nigeria, completed equity raise to support the operation with OML 40 license;
- Nigeria signed oil and gas infrastructure agreements worth $80 billion with Chinese companies.

Nigeria presents compelling advantages for those looking to invest in oil and gas opportunities within the country. The strengths and opportunities Nigeria presents outweigh the challenges according to many investors.

To overcome challenges in Nigeria, companies must adopt a specific approach to the country and "with risks minimized, investors will extract significant value and achieve high return on investment", as commented by Kazeem Raimi, Seplat Petroleum Development Company Corporate Planning Manager⁴.

2017 is poised to see Nigeria back to the front scene with huge potential for local players and new entrants.

As Alhaji Aliko Dangote, Chairman of Dangote Group said, “I will never shy away from investing in Nigeria economy as my company. Nigeria still remains the best place to invest in the world”⁵.

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⁴ From Rigzone, August 10.
⁵ From Vanguard, April 11.
Available Compilations

✓ North Africa (Algeria, Morocco, Tunisia, Egypt)
✓ East Africa (Tanzania, Ethiopia, Uganda, Kenya, Sudan)
✓ West Africa (Ghana, Gabon, Cameroon, Cote d'Ivoire, Mauritania)
✓ Austral Africa (Angola, Namibia, South Africa)
✓ Middle East (Kurdistan, Oman, Kuwait, Saudi Arabia, UAE)
✓ Mozambique
✓ Nigeria
✓ Iran
✓ Iraq

Compilations can be requested through contact@sptec-advisory.com
Key Quotes

“The country lost as much as $100 bn in revenue in 2016 as attacks by militants in the Niger Delta Area” – Dr Ibe Kachikwu, Minister of State for Petroleum Resources, February 15, 2017

“Nigeria needs investment of $35.4 billion in gas exploration, production, power and fertilizer plants, as well as a virtual pipeline system and flare gas” – Maikanti Baru, NNPC Managing Director, November 01, 2016

“Nigeria’s crude oil production has increased by 280,700 barrels per day (bpd) from the 1.104 million bpd recorded in August to 1.385 million bpd in September.” – Bloomberg, October 14, 2016

“With risks minimized, investors will extract significant value and achieve high return on investment” – Kazeem Raimi, Seplat Petroleum Development Company Corporate Planning Manager, August 10, 2016

“With the declaration of force majeure on Bonny Light exports by Shell Petroleum Development Company of Nigeria Limited, about 400,000 barrels per day of Nigeria’s production has now been shut in. Force majeure is a legal clause that allows an oil firm to stop shipments without breaching contracts.” – Punch, May 12, 2016

“I will never shy away from investing in Nigeria economy as my company. Nigeria still remains the best place to invest in the world” – Alhaji Aliko Dangote, Chairman of Dangote Group, April 11, 2016
Natural Oil & Gas reserves Estimates

Nigeria holds the world's eleventh-largest proven crude oil proved reserves. The country's total in-place oil reserves have been estimated at more than 37.1 billion barrels⁶.

World Oil Reserves: 1 698 bn bbls

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Reserves</th>
<th>R/P (yrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Venezuela</td>
<td>78</td>
<td>223</td>
</tr>
<tr>
<td>2</td>
<td>Saudi Arabia</td>
<td>267</td>
<td>(1)</td>
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<tr>
<td>3</td>
<td>Canada</td>
<td>6</td>
<td>166</td>
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<td>4</td>
<td>Iran</td>
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<td>12</td>
<td>Kazakhstan</td>
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</tbody>
</table>

(1) Extra heavy oil
(2) Oil sands

⁶ BP Statistical Review (2016)
Nigeria’s role as a major natural gas player is due to their large base of proved natural gas reserves and importance as a natural gas exporter. As of 2016, Nigeria had 180.5 bcf of proved natural gas reserves. This gave them the ninth most proved natural gas reserves in the world and the most proved reserves in Africa⁷.

### World Gas Reserves: 6 600 tcf.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>Proved Natural Gas Reserves (bcf)</th>
<th>R/P (%)</th>
<th>R/P (Yrs)</th>
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<td>Iran</td>
<td>1201</td>
<td>18.2%</td>
<td>176.8</td>
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<td>2</td>
<td>Russia</td>
<td>1140</td>
<td>17.3%</td>
<td>56.3</td>
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<td>3</td>
<td>Qatar</td>
<td>866</td>
<td>13.1%</td>
<td>135.2</td>
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<td>4</td>
<td>Turkmenistan</td>
<td>617</td>
<td>9.4%</td>
<td>241.4</td>
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<td>5</td>
<td>USA</td>
<td>389</td>
<td>5.6%</td>
<td>13.6</td>
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<tr>
<td>6</td>
<td>Saudi Arabia</td>
<td>294</td>
<td>4.5%</td>
<td>78.2</td>
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<td>7</td>
<td>UAE</td>
<td>215</td>
<td>3.3%</td>
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<td>Nigeria</td>
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<td>102.1</td>
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<td>12</td>
<td>Iraq</td>
<td>131</td>
<td>2.0%</td>
<td>n/a</td>
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</tbody>
</table>

⁷ BP Statistical Review (2016)
Nigeria

2016 Press Articles
DECEMBER

The Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), Dr. Maikanti Kacalla Baru has vowed to improve reserves and production capacity of the Corporation’s Exploration & Production subsidiary – the Nigerian Petroleum Development Company (NPDC), NTA News reports. Dr. Baru made this known during a courtesy call on the Governor of Edo State, Mr. Godwin Obaseki at the Government House in Benin City, Wednesday. The GMD who described NPDC as showing a “conspicuously excellent growth in its proven reserves” emphasized the need to expand the company’s footprints within the nation’s upstream sub-sector of the nation’s oil and gas industry. (Selected by SPTEC Advisory from Energy Mix, December 01)

The Deputy governor of Benue State, Engr Benson Abounu, has called on the Nigerian National Petroleum Corporation (NNPC) and the federal government to intensify the search for oil in the state. The search was first done by Chevron Nig Ltd in the 1960s. President Muhammadu Buhari in August ordered the Nigerian National Petroleum Corporation to search for oil in Benue State. Engr Abounu spoke at Otukpo while receiving the Apa local government Sole administrator, Danjuma Solomon who came to brief him on the discovery of oil seepage in his local government area and the further discovery of exploratory oil wells drilled in the 1960s by Chevron. (Selected by SPTEC Advisory from The Daily Post, December 04)

Nigeria lost $535.07 million, about N163.33 billion to gas flaring in nine months, as the Nigerian National Petroleum Corporation, NNPC, international and indigenous oil companies flared 176.59 billion Standard Cubic Feet (SCF) of gas between January and September 2016. This was according to the NNPC’s Monthly Financial and Operations Report for the Month of September 2016. Using the NNPC’s current gas price of $3.03 per 1,000 SCF of gas and the Central Bank of Nigeria’s, CBN, current exchange rate of N305.25 to the dollar, 176.59 billion SCF of gas flared translates to a loss of N163.33 billion ($535.07 million) to the country. (Selected by SPTEC Advisory from Vanguard Nigeria, December 05)

The Nigerian National Petroleum Corporation (NNPC) and Total E&P Nigeria Limited (TEPNG) joint venture has begun gas supply to the Alaoji Power Plant owned by the Niger Delta Power Holding Company within the Eastern Grid Domestic Gas market, Leadership reports. The gas supply follows the completion and start up of the Obite-Ubeta-Rumuji pipeline (O-U-R) and the Northern Option Pipeline (NOPL), Projects by the NNPC/TEPNG Joint Venture in August 2016. These two critical gas infrastructures are part of the ambitious OML 58 upgrade initiative to increase oil and gas production, improve integrity of the facilities and eliminate flaring from the mature onshore field. (Selected by SPTEC Advisory from Energy Mix Report, December 05)
The Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), Dr. Maikanti Kacalla Baru, has restated the need for the establishment of a national fleet, saying that Nigeria loses $6,165,800,104 billion annually to foreign shipowners in the upstream sector through lifting crude, The Sun reports. Addressing the Shipowners Association of Nigeria (SOAN) in Lagos, the NNPC GMD, who was represented by the Group Executive Director, Downstream of NNPC, Mr. Henry Obi, told the shipowners that the establishment of the national fleet should not be considered solely the responsibility of government but that such a project for crude oil afreightment would help the country save some of the foreign exchange paid to foreign shipowners. According to him, a total of 771,689,625bbl (107,179,115mt) of crude oil was lifted from Nigeria in 2015. (Selected by SPTEC Advisory from Energy Mix Report, December 05)

Panoro Energy has filed a request for arbitration against its joint venture partners in OML 113 off Nigeria due to a cash call notice for a new well on the Aje field. Panoro, through its fully owned subsidiary Pan Petroleum Aje Limited (PPAL), holds 6.502% participation interest in OML 113. The partners in the license are the Nigerian oil company Yinka Folawiyo Petroleum, the operator, New Age, Energy Equity Resources, and Jacka Resources. Following the announcement made by Panoro on December 5, 2016, in respect of an interim injunction granted to PPAL against its joint venture partners by the English High Court, PPAL on Monday formally started dispute resolution proceedings with the OML 113 joint venture partners by filing a request for arbitration with the Secretariat of the International Chamber of Commerce. The company explained on Tuesday that the dispute concerns the purported passing of resolutions by the joint venture partners with respect to a proposed new well to be drilled at Aje in OML 113, and a related cash call. (Selected by SPTEC Advisory from Offshore Energy Today, December 06)

Southfield Petroleum Limited, an indigenous oil and gas company has signed a $198 million Equipment, Procurement and Construction (EPC) contract with China Machinery Engineering Corporation (CMEC) to construct a 250 million standard cubic feet per day (MMScfd) gas processing facility in Nigeria. The project, which has been scheduled for completion by 2018, is expected to be funded by the Industrial and Commercial Bank of China (ICBC), the bankers of CMEC. The China Machinery Engineering Corporation team was led to the signing ceremony by its Group Vice President, Jin Chunsheng and was received in Abuja by the Southfield Petroleum team led by the Managing Director, Dr. Patrick Ndiomu. (Selected by SPTEC Advisory from The Guardian Nigeria, December 07)
Tanzania is in talks with Nigeria’s Dangote Cement on the supply of natural gas to a manufacturing plant for the building material, but negotiations are currently held up over prices, said a government body in the East African country. The $500 million cement factory in the southeastern Tanzanian town of Mtwara, set up last year with an annual capacity of 3 million tonnes, runs on expensive diesel generators and has sought government support to reduce costs. The company, whose majority owner and chairman is Africa’s richest man, Aliko Dangote, halted production at the plant last week over technical issues. State-run Tanzania Petroleum Development Corporation (TPDC) said talks were expected to conclude in January, with price disagreements yet to be resolved. (Selected by SPTEC Advisory from Reuters, December 07)

Nigeria’s oil minister said in Abu Dhabi on Wednesday that the price of oil is expected to be about $60 per barrel in a year’s time and also that he expects the country’s oil output to touch 2.1 million barrels per day in January, Gulf News reports. “I am hoping that we are heading towards $60 per barrel and I don’t see higher than that,” said Emmanuel Ibe Kachikwu when asked about the expected oil price, one year down the line in December next year. He said the price range of $60 per barrel would be beneficial for both consumers and oil producers. Speaking on the oil production of Nigeria, he said they moved from all-time production low of 1.4 million barrels per day early this year to about 1.6 million barrels per day currently. He expects the country’s output to touch 2.1 million barrels per day in January. (Selected by SPTEC Advisory from Energy Mix Report, December 07)

There are indications that key stakeholders in Nigeria’s electricity supply industry may meet within the week in Abuja to discuss some of the critical issues currently affecting the operations of the country’s electricity market, especially its growing financial illiquidity, ThisDay reports. With a view to finding solutions to the issues, it was gathered from an industry source yesterday that agencies such as the Nigerian Electricity Regulatory Commission (NERC), the World Bank, Central Bank of Nigeria (CBN), Nigeria Bulk Electricity Trading Plc (NBET), as well as operators in the sector have agreed on the meeting which would be held at an undisclosed venue. (Selected by SPTEC Advisory from Energy Mix Report, December 07)

An official from Nigeria’s state-owned Nigerian National Petroleum Corporation (NNPC) has said that Indian state-run oil refiners have called for Nigeria to increase its total term contract volumes next year by more than 20% as demand from the South Asian country climbs, Platts reports. This request comes a few weeks before Nigeria’s crude oil term lifting contracts for 2017 are finalized, which will be decided by mid-December. India as the largest buyer of Nigerian crude, has always said it should have a longer-term arrangement with NNPC to ensure security of supply. “Three Indian companies mentioned that they are looking for a combined total of 11 million mt [in 2017] from 9 million mt [this year],” Anibor O. Kragha, group executive director at NNPC, said on the sidelines of the Petrotech conference in New Delhi late Monday. (Selected by SPTEC Advisory from Energy Mix Report, December 07)
The House of Representatives on Wednesday summoned the Nigerian National Petroleum Corporation and 19 other oil and gas companies operating in Nigeria over the $17bn worth of the country’s crude oil said to have been stolen through undeclared exports between 2011 and 2014. An ad hoc committee set up by the House to investigate the theft was inaugurated at the National Assembly on Wednesday by the Speaker, Mr. Yakubu Dogara. He was represented by the Deputy Speaker, Mr. Yussuff Lasun. The committee, which is chaired by a member of the All Progressives Congress from Adamawa State, Mr. Abdulrazak Namdas, said “over 57 million barrels of Nigeria’s crude were illegally exported and sold in the USA” alone within the period under review. Speaking at the inauguration, Namdas stated. (Selected by SPTEC Advisory from The Punch Nigeria, December 07)

Indian state-run oil refiners have indicated interest to increase total crude oil consumption volume next year with additional 2 million metric tonne (mt) of crude oil import from Nigeria in 2017. The Nigerian crude oil term contracts involve the export of around 1.17 million barrels per day (b/d) of Nigerian crude, out of the 2.2 million b/d the country can theoretically produce. They are then sold by contract holders to end users, refiners and other buyers. In an interview with S&P Global Platts in New Delhi, the Group Executive Director, Nigerian National Petroleum Corporation, NNPC, Refineries, Anibor O. Kragha, stated: “Three Indian companies mentioned that they are looking for a combined total of 11 million mt in 2017 from 9 million mt this year. (Selected by SPTEC Advisory from Vanguard Nigeria, December 08)

The federal government has proposed in the Petroleum Industry Governance Bill (PIGB) which is currently before the Senate for legislative consideration that a tenured term of office be established and legalised in the bill for the Chief Executive Officer (CEO) of the National Oil Company (NOC) that is intended to emerge from the process to replace the Nigerian National Petroleum Corporation (NNPC). The Minister of State for Petroleum Resources, Dr. Ibe Kachikwu in his address at the public debate on the PIGB in Abuja, disclosed this. The PIGB is a private member bill sponsored by Senator Tayo Alasoadura who represents Ondo Central in the Senate. Kachikwu also said the government would want the office of the CEO of the NOC to be saddled with established annual Key Performance Indicators (KPIs) upon which the performance of its occupants would be evaluated for either a sack or continuation on the job. (Selected by SPTEC Advisory from This Day, December 10)

Tanzania and Nigeria’s Dangote Cement have reached a deal on the supply of natural gas to the firm’s manufacturing plant in the East African country after negotiations stalled over prices, Tanzanian President John Magufuli said on Saturday. The $500 million cement factory in the southeastern Tanzanian town of Mtwara, set up last year with an annual capacity of 3 million tonnes, runs on expensive diesel generators and has sought government support to reduce costs. But the negotiations had stalled with the state-run Tanzania Petroleum Development Corporation (TPDC) saying the company was seeking "at-the-well prices". (Selected by SPTEC Advisory from World Oil, December 10)
The Senate on Tuesday said it will investigate the alleged unlawful misappropriation of $4 billion by the Nigerian National Petroleum Corporation (NNPC) and Nigerian Petroleum Development Company Ltd (NPDC) since 2013. This followed a motion moved by the Chairman, Senate Committee on Federal Capital Territory (FCT), Sen. Dino Melaye at the plenary on Tuesday. Melaye alleged that the diversion of oil revenue between the two agencies of government had continued unabated since 2013. According to him, the NDPC has continued to lift crude oil from divested oil wells OML 61, 62, and 63, worth over $3.5 billion without remittance to the Federation Account. He also said the NDPC had continued to lift crude oil from divested oil wells OML 65, 111 and 119 to the tune of $1.85 billion out of which only $100 million had been remitted. (Selected by SPTEC Advisory from The Nation, December 14)

The Nigerian National Petroleum Corporation (NNPC) remains the major importer of petrol in spite of the liberalisation of petroleum products and government intervention to ease marketers’ access to foreign exchange (forex), Daily Trust reports. The corporation in its latest Monthly Financial and Operations Report said it has been operating in a challenging environment, a situation which limits its aspiration to profitability. A petroleum ministry official said the corporation supplied more than 70 per cent of fuel consumed in the country and that it was doing so at a loss under the current foreign exchange regime. (Selected by SPTEC Advisory from Energy Mix Report, December 13)

Nigeria’s hope of returning to economic recovery brightened, yesterday, as crude oil price hits an 18-month high of $58 per barrel. With the proposed 2017 budget based on crude oil price of $42.5 per barrel and 2.2 million barrels daily production, this development translates to additional N500.4 billion revenue inflow outside the budgetary estimates. The federal government is proposing a budget of N7.28 trillion for the year 2017. The aggregate revenue to fund the 2017 budget, according to the budget framework, is expected to increase over the 2016 estimate of N3.855 trillion by about eight per cent or about N313 billion. Thirty-three per cent of the amount is expected from oil sources while the balance is derivable from non-oil sources in consonance with the government’s renewed focus on diversification of its revenue base. (Selected by SPTEC Advisory from All Africa, December 13)

Nigeria’s main stock index jumped to a five-week high on Wednesday, climbing 1.29 percent, as rising prices for crude oil, the mainstay of the Nigerian economy, led to gains for oil and banking shares. The stock market gained for the second straight day, rising above 26,000 points, a level last seen on Nov. 8. The Organisation of Petroleum Exporting Countries and non-OPEC producers last week agreed to curtail crude output and prop up global prices, their first joint agreement since 2001. More than two years of low prices have stretched budgets and spurred unrest in some countries. Nigeria’s government gets around two-third of its revenues from oil sales. The country is now facing a recession brought on by the effects of low crude prices since mid-2014. (Selected by SPTEC Advisory from Reuters, December 14)
Nigerian President Muhammadu Buhari is eyeing an increase to his country’s oil production to 2.2 million bpd, the volume it had pumped before militant attacks in the Niger Delta started crippling the country’s output and exports in early 2016. Presenting next year’s budget in Parliament, Buhari said he was willing to restore the 2.2-million-bpd production level—a statement that is probably cringeworthy for OPEC, who is hard-selling the cuts to the volatile markets, and who had exempted Nigeria from the collective cuts deal to curb its output to 32.5 million bpd, effective in January. “We must all come together” to see peace in the Niger Delta, Reuters quoted President Buhari as saying in Parliament. (Selected by SPTEC Advisory from Oil Price, December 14)

Nigeria will clear unpaid bills worth $5.1 billion for oil production joint ventures piled up over many years under a deal signed on Thursday with Shell, Chevron, Total, Eni and Exxon Mobil. The deal would unlock new investment in the OPEC member country, Oil Minister Emmanuel Ibe Kachikwu said in a speech at the signing ceremony, adding the repayment would take place over the coming five years. He said the oil majors had given Nigeria a discount of $1.7 billion, lowering the original amount from $6.8 billion. The agreement would also ensure that future Nigerian-rich region and improve Nigeria’s oil refining infrastructure. Kachikwu wpayments to production joint-ventures with oil majors would be paid in time, he told reporters after the signing. (Selected by SPTEC Advisory from Reuters, December 15)

Nigeria is producing around 1.8 million barrels of oil daily, up from an average 1.63 million bpd in the third quarter of the year. The current rate of production is still 400,000 bpd below the peak of 2.2 million bpd before the militant attacks on oil infrastructure started in the Niger Delta. Oil Minister Emmanuel Kachikwu, who presented the figures, said the top priorities of the government for 2017 were to achieve “lasting peace” in the oilas speaking at a forum in Nigeria’s capital Abuja, where later in the day he is expected to sign a deal with several Western oil companies that will settle unpaid debts from joint ventures totaling US$5.1 billion. The companies involved in the deal include Italy’s Eni, Shell, Exxon, and Chevron. (Selected by SPTEC Advisory from Oil Price, December 15)

Nigeria’s crude oil exports dropped by about 11 per cent in the third quarter of the year as India and some European countries slashed their imports in September. A new report from the Nigerian National Petroleum Corporation showed that India, the single largest buyer of Nigerian crude, bought 10.12 million barrels in September, down from 12.54 million barrels the previous month. Indonesia, another Asian buyer, cut the amount of crude oil purchased from Nigeria to 1.89 million barrels from 4.79 million barrels. Europe, Nigeria’s biggest regional market, saw its imports of the country’s crude plunge to 16.25 million barrels from 20.77 million barrels in August. In the region, France, Spain and the Netherlands reduced their imports to 2.84 million barrels, 2.52 million barrels and 3.09 million barrels, respectively in September from 7.57 million barrels, 3.95 million barrels. (Selected by SPTEC Advisory from The Punch, December 18)
State oil company Nigerian National Petroleum Corp. Monday said it has had to import 38.7 million liters of jet fuel to bolster stocks to 26 days and ease a shortage that has forced domestic airlines to reduce their services. The company is expecting an additional of 30,000 mt, or about 36 million liters, before the end of the year, group managing director Maikanti Baru said in an NNPC statement. "On December 14, 2016, the corporation completed the discharge of 8,800 mt, which represented about 10.6 million liters, to major terminals in the country," Baru said. "In addition, as at this morning ... 23,500 mt, which represented about 28.2 million liters, was being discharged to the major oil terminals." Nigerian jet fuel demand is estimated at 30,000 mt/month, according to industry figures. The lack of supply forced domestic airlines to delay or cancel some flights, industry officials said. (Selected by SPTEC Advisory from AllAfrica, December 19)

Sirius Petroleum has raised £850,000 gross at 0.5p a share following firm commitments from new and existing shareholders in respect of subscriptions for 170m shares. The net proceeds would be used for additional working capital purposes commensurate with Sirius’ accelerated activities in Nigeria. It is preparing to bring its Ororo field into first oil production, in conjunction with its vendor finance consortium partners COSL Pan Pacific Drilling, Add Energy and Schlumberger. AIM-quoted Sirius added, in a separate statement, that it had entered into another milestone contract for the provision of an integrated services management (ISM) contract with Schlumberger. As part of Sirius’ shallow offshore development strategy in Nigeria, the contract is for a multi-well campaign, which will commence in H1 2017. (Selected by SPTEC Advisory from Sharecast, December 19)

There is hope of increased oil production in Nigeria as ExxonMobil-operated Qua Iboe Terminal (QIT) is back, producing excess of 150,000 barrels of oil per day, bopd. This is coming as the Ministry of Petroleum Resources said that the Obiafu-Obrikom-Oben (OB3) gas pipeline is about 80 percent completed. The QIT facility was shut in mid-July 2016, after militants breached the crude loading line taking crude from the company’s main export pipeline to the terminal itself. Network, a Nigerian company which exports its crude through the terminal, was producing over 2,000bopd. Frontier Oil and Universal Exploration and Production, were said to have also recommenced exporting their crude through the facility. ExxonMobil exports over 400,000bopd through the terminal, located offshore Eket, Akwa Ibom State, South-South Nigeria. (Selected by SPTEC Advisory from Reuters, December 20)

Nigeria’s anti-corruption agency is reviving a five-year-old scandal involving one of Africa’s richest oil blocs, in which a former petroleum minister and his allies allegedly made $1.1 billion dollars and the state oil company $210 million. The Economic and Financial Crimes Commission filed suit Tuesday in the federal high court charging former petroleum minister Dan Etete, former justice minister Mohammed Bello Adoke and businessman Aliyu Abubakar with fraud and money laundering of hundreds of millions of dollars in the sale of the bloc. (Selected by SPTEC Advisory from Canadian Business, December 21)
The group operations of the Nigerian National Petroleum Corporation, NNPC, recorded a cumulative loss of N411.1 billion in 21 months between January 2015 and September 2016, the Nigerian Extractive Industries Transparency Initiative, NEITI, has stated. In report, the agency said its review of the NNPC’s monthly financial and operational reports show that the national oil company earned marginal profits in only two months during the period under review. “Apart from January 2015 when the group made a profit of N7.6 billion, it also realised N0.27 billion as profit in May 2016, with total profit in 21 months coming to N7.87 billion, as against the loss of N418.97 billion, with total loss coming to N411.1 billion,” NEITI said in its report. (Selected by SPTEC Advisory from Premium Times, December 21)

The Managing Director, Nigerian Agip Oil Company, Mr. Massimo Insulla, has said the Zabazaba and Etan deep water project on Oil Prospecting Licence 245 will generate $8bn for the Federal Government. He pledged the company’s commitment to develop the project in compliance with the Nigerian Content Act to create jobs for Nigerians, a statement from the Nigerian Content Development and Monitoring Board said. While highlighting the support and cooperation of the NCDMB since the conception of the project, Insulla said its speedy development would benefit all stakeholders. According to him, the promoters of the deepwater project are keen to take the final investment decision and determined to make it profitable despite the sustained low price of crude oil. (Selected by SPTEC Advisory from The Punch, December 22)

Nigerian oil workers at ExxonMobil Corp. (NYSE: XOM) have decided to end a strike over layoffs of staff after earlier agreeing to halt crude oil production, a union official said Dec. 21. “Production will resume any moment,” Lumumba Okugbara, acting general secretary of oil labor union PENGASSAN, told Reuters. “We just rose from a meeting with the management and the issues that had led to the labor impasse have been resolved after the minister of petroleum intervened.” He did not say by how much crude production had been affected since the union shut down ExxonMobil’s Nigeria headquarters in Lagos to protest against the layoffs of more than 100 employees last week. “It was not a total shut down,” he said, adding that workers at ExxonMobil facilities had downed tools when the company handed out sacking letters Dec. 19. (Selected by SPTEC Advisory from EP Mag, December 22)

With global oil prices trading above the $50 per barrel mark since November 30, the shutdown of the Forcados terminal, through which the nation’s largest crude oil grade is exported, has led to a loss of at least N115bn in 24 days. Wednesday, December 21, 2016 marked exactly 10 months that Shell, the operator of the terminal, declared force majeure on the export of Forcados. The force majeure, a legal clause that allows it to stop shipments without breaching contracts, came a week after the Forcados export line was attacked by militants in the Niger Delta. It has yet to be lifted as of the time of filing this report. (Selected by SPTEC Advisory from The Nation, December 25)
Sirius Petroleum has entered into a contract with an oilfield services company, Schlumberger, for the provision of an integrated services management at the Ororo field offshore Nigeria as it intensifies its search for oil. The Ororo field, discovered in 1986, lies in shallow waters offshore Ondo State in water depths ranging between 23ft and 27 ft. The Chief Executive Officer, Sirius, Sirius, Bobo Kuti, said in a statement, “We are pleased to add another leading global industry service provider along with the COSL and ADD Energy to our consortium. Schlumberger’s experience, technology, and information solutions will enable us to optimise reservoir performance.” (Selected by SPTEC Advisory from Petroleum Africa, December 25)

In his year-end address to Nigeria National Petroleum Corporation staff, Group Managing Director Maikanti Baru on Monday said the country’s gas reserves had increased. According to Baru, Nigeria boasts oil reserves of some 37 billion barrels, a figure in line with the volume given in the 2016 BP Statistical Review of World Energy, 37.1 billion barrels. BP puts the country’s gas reserves at 5.1 tcf (180.5 tcf). However, in his speech, Baru said the relative tranquillity across the Niger Delta had contributed to in increase in reserves to 5.4 tcm (192 tcf). If accurate, these updated figures would mark an increase of some 6%. (Selected by SPTEC Advisory from The Oil & Gas Year, December 27)

While global oil benchmark price has risen by over 100 per cent since it hit 13-year lows of below $28 per barrel in January, Nigeria’s oil sector has taken a turn for the worse. The country is not able to benefit from the rally in oil prices as a chunk of its crude oil production remains shut in due largely to militant attacks in the Niger Delta. Global oil benchmark, Brent crude, traded around $56 per barrel on Wednesday. Prior to the resurgence of attacks on oil and gas facilities, the nation’s oil sector and economy had been battered by the steep drop in prices of oil, which the government depends on for most of its foreign earnings and revenue. In the past few years, a number of projects had been suspended by International Oil Companies because of the regulatory uncertainty occasioned by the delay in the passage of the Petroleum Industry Bill. (Selected by SPTEC Advisory from The Punch, December 29)

**NOVEMBER**

Nigeria’s oil production is nearly back to normal following a sharp drop earlier this year due to rebels attacking pipelines, the oil minister said Tuesday. "The reality is that as of today and this morning, we are at 2.1 million barrels production. That's substantial," Minister of State for Petroleum Emmanuel Kachikwu said in the nation’s capital of Abuja. Nigeria normally produces around 2.2 million barrels per day (bpd), but output dropped to a low of 1.4 bpd this year due to rebels attacks. Addressing the press after a meeting between Nigerian President Muhammadu Buhari and representatives from the oil-producing Niger delta region, Kachikwu said "a lot of behind the scene engagements" were paying off. (Selected by SPTEC Advisory from The Peninsula, November 01)
Nigeria's President Muhammadu Buhari on Tuesday met leaders from the Niger Delta and representatives of militant groups who have been attacking oil facilities in the region. A Reuters reporter saw state governors and traditional rulers from the swamp lands meet Buhari and top security and army officials at the presidential villa in Abuja. A government official said militant groups had also sent representatives. There was no immediate word on the outcome of the talks. This is Buhari's first meeting with Delta leaders since militants started a wave of attacks on oil pipelines earlier this year to get a greater share of oil revenues. (Selected by SPTEC Advisory from Reuters, November 01)

There is a $51 billion investment available in Nigeria’s Gas sector, Group Managing Director of Nigeria Nation Petroleum Corporation (NNPC), Dr Maikanti Baru, said yesterday. Also, Minister of State for Petroleum Dr Ibe Kachikwu, said the Federal Government would give more attention to the development of gas as a major revenue earner. The officials spoke in Abuja at the 10th Nigerian Gas Association International Conference. They said that the country was determined to reverse its over-dependence on oil as benchmark for the economy. The theme of the conference is “Nigerian Gas Roadmap and Its Potential for Regional and Global Influence: Its Implementation, Challenges, Opportunities and New Way Forward”. The minister said: “I must say that over the years there has been a blatant neglect of this sector. We really haven’t focused on gas; all had been on oil production. (Selected by SPTEC Advisory from The Nation, November 01)

The long awaited Petroleum Industry Bill, seeking unbundling of the Nigerian National Petroleum Corporation into two entities, made progress at the Senate after it scaled second reading. The bill sponsored by Tayo Alasoadura (APC-Ondo) seeks splitting of the NNPC into Nigerian Petroleum Assets Management and the National Oil Company. The PIB was first introduced in 2008 but it was not passed by the 6th and 7th assemblies, Mr. Alasoadura noted in his lead debate. Even during the current 8th Assembly, in April, deliberation on the bill was stalled, thereby delaying its consideration till Wednesday. Mr. Alasoadura explained that the bill was to provide transparency and accountability in the management of Nigeria’s petroleum resources. (Selected by SPTEC Advisory from Premium Times, November 02)

Suspected militants have bombed a state-run oil pipeline near the southern Nigerian oil hub of Warri in the latest blow to the industry, a security source and community leader said Wednesday. The Trans Forcados export line was attacked late Tuesday, they said, just hours after President Muhammadu Buhari met with representatives of militant groups in the oil-rich Niger delta to discuss how to end the unrest plaguing the region. No group has yet claimed responsibility for Tuesday's attack. “The attack was carried out with the aid of dynamite and it is coming less than 48 hours after the resumption of operations at the flow station,” a security official, who declined to be named, told AFP. (Selected by SPTEC Advisory from The Guardian, November 02)
Nigeria's oil production has fallen by at least 200,000 barrels per day (bpd) since a militant attack forced the closure of the major Trans Forcados Pipeline (TFP) on Wednesday, industry sources said. The attack pushes the west African country's output back below 2 million bpd. Nigeria's oil minister said on Tuesday that overall production had recovered to around 2.1 million bpd following months of attacks, mainly by the Niger Delta Avengers, on various oil installations that had cut output by over 600,000 bpd. Local oil company Shoreline said its 35,000 bpd of output was shut as a result of the pipeline closure. Several other local producers link up to the TFP including London and Lagos listed Seplat. (Selected by SPTEC Advisory from Reuters, November 03)

The Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), Dr. Maikanti Baru during the 10th International Conference and Exhibition of the Nigerian Gas Association on Monday said that there was a need to expand the country's gas exploration efforts in its sedimentary oil and gas basins in order to increase the products reserve, The Punch reports. According to him, out of a total of 209 oil and gas open acreages for allocation across different terrains in the country, 126 blocks are located in the North, 34 in Niger Delta, 12 in the Anambra Basin, and 37 are situated in the Dahomey Basin. He stated that in order to avert a situation where the country would run out of gas reserves, there was a need for the corporation to expand exploration in the already identified oil and gas basins. (Selected by SPTEC Advisory from Mehr News, November 03)

The recent announcement of a huge discovery of oil reserve by Exxonmobil offshore Nigeria may not have come as a surprise to industry watchers who understands the huge amount of effort and investment that has gone into the Owowo oil field project even in the face of global oil price recession. The Exxonmobil new discovery from the Owowo oil field is estimated to hold about one billion barrels of crude oil in reserve; this is highly significant especially for an economy struggling to get out of recession because at an average price of US$50 per barrel, the new field is worth US$50 billion in potential revenues for the Nigeria oil and gas industry over the next few years, with a potential to rise higher if the international prices of crude oil rebounds. (Selected by SPTEC Advisory from The Whistler Nigeria, November 06)

Efforts to bridge gas supply gap to power generation companies has led to the inking of gas supply agreement between the federal government and Seven Energy International Ltd. The $112 million Partial Risk Guarantee (PRG) agreement is expected to enhance supply of natural gas to the Calabar NIPP. The gas, under the agreement, would be delivered by Seven Energys subsidiary Accugas, to the 560 MW Nigerian Integrated Power Project (NIPP), Calabar, Cross River State. (Selected by SPTEC Advisory from Pan African News, November 07)
Nigeria has reached an outline settlement to resolve a protracted dispute with western energy companies, under which the groups will be paid $5bn to cover exploration and production costs in Africa’s biggest oil-producing nation. Royal Dutch Shell, ExxonMobil, Eni, Chevron and Total have signed deals relating to this settlement of costs incurred between 2010 and 2015, as they also seek to forge new financing arrangements for their joint ventures in Nigeria. The settlement, which would be a haircut on the $6bn-plus the western companies claim they are owed by Nigeria, needs the approval of two government bodies and final sign-off from president Muhammadu Buhari. (Selected by SPTEC Advisory from The Financial Times, November 08)

An official from state oil firm Nigerian National Petroleum Corp. (NNPC) said Wednesday that Nigeria’s crude oil term lifting contracts for 2017 will be decided by mid-December, Platts reports. “The crude tender will close on November 24 and we expect to have new contracts in place before the end of the second week of December,” Mele Kyari, the group general manager from NNPC’s crude oil marketing division said in a statement. The Nigerian crude oil term contracts involve the export of around 1.17 million b/d of Nigerian crude, out of the 2.2 million b/d the country produces. (Selected by SPTEC Advisory from Energy Mix Report, November 09)

The Nigerian National Petroleum Corporation (NNPC) on Monday denied reports it was contemplating another increase in the pump price of petrol after unilaterally adjusting the retail fuel price from N141 per litre to N145 on Thursday, Premium Times reports. Following the adjustment, reports had gone round that the NNPC was planning further increases in the price of fuel to about N150 per litre. But, the corporation in a series of tweets through its official twitter handle, @NNPCgroup, on Monday denied any attempt by its management to pressurise President Muhammadu Buhari to push a hike in the petrol price to N150 per litre. (Selected by SPTEC Advisory from Energy Mix Report, November 09)

Royal Dutch Shell has shut down an Escravos crude oil flow station in Nigeria’s Niger Delta after villagers demanding aid staged a protest, the firm and residents said on Wednesday. In another blow to the oil major, the Niger Delta Avengers (NDA) militant group said it had attacked the Forcados crude export line. Shell said the flow station on the pipeline operated by its joint-venture partner SPDC was no longer processing crude oil, but the impact on Escravos exports, which can run via other routes, was not immediately clear. Protest leader Shyne Edema said his group was demonstrating at the facility, shutting down power and water supplies as well as crude production, to press Shell into providing aid. (Selected by SPTEC Advisory from Reuters, November 09)
Seven Energy International Limited has signed a $112m Partial Risk Guarantee with the Federal Government for the supply of natural gas by its wholly-owned subsidiary Accugas to the 560 megawatts power station built under the National Integrated Power Project scheme in Calabar, Cross River State. The company described the PRG as a financial instrument that would secure the supply of up to 130 million cubic feet per day of natural gas to the NIPP Calabar, thereby enabling the consistent generation of additional 560MW of electricity to the national grid, approximately 20 per cent of current power generation in Nigeria. According to a statement by the firm, this arrangement, which guarantees payments to Accugas for gas supply, is backed by the Federal Government and the World Bank. (Selected by SPTEC Advisory from Dow Jones Newswire, November 10)

President Muhammadu Buhari yesterday said most of the crude oil stolen from Nigeria passes through the Gulf of Guinea. The president said as part of his administration’s determination to curb the trend, the country would team up with other countries to strengthen maritime security in the Gulf of Guinea. A statement issued by special adviser to the President on media and publicity, Mr. Femi Adesina, said Buhari made the revelation while receiving the executive secretary of the Gulf of Guinea Commission, Ambassador Florentina Adenike Ukonga, at the Presidential Villa. (Selected by SPTEC Advisory from National Mirror Nigeria, November 11)

According to the Nigerian Investment Promotion Commission (NIPC), the Nigerian oil and gas sector requires about $7 billion capital investment yearly, to fund exploration and development to achieve the nation’s crude production targets, The Guardian reports. NIPC in its analysis on the Nigerian oil and gas sector, stated that Nigeria has proven to be among the most investment–friendly nations for International Oil Companies (IOCs) because of the geological configuration of its terrain and relative security of investments. According to NIPC, major IOCs have continued their operation in the country over the years. On the other hand, OPEC in its 2016 Oil Outlook, recently released, put the average upstream yearly investment requirement at an estimated $300 billion, with non-OPEC accounting for more than three-quarters. (Selected by SPTEC Advisory from Energy Mix, November 13)

Nigeria has come up with a plan to reform its oil sector by giving NNPC a much-needed makeover with the ultimate aim of listing it on the stock exchange. The reforms, which the ministry of petroleum released late on Thursday, come in the wake of accusations that its energy sector is rife with mismanagement and corruption. Nigeria’s oil industry has been the target of militant groups on at least a weekly basis, and accusations have been made as to NNPC officials stealing oil and selling it out of country. While the corruption charges have been lingering for years, the Minister of State for Petroleum Resources Dr. Ibe Kachikwu has said that corruption in its oil and gas industry “was overblown.” (Selected by SPTEC Advisory from Oil Price, November 13)
A Nigerian armed group said the continued presence of the army in the southern Niger Delta energy hub has undermined peace talks and prompted attacks on oil-and-gas facilities in the region. The Niger Delta Avengers (NDA) spoke out days after the oil minister urged fighters to stop attacks following strikes on the Trans Forcados Pipeline, the most recent of which was claimed by the group. Most of the armed opposition have adhered to a ceasefire in the last few weeks, while the government held talks with community leaders who, like the NDA, want a greater share of Nigeria's energy wealth to go to the region that produces most of its oil. (Selected by SPTEC Advisory from AllAfrica November 14)

The Nigerian Air Force (NAF) has destroyed barges and canoes "carrying stolen oil" as part of its effort to thwart oil theft in the Niger Delta region. Officials said two barges and two canoes were used by oil thieves to carry stolen petroleum products in Rivers State, southern Nigeria. Guinea Bissau's president said on Monday he would dissolve the government and appoint another "The latest operations showed that illegal bunkering activities have resumed around Bille and nearby. Nevertheless, the NAF will not relent in its pursuit to put an end to these acts of economic sabotage by ridding the region of these criminal elements," the force said in a statement on its official Facebook page. Oil bunkering is common in the oil-rich Delta region, which has been marred by violent attacks carried out by militant groups. (Selected by SPTEC Advisory from International Business Times, November 14)

Banking generously on the hopes of resolving unrest in the Niger Delta, attracting tens of billions in foreign investment and successfully reforming the oil sector, the Nigerian Oil Ministry says it is planning to increase crude oil output to 2.8 million barrels per day by 2019. The rosy forecasts come from the Oil Ministry's short-term policy paper, as reported by S&P Global Platts over the weekend. Beyond this, the Oil Ministry's policy paper calls for an increase in oil output to 3 million barrels per day by 2020—up from 2 million barrels per day presently. In terms of gas output, the Ministry is targeting an increase from 2.5 billion cubic feet per day presently to 10 billion cubic feet per day by 2019. (Selected by SPTEC Advisory from Reuters, November 15)

Nigerian National Petroleum Corporation, NNPC, earned $180.93 million, about N55.2 billion, from the export of crude oil and gas in the month of August 2016. This, according to the NNPC Monthly Financial and Operations Report for August 2016, represented a decline of 14.76 per cent when compared with crude oil and gas export revenue of $212.25 million recorded in July 2016. Giving a breakdown of the figures, the report noted that the NNPC earned $120.84 million from crude oil exports; $60.09 million from gas exports, while $935 million was earned from other petroleum product exports. (Selected by SPTEC Advisory from AllAfrica, November 15)
The Joint Task Force in the Niger Delta, codenamed Operation Delta Safe, yesterday, said its operatives at FOB FORMOSO repelled an attempt by suspected oil thieves to vandalise and steal the control unit from a Well Head in Nembe creek, Bayelsa East senatorial district. This came as troops raided Bukuma Jetty in Rivers State, and arrested three suspected militants and one Cotonou boat laden with illegally refined Automated Gas Oil. Coordinator, Joint Media Campaign Centre, ODS, Lt. Col Olaolu Daudu, in a statement issued in Yenagoa, identified the oil facility as Well Head 72, operated by AITEO Company. (Selected by SPTEC Advisory from AllAfrica, November 16)

Nigeria has finally overtaken Angola as the top oil and gas producer in Africa with an increased out put of 1.628m barrels per day (bpd) in October, OPEC reports. The Organisation of the Petroleum Exporting Countries (OPEC), which made this disclosure in its November Oil Market Report released last week, said “according to secondary sources, OPEC crude oil production in October increased by 0.24 million mbpd compared to the previous month to average 33.64 mbpd. Crude oil output increased the most in Nigeria, Libya and Iraq, while production in Angola showed the largest decline,” it added. (Selected by SPTEC Advisory from Energy Mix Report, November 16)

Nigeria needs at least $14 billion a year in new investment over the next five years to raise oil output to 2.2 million barrels a day (bpd) and even higher spending to lift it to 3 million bpd, the head of a company producing oil in the country said. Ladi Bada, chief executive of Shoreline Natural Resources, a joint venture with oil and gas interests in southern Nigeria, estimated that about $9 billion a year is currently being invested in the oil industry from public and private sources. Nigeria’s oil industry has long suffered from under-investment. "If we continue to invest $9 billion, we won’t grow volumes,” Bada told a business conference in Lagos late on Wednesday. (Selected by SPTEC Advisory from Reuters, November 17)

Savannah Petroleum PLC (LON:SAVP) has signed a three-way agreement in relation to the Nigerian section of the Central African Rift System. The memorandum of understanding was co-signed by the New Nigeria Development Company Ltd (NNDC) and Nigeria National Petroleum Corporation (NNPC). It sets out terms by which the three parties will establish technical and steering committees to manage the process of evaluating the technical and commercial prospectivity of this materially underexplored region, Savannah told investors. The AIM quoted company expects to enter into additional agreements with NNDC and NNPC over time, and it added that separate talks are taking place between them regarding other potential opportunities in Nigeria. (Selected by SPTEC Advisory from Proactive Investors, November 17)
Total Exploration and Production Nigeria Limited (TEPNL) has completed gas flare down projects in two of its fields, its Managing Director, Nicholas Terraz, has said. At the Nigerian Gas Association’s Conference in Abuja, he said the flare out feats were achieved in Total’s offshore field in oil mining lease (OML) 102 and onshore acreage in OML 58. He said: “At Total, we are committed to better energy and have had a flare-out policy for producing fields and a no-flaring policy on all new developments since year 2000. The Amenam-Kpono and Akpo developments are examples of this in new projects whilst brown fields flare down projects have been completed in our OML 102 offshore and OML 58, onshore Nigeria. (Selected by SPTEC Advisory from The Nation, November 17)

Nigeria reached a $5.1 billion settlement to reimburse foreign oil companies including Exxon Mobil Corp. and Royal Dutch Shell Plc for past operating costs. The amount, less than the $6.8 billion previously discussed, will be settled through crude-oil sales over five years and will be interest free, Petroleum Minister Emmanuel Kachikwu told reporters in the capital, Abuja, Thursday. “What we have been able to put together has enabled us to shave about $1.7 billion in savings for the federal government from the $6.8 billion that was owed,” he said. “The barrels to pay those will come from incremental barrels generated by the oil companies, not from the current 2.2 million-barrel-a-day production. “In other words, if we do not meet those thresholds we will not pay the $5.1 billion,” he said. (Selected by SPTEC Advisory from Business World Ghana, November 18)

Shell Companies in Nigeria, supported by the Nigerian National Petroleum Corporation, NNPC, have signed Memoranda of Understanding (MoUs) with eight Nigerian banks under the refreshed Shell Contractors’ Support Fund, the latest milestone in efforts to improve access to finance for Nigerian vendors and suppliers in the oil and gas industry. Under the MoUs signed in Lagos in November, Access Bank, Skye Bank, Zenith Bank, Stanbic IBTC Bank, First Bank, Standard Chartered Bank, First City Monument Bank and Guaranty Trust Bank have set aside $2.2billion for contract execution by Nigerian firms. The scheme provides support for contractors to enable them finance projects executed for Shell Companies in Nigeria in line with the aspirations of the Nigerian Content Act. (Selected by SPTEC Advisory from Allfrica, November 20)

Nigeria’s President, Muhammadu Buhari (photo), has pleaded with militants in the Niger Delta region to stop the act of bombing oil and gas pipelines which only assist in destroying the country’s ecosystem and economy. He urged the people of the region to take full benefit of the huge potential in agriculture adding that his administration was dedicated to doing everything possible to support the region in achieving their potential in agriculture which is more than oil and gas, News24 reports. “I urge you to take advantage of the huge potential in agriculture and stop the destruction of oil and gas pipelines, which only serve to destroy our ecosystem and economy,” Buhari was quoted as saying. (Selected by SPTEC Advisory from Ecofin Agency, November 21)
Forte Oil Plc has raised its N9 billion from the capital market to support its operation and drive its expansion strategy. The bond is a 5 year fixed rate issue and the first series of its proposed N50 billion bond issuance programme. According to the company, the funds raised would be deployed to refinance existing short term commercial bank loan obligations and to finance its retail outlet expansion. The company has an Issuer rating of A- long term and A1- short term rating by the Global Credit Rating Company (GCR). Speaking at the Completion Board meeting in Lagos, the Group Chief Executive Officer, Mr. Akin Akinfemiwa, said: "The raising of this initial capital which has been fully underwritten shows the confidence the investing public has in Forte Oil Plc as an investment of choice.” (Selected by SPTEC Advisory from Allafrica, November 21)

The minister of Industry, trade and Investments, Okechukwu Enalamah has said that International Oil Companies are set to announce new significant investments into Nigeria’s oil and gas sector to plug the funding gap, following talks by stakeholders on how to revamp that very critical industry, Hellenic Shipping News reports. Enalamah said announcements of these commitments would be made beginning this week, though he could not specify how much is being expected. The minister also stressed that investment interest in Nigeria has been ‘overwhelming” as commitments reach some $20bn in the last one year. (Selected by SPTEC Advisory from Energy Mix Report, November 22)

The Minister of State for Petroleum Resources, Dr Ibe Kachikwu, says the discounted 5.1 billion dollars cash-call debt owed International Oil Companies will be paid off within five years. Kachikwu said this in Abuja on Tuesday while speaking to newsmen after declaring open the National Council on Hydrocarbons. Known as the Joint Venture Cash Call debt, the nation owed the IOCs $6.8bn but got a discount of $1.7bn leaving a debt of $5.1bn to be repaid. According to the minister, the agreement states that the payment from incremental oil production will not affect Nigeria's budget production benchmark of 2.2 million barrels per day. (Selected by SPTEC Advisory from Punch Nigeria, November 22)

Dr Maikanti Baru, the Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), says Nigerian crude oil is not an abandoned commodity. Baru said this while addressing newsmen after declaring open the 2016/2017 bid for crude oil grades. According to him, the nation’s crude is not struggling or stranded but remains a hot cake in the oil market. “Nigerian crude has continued to earn premiums and it is hot cake all over for refiners because of the light nature of the crude. “It induces very high yields on the valuable products that you produce from crude oil. Nigerian crude oil continues to maintain market. “In fact, contrary to a lot of speculation that a lot of Nigerian crude goes to China, they do not. “Most of them are consumed and refined in India and Europe, particularly this year and last year; most of Nigerian crude end up in European refineries.” (Selected by SPTEC Advisory from The Guardian Nigeria, November 24)
Nigeria National Petroleum Corporation (NNPC) is reportedly studying the transport of oil from Niger via pipeline to the Kaduna refinery in an effort to ensure the security of supplies. NNPC Group Managing Director Maikanti Bari allegedly made comments to that end at a meeting with refinery personnel on Sunday. “Due to challenges with the aged refinery and crude oil pipelines that have been breached [...] the operations of the refinery have been epileptic,” was quoted as having said. As of November 2016, the capacity utilisation rate of the Kaduna refinery stood at 18.78%. According to Bari, NNPC is studying a 1,000-kilometre pipeline from Agadem in Niger to Kaduna, a project that is reportedly being championed by President Muhammadu Buhari. (Selected by SPTEC Advisory from The Oil and Gas Year, November 27)

Nigerian National Petroleum Corporation, NNPC, has reiterated its commitment to the upgrade and expansion of the Kaduna Refining and Petrochemical Company Limited, KRPC. Group Managing Director of the Corporation, Dr. Maikanti Baru made the pledge during a townhall meeting with management and staff of KRPC in Kaduna, according to a statement by Group General Manager, Group Public Affairs Division, Mr. Ndu Ughamadu. Baru noted that the move is in line with the Corporation’s 12 key business focus areas in order to return it to the path of growth and profitability. He stated that efforts were ongoing to explore the possibilities of piping crude oil from Niger Republic to be refined in KRPC, adding that President Muhammadu Buhari was personally committed to the project. (Selected by SPTEC Advisory from National Mirror Online, November 28)

The Security sub-committee of the Oil Producers Trade Section, OPTS, of the Lagos Chamber of Commerce and Industry, LCCI, has revealed that the activities of 32 militant groups in the Niger Delta region since the resurgence of militancy has robbed Nigeria of over 130 million barrels of crude oil. Vice-chairman of the sub-committee, Shina Bankole, stated this in Lagos yesterday at the 17th Health Safety and Environment, HSE, Biennial Conference on the Oil and Gas Industry in Nigeria organised by the Department of Petroleum Resources, DPR. Disclosing that insecurity in the Niger Delta has led to the proliferation of several militant groups, as well as small arms and weapons, he explained that between January and November, 58 incidents of sabotage were recorded where oil and gas facilities belonging to the oil companies were vandalized. (Selected by SPTEC Advisory from The Daily Post, November 29)

The Nigerian National Petroleum Corporation (NNPC) has reiterated its commitment to the upgrade and expansion of the Kaduna Refining and Petrochemical Company Limited (KRPC) in line with the 12 key business focus areas of the Corporation’s present management in order to return it to the path of growth and profitability. Dr. Baru stated that efforts are ongoing to explore the possibilities of piping crude oil from Niger Republic to be refined in KRPC adding that President Muhammadu Buhari was personally committed to the project. (Selected by SPTEC Advisory from Africa Business Communities, November 29)
OCTOBER

The first oil will be drilled from the Egina field in southern Nigeria in the first quarter of 2018, the head of Nigerian National Petroleum Corp., Maikanti Baru, said. Mr. Baru gave the target date for the load out of Umbilical, Flowlines and Risers, or UFR, at the Egina ultra-deep offshore project in Port Harcourt, the country’s major oil hub, according to a statement by NNPC on Sunday. "The successful commissioning of the UFR module will guarantee the drilling of the first oil from the 200,000-barrel-a-day Egina field by the first quarter of 2018," Mr. Baru said. The Egina oil field is located 150 kilometers (93 miles) off the coast of Nigeria. The field is being developed by Total Upstream Nigeria which has 24% interest in partnership with CNOOC Group (45%), Sapetro (15%) and Petrobras (16%). (Selected by SPTEC Advisory from Dow Jones Newswire, October 01)

The Nigerian National Petroleum Corporation (NNPC), will soon commence the first large scale commercial bio-fuel venture as alternative to fossil fuel, Dr Maikanti Baru, Group Managing Director (GMD), has disclosed. Baru made the disclosure on Wednesday in Abuja at a two-day Environment Dialogue, titled 'Diversification of the Economy, the Role of Jatropha.' The GMD, who was represented by Mr Babatunde Adeniran, the Corporation’s Group Executive Director, Gas and Power, said the project became necessary due to the increasing negative impact of fossil fuel to the environment. The NNPC boss said the corporation would cultivate jatropha plants along the borders of the over 5,000 kilometers of NNPC pipeline right-of-way across the country. (Selected by SPTEC Advisory from The Sun, October 06)

Nigeria’s oil minister Emmanuel Kachikwu said Wednesday the OPEC country is expecting up to $4 billion in loan facilities from Chinese investors to help develop critical oil and natural gas infrastructure. Kachikwu told reporters in Abuja after a Cabinet meeting that a 40-member Chinese team would visit Nigeria at the end of October to explore investment opportunities in the oil sector, state television reported. According to the minister, the loan facilities would be independent of the memorandum of understanding that state oil firm Nigerian National Petroleum Corp. signed with some Chinese companies in June, worth $80 billion in oil sector investment. (Selected by SPTEC Advisory from Platts, October 05)

Lekoil is to commence commercial oil production this month from Otakipo marginal field, located in Oil Mining Lease (OML) 11 in Rivers State, following the completion of the Otakikpo-003 well. Following the successful re-entry of the Otakikpo-002 well, first oil from Otakikpo flowed to surface September last year. Lekoil, the oil and gas exploration company with a focus on Nigeria and West Africa, has a 40 per cent participating and an 88 per cent economic interest in the Otakikpo marginal field. The company said in its half year financial and operations report that with four production strings now ready for production the company is targeting production of 10,000 barrels of oil per day (bopd) by year-end. (Selected by SPTEC Advisory from Daily Trust, October 06)
Towards stopping oil pipeline bombings and vandalism in the Niger Delta region, President Muhammadu Buhari on Saturday warned that government can still take decisive military action against the militants if dialogue fails. He gave the warning while speaking at the passing out parade of the 63rd regular course cadets comprising the first set of Female combatants cadets at the Nigeria Defence Academy (NDA), Kaduna State. The cadets comprised of 59 personnel for the Nigerian Army, 40 for the Nigerian Navy and 29 for the Nigerian Air Force. Buhari stressed that. (Selected by SPTEC Advisory from Ghana news agency, October 07)

The Nigerian National Petroleum Corporation (NNPC) has saved the federation $336.4m (about N66bn) in the first four months it stopped the controversial contract for petroleum product import called crude oil swap. NNPC had in April replaced the offshore processing arrangement (OPA) and crude oil swap - contracts through which it imports petrol to the country - with the Direct Sale Direct Purchase (DSDP) arrangement. It cancelled the swaps after years of heavy criticism trailed the contracts whose terms not only short-changed the Nigerian treasury but were skewed in favour of private oil traders or middlemen and briefcase companies. (Selected by SPTEC Advisory from Allafrica, October 11)

Lawmakers in Anambra State House of Assembly have condemned the alleged planned sale of the Nigeria National Petroleum Corporation, NNPC and the Nigeria Ports Authority NPA among other national assets by the Federal Government. Addressing reporters on the issue at the House of Assembly premises after plenary, two legislators, the majority leader and the deputy majority leader, Mr Victor Okoye representing Anambra West constituency and Mr Pascal Agbodike representing Ihiala II constituency respectively, described as preposterous, the plan by the Muhammadu Buhari government to sell national assets that the country prides itself on because of the recent economic recession. (Selected by SPTEC Advisory from Allafrica, October 11)

The Nigerian Liquefied Natural Gas (NLNG) Limited has disclosed that its assets are now worth over $13billion, making the company an inspirational Nigerian success story. Its Managing Director, Mr. Tony Attah, stated this during a technical session at the ongoing 22nd Nigerian Economic Summit (NES) in Abuja, with the theme: “Creating a global Champion from Made in The NLNG story”. Attah explained that the NLNG Act, shareholding and governance structure of the company were key factors responsible for NLNG’s success story. (Selected by SPTEC Advisory from The Sun Nigeria, October 12)
SacOil, a South African based independent African oil and gas company, announces the following update with regards to the legal dispute with Nigdel United Oil Company Ltd (Nigdel) relating to the Company’s legacy involvement in Oil Prospecting Licence (OPL) 233 in Nigeria. After careful consideration of the independent legal and financial opinion provided to date, SacOil has entered into a settlement agreement (the Settlement Agreement”) with Nigdel whereupon both parties have withdrawn their respective litigation and arbitration claims. (Selected by SPTEC Advisory from Gulf Oil and Gas, October 12)

Group managing director of the Nigeria National Petroleum Corporation, NNPC, Dr. Maikanti Baru, said the corporation has concluded plans to mobilise heavy equipment to the North East (part of Bauchi and Gombe states) in expectation of oil exploration which would begin soon. He said: "Our intention is to start 3D seismic acquisition and cover as much of the basin as possible to continue the work in terms of exploring hydrocarbon in the North East. Of course, our activities in the Chad Basin will also be re-activated as soon as we get the clear sign.” (Selected by SPTEC Advisory from National Mirror, October 14)

The Nigerian National Petroleum Corporation (NNPC) has increased the number of companies referred to as off-takers of the country’s crude oil from 21 to 27, The Punch reports. But the NNPC revealed on its website on Thursday that 27 companies had been designated to be involved in the crude lifting process. Some of the companies are Oando Plc, Forte Oil, Sahara Energy, A. A. Rano Nigeria Limited, Eterna Plc, MRS Oil and Gas, Televeras, Duke Oil and Trafigura. (Selected by SPTEC Advisory from Platts, October 15)

Nigerian National Petroleum Corp. on Friday said it has engaged China’s Bureau for Geophysical Prospecting (BGP) to carry out a "more rigorous exploration" for deposits in new basins as the West African nation seeks crude from outside the restive Niger Delta region. BGP, a subsidiary of state-owned Chinese National Petroleum Corp., will team up with NNPC's Integrated Data Service Ltd. subsidiary to acquire over 500 square kilometers of 3-D seismic data in the first instance, in Nigeria's Gongola, Benue Trough and other new frontiers, according to an NNPC statement. (Selected by SPTEC Advisory from Platts, October 16)

The widow of a Nigerian activist is planning to sue Royal Dutch Shell in the Dutch courts alleging the oil company was complicit in the execution of her husband by the Nigerian military in 1995, court documents filed in the United States last week show. Esther Kiobel has filed an application in New York to secure documents from Shell’s U.S. lawyers, which she could use in the Dutch action. The filings with the U.S. District Court for the Southern District Court of New York said she planned to begin that action before the end of the year. (Selected by SPTEC Advisory from Reuters, October 16)
India and Nigeria have agreed to work on a Memorandum of Understanding to facilitate investments by India in the Nigerian Oil and Gas sector and include areas such as Term Contract, participation of Indian Companies in the Refining sector, oil and gas marketing sector, upstream sector, development of gas infrastructure and training of oil and gas personnel in Nigeria. The MoU is expected to be firmed up in December 2016 during PETROTECH-2016. (Selected by SPTEC Advisory from Unnindia, October 17)

The Federal Government of Nigeria has entered into a $15 billion deal with India, in which the latter would make advance payment for crude oil purchases from Nigeria. According to the Minister of State for Petroleum Resources, Emmanuel Kachikwu (photo), the terms of the deal would be agreed sooner or later. Under the deal, the Indian government would pay Nigeria in advance for crude exports, which would be paid back on the basis of the firm Term Crude Contracts over some years. (Selected by SPTEC Advisory from Ecofin Agency, October 18)

ExxonMobil is to sell its 60% stake in downstream subsidiary Mobil Oil Nigeria to local fuel trading conglomerate Nipco Investments Ltd, a spokesman said. The move followed an evaluation of opportunities and plans to focus on "projects generating long-term shareholder value," the spokesman said. A company source cited the tough operating environment in Nigeria, which has been hit by declining oil revenue amid a slump in prices and output. (Selected by SPTEC Advisory from S&P Platts, October 19)

A Federal High Court in Lagos on Thursday fixed Dec. 8 for the hear of a suit filed by the Federal Government against Shell Western Supply & Trading Ltd over alleged 406.75 million crude oil theft. The suit no. FHC/L/CS/336/16 was filed by FG's Counsel, Prof. Fabian Ajogwu (SAN) before Justice Mojisola Olatoregun. Defendants in the suit are Shell Petroleum Development Company of Nigeria Ltd and its subsidiary -- Shell Western Supply & Trading Ltd. (Selected by SPTEC Advisory from Allafrica, October 20)

The Nigeria National Petroleum Corporation, Thursday, slashed the official selling price of Nigeria's crude oil grades as parts of strategy to make Nigeria crude oil attractive to buyers and to help it regain its share of the global crude oil market. According to a report by Bloomberg Energy, the NNPC cut the price of every type of crude it sells in an effort to regain share of the global oil market at a time when there is a huge glut of cargoes. The report disclosed that the NNPC lowered by at least $1 a barrel, its official selling prices (OSP), for 20 out of 26 oil grades monitored by Bloomberg, according to pricing lists. (Selected by SPTEC Advisory from Vanguard, October 20)
One of the militant groups in the Niger Delta region, Greenland Justice Mandate, has warned Shell and the Nigerian National Petroleum Corporation not to reopen the Trans Forcados pipeline in Burutu Local Government Area of Delta State pending a directive from it telling them to do so. The group in a statement on Saturday issued by its spokesman, Aldo Agbalaja, said, “Trans Forcados crude is under force majeure from operator Shell since a militant attack on the subsea pipeline in February and it is due to resume operation this week following the completion of repair works and maintenance. We do not have much to say to the oil companies than to just dare them to reopen the Trans-Forcados pipeline.” (Selected by SPTEC Advisory from The Punch, October 23)

The country’s crude oil reserves may dry up in the next 30 years, says Nigerian National Association of Petroleum Explorationists (NAPE). President of the association, Nosa Omorodion, raised the alarm in Lagos, yesterday, at a media briefing to announce programme schedule for NAPE’s yearly conference. He decried the lack of exploration in the country’s oil and gas sector, and called on the Federal Government to survey the Frontier Sedimentary Basins, which include Bida Dahomey, Anambra, Gongola, and Sokoto. Nigeria’s crude oil production has been depleting in the last five years, dropping from 37 billion barrels to 28.2 billion, according to latest figure from the Nigerian National Petroleum Corporation (NNPC). (Selected by SPTEC Advisory from The Guardian Nigeria, October 21)

Nigeria will hold a meeting with community leaders and representatives of militants from the Niger Delta next week in Abuja to end the insurgents’ attacks on oil facilities in the southern region, two government sources told Reuters on Monday. Attacks on Nigeria’s energy facilities by groups calling for the Delta region to receive a greater share of the OPEC member’s oil wealth have cut crude production, which stood at 2.1 million barrels per day at the start of the year, by a third. (Selected by SPTEC Advisory from Reuters, October 24)

The Niger Delta Avengers, Nigeria’s main militant group, said on Monday it had attacked the Escravos export pipeline run by Chevron Corp. (CVX) in the country’s Niger Delta oil region. It is the first time the group has claimed responsibility for an attack on an oil facility since it declared a cease-fire in August after elders in the region persuaded it to stop oil and gas pipeline bombing to allow for negotiations with the federal government. "Our strike team 06 took down Chevron Escravos export pipeline at Escravos offshore at 3.45 am," said a statement on the group’s website. (Selected by SPTEC Advisory from Dow Jones Newswires, October 25)

A multinational firm, Total E&P Nigeria Plc, has failed in its bid to bar journalists from covering and reporting the proceedings of a case of alleged illegal oil export filed against it by the Federal Government. The government had sued Total E&P Nigeria Plc at the Federal High Court, Lagos, alleging that the firm under-declared the volume of crude oil it shipped out of the country between January 2011 and December 2014. (Selected by SPTEC Advisory from The Guardian Nigeria, October 26)
Nigerian militants have bombed an oil export pipeline operated by U.S.-based multinational Chevron, according to the attackers and residents, and the militants are warning companies not to carry out repairs to sabotaged infrastructure that has reduced oil exports from Africa’s largest economy to a near 30-year low. The warning against repairs comes as British-Dutch multinational Shell prepares to resume exports eight months after the Niger Delta Avengers bombed an underwater pipeline and halted exports from Shell’s 250,000-barrel-a-day Forcados terminal. The International Energy Agency estimates the Forcados closure lost Nigeria $1 billion in just three months. (Selected by SPTEC Advisory from Associated Press, October 26)

The workforce in Nigeria’s oil industry has been depleted by 3,000 employees following the sack of personnel by firms in the industry, two oil unions have said. The mass sacks, it was gathered, resulted from the economic recession in the country. Some of the companies that laid off their staff are Chevron, ExxonMobil, Pan Ocean, Sapiem, and Hercules Oil and Gas Ltd. (Selected by SPTEC Advisory from Leadership Nigeria, October 27)

The Nigeria Union of Petroleum and Natural Gas Workers on Wednesday issued a 21-day ultimatum to the Federal Government to prevail on International Oil Companies operating in the country to stop mass retrenchment of oil workers. The National President of NUPENG, Mr Igwe Achese, stated this at the end of a meeting of the union’s Central Working Committee held in Effurun, Uvwie Local Government Area of Delta State. He said many oil companies including Chevron, ExxonMobil, Pan Ocean and Ground Petroleum were pulling out of the country following the economic recession, which had led to the sacking of about 3,000 oil workers. (Selected by SPTEC Advisory from The Punch Nigeria, October 27)

The Federal Government yesterday, launched a $10 billion infrastructure programme in the restive Niger Delta region as part of plans to end an insurgency that has hobbled oil production. Consequently, President Muhammadu Buhari will meet representatives of militant groups and community leaders from the Niger Delta in Abuja next week in a bid to end the attacks on oil installations in the region. Emmanuel Ibe Kachikwu, the Minister of State for Petroleum resources said. Speaking to a forum in Abuja aimed at outlining strategy for the petroleum industry, Kachikwu described bringing the insurgency to an end as the first goal of a seven-point plan. (Selected by SPTEC Advisory from the Sun Nigeria, October 28)

Barely a week after it sold its downstream subsidiary in Nigeria, United States’ oil giant, ExxonMobil Corporation, has announced the discovery of up to one billion barrels of oil reserves in the Owowo field, offshore Nigeria. The development is a boost to Nigeria’s efforts to increase her crude oil reserves from the current 36 billion barrels to 40 billion barrels target, which was set for 2010 but could not be achieved as a result of lack of investment in exploratory activities. The Owowo field spans portions of the contract areas of Oil Prospecting License (OPL) 223 and Oil Mining License (OML) 139. (Selected by SPTEC Advisory from This Day Live Nigeria, October 28)
The Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), Maikanti Baru said from January 2016 till date, government lost $7 billion (N2.1 trillion) to the activities of militancy groups and oil pipeline vandals in the Niger Delta region, Premium Times reports. He said; “Over 7000kpd of crude oil has been lost due to vandalism this year. A bulk of the loss is from JV assets. This implies that 60 per cent of oil production lost is NNPC-FGN equity. At an estimated price of $45 per barrel, the total 2016 revenue loss to the Federation Account translates to about $7 billion. This loss is equivalent to a new 7,000mw power plant; new 350kpd refinery; over 30 per cent of National budget; and a new 1,700 kilometre pipeline.” (Selected by SPTEC Advisory from Energy Mix, October 30)

US-based Exxon Mobil has announced a significant oil discovery with a potential recoverable resource of between 500 million and one billion barrels on the Owowo field, located offshore Nigeria. The Owowo-3 well, which was drilled to 10,410ft in 1,890ft of water, encountered about 460ft of oil-bearing sandstone reservoir and extends the resource discovered by the Owowo-2 well. Owowo-2 encountered about 515ft of oil-bearing sandstone reservoir. Exxon Mobil affiliate Esso Exploration and Production Nigeria drilled the Owowo-3 well that proved additional resources in deeper reservoirs. Exxon Mobil Exploration Company president Stephen Greenlee said: “We are encouraged by the results and will work with our partners and the government on future development plans.” (Selected by SPTEC Advisory from Offshore Technology, October 31)

SEPTEMBER

Global oil giant, Shell said oil market volatility prompted by huge oversupply which has weighed on prices for the past two years may not likely clear until the second half of 2017. The potential return to the market of some 1.5 million barrels per day of supply from Libya and Nigeria and uncertainty about Iranian and Iraqi production levels could push a rebalancing further away than many in the oil industry are hoping, Shell’s chief energy adviser, Wim Thomas told Reuters. "All these things when they come back on the market can again postpone the true balancing," Thomas said in an interview on the sidelines of the ONS oil conference in Stavanger, Norway. (Selected by SPTEC Advisory from All Africa, September 01)

Militant attacks on energy facilities in Nigeria’s southern Niger Delta threaten to cripple the country’s state oil company if allowed to go unchecked, it said on Sunday. Militants calling for a greater share of the country’s oil wealth to go the impoverished region have reduced Nigeria’s crude oil output by 700,000 barrels per day (bpd) to 1.56 million bpd since the start of the year. Niger Delta Avengers, which claimed responsibility for most of the attacks, said last month it had ceased hostilities to pursue talks with the government, but others say they will continue attacks. (Selected by SPTEC Advisory from Reuters, September 04)
The ongoing attacks on oil and gas industry infrastructure in Nigeria’s oil-producing regions are putting the industry at risk of total collapse, a group of former Nigeria National Petroleum Corporation (NNPC) group managing directors said on Sunday. The statement was made at a brainstorming session hosted by NNPC group managing director Maikanti Baru with eight of his predecessors, who urged the company and the government to implement the necessary reforms in order to prevent Nigerian oil and gas industry from grinding to a halt. “They ... agreed that if the current situation remains unchecked, it could lead to the crippling of the corporation and the nation’s oil and gas sector, the mainstay of the Nigerian economy,” NNPC said in a statement, which added that Minister of State for Petroleum Resources Emmanuel Ibe Kachikwu was also present at the gathering. (Selected by SPTEC Advisory from The Oil & Gas Year, September 05)

Nigeria’s national oil company said on Monday there were no immediate plans to increase gasoline prices, days after fuel marketers and former NNPC management called for the removal of a cap on price levels. Maikanti Baru, group managing director of state oil company NNPC told reporters that there was "nothing like that in the offing." Fuel marketers are pressing the government to remove the current gasoline price cap of 145 naira ($0.4394) per litre, as they say they are struggling to buy the fuel, which priced in dollars, and sell it in Nigeria in naira at a profit. A press release over the weekend from former NNPC leaders called the current price cap "not congruent" given the foreign exchange rate and low crude oil prices. "We don't want any cap because of the fluctuations of the dollar rate in the country," Chinedu Ukadike, chief of staff to the national president of the Independent Petroleum Marketers Association of Nigeria (IPMAN), said. (Selected by SPTEC Advisory from Reuters, September 05)

Topaz Energy and Marine saw its vessel, the Topaz Sophie, receive a special award from Total Nigeria in recognition of its “Operational Commitment”. The first of its kind given by Total Nigeria. The award recognizes excellence in fuel economy, operational safety, management offshore visits, operational anomaly reporting and attendance by the vessel’s senior crew in all Service Quarterly Meetings. The vessel and her crew were formally presented with the award in Onne, Nigeria by Total Nigeria’s representative, Marine Superintendent Mr. Norris Chukwudi Olisedeme. The Topaz Sophie is a 75-meter, 3,300 DWT, DP2 platform supply vessel which Topaz operates in West Africa through its local subsidiary, Topaz Marine Nigeria Ltd. (Selected by SPTEC Advisory from Petroleum Africa, September 06)
Nigeria’s crude oil production declined by 130,000 barrel per day (bpd) in August to an average of 1.44 million bpd, as oil companies struggle to revamp pipelines in Niger Delta following severe attacks by militant groups. The country suffered the biggest decline among members of the Organisation of Petroleum Exporting Countries, OPEC. The oil market has been plagued by a stubborn supply glut that saw prices plunge to near 13-year lows below $30 at the start of 2016. This is even as oil production among the 14 member states rose by 120,000 barrels a day to average 33.69 million a day in August, as against 33.24 bpd in July, according to a survey by Bloomberg. (Selected by SPTEC Advisory from Vanguard, Septembre 06)

Shell has lifted the force majeure, announced a month ago on August 8, on its feed gas supply into the Nigeria LNG export complex. A spokesman of Shell Petroleum Development Company of Nigeria (SPDC) said: “SPDC lifted the force majeure on gas supply to NLNG effective today, September 7 2016, following repair of the leak at the Eastern Gas Gathering System (EGGS-1) and re-opening of the line. A joint investigation team comprising community people, regulatory agencies and SPDC representatives found that the leak was from a hole drilled by unknown persons.” Traders had said that the disruption to Shell’s feed gas supplies into NLNG meant that the latter was exporting at roughly half its normal capacity. (Selected by SPTEC Advisory from Natural Gas Europe, Septembre 07)

Not many in Africa’s oil and gas industry will be surprised to hear that the wait for the ever-delayed petroleum industry bill (PIB) from Nigeria will continue. According to officials in Nigeria, the reform bill is on hold until the militant problems in the Niger Delta are resolved. Nigeria’s PIB has been in the works for a great many number of years but has yet to be legislated. A named priority of President Muhammadu Buhari, the bill covers everything from an overhaul of NNPC to taxes on upstream projects. The PIB has making the rounds at parliament in one form or another for a decade. “We have to hold it because of all the problems in the Niger Delta,” Senator Tayo Alasoadura, chairman of the committee on petroleum resources, said of the bill in a Reuters report “As soon as things improve, then it will come to the front of the line again.” (Selected by SPTEC Advisory from Petroleum Africa, Septembre 07)

Chemex Modular reached terms in principle with its longtime client and business partner Niger Delta Petroleum Resources Ltd (NDPR) to expand NDPR’s existing refining capacity from 1,000 bpd to 11,000 bpd. In addition to its existing diesel only (automotive gas oil) production capacity, the expanded refinery will allow NDPR to supply increased diesel capacity, jet fuel, gasoline, and marine diesel oil. Chemex Modular designed and fabricated the existing NDPR refinery, commissioned in 2012, and has been utilized at full capacity since 2012. NDPR currently operates the only privately-held petroleum refinery in Nigeria. The new units will include additional crude distillation units, a naphtha hydrotreater, a naphtha splitter, and a catalytic reforming unit for the production of gasoline. The expansion will provide numerous additional local jobs for skilled operators, technicians, and plant maintenance personnel. (Selected by SPTEC Advisory from Petroleum Africa, Septembre 08)
The Nigerian military reported today that they have captured the suspected leader of the Niger Delta Avengers (NDA), a rebel group that has targeted oil and gas infrastructure as part of their armed push against the African country’s government. As reported on the website of E&P magazine, alleged NDA commander Isaac Romeo was caught along with two other men in a military operation led by soldiers with support from the air force and security officers. The three suspected rebels were detained over the weekend in Calabar, the capital of Cross River state in the oil-rich Delta region. The military on Monday subsequently apprehended a fourth militant who they believe took part in an 11 August attack on a pipeline operated by the Nigerian Petroleum Development Co. (NPDC) and Nigerian energy firm Shoreline. (Selected by SPTEC Advisory from Oil Price, Septembre 08)

Nigeria seems to be walking a familiar path petrol on price, following the call by former Group Managing Directors (GMD) of the Nigerian National Petroleum Corporation, NNPC, for an increase in the price of the commodity. Though the Federal Government, the Petroleum Products Pricing Regulatory Agency, PPPRA, NNPC and oil marketers have come out to deny any plan to increase the price, skepticism remains, as this was the same way the FG vowed, severally, that the price of petrol, otherwise known as Premium Motor Spirit (PMS), would not be hiked, until the increase was effected in May. Ahead of the incident of May, government utilized a perfect excuse when it blamed the hike on the unending petrol scarcity which almost crippled the country for about one year and the scarcity of foreign exchange. Today, the excuse, though tenable, appears to be the declining value of the naira against major international currencies, especially the dollar. (Selected by SPTEC Advisory from AllAfrica, Septembre 11)

Nigerian soldiers destroyed 74 illegal oil refineries and several militant camps in the oil-rich Niger Delta, an army spokesman said on Friday. The army carried out raids based on a tip-off in southern Rivers and Bayelsa States on Wednesday, where oil pipelines and refineries are regularly attacked by militants, spokesman Sani Usman said in a statement. No arrests were made, since the militants managed to escape, but some weapons and ammunition were recovered, Usman said. Across the swamps of the Niger Delta, oil thieves refine stolen crude oil worth billions of dollars in makeshift, illegal refineries, such as massive tanks or open-air pits. In addition, various militant groups regularly attack oil installations in the Niger Delta to demand a share of profits for the local population. Some also demand regional self-government. (Selected by SPTEC Advisory from Petroleum Africa Septembre 10)
Vice President Yemi Osinbajo, yesterday, attributed the current economic recession in the country to the loss of almost 60 per cent revenue due to the activities of pipelines vandals in the Niger-Delta. The Vice-President said this while fielding questions from newsmen in Abeokuta. Osinbajo, who disclosed that the nation has lost almost 40 per cent of the gas, however, expressed optimism that the country would soon overcome its challenge. He said: "One of the key reasons why we are in recession is the fact that we lost about 60% of our revenue due to the vandalization of the pipelines on the Niger/Delta and we lost almost 40% of the gas. "I have a strong belief that by the grace of God, we will be able to resolve that. Once we are able to resolve that, we would at least be able to earn more revenue. If revenue grows up, it is an added advantage." (Selected by SPTEC Advisory from AllAfrica, Septembre 12)

International ratings firm, Fitch Ratings Agency, has downgraded Nigerian-based Seven Energy International Limited’s Issuer Default Rating (IDR) to ‘CC’ from ‘B’. Last week in the west African country, the ratings agency also downgraded the senior secured rating of wholly-owned subsidiary Seven Energy Finance Limited’s 10.25% $300 million secured notes due in 2021 to 'C' from 'CCC', reports Vanguard. The media quoted a statement issued by Fitch Ratings Agency, which stated that the recovery rating on the notes remains at 'RR6'. The IDR downgrade reflects our re-assessment of the significant ongoing liquidity, security and execution risks that Seven Energy continues to face, the statement said. (Selected by SPTEC Advisory from ESI Africa, Septembre 12)

The Federal Government on Friday took the quest for sufficient power supply in the country a notch further with the signing of a Power Purchase Agreement with Kingline Development Nigeria Limited, a new power generation firm with Nigerian and South Korean interests. The signing of the agreement is expected to lead to the injection of 550 megawatts of electricity into the national grid at the completion of the power project to be located in Ondo State. While the Managing Director of the Nigerian Bulk Electricity Trading Plc, Dr. Marilyn Amobi, signed the PPA on behalf of the Federal Government, the MD of Kingline Development Limited, Mr. Akinnola Fola, signed on behalf of the company. Amobi expressed delight at the prospect of increased electricity supply, which the PPA signing represented and urged the company to move quickly to complete the project. She said, “For the NBET and for Nigeria, it is a welcome development. It confirms our quest for power generation and government’s commitment to ensuring that all the structures that are required to attract and make our investors comfortable are on the ground. (Selected by SPTEC Advisory from The Punch, Septembre 12)
ExxonMobil is offering an October-loading cargo of Nigeria’s Qua Iboe crude oil, the first offer since the company declared force majeure on the grade in July, sources said on Tuesday. Exxon declared force majeure on the grade, Nigeria's largest export stream, after a leak on the pipeline that feeds the oil to the export terminal. It was not immediately clear if the pipeline was already repaired, or if the company simply expected it to be back online in time to load the oil in October. The cargo is offered for Oct. 8-16 loading at a premium of $1.80 per barrel to dated Brent, sources said. A spokesman for Exxon said the force majeure remained in effect but did not give a timeframe on the resumption of regular oil flows. (Selected by SPTEC Advisory from Reuters, Septembre 13)

A proposed law to force indigenous and foreign oil companies to set aside a certain percentage of their training budgets to fund operations of the Petroleum Technology Development Fund (PTDF) is generating concerns among stakeholders in the industry. PTDF is the government agency dedicated to manpower development through research and training in relevant oil and gas fields. Its major source of funding is from sums received by the federal government in respect of oil prospecting or mining leases. But over the years, monies belonging to PTDF in reserve account domiciled with the Central Bank of Nigeria (CBN) have not been made available to the Fund as and when due. (Selected by SPTEC Advisory from All Africa Septembre 14)

Canadian Overseas Petroleum Limited ("COPL" or the "Company") (XOP: TSX-V) & (COPL: LSE), an international oil and gas exploration and development company focused on offshore West Africa, announces its 50% owned affiliate, Shoreline Canadian Overseas Petroleum Limited ("ShoreCan"), has completed the acquisition of 80% of the share capital of Essar Exploration and Production Limited (Nigeria) ("Essar Nigeria"). Essar Nigeria's sole asset is a 100% interest and operatorship of OPL 226 located 50km offshore in the central area of the Niger Delta. Under the terms of the Production Sharing Contract ("PSC") governing OPL 226 (the "Block"), Essar Nigeria is required to seek Ministerial consent for the transaction. Application has been made and the parties to the transaction are awaiting its approval. Under the terms of the acquisition, ShoreCan will take over management and have a majority of Directors on the Board of the Essar Nigeria immediately. (Selected by SPTEC Advisory from Power Engineering, Septembre 14)

Counsel to the Federal Inland Revenue Service, FIRS, and Nigerian National Petroleum Corporation, NNPC, in the appeal by Shell and other oil companies over the $10.85 billion arbitration, which the Appeal Court ruled in favour of NNPC, Mr. Lucius Nwaosu, SAN, has called on the Attorney General of the Federation, Mr Abubakar Malami, SAN, to ensure that the Deep Offshore Act, as regards the Production Sharing Contracts, PSC, between NNPC and oil multi-nationals operating in Nigeria were re-negotiated. (Selected by SPTEC Advisory from Vanguard, Septembre 15)
Some ex-militants who accepted the federal government’s amnesty deal in 2009, have accused oil servicing firms operating in the Niger Delta of fuelling violence by their refusal to pay huge sums owed contractors and by extension numerous jobless youths in the region. The group, which described its members as ‘freedom fighters, in a petition to the National Security Adviser (NSA), Maj-Gen. Babagana Monguno (rtd), yesterday stated that the situation was causing restiveness among the youths. The Iduwini Volunteer Force (IVF) in the letter copied other security agencies, therefore issued a three-week ultimatum to the management of one of the companies, owners of OML 88, Oriri Oil Field, to pay the contractors so they could settle their debts to the affected ex-militants. “We have discovered very sadly and with utmost disbelief that the unending crisis in the Niger Delta areas can easily be traceable to the ungodly activities of these companies. “Even local concerns who use their huge wealth and resources to fan the ember of violence and intimidate other indigenous contractors who render services to them,” it said in the letter signed by ‘Commander’ Johnson Biboye. (Selected by SPTEC Advisory from This Day Live, September 19)

The governor of Central Bank of Nigeria, Godwin Emefiele, has disclosed that the country will soon commence the sale of about 15 per cent of its oil assets held by the Nigerian National Petroleum Corporation (NNPC), which is expected to yield an inflow of $10 billion to the country. This is part of efforts to reflate the nation’s receding economy. This is coming as the federal government has demanded $635 million from two multinational oil companies, Agip and Total, for undeclared crude oil shipped out of the country between 2011 and 2014. Two cases have been filed at the Federal High court in Lagos by senior lawyer and Senior Advocate of Nigeria (SAN), Professor Fabian Ajogwu, who had handled several cases for the federal government on aviation, defence, energy, and financial services. Emefiele, while speaking at an interactive session with top media executives in Lagos, said the expected income would have been up to $15 billion if the assets were sold earlier in the year. He also disclosed that a team of consultants had been commissioned to carry out a study on the proposed sale. (Selected by SPTEC Advisory from Leadership Nigeria, September 19)

Canada-based, Africa-focused oil and gas explorer Canadian Overseas Petroleum Ltd.’s (XOP: TSX-V) (COPL: LSE) and its 50% owned affiliate, Shoreline Canadian Overseas Petroleum Ltd., has completed the acquisition of 80% of the share capital of Nigerian oil and gas company Essar Exploration and Production Ltd., the company said. Essar Nigeria's sole asset is a 100% interest and operatorship of OPL 226 located 50km offshore in the central area of the Niger Delta. Under the terms of a production sharing contract governing OPL 226, Essar Nigeria is required to seek Ministerial consent for the transaction. Application has been made and the parties to the transaction are awaiting its approval. Under the terms of the acquisition, ShoreCan will take over management and have a majority of directors on the board of the Essar Nigeria immediately. An extension to the first phase of the PSC to December 31, 2017 was recently granted to Essar Nigeria. The remaining commitment on the first phase of the PSC is the drilling of one well. (Selected by SPTEC Advisory from M&A Navigator, September 19)
Oando PLC, Nigeria's leading indigenous energy group listed on both the Nigerian and Johannesburg Stock Exchange, has announced the execution of a definitive agreement with a vehicle owned by funds advised by Helios Investment Partners LLP ("Helios"), a premier Africa-focused private investment firm, to acquire 49% of the voting rights in Oando's midstream business subsidiary, Oando Gas and Power Limited ("OGP"). The agreed transaction consideration of US$ 115.8 million is conditional upon the receipt of regulatory approvals and subject to customary purchase price adjustments. Upon completion, Oando will retain 49% of the voting rights in OGP. The residual 2% will be held by a local entity. (Selected by SPTEC Advisory from India Energy News, September 19)

The recent discovery of oil in Lagos in commercial quantity has been described as a good omen for the development of the oil and gas industry which Dangote refinery will benefit from. Speaking in his office in Lagos during a visit by the leaders of the League of African Development Student (LEADS), Group Executive Director of the Dangote Industries Limited, Mr. Devakumar Edwin, said it was a good development that Lagos is now a proud oil producing state, adding that it would further strengthen oil output from the country. He stated that Dangote Refinery and Petrochemical would be more than willing to partner the state and the federal government in ensuring that the oil production from Lagos add value to the economy of Lagos and the nation at large. (Selected by SPTEC Advisory from Allafrica, September 19)

Nigeria is suing several major oil companies for $12.7 billion of oil that allegedly was exported illegally to the United States between 2011 and 2014, officials said Tuesday. The Federal High Court in Lagos begins hearings next week in cases filed against Nigerian subsidiaries of U.S. multinational Chevron, British-Dutch Shell, Italian ENI's Agip, France's Total and Brasoil of Brazilian Petrobas, according to the court register. Oil companies did not immediately respond to requests for comment. Officials familiar with the cases said Nigeria's government alleges that the companies did not declare more than 57 million barrels of crude oil shipments. That was deduced from audits of declared exports and what was unloaded in the United States. Some shiploads registered less when they left Nigeria and more on reaching the United States, while some entire shiploads were undeclared in Nigeria, said the officials, who spoke on condition of anonymity because the cases still are in court. (Selected by SPTEC Advisory from Associated Press News, September 20)

Nigerian parliament Tuesday urged the government to immediately open talks with Niger Delta militants to prevent further bombings of oil facilities that reduced Nigeria's oil output to nearly 30-year lows and have inflicted heavy economic harm. Attacks on Nigeria's oil and gas infrastructure have slashed production to around 1.5 million-1.6 million b/d currently from 2.2 million b/d earlier in the year, leaving the government struggling to implement the 2016 budget. (Selected by Platts Commodity News from Sputnik News, September 20)
Nigeria has hunted down 700,000 firms that have never paid taxes as the country seeks new revenue sources to offset low oil prices that have pushed Africa's biggest economy into its first recession in more than 20 years, its tax chief said. Tunde Fowler, executive chairman of the Federal Inland Revenue Service (FIRS), said in a rare interview that he also expected 10 million individuals to be discovered by December and made to pay taxes for the first time. The government, struggling to fund a record 6.06 trillion naira ($18.6 billion) 2016 budget that aims to stimulate growth by tripling capital expenditure, set FIRS a target of raising 4.95 trillion naira in taxes, up from 3.73 trillion last year. (Selected by SPTEC Advisory from Reuters, September 22)

Exports of Nigeria's Forcados crude are expected to resume "very soon" as repairs to the subsea export pipeline have been completed, a spokesman for state-owned Nigerian National Petroleum Corp. said Thursday. The pipeline has been down since February after sabotage, shutting in more than 250,000 b/d of crude oil. "Repairs of the Forcados export pipeline have been completed," an NNPC spokesman told S&P Global Platts. (Selected by SPTEC Advisory from S&P Global Platts, September 22)

Eland Oil & Gas PLC (ELA.LN) reported a first-half aftertax loss on the continued shutdown of Nigeria's sabotaged Forcados pipeline though the company said it is progressing with two circuitous alternatives to ship its crude. The U.K.-listed oil company an aftertax loss from continuing operations of $9.1 million in the six months ended June 30, 2016, slightly narrower than the $10.3 million loss in the same period a year before. The loss narrowed on cost reductions and foreign-exchange benefits from the devaluation of the Nigerian naira against the dollar. (Selected by SPTEC Advisory from Down Jones Newswire, September 22)

Helios Investment Partners LLP ("Helios") has bought a 49% stake in Oando Plc's Nigeria's midstream business subsidiary, Oando Gas and Power Limited ("OGP") for $115.8 million. According to a statement released by Oando Plc today 19 September, the agreed transaction value of US$ 115.8 million is based upon the receipt of regulatory approvals and subject to customary purchase price adjustments. After the completion of the deal, Oando will retain 49% of the voting rights in OGP. The residual 2% will be held by a local entity. (Selected by SPTEC Advisory from Naija 247, September 26)

Nigerian militant group the Niger Delta Avengers said on Saturday it had carried out its first oil pipeline attack in the country's southern energy hub since declaring a break in hostilities in August to pursue talks with the government. The Avengers have previously launched attacks that have reduced the OPEC member's crude oil production by around a third from the 2.1 million barrels per day average at the start of the year. The group said in a statement on its website that it had "brought down oil production activities at the Bonny 48 inches crude oil export line" in an attack on Friday night. (Selected by SPTEC Advisory from Egypt Independent, September 26)
In line with its commitment to drive excellence in the downstream sector of the Nigerian oil and gas industry, Heyden Petroleum Limited has acquired 40 new petrol stations, thus bringing the number of its retail outlets to 50. The upgrade of the newly acquired petrol stations is currently ongoing and is billed for completion in months. Speaking weekend at the unveiling of one of the rebranded retail outlets, located in Alapere axis on the ever-busy Third Mainland Bridge, Lagos, the Managing Director, Dapo Abiodun, said the company invested has over N10billion in the acquisition of the new petrol stations. (Selected by SPTEC Advisory from This Day live, September 26)

The Nigerian National Petroleum Corporation, NNPC, weekend disclosed that it paid $48.99 million to the Federation Account in two months, June and July 2016. The NNPC, in its Monthly Financial and Operations Reports, revealed that the payment was after its failure to make any dollar remittances to the Federation Account Allocation Committee, FAAC, for 14 months, from April 2015 to May 2016. This, according to the report, is mainly due to declining crude oil earnings, which led to the NNPC transferring all dollar proceeds from crude oil and gas export sales to payments for Joint Venture Cash Call. (Selected by SPTEC Advisory from Vanguard, September 26)

The nation’s crude oil exports have suffered another setback with the shutdown of the Trans Niger Pipeline, which carries Bonny Light crude, as a precautionary measure after a fire was seen, a spokesman for Shell Petroleum Development Company of Nigeria Limited said on Monday. The 28-inch TNP, which is operated by the SPDC, was also shut in early June before it was later reopened. The TNP transports around 180,000 barrels of crude oil per day to the Bonny Export Terminal and is part of the gas liquids evacuation infrastructure, critical for continued domestic power generation (especially at the Afam VI power plant) and liquefied gas exports, Shell said on its website. It was not clear whether export supplies would be subject to force majeure. (Selected by SPTEC Advisory from The Punch News, September 27)

The Manufacturers’ Association of Nigeria (MAN) on Tuesday backed the move by the Federal Government to sell some national assets such as its share of the Nigeria Liquefied Natural Gas (NLNG) company. However, MAN said government should cut down its equities in some of the companies where it had majority shares for them to be run efficiently rather than sell them outright. Addressing a press conference on the 2016 annual Manufacturers’ lecture to be delivered by the President/CEO of Dangote Group, Alhaji Aliko Dangote in Abuja on Thursday, President of MAN, Dr. Frank Jacobs said the move would help to shore up the country’s foreign reserve and boost investors’ confidence in the economy. (Selected by SPTEC Advisory from Allafrica, September 28)
Evolve Trading & Investment Limited with offices in the United Kingdom and Nigeria has signed a Memorandum of Understanding with Awaritse Nigeria Limited, a local oil servicing company, to build mini refineries with the capacity to process crude oil, produce water and generate electricity. The partnership, according to a statement, was signed after meetings in London between Awaritse Nigeria team and Evolve Trading and Investments, represented by the Senior Vice President, Mr. George Irvine, and the Strategic Alliance Partner, Mr. Godwin Atsimene Jnr.; Irvine was quoted to have said, “Our innovative refining technology is far ahead of the standard refining process, which does not produce the additional outputs of electricity and drinking water. The unit has been named the ‘Genesis Life Cube’ and is based upon the context of creating life by producing the basic elements of water and light. (Selected by SPTEC Advisory from The Punch Nigeria, September 27)

Facing the likelihood of its first full-year economic contraction in 25 years, Nigeria is contemplating a rare sale of stakes in the oil and gas industry, the country’s biggest foreign-exchange earner. President Muhammadu Buhari’s economic advisers are working on a plan “to generate immediate large injection of funds into the economy through asset sales, advance payment for license rounds, infrastructure concessioning,” to help deal with the slump in crude revenue, Budget Minister Udoma Udo Udoma said in a Sept. 24 statement. The ministry of Petroleum Resources is examining what energy assets could be sold, Udoma’s spokesman, James Akpandem, said last week. (Selected by SPTEC Advisory from Bloomberg, September 27)

The Niger Delta Greenland Justice Mandate (NDGJM) has bombed a major pipeline belonging to the Nigeria Petroleum Development Company in Delta State, in the Niger Delta region, military and community sources confirmed the attack Thursday saying it was on a delivery line and that the bombing was carried out early morning. In a statement released by self-styled General Aldo Agbalaja, the group said the attack was a warning to soldiers in the region to desist from their Operation Crocodile Smile operation. (Selected by SPTEC Advisory from Panapress, September 29)

Nigeria's Dangote Cement has turned to locally-mined coal to power its plants in a bid to end disruptions caused by gas shortages and lower its production costs. "All our cement plants have been converted to coal," Aliko Dangote, the company's billionaire majority owner and chairman, told a business conference on Thursday, adding they would use 12,000 metric tonnes of coal each day. Dangote's move is unusual in an era when power generation is shifting away from coal. Coal used to generate U.S. power fell in April to its lowest monthly level since 1978, the U.S. Energy Information Administration said in a June report. (Selected by SPTEC Advisory from Reuters, September 29)
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Nigerian oil production has been reduced to 1.4mn b/d because of attacks by armed militant groups, oil minister Ibe Kachikwu said today. This is the lowest since 1989. Nigerian output had recovered to 1.75mn b/d in July, from 1.69mn b/d a month earlier — itself the lowest in almost two decades. Attacks against oil and gas facilities by rebel group Niger Delta Avengers since February this year has led to a series of force majeures on Nigerian crude, including key export grade Forcados. The government is working with local communities and the armed groups to solve the problem, Kachikwu said. The Nigerian government is also working to reform the way it funds its cash-call obligations to its upstream joint venture partners such as Shell, Total, Italy’s Eni, Chevron and ExxonMobil. State-owned NNPC owes over $6bn to these companies and the cost of meeting NNPC’s majority stake in these ventures is over $2bn annually, Kachikwu said. (Selected by SPTEC Advisory from Argus, August 01)

According to data from the Central Bank of Nigeria (CBN), Nigeria’s earnings from crude oil export have continued to fall, as the volume of crude export dropped by 10.23 million barrels in the month of May, The Punch reports. At the official exchange rate of N315.5 to a dollar, and an average of $47.59 per barrel of crude during the review period, Nigeria’s earnings from the export of the commodity dropped by N153.5bn in May. The country’s crude oil export opened at 1.45 million barrels per day or 44.95 million barrels in the month of January, but it recorded declines in the following months and reduced to 0.9 million bpd or 27.9 million barrels in May. In April, Nigeria’s crude export stood at 1.23 million bpd, but this dropped by 330,000 bpd in May. According to the CBN, the drop in oil export was largely due to destruction of oil and natural gas infrastructure in the Niger Delta by militants. (Selected by SPTEC Advisory from Energy Mix, August 02)

Nigeria was confronted with the prospect of double jeopardy monday, when Anglo-Dutch oil multinational, Shell, confirmed that suspected militants believed to be from the Niger Delta attacked its Trans Ramos Pipeline (TRP) in Delta State. This came as concerns mounted over oil prices, as United States crude tumbled monday below $40 per barrel for the first time since April, with both Brent and US crude prices falling by nearly four per cent. The latest slump in oil prices followed heightened fears of an oil glut after a survey suggested that crude oil output from the Organisation of Petroleum Exporting Countries (OPEC) reached record highs in July. It was also certain to raise concerns among managers of the Nigerian economy who had predicated the 2016 budget on oil benchmark price of $38 per barrel. (Selected by SPTEC Advisory from This Day Live, August 02)
The revenue woes facing local oil companies following the sharp drop in global oil prices have been worsened by the recent upsurge in militant attacks in the Niger Delta, industry players have said. They stated this at the 40th Nigeria Annual International Conference and Exhibition of the Society of Petroleum Engineers in Lagos. The Managing Director, Seplat Petroleum Development Company Plc, Mr. Austin Avuru, said about 70 per cent of the nation’s production from the traditional terrain of onshore and shallow water had been locked in. “A year ago, we were battling with zero production and zero revenue for upwards of five, six months. Some of us no longer check the oil price, it has become irrelevant. Oil price is only relevant when you produce,” Avuru stated. He added that the oil and gas industry was undergoing a major transformation a couple of years ago aimed at moving it away from just being a primary revenue earner for the Federal Government to becoming an enabler of economic development. (Selected by SPTEC Advisory from The Punch, August 03)

The Nigerian government on Tuesday said it would pump gas across the West African sub-region in furtherance of the objectives of the West African Gas Pipeline (WAGP) project. President Muhammadu Buhari made the pledge in Abuja, the country’s capital city while addressing a joint news conference with the visiting Beninese President Patrice Talon. The Nigerian leader said the country was considering converting gas to liquid form for easy export to countries of the sub-region. "The world knows that Nigeria has plenty of gas and what we need to do is to stabilize the environment so that this gas can be regularly pumped to the sub-region through the infrastructure already in place," he added. "Also the Nigerian LNG is not doing too badly, the gas can be turned into liquid form; the technology is now available; it can be transferred to Benin Republic to power their power stations," he said. (Selected by SPTEC Advisory from Xinhua, August 03)

The renewed attacks by new militant groups in Niger Delta region since early this year have reduced Nigeria’s oil production in the onshore and shallow water by 70 per cent, according to operators. Stakeholders who gathered at the ongoing Nigeria Annual International Conference and Exhibition (NAICI) organised by the Society of Petroleum Engineers (SPE) Nigeria Council, said that the country is now battling with zero production and zero revenue from these sources. The Niger Delta militants have vowed to reduce Nigeria’s crude oil production to zero, making the country to record a 20-year low in output for the first time in 20 years. The operators said that recent challenge of vandalism and outright destruction of oil and gas facilities has further curtailed Nigeria’s oil and gas production; power generation ability; reduced the inflow of revenue; escalated the cost of environmental remediation and provision of secondary health care facility replacement. (Selected by SPTEC Advisory from The Guardian, August 04)
Transnational Corp. of Nigeria Plc suspended plans to build one of the nation’s biggest power plants as a local gas shortage makes it difficult to obtain fuel and a downturn in Africa’s largest economy hinders efforts to raise funds for the project. The company in 2014 said it would raise $1 billion to build a 1,000-megawatt gas-fired facility. Two years earlier, it bought the Ughelli plant in the hydrocarbon-rich Niger River delta from the government and more than doubled its output to 700 megawatts. Since then, attacks on pipelines by militant groups have cut gas supplies to stations and forced millions of Nigerians to either do without electricity or buy fuel for their own generators. Also, a dollar shortage blamed on a 15-month currency peg removed on June 20 has raised import prices and inflation, with the economy contracting in the first quarter. (Selected by SPTEC Advisory from Bloomberg, August 04)

Scores of youths on Wednesday shut down the OB-OB Gas Plant belonging to the Nigerian Agip Oil Company in Omoku, the headquarters of Ogba/Egbema/Ndoni Local Government Area of Rivers State. The angry youths said they decided to shut down the facility when NAOC refused to meet and interface with them on issues affecting them, including employment and the need to implement the content of an existing Memorandum of Understanding. The youth, who chanted war songs while they formed a blockade around the main entrance to the facility, vowed that the gas plant would remain shut down until NOAC began to do the right thing by listening to them. Vice President of Omoku Youth Association, Mr. Emeka Ababiri, told our correspondent in a telephone interview that his members began to picket the point where the facility was located in Omoku at about 6am. (Selected by SPTEC Advisory from The Punch, August 04)

The Nigerian National Petroleum Corporation recorded a total loss of N65.83bn between January and May this year, its latest group financial report for the month of May has shown. According to the report, which was released on Friday, the corporation’s revenue in the first five months was N588.46bn, while the expenses incurred was put at N654.29bn. The report, however, stated that the national oil firm recorded a profit of N274m in the month of May 2016, while its three refineries posted losses in the period under review. The refineries also recorded a total loss of N27.18bn for the first five months of the year despite assurances from the management of the corporation to revamp the facilities. The NNPC’s performance in May was an improvement over what was recorded in the preceding month as the group made a total loss of N19.43bn in April 2016. Early last month, the Minister of State for Petroleum Resources, Dr. Ibe Kachikwu, stated that the corporation, for the first time in its history, recorded a profit in May 2016. Kachikwu also said the NNPC was able to cut its operational cost by 30 per cent, adding that Nigerian refineries had started working for the first time in about 10 years. (Selected by SPTEC Advisory from The Punch, August 06)
Total Exploration and Production Nigeria Limited has said that it has invested approximately $10 billion in the country in the last few years just as it has added about 2.3 billion barrels to the country’s oil production between 1966 and 2015, BusinessDay reports. Nicolas Terraz, the company’s managing director and chief executive officer who disclosed this at the Society of Petroleum Engineers (SPE) Nigeria Annual International Conference held in Lagos said, despite the challenging operating environment, the company was committed to her various developments. He said: “In June 2016, we completed the onshore construction phase and commenced offshore works for the remaining part of the Ofon Phase 2 project which achieved gas flare out in December, 2014. This was recognised by the World Bank-sponsored Global Gas Flaring Reduction Partnership (GGFR), which gave an Excellence Award to our Ofon-2 Project on 9th September 2015, for the achievement.” (Selected by SPTEC Advisory from Energy Mix, August 08)

Nigeria and Spain will strengthen bilateral trade relations covering every spectrum of the oil and gas sector. This was determined during a meeting between NNPC’s MD, Dr. Maikanti Kachalla Baru and Spanish Ambassador to Nigeria, Alfonso Barnuevo in Abuja. One of the main topics was refining. According to Baru NNPC is currently undergoing transformation which includes increasing its refining capacity. Adding that the state-run firm would work closely with Spanish firm Repsol to improve the technical capacities of the refineries. “As you know, we have challenges with our refineries and with Repsol refining about 900,000 bpd, we can collaborate on that, going forward,” Dr. Baru noted. “While we are fixing our refineries, we also have the opportunity to bring in more petroleum products into the country to meet our domestic needs,” he added. (Selected by SPTEC Advisory from Petroleum Africa, August 08)

The Group Managing Director of the Nigerian National Petroleum Corporation, Dr. Maikanti Baru, on Tuesday said there was no basis for any increase in the pump price of petrol. He said so far, the request for forex for importation of petrol had been met and the NNPC’s supply situation was “robust.” Baru spoke with State House correspondents shortly after meeting behind closed doors with President Muhammadu Buhari at the Presidential Villa, Abuja. Oil marketers had on Monday asked Nigerians to prepare for another increase in the pump prices of petrol due to the continued scarcity of foreign exchange to finance the importation of the product. According to them, the United States dollar hit an all-time high last week, as it exchanged for N400 at the parallel market. Worried by the development, the marketers said if not urgently addressed, the pump prices of petrol would not remain at the approved rates. (Selected by SPTEC Advisory from Allafrica, on August 09)
As part of the efforts to address frequent disruptions to the supply of crude oil to the Kaduna Refinery and Petrochemical Company (KRPC) as a result of attacks by Niger Delta militants, the Nigerian National Petroleum Corporation (NNPC) is considering importing crude oil from Chad and Niger Republic, ThisDay reports. A top official of the NNPC, who spoke on the condition of anonymity, disclosed yesterday that the corporation might retfit the Kaduna refinery to be able to process Nigerien and Chadian crude grades, following the incessant attacks on the pipelines that feed the plant with Nigerian Bonny Light crude. According to him, the refinery was originally designed to process Nigerian crude and foreign heavy crude at the ratio of about 70:30. (Selected by SPTEC Advisory from Energy Mix, August 09)

Royal Dutch Shell said its local unit has declared force majeure on supplies to a liquefied natural gas plant in Nigeria because of a leak, potentially exacerbating a decline in exports for the OPEC member that’s suffering from militant attacks on energy infrastructure. “The pipeline has been shut down for a joint investigation visit into the cause of the leak and repairs,” Natasha Obank, a Shell spokeswoman, said in a statement. The leak occurred on the Eastern Gas Gathering System, or EGGS-1, pipeline, which supplies the bulk of Shell’s gas to the Nigeria LNG plant on Bonny Island. Some supply continues through other pipelines, Shell said. (Selected by SPTEC Advisory from Bloomberg, August 10)

The Group General Manager (GGM), Nigerian National Petroleum Corporation (NNPC), Maikanti Baru yesterday ruled out possibility of imminent increase in the pump price of petrol. There are online reports suggesting that the Federal Government will soon increase the price which was increased in May from N86 to N145 per litre. But speaking with State House correspondents at the Presidential Villa, Abuja, Baru said he has not received any directive to increase fuel price. Noting that the request for foreign exchange (forex) for importation of petrol has been met, he said the supply situation for fuel in the country is robust and won’t push price up. (Selected by SPTEC Advisory from Reporter, August 10)

Further to press speculation, San Leon announces that it has received equity placing orders in excess of US$200m at 45p/share to complete the acquisition of an indirect interest in OML 18, a Nigerian Oil and Gas producing field. The company also confirms that Mr Mutiu Sunmonu, former Managing Director of the Shell Petroleum Development Company of Nigeria Limited, is expected to be appointed as Non-Executive Chairman of San Leon with Oisin Fanning, assuming the role of Chief Executive Officer. The company anticipates full details of the Transaction together with publication of an AIM admission document will be published shortly. (Selected by SPTEC Advisory from Investegate, August 10)
Protesters blocked the entrance to a Chevron oil facility in Nigeria's restive Niger Delta on Wednesday, demanding jobs and housing, a protest leader said. "Chevron has not fulfilled many of its promises," said Collins Edema, a youth and protest leader in the Ugborodo Itsekiri community in Delta state, home to Chevron's Escravos oil depot. Edema said the facility had been blocked and that more than 300 people, mostly local unemployed youths, had joined the protest, but Reuters could not confirm that figure. He said the US oil major had previously promised to create jobs for young people from the impoverished area and also provide new accommodation after housing next to the depot had been "destroyed" due to Chevron's activities. (Selected by SPTEC Advisory from Upstream, August 10)

ExxonMobil is working on a plan to export Qua Iboe crude oil via an alternate pipeline while it works to repair damage to the main export line sustained in July, sources told Reuters. The crude oil grade, Nigeria's largest export stream, has been under force majeure since mid-July, when the company said it detected a "system anomaly" on the line. Sources said the company later found substantial damage to the subsea line that would take at least one to two months to repair. An Exxon spokesman declined to comment on the plan to use an alternative pipeline, saying: "We're continuing to make progress, but we would not speculate on a timeline for repairs." (Selected by SPTEC Advisory from Reuters, August 11)

Oil and gas investing company MX Oil updated the market on Nigerian oil and gas licence OML 113 on Wednesday, which it has been investing in through Jacka Resources Nigeria Holdings, which owns 100% of the licence holder PR Oil and Gas. The AIM-traded company said that, given the significant progress that has been made in recent months culminating in the commencement of commercial oil production from the Aje Field, which is part of OML 113, the board has decided to implement the final stage of the investment process by exercising its right to take full control of Jacka Resources Nigeria. (Selected by SPTEC Advisory from ShareCast, August 11)

Militants blew up another crude pipeline in Nigeria's Niger Delta, a youth and protest leader said on Thursday. Protesters also continued to block the entrance to a Chevron oil depot in the restive southern region for a third day. On Wednesday, a previously unknown group called Delta Greenland Justice Mandate said it had attacked a crude pipeline belonging to state oil firm NNPC and local firm Shoreline Natural Resources in Urhobo in Delta state. "It is true but I don’t have details yet," said Collins Edema, a youth leader. He said the pipeline was on fire, but Reuters was unable to confirm this and it was not immediately possible to get more details. He also said protesters, mostly unemployed youths, were continuing a demonstration started on Tuesday at the gate of a Chevron oil depot to demand jobs and housing, claiming the facility had destroyed their settlement. (Selected by SPTEC Advisory from Reuters, August 11)
Nigeria is fast losing its clout among global oil producers as the country recorded the highest drop in crude production in the Organisation of Petroleum Exporting Countries (OPEC) in July, The Guardian reports. OPEC, which accounts for at least 40% of the global oil supply market, yesterday put unplanned crude oil supply disruptions among its members at 2.3 million barrels per day (mbpd) in July, due to increased outages in Nigeria and Libya. Secondary sources have it that OPEC-14 crude oil production (following the rejoining of Gabon on 1 July), averaged 33.11 mbpd in July, an increase of 46 bpd over the previous month. Crude oil output increased mostly from Iraq, while production in Nigeria showed the largest drop. OPEC revealed that Nigeria recorded the highest decline in crude oil production in July. (Selected by SPTEC Advisory from Energy Mix, August 11)

The nation’s fragile economy faces another crisis as the Nigerian Ports Authority (NPA) is restraining the berthing of ships contracted by the Nigerian National Petroleum Corporation (NNPC) for non-payment of N5 billion debt. This is coming just as Nigerians are grappling with the possibility of another fuel scarcity, following plans by independent petroleum marketers to increase the pump price of fuel from the government approved N145/litre to N151, as a result of the scarcity of foreign exchange. Competent sources at the NPA disclosed that NNPC’s debt would have been higher but was reduced by a rebate of about 30 per cent the authority granted to the NNPC. The source told THISDAY that one of the contracted shipping companies bringing in products owned by a former National Chairman of the Peoples Democratic Party (PDP), who is from the North Eastern part of the country, was also owing the NPA $2 million. (Selected by SPTEC Advisory from World Oil, August 13)

MX Oil revealed that it plans to exercise its right to take full control of its investment in Nigeria’s OML 113 through the acquisition of Jacka Resources Nigeria. Given the progress that has been made on the asset in recent months, MX Oil says its board has decided to implement the final stage of the investment process. In recent months OML 113 saw the start of commercial oil production from the Aje field. The field is situated in water depths ranging from 100 to 1,000 meters about 24 km from the coast. The Aje Field contains hydrocarbon resources in sandstone reservoirs in three main levels: a Turonian gas condensate reservoir, a Cenomanian oil reservoir, and an Albian gas condensate reservoir. (Selected by SPTEC Advisory from Petroleum Africa, August 14)

ExxonMobil is investigating the possibility of exporting its Qua Iboe crude oil via an alternate pipeline while it repairs damage to the main export line. The company’s Qua Iboe has been under force majeure since July. The force majeure was declared when ExxonMobil detected a “system anomaly” on the subsea pipeline. The company gave no timeline on when the repairs to the pipeline would be complete. (Selected by SPTEC Advisory from Petroleum Africa, August 14)
The 19 northern state governments have intensified their search for oil and gas in the region with the appointment of a British firm to carry out the exploration activities. This is coming about two weeks after President Muhammadu Buhari had directed the Nigerian National Petroleum Corporation to increase the tempo of the crude oil find in the North-East. The Chairman, Northern Nigeria Development Company, owned by the 19 northern state governments, Mallam Bashir Dalhatu, said the company had commenced its prospects for oil and gas in the Lake Chad and Benue basins, using the services of the British company. He said, “We have engaged a British company that is already working in the Lake Chad region and from Niger and Chad side in the same area with us and we have been meeting with the Nigerian National Petroleum Corporation in order to put efforts together. (Selected by SPTEC Advisory from The Punch, August 15)

The Independent Petroleum Marketers Association of Nigeria (IPMAN) and NIMEX Petroleum Group have entered into a partnership to import 100,000 metric tonnes of petroleum products into Nigeria as part of the government’s deregulation policy. A statement issued by IPMAN said the importation would be done by group and it would be distributed to IPMAN’s members across the country to augment the supplies received from NNPC and other sources. The strategic relationship established with NIMEX Petroleum Group is aimed at improving the supply chain of petroleum products in the country. (Selected by SPTEC Advisory from Petroleum Africa, August 15)

Protesters blocked the gate to offices of U.S. oil company Chevron in Nigeria’s Niger Delta on Monday, widening a week-long demonstration to demand jobs and housing, a protest organizer and a community leader said. Youths, most of them unemployed, have also blocked the entrance to Chevron's Escravos oil storage tank farm since last week, claiming the facility had destroyed their housing settlement. "What we shut down on Monday is Chevron's administrative and logistics office in Warri that serves Escravos," said Collins Edema, a protest leader. "No work is going on there as we speak, and Chevron Escravos remains shut." (Selected by SPTEC Advisory from Reuters, August 15)

President Muhammadu Buhari has ordered the Nigerian National Petroleum Corporation, NNPC, to commence the search for crude oil and other hydrocarbon exploratory activities in the Benue Trough. According to a statement by the NNPC, Group Managing Director of the NNPC, Mr. Maikaniti Baru, disclosed this while receiving a delegation from the Benue State Government, who paid him a courtesy visit in Abuja. This is coming few days after the same directive was given to the NNPC to intensify crude oil exploration in the Chad basin. The Benue Trough is a major geological formation underlying a large part of Nigeria, extending about 1,000 kilometer north-east from the Bight of Benin to Lake Chad. It is part of the broader Central African Rift System. Baru stated that the directive to commence exploratory activities in the Benue Trough was part of efforts to guarantee energy security of the country. (Selected by SPTEC Advisory from AllAfrica, August 17)
Crude oil production disruptions in Nigeria reached 750,000 bpd in May 2016, the highest level since at least January 2009. The increased disruptions come as militants continue to focus attacks on oil and natural gas infrastructure in the West African region. Nigeria is a member of the Organization of the Petroleum Exporting Countries (OPEC) and was Africa's largest oil producer until Angola's oil production surpassed Nigeria's earlier this year. Nigeria's crude oil production disruptions are concentrated in the Niger Delta region, an oil-rich area bordering the Gulf of Guinea that is the mainstay of the country's crude oil production. Since the beginning of 2016, the Niger Delta Avengers (NDA) have conducted many attacks on oil and natural gas infrastructure throughout the region. Although not the only militant group conducting attacks in the region, the NDA is currently the most active. (Selected by SPTEC Advisory from World Oil, August 18)

Nigeria’s Niger Delta Avengers militants, who have claimed repeated attacks on oil and gas pipelines sending the country’s crude output plunging, said Wednesday they were not ready to negotiate with the government. “We are not ready for any negotiation or dialogue with the federal government,” the group, which has claimed most attacks in the oil-rich Niger River delta area since February, said in a tweet from an unverified handle. Nigeria’s State Minister for Petroleum Resources Emmanuel Kachikwu said on Aug. 12 that the government was trying to facilitate talks with several groups that have sabotaged export and production infrastructure in the region. “What I am asking for largely is a 60-day cease-fire from them so that we can have time to dialogue and I’m also elevating dialogue” to include kings and traditional rulers, he said in an interview. Nigeria will pump no more than 1.5 MMbopd of crude this year as sustained attacks have damaged facilities including its biggest export terminal, he said. (Selected by SPTEC Advisory from Bloomberg, August 18)

The status of Lagos State as an oil producing state was affirmed by the federal government yesterday with the approval of four oil wells discovered in the state. It, however, disapproved the state's ownership of one oil well. With the development, the federal government will begin the disbursement of the 13 per cent derivation fund to the state, in line with constitution of Nigeria. The chairman, Indices and Disbursement Committee, Revenue Mobilisation Allocation and Fiscal Commission (RMAFC), Alhaji Aliyu Mohammed, made this known when he led members of the committee on a visit to the Lagos state governor, Akinwunmi Ambode at the State House, Ikeja. (Selected by SPTEC Advisory from Reuters, August 18)

Two Nigerian state-owned oil pipelines were blown up in the delta region on Friday in attacks blamed on the Niger Delta Avengers (NDA) militant group, a local security official said on Saturday. “The attacks targeted two pipelines located in the same zone,” an official for the Department of State Security (DSS) told AFP. "Both belonged to the NPDC (Nigerian Petroleum Development Company) and we believe this attack to be due to militants.” (Selected by SPTEC Advisory from Gulf Today, August 21)
Oil companies and even Nigerian officials are losing faith in a deal anytime soon with militants who have slashed the nation's oil output, casting doubt on a production recovery in what is typically Africa’s largest oil exporter. In the six months since the first major attack on Nigeria’s oil - a sophisticated bombing of the subsea Forcados pipeline - dozens of attacks have pushed outages to more than 700,000 barrels per day (bpd), the highest in seven years. Talk in the country has shifted from ceasefire optimism, and oil companies’ assurances that repairs were underway, to hedged comments from the government and radio silence from oil majors. On Sunday, the Niger Delta Avengers militants, which have claimed several major pipeline attacks, said in a statement they were ready to give dialogue a chance. (Selected by SPTEC Advisory from Reuters, August 21)

The Niger Delta Avengers have agreed to cease their attacks on oil production and transportation infrastructure after prolonged negotiations with the federal government of Nigeria. The ceasefire, however, is conditional, and talks will continue, the group announced. The condition that the NDA has laid out for the federal government is that it stops “harassing innocent citizens,” especially members of the Ijaw community in the Delta, which a lot of members of militant groups come from. Though the news of the ceasefire offers some hope for Nigeria’s battered economy— with daily oil output slashed by between 700,000 and 900,000 bpd, according to different estimates—the likelihood of it keeping is not great, observers warn. As Deutsche Welle notes, many militants are impoverished, unemployed youths, embittered by their circumstances and blaming the international oil companies and the government in Abuja for them. (Selected by SPTEC Advisory from OilPrice, August 22)

The outgoing Managing Director and Chief Executive Officer of NLNG, Babs Omotowa, has warned that any tinkering of the Nigeria LNG (NLNG) Act of 2004 will violate bilateral agreements with international investors as well as cost the country a huge $25 billion in foreign direct investment (FDI) and fines running in billions at the International Courts. Omotowa who spoke at the National Association of Energy Correspondents (NAEC) Annual Conference, said NLNG, through its expansion growth programme which involves the expansion of production capacity of the LNG plant in Bonny, Rivers State with a Train 7 and 8, could attract $25 billion, create 30,000 construction jobs, help to further reduce gas flaring, and generate over $1billion to $2 billion additional revenue to the country in taxes and dividend. (Selected by SPTEC Advisory from New Mail, August 22)
The Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), Dr Maikanti Baru, has taken steps to end Joint Venture (JV) cash call challenges by making the JVs autonomous. This is according to the management of the Corporation, which also clarified that contrary to speculations, Baru was repositioning the agency to make it more profitable. Responding to an article where the writer had claimed that “NNPC could not find a way of solving the Joint Venture cash call challenge,” the corporation said that contrary to the claim, action from the committee negotiating with the JV partners to close out the deal that would not only repay the arrears over the next five years, but also put in place a process where the JVs will not be cash calling government and eventually transit to the Incorporated Joint Venture (IJV) model as is the case with the Nigerian Liquefied Natural Gas (NLNG), where the IJV would be autonomous under the direction of its Board and Management, was presently being expected. (Selected by SPTEC Advisory from AllAfrica, August 22)

Against the positive picture painted on possible rise in the price of crude oil at the international market above USD50 per barrel, Nigeria may be left out of reaping this fortune as the United States Energy Information Administration, EIA, projected a negative downturn for the country’s crude oil production growth this year. The report is coming as a data from the Nigerian National Petroleum Corporation, NNPC, indicated a steady decline in output since January with the Minister of State for Petroleum Resources, Dr. Ibe Kachikwu, buttressing the gloomy picture of Nigeria amidst the international price recovery. to 295.09 million barrels, showing a shortfall of 36.15 million barrels or 10.91 per cent from 331.24 million barrels recorded in the preceding five months of August-December, 2015. (Selected by SPTEC Advisory from Vanguard, August 23)

Determined not to tolerate any further breach of extant financial regulations, the Central Bank of Nigeria (CBN) has barred nine banks from all foreign exchange transactions. The banks, THISDAY exclusively gathered this afternoon, were barred for failing to remit the Nigerian National Petroleum Corporation (NNPC) dollar funds to the federal government’s Treasury Single Account domiciled in the CBN as directed by the presidency last year. The banks, whose suspension would remain in force until they remit all the funds to the TSA are United Bank for Africa (UBA) $530m; First Bank of Nigeria (FBN) $469m; Diamond Bank Plc ($287m); Sterling Bank Plc ($269m); Sky Bank Plc ($221m); Fidelity Bank ($209m); Keystone Bank ($139); First City Monument Bank (FCMB) $125m; and Heritage Bank ($85m). The CBN sources told THISDAY that further disciplinary actions awaited the erring banks after remitting the funds in full to the government’s coffers. (Selected by SPTEC Advisory from This Day Live, August 23)
The United States Energy Information Administration (EIA), expects Nigeria’s oil production to remain depressed through 2017, as a result of militant attacks. The EIA, which made this disclosure in a media statement on Monday, said that because payouts are just one of the Niger Delta Avengers (NDA’s) many demands, crude oil production stoppages are likely to continue until the Nigerian government and the NDA can reach a comprehensive agreement. According to the EIA, crude oil production disruptions in Nigeria reached 750,000 barrels per day (bpd) in May 2016, the highest level since January 2009. It added that the increased disruptions come as militants continue to focus attacks on oil and natural gas infrastructure in the West African region. EIA stated: “Nigeria is a member of the Organisation of the Petroleum Exporting Countries (OPEC), and was Africa’s largest oil producer until Angola’s oil production surpassed Nigeria’s earlier this year. (Selected by SPTEC Advisory from The Guardian, August 24)

Oil and gas pipeline attacks in Nigeria may yet continue unabated despite reports of a ceasefire called by the Niger Delta Avengers (NDA), as the government and oil and gas companies maintain silence on the issue. Garba Shehu, the media assistant to the Nigerian President, did not comment on the issue when contacted by Natural Gas World on August 24. The reported ceasefire, widely covered in national media, has attracted interest around the world because the NDA has succeeded in shutting in some 750,000 b/d of oil or roughly one-third of Nigeria oil production capacity, and helping to push world oil prices back to around $50/b. (Selected by SPTEC Advisory from Natural Gas Europe, August 24)

San Leon Energy continues to progress its efforts to acquire an indirect interest in OML18 in Nigeria’s southern Niger Delta. The company is in the final stages of obtaining all necessary regulatory approvals before publishing an AIM Admission Document which will contain full details of the transaction. San Leon’s shares will remain suspended, pending publication of the Admission Document, at which point it will seek the restoration of its shares to trading on AIM. (Selected by SPTEC Advisory from Petroleum Africa, August 24)

The Nigerian National Petroleum Corporation (NNPC) lost 560,000 barrels of crude oil meant as feed stock to the refineries due to pipeline vandalism between January and May, Group Managing Director Dr Maikanti Baru?, said yesterday in Abuja. He spoke during a visit to the Commandant-General of the Nigerian Security and Civil Defence Corps (NSCDC), Abdullahi Muhammadu. Baru said the visit was to strengthen collaboration between the NNPC and the NSCDC to better protect its oil installations/pipelines in the country. “Under my watch? as GMD, NNPC is committed to collaborating with the NSCDC and other government security agencies to finding lasting solution to eliminate losses and energy security threats,” he said. (Selected by SPTEC Advisory from The National, August 25)
Nigerian Agip Oil Company, a subsidiary of Italian oil major, Eni, said it had embarked on the development of the Zabazaba deepwater project offshore Nigeria despite the low oil price environment. The Vice Chairman, NAOC, Mr. Massimo Insulla, was quoted to have disclosed this in a statement from the Nigerian Content Development and Monitoring Board. The NAOC was said to have recently collaborated with the NCDMB to organise a workshop on the Nigerian Content opportunities available on the Floating Production, Storage and Offloading platform to be deployed on the project. The company is developing the Zabazaba and Etan deepwater integrated project in partnership with Shell Nigeria Exploration Company on Oil Prospecting Licence 245, according to the statement. (Selected by SPTEC Advisory from The National, August 25)

Nigeria's military said on Saturday it had launched a new offensive against militants in the oil-producing Niger Delta, killing five and arresting 23. Armed groups have claimed responsibility for a series of attacks on oil and gas pipelines in the southern region, reducing the country's oil output by 700,000 barrels day. A special forces battalion moved against militant camps on Friday in an operation "aimed at getting rid of all forms of criminal activities", army spokesman Sani Usman said in a statement. "In the course of the operation, five militants that attacked the troops were killed in action, while numerous others were injured and 23 suspects were arrested." (Selected by SPTEC Advisory from Reuters, August 27)

Stakeholders in the Nigeria's oil and gas sector have identified challenges facing the development of the marginal fields in the country. The operators who gathered at the 2016 Africa Small and Marginal Oil Fields Development Conference, with the theme, “Find It, Commercialise It” in London on Monday, listed funding issues, shortage of foreign exchange (Forex) due to low oil prices, insecurity and deferred production due to attacks by militants, fiscal issues that pertains to royalty and Petroleum Profit Tax (PPT), as some of the challenges confronting marginal field development in the country. They also enumerated issues of multiple regulators from the side of government, and incessant risk emanating from host communities. A communiqué issued at the end of the forum and made available to The Guardian yesterday, by the organisers, Energy Corporate Africa, stressed the need for government to align its policies to avoid multiple regulatory conflicts by its agencies, which frustrates the operations of marginal field companies. (Selected by SPTEC Advisory from The Guardian, August 28)
San Leon Energy Plc marked a 90% rise in Friday’s early deals as the suspension that had frozen trading for the first eight months of 2016 was lifted. The company, which is now closing its transactions to acquire material interests in a Nigerian oil field, this morning confirmed the details of a premium price share placing to raise £170.3mln (US$221.4mln). It is issuing new shares at a price of 45p, a 54% premium to San Leon’s last price before trading was suspended in January. The placing is being led by Toscafund, already a major investor in San Leon, which was an influential player in the Nigerian transaction (it initially put up loans which effectively funded the acquisition of Mart Resources by its Nigerian partner Midwestern). Toscafund prior to the transactions had a 39.64% shareholding in San Leon, and it will subsequently own 54.41% of the company. San Leon will return cash to Toscafund in short order as it is using some of the new funds to acquire the aforementioned loan notes from the investment group. (Selected by SPTEC Advisory from Proactive Investors, August 28)

The attempt by the Ministry of Petroleum Resources to assume control over the proposed Incorporated Joint Ventures (IJVs) as well as the Asset Management Company to be created by the new Petroleum Industry Bill (PIB) may set the ministry on a collision course with the Nigerian National Petroleum Corporation (NNPC), ThisDay reports. The President Muhammadu Buhari administration has unbundled the PIB into three legislations for easy passage and also reintroduced the IJVs in the revised bill, with the first of the three pieces of legislation under the revised PIB being called the “Governance PIB”. The NNPC is however, allegedly unhappy with the attempt by the Ministry of Petroleum to take over direct control and supervision of the proposed IJVs, Production Sharing Contracts (PSCs) and the Asset Management Company through the new bill. Sources at the NNPC said the direct supervision of the IJVs by the petroleum ministry would render the proposed national oil company (NOC), which would emerge after the passage of the legislation, “rudderless”. (Selected by SPTEC Advisory from the Energy Mix, August 29)

It is believed that the beneficiaries of the $1.092b Malabu oil deal has been revealed to the Economic and Financial Crimes Commission (EFCC) by a businessman who is currently under probe, The Nation is reporting. According to the paper, a former Head of State, a former Senate President, a former National Security Adviser (NSA), some senators, and some serving and former members of the House of Representatives. “The list is outside six former ministers who the EFCC was closing in on as at press time. We are looking into the accounts of some of those named in line with the timelines of the bribery. Preliminary investigation has shown that the nation was shortchanged in the controversial $1.092billion Malabu Oil Block deal (OPL 245). (Selected by SPTEC Advisory from the NAIJ, August 29)
A militant group said on Aug. 30 it attacked a pipeline operated by a subsidiary of Nigeria's state oil company in the country's southern Delta region, just a day after the most prolific rebel group in the restive energy hub said it had halted hostilities. OPEC member Nigeria has seen its oil output fall by about 700,000 barrels a day (Mbbl/d) to 1.56 MMbbl/d due to attacks on oil pipelines in the southern energy hub, home to much of the country's oil and gas wealth, since the start of the year. The Niger Delta Greenland Justice Mandate said it attacked the Ogor-Oteri Pipeline in Delta state, operated by Nigerian Petroleum Development Co. (NPDC) and Nigerian energy company Shoreline, at around 3:00 a.m. (0200 GMT) on Aug. 30. (Selected by SPTEC Advisory from E&P, August 30)

A sense of anxiety has gripped the Nigerian economy with concerns elevated over slowing growth as the combination of depressed oil prices and Naira vulnerability weighed heavily on investor sentiment. For a currency strategist and Research Analyst, FXTM, Lukman Otunuga, “this has been a rough year for not only Nigeria, but for many commodity dependent economies that have collectively surrendered $40 billion in capital outflows due to the persistent global uncertainties.” Of course, Nigeria, now the second largest economy in Africa, after a stint at the top spot, has been in continuous battle of economic survival, following the slump in oil revenues that presently seems unending. The development eroded public finances and stoked pressure on the Naira, as foreign exchange becomes scarce. (Selected by SPTEC Advisory from The Guardian, August 30)

Well heads of some Nigeria’s independents and sole risk oil and gas firms in Nigeria have not produced and have remained inactive since February when militancy escalated in the Niger Delta region. For instance, wellheads of Seplat Petroleum Development Company, First Hydrocarbon, Shoreline, ND Western, Elcrest and Naconde have been idle in the last seven months. According to data contained in Nigerian National Petroleum Corporation (NNPC) report, Consolidated Oil wellhead was last active since June 2015. (Selected by SPTEC Advisory from The Guardian, August 31)

**JULY**

Militants in Nigeria’s oil-rich Delta state on Sunday claimed to have carried out attacks on five oil facilities over the previous two days. The attacks came during a period when the Niger Delta Avengers are supposed to have agreed a truce with the government. Previously, the last attack they claimed was on June 16. In a series of messages on Twitter early Sunday, the group said it had bombed two oil wells belonging to Chevron near the Abiteye flow station in the early hours of the morning as well as two pipelines owned by the Nigerian Petroleum Development Company close to the Batan flow station on Saturday. The group also claimed to have targeted a Nigeria National Petroleum Corporation pipeline to the Warri refinery on Friday evening. There was no official confirmation of the attacks. (Selected by SPTEC Advisory from Anadolu Agency, July 02).
Barely a month after Chevron Nigeria Limited, successfully handed over OML 55 field to an indigenous firm, Belemaoil Producing Limited, the company has increased its oil production to 3000 barrel per day. Chairman of Belemaoil, Jack-Rich Tein Jr., who disclosed this while receiving President of River State Youth Organisation, Prince Sara-Igbe and other youth leaders, who paid him a courtesy visit, said the organisation has also gone further to fulfil some of its promises to host communities by employing a total of 350 youths across OML55 and Niger Delta communities as well as working with experts to provide portable drinking water in Kula. He said that Belemaoil was currently working with its overseas partners and the Nigeria’s Department of Petroleum Resources, DPR, to launch 30,000 barrels floating refinery and LPG unit, scalable floating power generating barge of 135MW in phase-1 to 650mw in phase-2. (Selected by SPTEC Advisory from Vanguard, July 02).

San Leon Energy plc, the AIM quoted oil and gas exploration and production company focused on Europe and Africa, is pleased to provide the following update on its production deal on the OML 18 block, onshore Nigeria. As announced on 24 May 2016, in order to complete the third part of the OML 18 Production Arrangement, which would result in the Company securing an initial 9.72% indirect economic interest in OML 18, BidCo needed to raise $70 million. The Company announces that on 30 June 2016 BidCo, has signed agreements to complete part of the final stage of the OML 18 Production Arrangement. The final stage of the OML 18 Production Arrangement is the acquisition by BidCo of the remaining 20 per cent. interest in Martwestern. Martwestern holds an initial 90% economic interest in Eroton, the operator of OML 18. (Selected by SPTEC Advisory from Oil Voice, July 02).

One of Nigeria’s oil workers unions, the Petroleum and Natural Gas Senior Staff Association of Nigeria, (PENGASSAN), has directed its members to prepare for strike from Thursday over some unresolved industry issues with the federal government. In a statement, Monday, PENGASSAN directed its four zones to sensitize members for the planned strike. The statement, signed by the spokesperson for the group, Lumumba Okugbawa, recalled the May 24, 2016 inconclusive negotiation with the government on issues affecting the oil industry. The oil workers said a meeting with government, which was scheduled for June 23, was moved at the last minute to June 30. The negotiation failed to resume even on that new date, as the planned meeting was again unceremoniously cancelled, with no new appointment given, the group said. (Selected by SPTEC Advisory from Premium All Africa, July 04).
The U.S. Ambassador to Nigeria, James Entwistle, has said that there is no hidden agenda behind his country’s decision to stop crude oil purchase from Nigeria. Mr. Entwistle said this while fielding questions from journalists at the 240th Anniversary of the U.S. Independence in Abuja. The envoy said the price of oil was determined by the international market and that the desire of every business person was to get the best product at the best price. “There is no conspiracy for the U.S. not to buy oil from Nigeria. “Price of oil is determined by international market and business people go to get the best product for the best price. That something happened to us with oil.” But I wish you listened to my last statement where I talked about the importance of the private sector, the commitment of the U.S. companies to help build this country (Nigeria),” he said. (Selected by SPTEC Advisory from Premium Times Nigeria, July 04).

President Muhammadu Buhari has approved the composition of a new Board of the Nigerian National Petroleum Corporation (NNPC) A statement issued by the president’s Special Adviser on Media and Publicity, Mr Femi Adesina, said the approval was in line with the Section 1(2) of the Nigerian National Petroleum Corporation Act of 1997, as amended. According to the statement, the Minister of State for Petroleum, Dr Emmanuel Ibe Kachikwu is the chairman of the new board while Dr Maikanti Baru is the new Group Managing Director of the corporation. Other members of the board are the Permanent Secretary of the Federal Ministry of Finance and six other persons. (Selected by SPTEC Advisory from All Africa, July 05).

Nigerian militant group the Niger Delta Avengers said on July 5 it had blown up a Chevron Corp. (NYSE: CVX) well and oil pipelines near the city of Warri in the country’s southern oil hub. The group, which says it wants a greater share of oil wealth to go to the impoverished Niger Delta region, the source of most of the country’s crude, has pushed production to 30-year lows in the last few weeks through a spate of attacks. It said it blew up a Nigerian Petroleum Development Co. (NPDC) manifold, close to Banta, and two crude pipelines operated by the state oil company NNPC, adding that it also blew up "Chevron Well 10" close to Otunana flow station. (Selected by SPTEC Advisory from Oil and Gas Investor, July 05).

The Pipelines and Product Marketing Company Limited a subsidiary of the Nigerian National Petroleum Corporation (NNPC) has said it will probe the allegation by some marketers that its officials connived with some terminal operators in Lagos to divert Liquefied Natural Gas (LPG) vessels and create monopoly in the LPG, better known as cooking gas market. Speaking in Lagos during the recent inauguration of the Nigerian Association of Liquefied Petroleum Gas Marketers (NALPGAM) Building and Resource Centre, the Managing Director of PPMC, Mr. Ahmed Farouk said the company would not tolerate any form of monopoly in the industry. Ahmed who was represented by the PPMC’s Executive Director in charge of Supply and Distribution, Mr. Justine Ezeala said the allegation that the PPMC officials were involved in diverting LPG vessels to private jetties would be investigated. (Selected by SPTEC Advisory from This Day Live, July 05).
Total Managing Director, Nicolas Terraz during a meeting with some parliamentarians in Lagos, disclosed that the company will later this month commence delivery of gas, through its Northern Option Pipeline (NOPL) to Alaoji power plant and improve electricity supply in Nigeria, CAJ News reports. He said the delivery of gas to Alaoji, in Aba (Abia State) was among Total’s huge bouquet of projects that are aimed at contributing to the socio-economic development of the country. Terraz also disclosed that in the past five years, Total had invested $5 billion in Nigeria, despite the challenging business environment tied to the fall in oil prices. He added that the company had made significant progress on its major projects such as the OML 58 Upgrade, Ofon Phase 2 and Egina, which he said were contributing substantially to the development of local content. (Selected by SPTEC Advisory from Energy Mix Report, July 05).

Sequel to the memo to all chairmen and secretaries in the four zones and branches on the planned shutdown of the operations and activities in the oil and gas industry by the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN), other members such as Department of Petroleum Resources (DPR), Petroleum Products Pricing Regulatory Agency (PPPRA), has signified their plans to also join the strike. In a press statement signed by the National Public Relation Office, PENGASSAN, Comrade Emmanuel Ojugbana, members on Tuesday, met in all the zones to fine-tune the strategies and modalities for the strike. He said “In the meeting, the gradual method of shutdown was critical examined and adopted by the members. (Selected by SPTEC Advisory from Sunnews, July 06).

Shell Nigeria, Thursday, resumed the export of Bonny Light crude oil grade from the Bonny Terminal, almost two months after force majeure was declared on the export of the commodity. The lifting of the force majeure, according to a statement by the company, was due to the restoration of production into Bonny Terminal, following the repairs of the Nembe Creek Trunk Line. The company said the lifting of the force majeure took effect from 09:00 a.m. Nigerian time (0800 GMT) on Thursday. Shell had declared the force majeure on Bonny Light exports on May 11, following the closure of the Nembe Creek Trunk line (NCTL) for repairs after a leak. (Selected by SPTEC Advisory from Vanguard Nigeria, July 07).

OPEC’s crude production increased in June, as Nigeria raised output following repairs to some infrastructure that had been damaged by militant attacks. Nigeria pumped an average 1.53mn barrels a day last month, a gain of 90,000 a day from May, according to a Bloomberg survey. The West African country was able to repair some pipelines after agreeing a cease-fire with rebels in the Niger River Delta, Emmanuel Kachikwu, Nigeria’s State Minister for Petroleum Resources, said on June 27. On Sunday however, the Niger Delta Avengers militant group claimed five more attacks on oil installations in the region. Production in Saudi Arabia, the world’s biggest crude exporter, rose to 10.33mn barrels a day, a monthly gain of 70,000 a day. (Selected by SPTEC Advisory from Arabian Oil and Gas, July 07).
The Nigeria Security and Civil Defence Corps said on Thursday that the dialogue approach adopted by the Federal Government with militants would end the ongoing bombings of oil facilities in the Niger Delta. The NSCDC Commandant General, Abdullahi Muhammadu, gave the assurance while speaking to journalists in Minna. “The Federal Government has commenced negotiations with some of the aggrieved militants in the region on the need to sheath their swords and embrace peaceful resolutions of all perceived grievances that led to the bombings of oil pipelines in the region. “To the best of my knowledge, I think the Federal Government is already negotiating with them. “At the last meeting we had, we discussed at length and very soon all these bombings will come to an end. (Selected by SPTEC Advisory from Punch, July 07).

Onose Deep Oil and Gas Limited, has reportedly reached an agreement with foreign and local financial/technical partners to construct a modular crude oil refinery at Ellu community, Isoko North Local Government Area, Delta State, Vanguard reports. The company, in a statement by its Executive Secretary, Mr. Jim Elueni, said that the foreign partners include United States of America-based modular plant manufacturer which will be responsible for the project’s ISBL aspects and Financial Bridge, USA, which will provide finance and coordinate the project. Elueni said the local partner; Rainbow Network Global Synergy Ltd will be in charge of civil engineering works. According to him, the 4×12000 bpd modular refinery project would address the current fuel crisis in the country and create employment for Nigerians. (Selected by SPTEC Advisory from Energy Mix Report, July 09).

Nigeria's crude oil production stands at about 1.9 million barrels per day (bpd), the oil minister said on Friday. Emmanuel Ibe Kachikwu made the comments during a ceremony appointing Maikanti Kacalla Baru as the new group managing director of state oil firm Nigerian National Petroleum Corporation (NNPC). Nigeria’s oil production has fallen from 2.2 million bpd at the start of the year due to a series of attacks on crude facilities in the southern Niger Delta region, which is the source of most of the country’s oil. (Selected by SPTEC Advisory from Reuters Africa, July 09).

Nigeria: Eland Oil & Gas PLC on Monday said the closure of the Forcados pipeline system in the Niger Delta led to a 77% fall in the amount of crude oil being lifted in the first half of 2016. The company’s flagship asset is the producing OML 40 licence that contains the Opuama, Gbetiokun, Polobo, Abiala and Amobe fields alongside the Ubima field development asset that also lies in Nigeria. Although OML40 was producing around 4,400 barrels per day at the end of 2015, the Forcados terminal which transports that production was shut down in February because of security issues after the terminal was hit by "sabotage". (Selected by SPTEC Advisory from London South East, July 11).
The private sector arm of the World Bank said it has granted a $73.5 million loan to support development of a terminal to export fertilizers at Port Harcourt in Nigeria's Niger Delta, which will help increase the country's non-oil exports. Nigeria, which relies on crude sales for around 90 percent of its foreign exchange, is reeling from a plunge in oil prices and the government has said it wants to diversify Africa's biggest economy away from oil. The new terminal, a joint venture between Indorama Eleme Petrochemicals Limited and Oil and Industrial Services Limited, will cost $150 million in total, IFC said. It will be used to ship fertilizers from Indorama Eleme's fertilizer plant, now under construction 16 kilometres from the terminal. (Selected by SPTEC Advisory from Reuters, July 11).

Unknown attackers have blown up another one of Nigeria's oil pipeline’s in the Niger Delta. The pipeline, located in the Bayelsa state, is operated by Italian firm ENI. The attack took place at Lasukugbene, said spokesman of the Nigeria Security and Civil Defense Corps, Desmond Agwu said. “There was a blast (on the) pipeline and my men were exchanging fire with some of the hoodlums,” he said in a Reuters report. (Selected by SPTEC Advisory from Petroleum Africa, July 11).

Leaders of a Nigerian trade union whose members are on strike held talks with government officials on Monday aimed at resolving the dispute, the Nigerian National Petroleum Corporation (NNPC) and a union leader said. The strike by about 10,000 Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) members, including refinery workers and office staff, began on Thursday over issues the union said were "critical to the survival of the oil and gas industry in the country". The industrial action has raised fears there could be fuel shortages in the OPEC member country which last week prompted NNPC to caution the public against panic fuel purchases. "Talks are currently going on at the NNPC Towers with PENGASSAN and government officials," said Garba Deen Muhammad, a spokesman for the state oil company on Monday. NNPC Towers are the state oil company's headquarters in the capital, Abuja. (Selected by SPTEC Advisory from Reuters Africa, July 11).

Following the launch of a strike by Nigerian oil workers belonging to the PENGASSEN union, NNPC is calling for its citizens not to engage in “panic petrol buying.” According to reports the strike has raised fuel shortage concerns. PENGASSAN said 10,000 of its members began striking over what union leadership says are issues "critical to survival" of Nigeria’s petroleum sector. “The corporation has in stock enough products to satisfy local consumption requirements for the next 45 days,” said NNPC spokesman Garba Deen Muhammad in a Reuters report. NNPC is in the midst of talks with union leaders to address their concerns. Some of the issues PENGASSAN wants addressed are JV funding and cash call arrears, according to the union these issues have stalled investment and job creation in the sector. (Selected by SPTEC Advisory from Petroleum Africa, July 12).
ExxonMobil Corp. (NYSE: XOM) said on July 12 no attacks had taken place at its facilities after Nigerian militant group Niger Delta Avengers said it had blown up the Qua Iboe 48-inch crude oil export pipeline operated by the company. "There were no attacks on our facilities," said ExxonMobil spokesman Todd Spitler. Late on July 11, Nigerian militant group Niger Delta Avengers said on its website that it had blown up an ExxonMobil facility. The group has claimed responsibility for a series of attacks in Nigeria's southern oil hub. The militants, whose attacks briefly pushed Nigeria's crude production to 30-year lows in spring, have said they want a greater share of the OPEC member's energy wealth to go to the impoverished southern Niger Delta, the source of most of the country's oil. (Selected by SPTEC Advisory from Oil and Gas Investor, July 12).

Nigerian energy group Oando has sold a majority stake in its fuels business to trading house Vitol and Helios Investment Partners for $276m as it moves to restructure its business to deal with low oil prices. The transaction allows Vitol, the world's largest independent oil trader, to expand its footprint in Africa's top energy producer. The downstream and retail business of Oando Plc, to be renamed OVH Energy, will be Nigeria's second largest downstream fuels business with 12 per cent of the market, it said. The 60 per cent stake will give the Vitol-Helios consortium a total of 400 service stations and more than 600,000 barrels of storage and terminal capacity in the country of 180m people. (Selected by SPTEC Advisory from Financial Times, July 12).

Sirius Petroleum Plc (AIM: SRSP), the investing company focused on oil and gas exploration and development opportunities in Nigeria, is pleased to announce that the Nigerian Federal Ministry of Petroleum Resources (FMPR) has agreed to grant the Ororo Field Partners a three-year extension to the Ororo Field Licence (OML 95) with effect from 1 May 2016. Renewal of the licence is conditional on the payment of a Renewal Fee of $500,000 by no later than 29 July 2016. Negotiations have now been concluded between the Partners and the FMPR and as a result Sirius will pay the Renewal Fee which is recoverable under the FTSA Agreement entered into between the Company, Guarantee and Owena Oil & Gas announced on 10 October 2011. As with all other costs incurred under the FTSA, the licence fee is cost recoverable from oil production. (Selected by SPTEC Advisory from Energy Mix Report, July 12).

A Nigerian trade union representing oil workers has agreed to suspend a strike that some feared would lead to fuel shortages and disrupt crude production, a petroleum ministry official and another at the Nigerian National Petroleum Corporation said on Wednesday. The strike by about 10,000 members of the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN), including refinery workers and office staff, began on Thursday over issues including oil sector reforms and pay. The petroleum ministry and state oil company officials, who asked to remain anonymous, said that an agreement to suspend the strike was reached after talks that ended in the early hours of Wednesday. (Selected by SPTEC Advisory from Reuters, July 12).
Sea Trucks Group (STG) completed its work on Chevron Nigeria Ltd.’s Sonam Field Development Project. The company completed a pipelay and construction campaign. The contract for the project was awarded to West African Ventures Ltd (WAV), Sea Trucks’ principle Nigerian business. As part of the campaign, a jacket, deck, bridge and piles were transported and installed at Okan, 20 miles of pipeline were installed between Sonam and Okan and risers and subsea spools were fabricated and installed at the two sites. Installation engineering activities and the preparations of project management documentation commenced immediately while field installation started with the pre-lay survey in November 2015. “I am delighted that the entire campaign was an overall success,” said Jacques J. Roomans, STG/WAV President and CEO, in a company statement. (Selected by SPTEC Advisory from Petroleum Africa, July 13).

Sirius Petroleum extended its stay on Nigeria’s for OML 95. The Nigerian Ministry of Petroleum granted Sirius a renewal for the license. OML 95 contains the Ororo Field. The extension has an effective date of May 1, 2016 and is for three years. The renewal is conditional on the payment of a Renewal Fee of $500,000 by no later than July 29. The company also revealed that it has received firm commitments from existing shareholders to raise aggregate funds of £500,000 before expenses to the issue of 200,000,000 new ordinary shares at an issue price of 0.25 per share. The funds being raised are being utilized specifically to pay the Renewal Fee and to progress the work on the Ororo field. (Selected by SPTEC Advisory from Petroleum Africa July 14).

A gas pipeline operated by Nigeria’s state energy company in southwestern Ogun state has been attacked by men disguised as maintenance staff, local police said on Thursday. Attacks by militants on oil and gas facilities in the Niger Delta region - in the south and southeast - over the last few months briefly pushed crude production in the OPEC member to 30-year lows in the spring. But facilities in the southwest region, which is not part of the Delta area, have so far not been targeted. Militant groups have called for a greater share of Nigeria’s oil and gas wealth to go to the Delta, which is the country’s main energy hub. (Selected by SPTEC Advisory from Reuters, July 14).

The National Engineering and Technical Company Limited, a subsidiary of the Nigerian National Petroleum Corporation (NNPC), grew its profit before tax to N2.5 billion within three years from N193 million and N963 million in 2012 and 2013 respectively, its Chairman, Mr. Bello Rabiu, has disclosed. Rabiu disclosed this yesterday in Abuja when the company had its combined Annual General Meeting (AGM) for the three years that the profit margin represented a 160 per cent increase for the firm. He also said the company increased its revenue by 49 per cent from N7.9 billion in the previous year to N11.8 billion in 2014, and that the increase was mainly from the contract it executed for Samsung Heavy Industries Nigeria Limited on the Total Egina Floating Production Storage and Offloading vessel (FPSO). (Selected by SPTEC Advisory from All Africa, July 16).
Nigeria LNG announced July 14 it had appointed Tony Attah to succeed Babs Omotowa as CEO. Since January 2016 Attah has been Senior Integrated Gas Projects Advisor at Shell, working on projects in The Netherlands and Singapore. Prior to that since 2014, he had been managing director and board chairman of Shell Nigeria Exploration and Production Company (SNEPCo), the Anglo-Dutch major’s oil and gas operator in the country, in addition to being Shell’s vice-president for human resources across Sub-Saharan Africa since 2013. In 2005-07 Attah managed the Soku Gas Plant as asset superintendent and operations manager of the initial NLNG gas supply, as well as NLNG Train 3 construction works. (Selected by SPTEC Advisory from Natural Gas Europe, July 16).

Oil rose as Exxon Mobil Corp. declared force majeure on shipments of Nigeria’s biggest crude export grade. Futures rose as much as 0.5% in New York, reversing an earlier decline of 1.4%. Force majeure was declared on Qua Iboe crude after “a system anomaly observed during a routine check of its loading facility,” Exxon said in an emailed statement Friday. This follows a similar disruption in May and June. The Niger Delta Avengers, a militant group that has targeted oil installations in Nigeria this year, claimed earlier this week that they attacked the Qua Iboe crude pipeline. (Selected by SPTEC Advisory from World Oil, July 16).

Sea Trucks Group (STG) completed its work on Chevron Nigeria Ltd.’s Sonam Field Development Project. The company completed a pipelay and construction campaign. The contract for the project was awarded to West African Ventures Ltd (WAV), Sea Trucks’ principle Nigerian business. As part of the campaign, a jacket, deck, bridge and piles were transported and installed at Okan, 20 miles of pipeline were installed between Sonam and Okan and risers and subsea spools were fabricated and installed at the two sites. Installation engineering activities and the preparations of project management documentation commenced immediately while field installation started with the pre-lay survey in November 2015. “I am delighted that the entire campaign was an overall success,” said Jacques J. Roomans, STG/WAV President and CEO, in a company statement. (Selected by SPTEC Advisory from Petroleum Africa, July 16).

Nigeria’s minister of power Babatunde Fashola said last week that the country needs to fully explore alternative power sources such as solar, wind energy and coal to complement existing hydro and gas. During his address entitled ‘Achieving Incremental, then Uninterrupted Power’, he said that the resultant effect of incessant vandalism of gas pipelines was the current drop of the country’s electricity from 5,000 to 2,000 megawatts since February 2016. He was delivering a keynote address at the second National Council on Power stakeholders’ meeting in Kaduna state, organised by the Ministry of Power, Works and Housing. Fashola had earlier said that better utilization of gas resources would require the development of alternative back-ups to gas, liquefied petroleum gas (LPG) and condensate pipes, and that the country is poised to reduce its reliance on gas as an antidote to ‘vandalism of pipelines’. (Selected by SPTEC Advisory from Natural Gas Europe, July 18).
ExxonMobil subsidiary Mobil Producing Nigeria has declared force majeure on exports of Nigeria's Qua Iboe crude oil, the country's largest export stream, a spokesman said on Friday. The declaration came after the company observed a "system anomaly" during a routine check of its loading facility on July 14. "We are working to ensure loading activities at the facility return to normal. We cannot speculate on any timeline for repairs," the spokesman said. "Qua Iboe Terminal is operating and production activities continue." Nigeria has struggled to maintain its crude oil production following a spate of militant attacks and technical problems that in May pushed production briefly to 30-year lows. While the cause of the latest issue was not immediately clear, traders said it would take least two to four weeks to repair. (Selected by SPTEC Advisory from Reuters, July 18).

Nigeria's environment ministry has approved the environmental impact assessment (EIA) survey on the Ororo Field Licence (OML 95), its licensee AIM-listed niche Nigeria explorer Sirius Petroleum said July 18. The approval covers the drilling of three wells on the shallow water Ororo field and the installation of wellhead platforms. The EIA was submitted for approval in April by Sirius and its partners Guarantee Petroleum and Owena Oil & Gas. On July 12, Sirius said that Nigeria's Ministry of Petroleum Resources had granted it and its two partners a three-year extension to their OML95 licence with effect from May 1, 2016. (Selected by SPTEC Advisory from Natural Gas Europe, July 18)

The Federal Government lost approximately $518 million to oil swap and Offshore Processing Agreements, OPAs, in 2013 due to inefficiencies of the Nigerian National Petroleum Corporation, NNPC, and its subsidiaries. Consequently, Executive Secretary of Nigeria Extractive Industries Transparency Initiative, NEITI, Mr. Waziri Adio, who disclosed this in an interview with Economic Confidential, weekend, said the Economic and Financial Crimes Commission, EFCC, would soon commence investigations into the matter, with a view to prosecuting major culprits for appropriate sanctions over the revenue losses. He said the federation lost $211.88 million to crude for product swap and $306.16 million of OPAs, totaling $518 million. (Selected by SPTEC Advisory from All Africa, July 19).

The Nigerian National Petroleum Corporation (NNPC) has given an assurance that it would complete the repairs of all vandalised gas pipelines by September 2016 to boost gas supply to the power generating plants. This is coming as the Transmission Company of Nigeria (TCN) has also disclosed that it has restored power supply to Maiduguri in Borno State, which was disrupted by insurgency in the North East. NNPC made this commitment at the recent seventh monthly meeting of the Minister of Power, Works and Housing, Mr. Babatunde Fashola and the operators in the power sector, which was held at the Benin Transmission State in Edo State. (Selected by SPTEC Advisory from This Day Live, July 19).
Despite the growing pipeline bombings by militants in the Niger Delta region of the country, Business Monitor International, BMI, sees a positive increase in the country's oil production by 2.52 million barrels per day, b/d, in 2018, up from 2.31 million, b/d, in 2016. The report attributed the rebound to what it called 'sanctioned projects' initiated in the industry. BMI risk analysis and forecasts, market research on leading industries, and multinational company research is relied upon by corporate bodies, banks, government departments and multilateral organisations in over 125 countries around the world. According to the report, while there have been some notable reforms to the Nigeria National Petroleum Corporation, NNPC, there is still a long way to go in order to create a transparent and profitable company that encourages investment and helps Nigeria reach its hydrocarbon potential. (Selected by SPTEC Advisory from All Africa, July 19).

Namibia: ENERGY minister Obeth Kandjoze has referred the Kudu Gas contract to the attorney general’s office for legal scrutiny. Kandjoze confirmed this last week when he answered questions by The Namibian on several issues, ranging from his relationship with the National Petroleum Corporation (Namcor), and the latest on the Kudu Gas-to-Power deal. Sources claimed that a politician in the energy ministry vowed not to approve any Namcor transaction, allegations refuted by the minister. Kandjoze rejected notions that he is not being decisive on approving or disapproving the Kudu Gas project, which has been on his table since March this year. (Selected by SPTEC Advisory from The Namibian, July 20).

Minister of Finance, Mrs. Kemi Adeosun is presently briefing the Senate, saying that Nigeria as a country cannot afford to rely on oil. The Minister who is still speaking, started at 12.05 said that President Muhammadu Buhari’s government inherited salaries and wages of N169 billion and now reduced to N159 billion. According to her, a total of N247.7 billion has so been released as capital expenditure, with plans to release N70 billion very soon, adding that the government will continue to release as soon as the nation’s stimulus improves. The minister told the Senate that all the releases are cash backed as a priority of government. (Selected by SPTEC Advisory from Vanguard Nigeria, July 21)

Panoro Energy saw the commissioning of the Front Puffin FPSO for the Aje field offshore Nigeria completed and the FPSO is on hire following the 72-hour test. The Aje field is located on OML 113. Targeted stabilized production rates have not yet been achieved, due to mechanical issues and Nigerian regulatory approvals. The company said that until the outstanding issues are resolved, which could take until the end of Q4 2016, production shall be maintained at a restricted daily rate of approximately 7,000-8,000 bpd of oil. The first lifting of crude from the Front Puffin FPSO is expected to take place at the end of August. Laboratory assays have been delivered on Aje crude oil which show it to be as expected a high quality grade of approximately 42° API. Several international oil companies and trading houses have expressed interest in purchasing Aje crude. (Selected by SPTEC Advisory from Petroleum Africa, July 21)
Nigeria’s government has launched a special fund worth US$100 million to take care of securing the credit that the oil industry of the country needs. Called a Nigerian Content Intervention Fund, the vehicle will be managed by the Nigerian Content Development and Monitoring Board and the Bank of Industry. Until now, Nigerian oil service companies could benefit from a 50 percent interest rebate on loans from commercial banks plus partial security. These were provided by the Nigeria Content Development Fund, which was launched in 2012. The Acting Executive Secretary of the NCDMB said the new fund was set up in response to difficulties cited by local oil industry players in obtaining borrowed funds for their operations. Patrick Obah added that the board and the Bank of Industry were dedicated to providing assistance to oil services companies that wanted to create more jobs locally, retain their revenues in-country and add value to the economy. (Selected by SPTEC Advisory from Africa Business Communities, July 21)

The challenges confronting the Nigerian petroleum industry have started to take its toll on the economy of the country, leading to a massive decline in revenue to the Federation Account. Within the space of one year, Nigeria’s crude oil revenue had dropped by N644.1 billion, while payments by the NNPC to the Federation Account dipped by N58.8 billion. Specifically, data obtained from the Central Bank of Nigeria, CBN, showed that Nigeria’s oil revenue from January to April 2016 stood at N852.8 billion, compared to N1.497 trillion in the same period in 2015. Nigeria had, over the last couple of months, been faced with the challenges of pipeline bombings, crude oil theft and low crude oil price. These had helped in no small measure in hurting the finances of the country, leading to a significant decline in the revenue of the country and plunging the Nigerian economy into near chaos. Specifically, few days ago, the International Monetary Fund, IMF, warned that economic activity in Nigeria is projected to contract in 2016 as the economy adjusts to foreign currency shortages as a result of lower oil receipts, low power generation, and weak investor confidence. (Selected by SPTEC Advisory from Vangard, July 24)

Protests continued yesterday in Akure, the Ondo state capital and Igbokoda, headquarters of the oil producing Ilaje local government area. The protesters were against the nominee for the Niger Delta Development Commission (NDDC) representative in Ondo state, Tokunbo Ajasin. The stakeholders including the Coastal Frontiers (CF) and Coalition of Ondo State Progressives Youth (COPY) among others protested the non-appointment of an Ilaje indigene as commissioner to represent the state on the Board of the Commission. The nomination letter has been sent to the Senate President, Dr Bukola Saraki awaiting clearance by the Upper Chamber. Ajasin, the son of the first Executive Governor of Ondo State, late Chief Adekunle Ajasin who is from the upland-Owo, headquarters of Owo local government was picked as the Commissioner representing Ondo on the board of the Commission. (Selected by SPTEC Advisory from The Nation, July 24)
Nigeria is assuming an oil price of $42.5 per barrel and output of 2.2 million barrels per day (bpd) in 2017, the budget minister said on Monday as he outlined the country’s three-year fiscal plan. The blueprint expects both production and prices to rise each year up to 2019, and that the naira currency will recover and settle at 290 per dollar, according to the presentation by Udoma Udoma. OPEC member state Nigeria's economy has been devastated by falling crude prices and attacks on oil and gas facilities in the southern Niger Delta energy hub that have cut oil production from 2.2 million bpd to 1.5 million since January. (Selected by SPTEC Advisory from Reuters, July 25)

The new group managing director of Nigerian National Petroleum Corporation (NNPC) Maikanti Baru visited the country’s Chief of Defence Staff, General Gabriel Olonishakin at the Defence Headquarters, Abuja. He came with other top NNPC officials and called on Olonishakin and the Nigerian military to help NNPC in securing critical oil and gas infrastructure to curb the losses inflicted by pipeline vandals. According to Baru, the supply of domestic natural gas to power plants has been halved, from 1.4bn ft³/day to barely 700mn m³/d, resulting in significant power outage exposure of between 2.5 GW and 3 GW as a result of direct and indirect impact. He also said from January to May 2016, the country recorded a loss of 1,447 pipelines to vandalism, totalling 109mn litres of petrol and 560,000 barrels of crude oil. All of these pose a great threat to the nation’s economy. (Selected by SPTEC Advisory from Natural Gas Europe, July 25)

The Movement for the Emancipation of the Niger Delta started talks with Nigeria’s government, even as another militant group claimed to have blown up a pipeline in the oil-rich region. The negotiations “will seek to find solutions to the short, medium and long-term future of the Niger Delta region,” MEND spokesman Jomo Gbomo said Sunday in an emailed statement. While Nigeria’s presidency said on July 21 it’s talking to militants, that doesn’t appear to include the Niger Delta Avengers, the rebels claiming responsibility for the attacks on oil infrastructure this year. The Avengers, who in February shattered a seven-year peace with a campaign of sabotage that’s cut crude output and starved the government of revenue, late Sunday said they blew up a gas pipeline belonging to the Nigerian National Petroleum Corp. The statement on the group’s website couldn’t be verified. The Avengers say they want a greater share of the wealth that oil companies extract from their native lands to be spent on local schools, hospitals and other essential services. (Selected by SPTEC Advisory from Bloomberg, July 25)
The Nigerian National Petroleum Corporation (NNPC) is stepping up measures to ensure a successful operation in the ongoing search for crude oil in the Chad Basin and other parts of the Inland Sedimentary Basin. That is happening even as President Muhammadu Buhari ordered deeper exploration of some hitherto neglected finds in some areas in the North-Eastern part of Nigeria. The Group Managing Director of the Corporation, Maikanti Baru, made this disclosure on Monday while receiving the Governor of Bauchi State, Mohammed Abubakar, who was on a courtesy visit to the NNPC Towers, Abuja. Mr. Baru said the renewed search for hydrocarbon deposits in the Chad Basin would entail extensive probing of some allocated and non-allocated oil blocks in the region with a view to establishing the magnitude of the deposits. (Selected by SPTEC Advisory from Allafrica, July 26)

Michharry & Company Nigeria Ltd, a major Nigerian oil and gas contractor based in Lagos State, is risking Nigeria’s attractiveness to UK investors by refusing to honour recent London arbitration awards and High Court Judgements relating to approximately USD $3.5m in unpaid vessel hire fees. The judgements are a result of unpaid hire against vessels supplied under hire to Michharry for its Mobil offshore contract during 2014-15 season by the Bahamas-based ship-owning company OIS International Limited. The mutually agreed charter contract was subject to English Law with any arbitration in London. “Does Chief Michael Edematie-Ikuku, Michharry Chairman & CEO, understand the damage that dishonouring a London High Court debt does to Nigeria’s reputation amongst UK investors?” said a spokesperson for OIS International. (Selected by SPTEC Advisory from African Business, July 27)

NIGER-DELTA Avengers, NDA, has said that President Muhammadu Buhari was free to step up oil exploration in the North East, but should forget about export of a drop of crude oil from the Niger Delta. Spokesperson of the militant group, self-styled Brig Gen Mudoch, in a statement, entitled, “Your drones won’t stop us” alleged that the federal government was preparing for a military offensive in the region and using dialogue as a subterfuge. “Also note that you will not be able to export one litre of crude in the Niger Delta, just intensify the oil exploration in the North East. As for the ones in the Niger Delta, forget about it because the Nigeria government won’t export a drop from our land,” it said. (Selected by SPTEC Advisory from Vanguard July 27)

Barely two days after President Muhammadu Buhari ordered for deeper inquest for crude oil in the Chad Basin, the Niger State government has called on the Federal Government not to forget the Bida Basin. The state government said there was the need to intensify the search of crude oil in the basin. While commending the President Muhammadu Buhari led-administration for stepping up measures for prospecting in the region, the Niger State government said the search will not be complete in the North until Bida Basin, which has a lot of potential, is included. In a statement on Wednesday, the Niger State Commissioner for Information, Culture and Tourism, Comrade Jonathan Tsado Vatsa, called on the Federal Government to remember Bida Basin because there had been several intensification of crude oil search with re-invigorated exploration based on fresh strategy. (Selected by SPTEC Advisory from Today, July 29)
The real growth of Nigeria’s oil sector slowed by 1.89 per cent in first quarter of 2016, due to the reduction in the country’s daily production occasioned by pipeline vandalism, The Guardian reports. The National Bureau of Statistics (NBS), which made this disclosure in its first Quarter 2016 Gross Domestic Product (GDP) report, noted that this represents an improvement relative to growth recorded in the preceding year of 2015 when growth slowed by 8.15 per cent. According to the bureau, the oil sector contributed 10.29 per cent of the total GDP, marginally lower from the share recorded in the corresponding period of 2015, yet higher from the share in fourth quarter of 2015 by 2.24 per cent points. It stated that in the first quarter of 2016, oil production stood at 2.11 million barrels per day (mbpd), 0.05 mbpd lower from production in fourth quarter of 2015. It added that oil production was also lower relative to the corresponding quarter in 2015 by 0.07 mbpd when output was recorded at 2.18 mbpd. (Selected by SPTEC Advisory from Energy Mix, July 28)

The Nigerian Maritime Administration and Safety Agency (NIMASA) has expressed concerns about the flagrant disregard for the cabotage and environmental laws by some International Oil Companies (IOCs) operating in the country. The Director General, NIMASA, Dr. Dakuku Peterside, who stated this during an engagement with the IOCs in Lagos, said the agency would no longer tolerate the disregard for Nigerian extant laws. He therefore enjoined the IOCs to be mindful of all existing laws and regulations in the discharge of their duties as applicable sanctions will be meted out to erring companies. Peterside highlighted areas of interest to include the flouting of cabotage law, negative impact to the environment from oil exploration activities, none payment of statutory levies due to the government and inadequate information sharing. (Selected by SPTEC Advisory from The Guardian, July 28)

Niger State government has informed the President Muhammadu Buhari-led Federal Government of large quantity of crude oil in the Bida Basin awaiting exploration. In a statement by Commissioner for Information, Culture and Tourism, Jonathan Vatsa, the government said the immediate past state government, through a committee it set up, had confirmed the availability of large quantity of crude oil in the Bida Basin. The statement read: "The search for crude oil will not be complete in the north until Bida Basin, which has a lot of potential, is included because there had been several intensification of crude oil search with re-invigorated exploration based on fresh strategy." (Selected by SPTEC Advisory from All Africa, July 28)
MX Oil raised £3,412,013 before expenses via a placing of 341,201,258 new ordinary shares at a price of 1 pence per share with a small group of new investors. The Placing is at a premium to the closing price on May 27 of 0.8 pence per share. An application will be made for the Placing Shares to be admitted to trading on AIM and it is expected that admission will become effective on or around June 6. The company also reported that given the recent increase in the per barrel price of oil the option of retaining its investment in the Aje field becomes more attractive. (Selected by SPTEC Advisory from Petroleum Africa, June 01)

The Niger Delta Avengers (NDA) have launched further attacks on two Chevron oil wells, in the Niger Delta State. According to a statement by the group published on Twitter this morning, “NDA blew up Chevron oil well 23 and 24 at 3:44 am this morning”. (Selected by SPTEC Advisory from Offshore Post, June 01)

President Muhammadu Buhari has promised to do all within his powers to ensure the security of oil installations in the Niger Delta region. The President, who was represented by the Secretary to Government of the Federation, Babachir David Lawal, gave the assurance at a lecture organised by the Save Democracy Group Africa, to mark this year’s democracy day in Abuja on Tuesday. (Selected by SPTEC Advisory from Daily Post, June 01)

Akwa Ibom State Governor, Udom Emmanuel, has ordered ExxonMobil to clean up the oil spill that occurred at Ndito Eka-Iba in Ibeno, Akwa Ibom on May 8. Ibeno Communities’s youth president, Mr Godwin Ikot, said this in an interview with the News Agency of Nigeria, in Ibeno Local Government Area of the state on Thursday. He said the governor, who spoke through the Secretary to the State Government, Mr Etekamba Umoren, instructed the company to commence the cleanup exercise immediately in the area. “At the meeting yesterday, the SSG has given ExxonMobil the order from the governor, that they should go and start the cleanup exercise immediately. “ExxonMobil has agreed to cleanup the spillage and fixed the Joint Investigation Visit to the site of the incident for Friday, June 3,” he said. (Selected by SPTEC Advisory from Punch, June 02).

The Niger Delta Avengers, a Nigerian militant group, claim to have blown up two of Chevron’s wells in the Niger Delta. The group said that wells RMP 23 and RMP 24 were the wells that they attacked. The group has been claiming responsibility for a rash of attacks on oil installations in the Niger Delta and Chevron has seen a few of its facilities targeted since the attacks began. Near the end of May the Niger Delta Avengers took credit for an attack on Chevron’s Escravos terminal which damaged the Escravos tank farm main electricity feed pipeline, causing the shutdown of Chevron’s onshore activities in the Niger Delta. (Selected by SPTEC Advisory from Petroleum Africa, June 02).
Following attacks by a militant group, the Niger Delta Avengers, the Nigerian Agip Oil Company and Aiteo Oil are losing about 140,000 barrels of crude oil per day from their oilfields in Bayelsa State, it has been learnt. At about $48 per barrel, an estimated $6.72m daily is lost by the two operators due to attacks on oil export pipelines operated by them. Eni, an Italian energy firm and parent company of Agip, said the firm’s production had been cut by 65,000 barrels per day, following Friday’s attack on its pipeline in Bayelsa. (Selected by SPTEC Advisory from Punch Nigeria, June 05)

Industry experts have said that crude oil and gas production in Nigeria will decline further amid the $7bn cash call which the Nigerian National Petroleum Corporation (NNPC) has yet to pay to its joint venture partners, The Punch reports. An industry source noted that the unpaid bills had been piling up in recent months, adding, “Every year, the industry gets less than it needs to function. In 2005, JV production was more than two million barrels per day; today, we can barely produce one million bpd”. “If government continues not to pay, operators will have to operate at the level government can afford, and production will have dropped by at least 400,000 bpd in the next two to three years. At the level we are now, gas production will decline by 2019” he said. (Selected by SPTEC Advisory from Energy Mix Report, June 05)

Nigerian Society of Engineers (NSE) has called on the federal government to consider its inputs on the planned restructuring of the Nigerian National Petroleum Corporation (NNPC) in order to avoid the mistakes of the past. NSE president, Engr. Otis Anyaeji, said this yesterday in Abuja at a press conference, stressing that considering the group’s inputs would ensure optimal performance of the corporation. “We are aware that the structural change of the NNPC into 30 companies is under review by some consultants. We believe that NSE and Council for the Regulation of Engineering in Nigeria (COREN) should be invited to review and authenticate the forthcoming new structures and the engineering personnel that would head them,” he said. (Selected by SPTEC Advisory from Daily Trust, June 06).

Nigeria's oil output has fallen by a further 140,000 b/d after a series of attacks last week by Niger Delta militants on pipelines and production facilities operated by Italy's Eni and indigenous company Aiteo, shrinking the OPEC member's output to below 1 million b/d, officials said. The self-styled Niger Delta Avengers attacked the Eni-operated Tebidaba and Clough Creek pipelines early last Friday, one day after bombing the Nembe Creek trunkline operated by local firm Aiteo. Aiteo, which bought the Nembe trunkline from Shell in 2015, said in a statement Sunday the attack shut in 75,000 b/d of oil production. An Eni official said the attack on the company's pipeline cut output by 65,000 b/d, the local Punch newspaper reported. An Eni spokeswoman told Platts the company would officially comment on the latest attack soon. (Selected by SPTEC Advisory from Platts, June 06).
The Nigerian government will scale back its military presence in the oil-rich Niger Delta in order to foster dialogue with militants and reduce attacks in the restive area. The change in strategy came after a new group, the Joint Niger Delta Liberation Force (JNDLF), warned of possible missile attacks on 7 June. The group, which claimed affiliation with the Niger Delta Avengers (NDA) militants, urged the army to withdraw from the Ijaw communities or face dire consequences. The NDA calls for attacks targeting exclusively oil facilities and not the population while JNDLF has threatened to attack government buildings including the State House and Defence Headquarters in the capital Abuja. (Selected by SPTEC Advisory from IB Times, June 07).

Oando concluded its N94.6 billion facility provided by 10 leading financial institutions in Nigeria. The financing, coordinated by the mandated Lead Arranger, Access Bank, is a five-year Medium Term Note (MTN) at Nibor + 200 bps as a crucial part of its strategic restructuring plans. The institutions involved in the financing are Access Bank, Diamond Bank, Ecobank, FCMB, Fidelity Bank, Keystone Bank, Stanbic IBTC Bank, UBA Bank, Union Bank and Zenith Bank. The transaction further signifies the solid commitment from Nigerian banking institutions to support sustained growth and development of the Nigerian oil and gas sector in these trying times. Oando PLC will continue to exercise strong financial discipline in meeting obligations and our debt covenants. (Selected by SPTEC Advisory from Petroleum Africa, June 08).

Niger Delta Avengers, NDA, today, said it would not negotiate with the Federal Government. The militant group, which blew up a crude oil pipeline belonging to Chevron Nigeria Limited, CNL, in the early hours today, tweeted: “This is to inform the general public that we are not negotiating with any Committee. If Federal Government is discussing with any group they’re doing that on their own” It said on its twitter handle: “At 1:00am today, the @NDAvengers blow up Well RMP 20 belonging to Chevron located 20 meters away from Dibi flow Station in Warri North local government area.” A source told Vanguard that the affected crude oil pipeline is between Opia and Dagbolo villages in Warri North. The attack is in spite of the declaration of a two-week ceasefire 48 hours earlier by the Federal Government to create a window for dialogue with militants. (Selected by SPTEC Advisory from Vanguard, June 08).

Independent oil giant Seplat, has begun to assemble equipment for the expansion of its Oben Phase 11 plant to increase natural gas plant to produce 525 million standard cubic feet (mmscf/d) daily. Seplat, an exploration and production (E&P) company, completed the expansion of the Oben gas plant phase last year. The expansion raised the company’s overall processing capacity from about 150mmscf/d to 300mmscf/d. Seplat Chairman, ABC Orjiako confirmed the expansion plan when he addressed shareholders at the firm’s annual general meeting in Lagos. He said: “The Oben gas plant phase II expansion is underway with additional processing modules ordered. Once installed, the additional processing modules will take gross processing capacity to an expected minimum level of 525 mmscfd.” (Selected by SPTEC Advisory from The Nation Online, June 09).
Nigeria's Nembe Creek Trunk Line (NCTL) pipeline carrying Bonny Light crude oil to the export terminal has been repaired and is operating again, industry sources said on Thursday. The pipeline was closed in early May for repairs by operator Aiteo, prompting Royal Dutch Shell to declare force majeure on exports of Bonny Light. As of Thursday, that declaration was still in place. Sources said that Bonny Light production from the Aiteo field was also ramping up after the pipeline restart. A spokesman for Aiteo did not immediately respond to a request for comment. (Selected by SPTEC Advisory from Reuters Africa, June 09).

Total Upstream Nigeria Limited is targeting improved crude production with its $10 billion investments in Nigeria’s oil and gas industry. The firm, in a report titled: The Total Upstream companies in Nigeria at a glance, made available to The Nation, said it has invested $10 billion between 2010 and 2015. The report encapsulates Total’s activities in Nigeria in the last 49 years (1966 -2015). The report noted that the firm has produced 2.3 billion barrels of crude oil in Nigeria in 49 years, adding that it expects more crude production from its oil mining leases (OMLs) in the country. It said: “Egina Field located in OML 130 where Total and its partners such as Sapetro, Petrobras, and the Nigerian National Petroleum Corporation (NNPC) are undertaking ultra-deep offshore venture, crude production is expected to reach a plateau of 200,000 barrels of oil equivalent per day (boepd). (Selected by SPTEC Advisory from The Nation Online, June 09).

The increasing militant attacks and crude oil pipeline vandalism have reduced Nigerian oil production by around thousands of barrels in the past 12-months. According to Nigerian National Petroleum Corporation, oil production dropped to 1.8 million barrels per day (bpd) in March, down from over 2 million bpd in February. This is the lowest level in the past 12-months. Now that the militant group, Niger Delta Avengers, has increased attacks on oil & gas facilities in the region, the situation has become even more alarming for Africa’s biggest economy; oil production is expected to decline further. (Selected by SPTEC Advisory from Bidness Etc, June 11).

Nigeria’s oil and gas sector has recorded another landmark achievement in the area of local content as Nigerdock, a leading indigenous Nigerian oil services company and a member of Jagal Group, has successfully completed the fabrication and the load-out of the topsides for the 90,000 barrels per day capacity Ofon 2 oilfield project being developed by French oil giant, Total, ThisDay reports. Total had in 2012 commenced the Ofon field Phase 2 development offshore Nigeria with the award of the construction and installation contracts. (Selected by SPTEC Advisory from Energy Mix Report, June 12)
Nigeria has over the last four months, between January to April 2016, lost N51.388 billion to pipeline vandalism, and the country is poised to record more of such losses if the current spate of pipeline bombings by militant groups in the Niger Delta region is not addressed. With the second bombing of the Forcados Export Pipeline and the bombing of other oil and gas assets in the region in recent times, the loss to the country is expected to escalate when the figures for May and June 2016 is released. (Selected by SPTEC Advisory from Vanguard Nigeria, June 12)

The Niger Delta Avengers (NDA) militant group has threatened to sink oil tankers and “review” its stance of not taking lives in its latest warning to oil and gas companies operating in the Niger Delta. In a press statement released on the group’s official website, the NDA also restated its intention to attack the interests of oil corporations if they repaired any facilities damaged by the group. “They should not undertake any repair of pipeline, oil and gas facilities that is damaged or attacked by our forces,” said General Mudoch Agbinibo in an NDA statement. (Selected by SPTEC Advisory from Rigzone, June 14)

Nigerian oil and gas firm Oando has received a N94.6bn (US$480mn) facility from nine local banks as part of its debt restructuring to return to profitability. The financing is a five-year medium-term note priced at 200 basis points above, and was co-ordinated by Access Bank as mandated lead arranger. The other institutions involved are Diamond Bank, Ecobank, FCMB, Fidelity Bank, Stanbic IBTC Bank, UBA Bank, Union Bank and Zenith Bank. (Selected by SPTEC Advisory from Global Trade Review, June 14)

Nigerian state oil firm NNPC managed to close a valve in a pipeline in the Niger Delta to contain a gas leak caused by an explosion, a community leader said on Thursday. The Niger Delta Avengers, whose attacks on oil facilities in the southern oil region in the last few months have pushed crude production to a 30-year low according to the International Energy Agency, said on Twitter that it blew up the pipeline. (Selected by SPTEC Advisory from Reuters, June 16)

Imports of Nigerian crude oil by the United States grew significantly in the first quarter of the year, after falling to record lows in recent years on the back of the US shale oil boom. The Organisation of Petroleum Exporting Countries (OPEC) stated, “Such an arbitrage has not been attractive in recent years due to the US shale oil boom, which has made domestic WTI-priced crude far more competitive compared to similar Brent-related crudes”. “In the first quarter of 2016, the combined average imported US crudes from the two main WAF crude exporters – Nigeria and Angola – jumped to 354,000 barrels per day from about 190,000 bpd in 2015.” (Selected by SPTEC Advisory from Energy Mix Report, June 16)
The Nigerian government has approved investments worth $7 billion for the establishment of a petrochemical industry and other projects in the country’s Akwa Ibom state. Ibe Kachikwu, Minister of State for Petroleum Resources, made the announcement during a town hall meeting at a local hotel in Uyo. Kachikwu said the investment would also facilitate the construction of a 500-MW power plant being initiated by Mobil Producing Nigeria in addition to other projects. Kachikwu described the investment as the biggest in the region. (Selected by SPTEC Advisory from Petroleum Africa, June 17).

Nigeria is now the third most expensive country to produce oil in the world with a production cost per barrel of crude oil put at $28.99. According to Wall Street Journal Survey, of 12 notable oil producers, Nigeria stands behind the United Kingdom (UK) and Brazil in the production cost analysis. Both countries produce a barrel of oil at $44.33 and $34.99 respectively. The survey said production in Nigeria was more expensive than it is in the United States despite US use of expensive technology which combines horizontal drilling and a technique known as hydraulic fracturing to mine its Shale oil. A further breakdown of the cost shows that oil producers in Nigeria pay $4.11 as taxes on a barrel of oil they produce, while $13.10; $8.81 and $2.97 go into capital spending, production costs, as well as administration or transportation cost. (Selected by SPTEC Advisory from Energy Mix Report, June 17).

Shell companies in Nigeria lost 25,000 barrels of oil per day, bpd, to oil theft in 2015. The quantity lost amounted to about $1,250,000 per day at the current price of $50 per barrel, showing a substantial loss to the nation. The company, which disclosed this in its briefing notes released over the weekend, indicated that the volume stolen was less than the 37,000 bbl/d in 2014. It said the number of sabotage-related spills declined to 93 incidents compared with 139 in 2014. The company maintained that in 2015, the decrease in theft and spills was also in part due to divestments in the Niger Delta. It disclosed that theft and sabotage are still the cause of 85 per cent of spills from SPDC JV pipelines. The company noted that a key priority for Shell globally is to achieve the goal of no spills. (Selected by SPTEC Advisory from National Mirror Online, June 20).

Lekoil has converted around half of its investment budget into naira to fund its oil field expansion in Nigeria. The company’s conversion from USD to naira allows it to benefit from Nigeria’s weak currency. Lekoil will use the naira to pay for some domestic services. “As a result of the significant devaluation of the Nigerian Naira to the U.S. dollar in 2015, we have moved a significant portion of our capex from U.S. dollars to naira,” Lekoil Chief Executive Olalekan Akinyanmi told Reuters. The company plans to increase production at its Otakikpo oil field to 10,000 bpd by the end of the year. (Selected by SPTEC Advisory from Petroleum Africa, June 20).
Oil workers under the aegis of the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN) have threatened to close down operations and activities in the nation’s oil and gas industry if some employers in the industry did not stop their anti-labour practices. The senior staff trade union issued a seven-day ultimatum within which employers in the industry should put an end to all anti-labour practices in their companies or the nation will face an industrial action that will lead to a total shutdown of the oil and gas industry. Industrial issues raised by PENGASSAN include the review of the lingering irregular Joint Venture funding and Cash Call payment arrears, lack of a clear-cut direction on the Petroleum Industry Bill (PIB), and forceful co-option of government agencies in the industry into the Integrated Personnel Payroll Information System (IPPIS). (Selected by SPTEC Advisory from All Africa, June 20).

Nigeria has agreed a one-month ceasefire with militants including the Niger Delta Avengers in the oil-producing southern region, a petroleum ministry official said on Tuesday. Militant groups including the Avengers, who have claimed responsibility for a string of attacks on oil and gas facilities in recent weeks, could not immediately be reached for comment. The NDA, which has used Twitter to make numerous announcements and communiques with the outside world, has not commented so far on the ceasefire claim. The militants want a greater share of Nigeria’s oil wealth to go to the impoverished Delta region. Crude sales make up about 70% of national income and the vast majority of that oil comes from the southern swampland. The latest attacks have pushed production to a 30-year low Companies operating in the region include Shell, Chevron and Eni. (Selected by SPTEC Advisory from Energy Voice, June 21).

Nigeria may wait longer to reclaim its lost status as Africa’s largest oil producer if predictions by the International Energy Agency (IEA) are anything to go by. Minister of state for Petroleum Resources Ibe Kachikwu had said recently that peace moves initiated to end militants’ sabotage of oil facilities in the Niger Delta region is expected to regain substantial portion of lost production by August. But the IEA in its monthly Oil Market Report (OMR) for June said the oil market was not expected to return to a surplus until in the first half of next year. Sustained attacks by militants have cut Nigeria’s oil production to 1.6 million from 2.2 million barrels per day which has led to the country losing its position to Angola as Africa’s top crude oil producer. (Selected by SPTEC Advisory from All Africa, June 21).
With the completion of Ofon phase 2 wellhead platforms, Total Exploration and Production Nigeria Limited is set to increase oil production from Ofon field to 65,000 barrels per day (bpd) from 25,000bpd, its Managing Director, Nicholas Terraz has said. Terraz spoke yesterday at the commissioning and sail away ceremony of the platforms at the Nigerdock’s Snake Island Integrated Free Zone in Lagos. “The delivery of the new wellhead platforms will pave way for the drilling of additional 24 wells and ramp up of production to a plateau of 65,000bpd and three million cubic meters of gas per day. “This delivery is therefore, a key milestone in the Ofon 2 project. For the construction of the Ofon 2 wellhead platforms, over five million man-hours of work were completed with zero lost time injury,” he said, adding that so many facilities used in the construction of the platforms were manufactured locally. (Selected by SPTEC Advisory from The National Online, June 21).

Bristow Helicopters (Nigeria) Ltd. is launching a dedicated helicopter rescue and recovery (RRS) service for Nigeria’s oil and gas industry. The service is aimed at providing critical life-saving assistance currently not available in the country’s aviation landscape. The new service will be delivered from its base in Port Harcourt to allow for the transport resources quickly and efficiently to oil installations in the area. It is expected to launch in August. The company will dedicate an advanced Leonardo AW139 helicopter to the operation, equipped with state-of-the-art technology for search and rescue missions, including forward looking infrared (FLIR) camera technology, dual hoist and mission management capabilities. The aircraft is painted in red and white livery, distinguishing it from other aircraft that transport personnel to offshore production platforms and drilling rigs. (Selected by SPTEC Advisory from Petroleum Africa, June 22).

The three tiers of government yesterday shared the sum of N305.128 billion as allocation from the federation account for the month of May 2016, indicating an increase of N23.628 billion, compared to the N281.5 billion shared in the previous month. The increase in the May allocation was attributed to minimal improvement in revenue from non-oil and mineral revenue sources during the month. This is just as the naira closed firmer at both the interbank and parallel markets yesterday, as the Central Bank of Nigeria (CBN) sold dollars for the third day running, after it allowed the free floating of the currency. (Selected by SPTEC Advisory from Petroleum Africa, June 23).

An indigenous oil firm, Belemaoil Producing Limited that recently took over the oil mining lease (OML 55) from Chevron, has increased its production by 3,000 barrel per day (bpd) to hit 11,000bpd. The feat has, however, attracted the accolades of Niger Delta Oil Producing Communities Empowerment Forum (NDOPCEF). NDOPCEF Chief Media Secretary Comrade Amaibimabo Godswill Tamunofubura, in a statement, said: “The Niger Delta people are proud of Belemaoil, who just took over OML 55 field works on the June 2, 2016 and, in 18 days of take over, is able to take production from 8,000 barrels daily to 11,000 barrels per day.” (Selected by SPTEC Advisory from The Nation, June 23).
For the second time in a week, a new militant group in Imo State, the Red Scorpions, yesterday, may have bombed an oil pipeline belonging to Shell Petroleum Development Oil Company, in Awara, Ohaji/Egbema Local Council of Imo State. The members of the new group, which claimed responsibility for the attack, had emerged in the week, accusing oil companies operating in Ohaji/Egbema and Oguta Local Councils, of marginalising their host communities. (Selected by SPTEC Advisory from The Guardian, June 26)

According to a reliable official source at the Nigerian National Petroleum Corporation (NNPC), Nigeria may in the next two weeks increase the volume of crude oil it produces and pumps every day from her oil fields to 2.3 million barrels (mb) per day, ThisDay reports. The source who spoke on the condition of anonymity, explained that the backchannel overtures initiated by Minister of State for Petroleum Resources, Dr. Emmanuel Ibe Kachikwu to halt bombing of oil facilities and disruptions in production by militants in the Niger Delta were already yielding results. (Selected by SPTEC Advisory from Energy Mix Report, June 26)

Nigeria is seeking $40 billion to $50 billion in investment in oil projects as the OPEC producer said it raised crude output to as much as 1.9 MMbpd as of two days ago. The African producer signed a potential deal for $8.5 billion of investment with China North Industries Group Corp., Nigerian State Minister for Petroleum Resources Emmanuel Ibe Kachikwu said in a Bloomberg television interview in Beijing on Monday. The country’s crude output should rise to 2.2 MMbpd next month if repairs to a pipeline are completed, he said. “We’re looking to raise about $40 to $50 billion,” Kachikwu said in the Bloomberg interview. (Selected by SPTEC Advisory from Bloomberg, June 27)

Nigeria is seeking to raise between $40 billion and $50 billion from Chinese investors to fund key oil and gas projects, Minister of State for Petroleum Resources, Mr. Ibe Kachikwu, said on Monday. Kachikwu said in a Bloomberg television interview in Beijing, China that Nigeria’s oil production has risen to 1.9m barrels a day (b/d) and should rise to as much as 2.2m b/d by end of July if pipeline repairs are completed. (Selected by SPTEC Advisory from All Africa, June 28)

Shell spokesman Precious Okolobo said by phone yesterday that the Trans Niger Pipeline (TNP), one of Nigeria’s key oil pipelines remains shut for repairs, Daily Trust reports. The pipeline, which carries Bonny Light crude oil for export and runs through Awara, south-east Nigeria, had been shut for repairs since June 8 following a leak. Okolobo did not give a time frame for its re-opening. With operations through the pipeline shut, Nigeria’s crude oil export capacity is negatively impacted by a reduction of at least 180, 000 barrels per day. (Selected by SPTEC Advisory from Energy Mix Report, June 29)
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Nigeria’s earnings from the petroleum industry continue to be hard-hit as the United States (U.S.) Liquefied Natural Gas (LNG) import from Africa’s most populous country fell from 20.3 million cubic feet in June 2007 to zero as of February this year, The Guardian reports. The U.S. LNG import started dropping since 2008 when it fell to an average of 3.1 million cubic feet. The situation became worse in 2011 when Washington imported only 2.3 million cubic feet before falling totally to zero level. (Selected by SPTEC Advisory from Energy Mix Report, May 02)

The Group Managing Director (GMD) of the Nigerian National Petroleum Corporation (NNPC), Dr. Ibe Kachikwu, yesterday disclosed that Nigeria would start oil drilling activities in the Chad Basin by the last quarter of 2016, ThisDay reports. Kachikwu in a statement from the Group General Manager, Public Affairs of the NNPC, Mallam Garuba Deen Muhammad, in Abuja, stated that seismic data acquisition activities through the NNPC’s Frontier Exploration Services and Renewable Energy Division (FESRED) had progressed reasonably before it was interrupted by insurgency in the North. (Selected by SPTEC Advisory from Energy Mix Report, May 02)

SacOil and Energy Equity Resources (EER) signed a memorandum of understanding (MOU) to facilitate the acquisition and resale of Nigerian crude oil. Pursuant to the initiative, SacOil and EER, was awarded a 12-month term contract for the purchase of Nigerian Crude Oil Grades by the Nigerian National Petroleum Corporation (NNPC). The joint venture company, SacOil Energy Equity Resources (SEER), will act as the contracting party to an agreement with the NNPC for the purchase and onward sale of Nigerian crude oil. SEER’s off-take levels will depend on the aggregate crude production in Nigeria as well as the global oil price. (Selected by SPTEC Advisory from The Guardian, May 02)

Erin Energy Corporation (“Erin Energy” or the “Company”) (NYSE MKT:ERN) (JSE:K) announced today the Island Constructor light well intervention (LWI) vessel has successfully completed work on the Oyo-8 well and the Company has resumed production from the well. Erin Energy will now begin a ramp up of production from the well over the next few days to pre-shut in levels of approximately 7,000 barrels of oil per day. The vessel performed LWI service on the Oyo-8 well, to open the sub-surface controlled sub-surface safety valve (SCSSV), which failed to re-open following a planned production curtailment in the Oyo field. (Selected by SPTEC Advisory from The Sun, May 03)
Panoro Energy ASA ("the Company" or "Panoro" with OSE ticker: "PEN"), the independent E&P company with assets in Nigeria and Gabon, notes the recent announcement made by its partner, the Operator of OML 113 Yinka Folawiyo Petroleum Company Limited, and is pleased to announce that the first oil production from the Aje field, offshore Lagos, commenced yesterday 3 May 2016. Subsea installation activities had been underway at Aje since January and were completed in early March ready for the hook-up of the Front Puffin FPSO, which arrived in Nigeria on the 16th of March. Oil produced from the Aje field will be stored on the Front Puffin which has production capacity of 40,000 barrels of oil per day and storage capacity of 750,000 barrels. (Selected by SPTEC Advisory from Energy Mix Report, May 04)

The United Bank for Africa, UBA, said on Wednesday that it has signed a $1.2 billion oil financing agreement with the Nigerian National Petroleum Corporation, NNPC joint venture with Chevron Nigeria Limited, CNL, to fund the development of 36 new oil wells. The deal is expected to help significantly expand Nigeria’s oil production capacity, which currently stands at an average of 1.87 million barrels per day, UBA Group Chairman, Tony Elumelu, said this at the maiden Senior Leadership Forum to review the bank’s strategic importance and growth potential of its pan-African business. (Selected by SPTEC Advisory from Premium Times, May 04)

Oil, gas and power firms owe banks in the country about N3.931 trillion as at the end of December 2015, according to latest data released by the Central Bank of Nigeria, CBN. A breakdown of the commercial banks’ sectoral credit allocation showed that the downstream, natural gas and crude oil refining segments owed banks up to N2.273 trillion as at year end. This was slightly higher than the N2.264 trillion recorded in November, while the upstream and oil and gas services sector owed N1.156 trillion against N1.192 trillion month on month. (Selected by SPTEC Advisory from Vanguard Nigeria, May 04)

Belgian ambassador to Nigeria, Mr. Stephane De Loecker, has said that trade relations in oil between his country and Nigeria have been more favourable to Belgium and called for improvement in Nigeria’s refining capacity. “The problem for Nigeria is it is exporting tremendous amounts of oil to Belgium, which is refined and re-exported to Nigeria”, stated the envoy, noting that although his country is benefiting from the transaction, Nigeria should take steps to address the situation. Loecker who noted that the queues in filling stations around the country do not project the oil–rich country positively, pointed out that improving Nigeria’s refineries would save a lot of forex. The ambassador who made the remarks during a visit to the governor of Kano state, Dr. Abdullahi Umar Ganduje, in Kano, maintained that relations between his country and Nigeria have been very warm. (Selected by SPTEC Advisory from This Day Live, May 05).
Nigeria’s crude oil and gas productions suffered further setback on Thursday as a major valve platform belonging to the Chevron Nigeria Limited (CNL) was bombed around Escravos, Warri South-West council area of Delta State. Those who could have provided reliable information on the matter were not forthcoming as neither security contacts nor company personnel could ascertain what actually happened. However, a new dissident group, Niger Delta Avengers (NDA), has since claimed responsibility for the attack. “The high command of the Niger Delta Avengers wants to use this medium to thank strike team 6 for successfully blowing up of the Chevron Valve Platform. And we are ready to protect the Niger Delta people. “This is what we promised the Nigerian government that since they refused to listen to us we are going to zero the economy of the country. (Selected by SPTEC Advisory from The Nation Online, May 05).

President Muhammadu Buhari has frozen exploitation of hydrocarbon deposits in Bakassi peninsula till the joint technical committee on the Green Tree Agreement submits its report. This is even as the Camerounian President, Paul Biya, denied that his country was ever a safe haven to terrorist sect, Boko Haram. Both leaders spoke at a joint press conference to end Biya’s two-day working visit to Nigeria. Buhari told Biya that there was no cause for Camerounians to lose sleep over the Peninsula as the committee’s outcome would put paid to the International Court of Justice (ICJ) resolutions. A technical committee, comprising experts from both countries are currently working to fine-tune some grey areas, bordering on identity, resettlement, compensation for loss of territory, oil exploration, development of Day Spring Island, socio-cultural differences, fishing right, among other issues before full implementation of resolutions spelt out by the ICJ. (Selected by SPTEC Advisory from The Sun, May 05).

Nigeria is suffering a worsening bout of oil disruption that has pushed production to the lowest in 20 years, as attacks against facilities in the energy-rich, but impoverished nation increase in number and audacity. Chevron Corp. shut down about 90,000 bpd of output following an attack on a joint-venture offshore platform that serves as a gathering point for production from several fields. Even before that strike on Wednesday night, Nigerian oil production had fallen below 1.7 MMbpd for the first time since 1994, according to data compiled by Bloomberg. (Selected by SPTEC Advisory from Bloomberg, May 06)

Recent repairs on the Warri and Kaduna refineries suffered a major setback with the blowing up of a Nigerian National Petroleum Corporation (NNPC) crude trunkline feeding crude oil to both Warri and Kaduna refineries late on Thursday night, ThisDay reports. The attack on the NNPC facility, which was recently repaired, is the second in as many days carried out by a new group of suspected militants in the Niger Delta that has vowed to cripple the oil and gas industry and the backbone of the Nigerian economy. Also reportedly hit in the latest attack on Thursday night is an oil flow station feeding the Chevron Tank-farm in Warri South-West Government Area, Delta State. (Selected by SPTEC Advisory from The Sun, May 08)
The Nigerian National Petroleum Corporation (NNPC) has said that it recorded total export proceeds of 170.12 million dollars in the month of March. This is contained in the corporation’s monthly financial report for March released in Abuja, Vanguard reports. The NNPC recorded total export proceeds of 170.12 million dollars in the month under review with crude oil export accounting for 98.31 million dollars, while gas export accounted for 71.81 million dollars. On dollar payments to Joint Venture Cash Calls, it said total export proceeds of 141.87 million dollars were recorded in March, 2016 consisting of crude oil receipt of 88.36 million dollars. (Selected by SPTEC Advisory from Energy Mix Report, May 08)

America oil major Chevron is counting significant loses following attacks on its offshore platform in the Niger Delta in a renewed violence that could distort Nigeria’s oil export potentials. "Approximately 35,000 barrels per day, b/d, of Chevron's net crude oil production in Nigeria are impacted," company spokeswoman, Isabel Ordonez said in a statement at the weekend. Suspected militants Wednesday night used explosives to blow up the Okan platform, a collection facility for offshore oil and gas that feeds the Escravos terminal in southern Nigeria. The impact of the attack was significant in a country where Chevron's net daily production in 2014 averaged 240,000 barrels of crude oil, 236 million cubic feet of natural gas and 6,000 barrels of liquefied petroleum gas, according to the company. Nigerian navy spokesman Chris Ezekobe told AFP that a previously unknown group called the Niger Delta Avengers claimed responsibility for the assault. (Selected by SPTEC Advisory from All Africa, May 09).

The activities of Niger Delta Avengers, the new militant group in the oil-rich region, have forced Royal Dutch Shell to evacuate most of its staff from its production facility, Eja OML 79. This came as different security agencies and militants held separate undisclosed meetings to re-appraise their tactics, following a fresh directive by President Muhammadu Buhari that the group, which claimed responsibility for the recent bombing of oil/gas installations in Warri, Delta State, be overpowered. Shell evacuation was carried out by three helicopters weekend. The evacuation saw 98 key personnel airlifted by helicopters from Eja OML 79, run by Royal Dutch Nigerian subsidiary, Shell Petroleum Development Corporation, SPDC, where production of 90,000 barrels of oil per day has been halted. (Selected by SPTEC Advisory from All Africa, May 09).
Oando Gas and Power Limited (OGP), the foremost indigenous developer and provider of gas and power solutions, and a fully-owned entity of Oando Plc, has commenced development of a mini Liquefied Natural Gas (LNG) facility through its Transit Gas Nigeria Limited (“TGNL”) subsidiary in Ajaokuta, Kogi State. The liquefaction plant is primarily directed towards fulfilling the gas supply requirement for captive power plants, embedded generation, and industrial clusters in the Northern region, as well as stranded customers in the South. Off-takers, particularly, power plants and industrial customers who currently utilise liquid fuels such as diesel and LPFO, will be able to lower energy costs by up to 40 per cent, while significantly decreasing carbon emissions. Commenting on the initiative, OGP CEO, Mr. Bolaji Osunsanya said: “The establishment of the Ajaokuta mini LNG project is in firm alignment with our mid-to-long term gas conversion strategy. This venture further emphasises our push to broaden our asset portfolio and strengthen our market play within the gas sector; and by providing the gas advantage, we will help spur the development of self-sustaining industrial clusters to bolster the country’s socio-economic growth. (Selected by SPTEC Advisory from This Day Live, May 10).

Nigeria’s oil output has slumped to a 22-year low, figures showed on Tuesday, because of pipeline sabotage and increasing unrest that has seen major companies evacuate staff. Data compiled by Bloomberg indicated that output in Africa’s biggest oil producer has fallen below 1.7 million barrels per day (bpd) for the first time since 1994. Rebels seeking a fairer share of revenue for locals in the oil-rich southern delta are increasingly targeting facilities, posing a fresh security challenge for President Muhammadu Buhari. The attacks have sparked fears of a repeat of violence and kidnappings that plagued the region in the 2000s and saw Nigeria’s output cut by a third, slashing government revenue. It also risks hitting crude supplies at a time when Nigeria’s oil-dependent economy is facing a slump because of the fall in global prices. (Selected by SPTEC Advisory from Vanguard, May 10).

MX Oil has abandoned its much-hyped Mexican development plans when its local partner failed to stump up the cash for an asset swap deal, leaving the company focused on the sale of its Nigerian asset about which it is feeling some seller’s remorse. MX, which had in December secured four Land Contract Areas (LCAs) in Mexico’s otherwise prolific Tampico-Misantla basin, had recently agreed with local partner Geo Estratos whereby the London-listed company was going to sell its 55% stake in three of the licences for a large share of the fourth, Tecolutla, for $1.8m. This leaves MX focused on its indirect investment in the Aje Field offshore Nigeria, which recently produced first oil and which the company had agreed to sell for $18m to GEC Petroleum Development Company. (Selected by SPTEC Advisory from Share Cast, May 11).
Shell’s Nigerian joint venture subsidiary on Wednesday declared force majeure on exports of Bonny Light, saying it had been in force since Tuesday 12.00 pm local time. According to Shell Petroleum Development Company, the decision came as a result of damage to the Nembe Creek Trunk line (NCT). Commissioned in 2010, the 100-km NCT feeds the Bonny export terminal, and the disruption will affect the loading of seven cargoes, representing a combined volume 210,000 bopd. The Niger Delta NCT line has a capacity of 600,000 bopd. Gas supplies to the Bonny Island LNG facility continue uninterrupted. While Shell Petroleum Development Company in its statement on Wednesday did not elaborate on the cause of the leak, the announcement comes at a time of an upsurge in violence. Last week, the newly formed Niger Delta Avengers attacked Chevron’s Okan facility. On Sunday, local media reported another two attacks on oil and gas infrastructure. (Selected by SPTEC Advisory from The Oil and Gas Year, May 11).

The Kingdom of Belgium has urged Nigeria to improve its crude oil refining capacity to address the deficit in the transaction between both nations and increase foreign exchange earnings. The Belgian Ambassador to Nigeria, Mr. Stephane De Loecker, said last week in Kano that oil trade between his country and Nigeria had been in favour of his country and called for improvement in Nigeria’s crude oil refining capacity. The diplomat, who visited the state governor, Abdullahi Umar Ganduje, noted that bilateral relations between the two countries had been very cordial and warm. While lamenting the unending queues in filling stations around the country, he said that his country and the EU would continue to support the administration of President Muhammadu Buhari in the battle to tackle security issues ravaging Northern Nigeria. (Selected by SPTEC Advisory from National Mirror Online, May 11).

Nigeria is still in talks to obtain foreign loans to help fund a record $31 billion budget for this year, aimed at helping Africa's biggest economy cope with a slump in oil prices, its budget minister said on Thursday. President Muhammadu Buhari signed the 6.06 trillion naira ($30.6 billion) budget last week, but the government has not yet made clear how it plans to fund a deficit of 2.2 trillion naira. "We hope to access loans on concessionary rates, we are working hard to secure external funding," Budget Minister Udoma Udo Udoma said in a speech, without elaborating. He reiterated previous estimates for external and domestic borrowing needs totalling 1.8 trillion naira. Nigeria has applied for a $1 billion loan from both the World Bank and African Development Bank while also considering selling Chinese Panda or Euro bonds, though no details have been made public. (Selected by SPTEC Advisory from Reuters, May 12).
Nigeria maintained revenue forecast for this year’s budget based on daily oil production of 2.2 million barrels despite output falling over the past month, reaching a 20 year low currently. The government of Africa’s biggest economy is keeping price assumptions at $38 per barrel, Budget Minister Udoma Udo Uduma told reporters in the capital, Abuja, on Thursday. Nigeria recently dropped to second place behind Angola as Africa’s largest oil producer following a resurgence in militant attacks and leaks in the nation’s oil-producing Niger River delta region. Damages inflicted on oil infrastructure run by companies including Chevron Corp. and Royal Dutch Shell Plc have “massively diminished” income, according to oil minister Ibe Kachikwu who said Thursday production was standing at 1.4 million barrels per day. Budget minister Uduma presented details of Nigeria’s biggest ever budget of 6.1 trillion naira that President Muhammadu Buhari signed into law last week. The budget gap, equivalent to 2.14 percent of gross domestic product, will be plugged with foreign and domestic borrowing. “The 2016 budget will be supported by other fiscal, monetary, trade and investment policy actions that will facilitate accelerated growth and sustainable development,” Uduma said. (Selected by SPTEC Advisory from Bloomberg, May 12).

Oando Energy Resources Inc. (OER) has announced that Oando E&P Holdings Limited, subsidiary of Oando Plc, has acquired all of the issued and outstanding common shares of OER. The acquisition according to a statement, exclude the common shares held by Oando Plc, those held by M1 Petroleum Limited, West African Investment Limited and Southern Star Shipping Company Inc and those held by certain shareholders who are officers, employees or service providers to OER pursuant to a plan of arrangement for cash consideration of US$1.20 per minority share. (Selected by SPTEC Advisory from New Telegraph, May 16)

Another explosion rocked a Chevron oil pipeline in Nigeria’s restive Delta region on Friday, the second blast at a facility of the U.S. oil major within a week, feeding concern over a revived militant campaign in the area, Reuters reports. On Friday, a new blast occurred at a Chevron oil well at the Marakaba pipeline in Warri, a security source told Reuters. No more details were immediately known. Chevron had no immediate comment, while Nigeria’s army, which has stepped up its presence in the region, could not immediately be reached for comment. (Selected by SPTEC Advisory from Energy Mix Report, May 16)

Nigeria’s two main labour unions have called for a general strike from Wednesday unless the government reverses a plan to increase petrol prices by up to 67 percent, a joint statement said on Saturday. Last week, the government announced it was scrapping a costly fuel subsidy scheme and raising the price of gasoline, which many Nigerians rely on for electricity generation as well as transport. (Selected by SPTEC Advisory from Reuters, May 16)
The Energy Information Administration (EIA), in its 2016 country analysis on Nigeria’s oil and gas sector, released recently, has attributed the delay in the commencement of the Trans-Sahara Gas Pipeline to security concerns along the entire pipeline route, increasing costs, and ongoing regulatory and political uncertainty in Nigeria. Nigeria and Algeria have already proposed plans to construct the Trans-Saharan Gas Pipeline (TSGP). The 2,500-mile pipeline would carry natural gas from oil fields in Nigeria’s Delta region to Algeria’s Beni Saf export terminal on the Mediterranean Sea and eventually supply natural gas to Europe. (Selected by SPTEC Advisory from Energy Mix Report, May 16)

The AIM-listed oiler wants to acquire high interest loan notes that enabled the takeover of Mart Resources, and the arrangement is supported by major shareholder Toscafund. San Leon Energy Plc (LON:SLE) is set to have a more direct role in the Nigerian oil deal which saw the buy-out of Mart Resources in April. Toscafund, San Leon's major shareholder with 41%, funded the initial US$73mln payment for the Mart acquisition by subscribing for loan notes in a newly created takeover vehicle. A second tranche of loan notes, amounting to US$100mln, is also planned and those funds will enable the completion of the full transaction. It is now proposed, however, that San Leon will acquire all US$173mln of notes from Toscafund, subject to the company raising US$200mln through a new share placing. (Selected by SPTEC Advisory from Proactive Investors, May 16)

ExxonMobil has terminated a drillship contract it had with Seadrill Partners, a subsidiary of the offshore driller Seadrill. The drilling company on Friday said it had received a notice of termination for the West Capella drillship, Offshore Energy Today reports. According to Seadrill’s fleet status report, the rig’s contract with ExxonMobil in Nigeria was to expire in April 2017. As a result of early termination, Seadrill Partners said it would receive $125 million in two equal installments, the first in the second quarter of 2016 and the second in the first quarter of 2017, plus other direct costs incurred. (Selected by SPTEC Advisory from Energy Mix Report, May 16)

An uptick in violence in the oil-rich Niger Delta has cut Nigeria’s oil output by 800,000 bopd, Minister of State for Petroleum Resources and Nigerian National Petroleum Corporation group managing director Emmanuel Ibe Kachikwu said late on Monday. In recent weeks, majors Chevron, Shell and ExxonMobil have all seen their local production curtailed, pushing the country’s output down to some 1.4 million bopd. It also meant relinquishing the long-held title of Africa’s biggest producer. (Selected by SPTEC Advisory from The Oil & Gas Year, May 17)

Exxon Mobil has ramped up production of Nigeria’s Qua Iboe crude oil just over a week after pipeline damage forced it to slow output, traders said on Wednesday. The company cut production, and declared force majeure on exports, after a drilling rig, experiencing mechanical difficulties, damaged the pipeline it jointly owns with the state-owned Nigerian National Petroleum Corporation (NNPC). (Selected by SPTEC Advisory from Reuters, May 18)
Italian energy company Eni confirmed Wednesday one of its Nigerian pipelines was the target of a militant attack with equity production curtailed as a result. A militant group in Nigeria calling itself the Niger Delta Avengers has launched a series of attacks on regional infrastructure in an act of war against environmental degradation and corruption in the region. The group took credit for knocking Chevron operations offline and warned energy companies last week they "have not seen anything yet." (Selected by SPTEC Advisory from UPI, May 18)

Nigeria's Qua Iboe crude oil terminal, operated by ExxonMobil, is closed and workers have been evacuated, traders said on Thursday. A market source said that the evacuation was caused by the threat from militants and that tanks had been emptied of crude. Exxon did not immediately respond to a request for comment. (Selected by SPTEC Advisory from Reuters, May 19)

A 1-million-barrel cargo of Nigeria’s Bonga medium crude oil is expected to be discharged in Argentina this week, the second crude import by firms operating in the South American country this year to secure oil supplies for their refineries, according to Reuters. The new government of President Mauricio Macri is in talks between oil producers and refiners to make sure Argentina’s total output of light crude is processed at domestic plants, lowering demand for imported oil. But because of quality issues – Argentina has a surplus of heavy crude that is regularly exported, but it does not produce enough light grades – refining companies plan to import at least 3 million barrels of crude this year, mostly from Africa. (Selected by SPTEC Advisory from Energy Mix Report, May 19)

Militants on Friday continued their onslaught on oil facilities in the Niger Delta by attacking the Warri-Escravos gas pipeline in oil-rich Delta state in southern Nigeria. There was yet to be any official confirmation neither claim of responsibility by anybody as at the time of filing this report. Industry experts has described the attack as a major blow to gas production in the country. The attacked trunk line belongs to phase two of the Escravos-Lagos gas pipeline owned and operated by the Nigerian Gas Company Limited. A group known as Niger Delta Avengers has been claiming responsibility for recent explosions in the region. (Selected by SPTEC Advisory from Xinhuanet, May 23).

Former militants have called for a halt to a resurgence of attacks on oil and gas facilities in Nigeria’s Niger Delta, saying it is an unnecessary distraction for President Muhammadu Buhari’s administration. The defunct Movement for the Emancipation of the Niger Delta (MEND), a group of former militants who previously targeted the oil-rich region, made the call in a statement late on Friday. Buhari said on Friday he had heightened the military presence in the region where attacks in the last few weeks - mostly claimed by a group calling itself the Niger Delta Avengers - have driven the country’s oil output to a more than 20-year low. "We should give President Buhari the opportunity to fulfil his promises to the Niger Delta people by maintaining peace in the region," former MEND members said in the statement. (Selected by SPTEC Advisory from Reuters, May 23).
In response to the recent militant attacks on oil installations in Nigeria’s Niger Delta, the country’s president, Muhammadu Buhari, ordered a heightened military presence in the region to deal with the attacks. The Niger Delta has seen a rise in militant attacks over the past few weeks, leading to the country’s crude production dropping to more than a two-decade low. A group calling itself the Niger Delta Avengers has claimed responsibility for several attacks. Buhari has instructed the chief of naval staff to reorganize and strengthen the military Joint Task Force to deal with the militancy. “We have to be very serious with the situation in the Niger Delta because it threatens the national economy,” Buhari said in a statement. “I assure you that everything possible will be done to protect personnel and oil assets in the region,” he added. (Selected by SPTEC Advisory from Petroleum Africa, May 23).

The Kaduna Refining and Petrochemical Company (KRPC) has stop production following renewed activities of Niger Delta militants. Our Correspondent gathered that the Kaduna refinery stopped production last week Tuesday over what a source attributed to lack of crude oil. According to the source, "we have shut down production for now. We do not have crude supply, am sure it is due to the renewed militancy in the Niger Delta region." The source however assured that the refinery has enough Premium Motor Spirit (PMS) in reserve pending when they would start getting supply of the crude. "We will resume production as soon as we started getting crude supply from the Niger Delta. We are ready and our equipment are functional, the only problem now is the crude," said our source. The Refinery only resumed production late April during the fuel scarcity period. (Selected by SPTEC Advisory from All Africa, May 23).

The Nigerian Extractive Industries Transparency Initiative, NEITI, yesterday, said the Nigerian National Petroleum Corporation, NNPC, and other oil and gas companies failed to remit $4.4 billion and N358.3 billion to the Federation Account in 2013. The Minister of Solid Minerals and Chairman of NEITI Board, Mr. Kayode Fayemi stated this in Abuja, during the presentation of the 2013 Audit Reports. (Selected by SPTEC Advisory from Vanguard, May 23).

Vice President Yemi Osinbajo on Monday assured Nigerians that the price of petrol, which was recently increased from N86.50 to N145 per litre would soon reduce. Mr. Osinbajo, who was addressing a cheering crowd of supporters of the ruling All Progressives Congress at the Tafawa Balewa Square in Lagos, was representing President Muhammadu Buhari during a two-day working visit to Lagos. Mr Buhari announced on Sunday that he would be represented by Mr Osinbajo. The presidency explained that Mr Buhari could not make it to Lagos due to scheduling difficulties. Presidential spokesman, Garba Shehu, however said the President would visit the state after Ramadan. (Selected by SPTEC Advisory from All Africa, May 24).
Eni, parent company of Nigerian Agip Oil Company (NAOC), said the oil firm’s production has been cut by 4,200 barrels per day following Sunday’s attack on its pipeline in Bayelsa State. Agip exports about 40,000 barrels of its crude blend from the Brass River Terminal off Bayelsa coastline. An earlier attack in the area on May 18, led to a shutdown of some 1,000 barrels. The attack is expected to adversely affect revenue accruable to Bayelsa in the coming months as the derivation principle ensures that 13 per cent of crude sales proceeds is paid to states according to production volumes. An Eni Spokesperson confirmed the development in a short email response on Tuesday. “I can confirm the attack to the Ogbaimbiri – Tebidaba pipeline, with 4,200 bop/d (Eni’s equity) of production affected,” the email from Eni’s Media Relations Unit said. (Selected by SPTEC Advisory from Premium Times, May 24).

Lisbon-based Galp Energia is holding a tender to sell liquefied natural gas cargoes from the Nigeria LNG facility on Bonny Island, Reuters reports. According to trade sources, Galp Energia is holding a tender to sell four to six Nigerian liquefied natural gas (LNG) cargoes annually over five years. Galp is a long-term buyer from the Nigerian LNG export project on Bonny Island and has regularly sought to offload supply onto the spot market in recent years. One of the sources said the tender could be awarded at the end of the month. (Selected by SPTEC Advisory from Energy Mix Report, May 25).

Nigeria’s federal government should act with caution in the Niger Delta, where militants have been blowing up oil and gas pipelines, as a military approach will not calm the situation, the governor of a state in the region said. President Muhammadu Buhari has heightened the military presence in the oil-rich southern region where attacks in the last few weeks - mostly claimed by a group calling itself the Niger Delta Avengers - have driven the country’s oil output to a more than 20-year low. "The way forward is for all stakeholders to discuss the issues and the need for the federal government to tread with caution and not adopt a military approach as a means to solve the problem," Bayelsa state governor Henry Dickson said in a statement on Wednesday, a day after meeting executives from oil majors. The meeting was also attended by security agencies. "No one person can protect the assets in the remote areas of the region. I, therefore, call on those involved in this act of criminality and brigandage to stop forthwith," he said. (Selected by SPTEC Advisory from Reuters, May 25).
In an effort to address the challenges in the non-oil export sector in the country, the Nigerian-American Chamber of Commerce (NACC) has urged Federal Government to expedite measures on implementing the extended African Growth and Opportunity Act (AGOA) programme in Nigeria. Essentially, under the programme’s extended regime, African countries would be engaged in the rules of origin to engender value-addition of raw materials as they could now include the cost of direct processing, as they share production from one country to another on their way to the U.S. market. Speaking at a business roundtable in Lagos, President, NACC, Chief Olabintan Famutimi, said, more than ever before Nigeria is desperate for economic diversification and we have arrived at the point of no return in our quest for those critical tools that would help develop trade and commerce outside oil, strengthen and grow our Small Medium Enterprises, our manufacturing sectors, and add value to growth. (Selected by SPTEC Advisory from The Guardian, May 25).

San Leon Energy updated the status of the production deal on Nigeria’s OML 18. As previously announced on May 16, in order to complete the subsequent parts of the OML 18 Production Arrangement which would result in it securing a 9.72% indirect economic interest in the license, BidCo was required to raise an additional $100 million which was intended to be structured as secured notes issued by BidCo. A further $30 million, structured as Loan Notes, issued on the same terms as the previous Loan Notes (i.e 17% coupon), has now been provided by funds managed by Toscafund. BidCo has, through a share buyback of its own shares, completed the second step of the three-step OML 18 Production Arrangement. As a result Midwestern now holds 70.43% of Bidco and San Leon’s share of BidCo has increased to 29.57%, equal to an economic interest in OML 18 of 5.75%. San Leon’s shares in Bidco remain pledged to Toscafund pending San Leon shareholder and regulatory approvals. Following completion of the third and final step of the Remaining Transactions (requiring $70 million) and of the OML 18 Production Arrangement, San Leon will hold a 40% interest in BidCo. (Selected by SPTEC Advisory from Petroleum Africa, May 25).

Panoro Energy, in its Q1 results issued an update on the Aje field in Nigeria. Currently commissioning activities on the FPSO are being finalized and preparations are taking place for a 72 hour production test which is expected to be conducted in the near future. Both the Aje 4 and Aje 5 wells were brought on stream at varying choke rates and both produced in excess of 5,000 bpd each on a 32/64” choke, with good wellhead pressure. Gas lift has not as yet been used. It is expected that stabilized combined flow rates will be determined in the coming weeks, in conjunction with final mechanical optimization, commissioning, and the Nigerian regulatory approval process. The flow rates exhibited to date indicate a highly productive reservoir and further updates will be made in due course. Panoro also reported that the geological models of the Aje field have been revised, using the new 3D seismic and the Aje-5 well data. This work supports the previously reported reserves and contingent resources volumes but with more confidence around the shape of the Cenomanian reservoir. (Selected by SPTEC Advisory from Petroleum Africa, May 26).
Nigeria's bid to get private investors including foreign oil companies, to manage its four oil refineries may have run into a hitch after lawmakers in the lower legislative chamber House of Representatives called for a halt to the process, state oil firm Nigerian National Petroleum Corporation said Thursday. NNPC had begun talks with its foreign partners Eni, Total and Chevron to assist with the revamp of the state-run refineries. It had on April 19 issued a tender seeking investors to jointly fund the repairs expected to cost $700 million, and the running of the facilities, as well as to enable Nigeria to eventually expand existing refineries to refine up to 650,000 b/d of domestic crude. The House of Representatives committee on Privatisation and Commercialisation on Wednesday however, asked NNPC to halt the process on the ground that state privatization agency, BPE, was not involved which was in breach of Nigerian law, the local Punch newspaper reported Thursday. (Selected by SPTEC Advisory from Platts, May 26).

Militants attacked a crude oil pipeline operated by Italy's ENI on Saturday, a Nigerian state government said, hours after the Niger Delta Avengers militants claimed another strike in the region. The Avengers, who have been targeting oil and gas facilities for the last three months, earlier said on Twitter they had attacked the Nembe pipelines 1, 2 and 3, pumping Royal Dutch Shell's Bonny Light crude, and an Agip facility, at 0215 local time (0115 GMT). (Selected by SPTEC Advisory from Reuters, May 29)

The Minister of State for Petroleum Resources and the Group Managing Director (GMD), Nigerian National Petroleum Corporation (NNPC), Dr. Emmanuel Ibe Kachikwu has said that the challenges the government faces in funding Joint Ventures (JV) agreements with its partners are as a result of the huge subsidy payments that it had to pay, Daily Times reports. Kachikwu, stated this in Lagos last Monday during an interactive session with Coalition of Civil Society Groups. According to him, “in the past five years, we have been funding the JV agreements by about an average of 30 per cent of what was required of us by our JV partners. We have been using the money meant for cash call obligations to subsidize the downstream sector over the years”. (Selected by SPTEC Advisory from Energy Mix Report, May 29)

Nigeria's President Muhammadu Buhari will on Thursday visit the Niger Delta region, rocked by attacks on oil and gas facilities, for the first time since taking office a year ago, a government official said on Monday. The visit was announced a day after Buhari said the government would hold talks with leaders in Nigeria’s main oil-producing region to address their grievances, in a bid to stop a surge in pipeline attacks. (Selected by SPTEC Advisory from Reuters, May 30)
AFTER

After recording an operational deficit of N3.55 billion in January, the loss posted by the Nigerian National Petroleum Corporation (NNPC) rose sharply to N24 billion in February 2016. This figure is contained in the state oil firm’s Monthly Financial and Operations Report for February 2016, released at the weekend. The latest deficit in operations is a big setback for the NNPC, which is in a restructuring process that is targeted at catapulting the Corporation to profitability. (Selected by SPTEC Advisory from Daily Trust, April 01)

Vitol SA and Seplat Petroleum Dev. Co. are among nine companies that submitted bids to construct new oil refineries in Nigeria as Africa’s top crude producer seeks to boost output of refined fuel and end its dependence on imports, an official said. The successful companies will build near existing state-owned plants and add at least 250,000 barrels per day of refining capacity to the current 445,000 barrels, Garba Deen Muhammad, a spokesman for the Nigerian National Petroleum Corp., known as NNPC, said in an interview. The government’s refineries are located in the northern city of Kaduna and the southern cities of Warri and Port Harcourt. (Selected by SPTEC Advisory from Bloomberg, April 01)

Five months after it got a License To Establish (LTE) a refinery from the Department of Petroleum Resources (DPR), Integrated Oil and Gas Limited at the weekend said its $116 million refinery would be a reference point in Nigeria. The GMD said the company has submitted its Front End Engineering Design (FEED) to DPR and was awaiting approval to move to the Authority to Construct (ATC) stage. (Selected by SPTEC Advisory from The Breaking Times, April 04)

Italian prosecutors have raided Shell’s offices to investigate the suspicious acquisition of a huge offshore oil field in Nigeria, writes Vanessa Amaral-Rogers. The oil block, sold by the Government for $20 million to a shell company owned by the oil minister, was later acquired for $1.1 billion by Shell and Eni. Royal Dutch Shell, the world’s second largest oil company, and Italy’s Eni have been put under formal investigation by the Milan Public Prosecutor’s office for ‘international corruption’ offences. The alleged offences are relating to the purchase of an oil block OPL 245 in Nigeria, as reported by Italian newspaper Corriere della Serra. (Selected by SPTEC Advisory from The Ecologist, April 04)

IMF executive directors called for significant macroeconomic adjustments, tax increases and stronger public financial management as the Nigerian government deficit has doubled, the current account surplus disappeared and foreign reserves drop by almost $30bn. The fund said the country’s economy faces “substantial challenges” as a result of the central role played by now cut-price oil and warned that progress in reducing unemployment and poverty has likely been reversed. (Selected by SPTEC Advisory from Public Finance International, April 05)
Erin Energy obtained a waiver to the funding requirements of the Debt Service Reserve Account associated with the Zenith Bank Note until December 31. The company was also granted a 90-day deferment of the principal payment previously due on March 31, while re-modification discussions of the loan structure continue. “We appreciate the continued support of Zenith Bank and their belief in the growth of our company. In this depressed commodity price environment, it is good to have partners that are working with us for the long-term and for the success of Erin Energy,” said Daniel Ogbonna, senior VP and CFO. (Selected by SPTEC Advisory from Petroleum Africa, April 06)

The tendency for players to monopolise the oil and gas logistics services in Nigeria may result in a loss of about $3.6 billion annually for the nation, Leadership reports. According to the chairman of Snake Island Integrated Free Zone (SIIFZ), Lagos, Mr Anwar Jarmakani, Nigeria loses between $3 and $5 on every barrel of oil produced daily to monopoly in the oil and gas logistics chain. With Nigeria’s daily production currently averaging 2 million barrels per day, Jarmakani’s loss figure give a daily $10 million, $300 million monthly, and $3.6 billion loss annually. (Selected by SPTEC Advisory from Energy Mix Report, April 06)

Chevron Nigeria Limited (CNL), operator of the Joint Venture between the Nigerian National Petroleum Corporation (NNPC) and CNL has confirmed that at about 0700 hours on Tuesday, April 5, 2016, a fire broke out in a container storage facility at its Escravos location away from the production operations area, Nigerian Tribune reports. In a statement by CNL signed by Deji Haastrup, General Manager, Policy, Government and Public Affairs, CNL, the oil giant said the fire was promptly put out. “Sadly, two employees of contractors to CNL died as a result of the fire incident. Our hearts go out to their families at this difficult time,” it said. (Selected by SPTEC Advisory from Energy Mix Report, April 06)

Forte Oil Plc, which owns a power plant and sells gasoline in Nigeria, said it plans to raise as much as 100 billion naira ($502 million) in equity or debt this year as it aims to double profit and expand during an economic slowdown in Africa’s biggest oil producer. The company plans to get approval this month and raise the capital by the third quarter, Chief Financial Officer Julius Omodayo-Owotuga said in phone interview Tuesday from Lagos, Nigeria’s commercial capital. (Selected by SPTEC Advisory from Bloomberg, April 06)

Nigeria is considering a sale of Chinese Panda bonds to help fund a record budget aimed at reviving Africa’s biggest economy as it suffers a slump in global oil prices, the finance minister said on Saturday. The OPEC member, which is Africa’s No. 1 crude producer, could also dip into cash set aside for energy investment projects to help meet the 2016 budget if tax revenue misses targets, Kemi Adeosun said in an interview. (Selected by SPTEC Advisory from Daily Mirror, April 09)
The Minister of State for Petroleum Resources, Dr. Ibe Kachikwu, disclosed that four oil majors had agreed to provide foreign exchange valued at about $200 million, over the next one year, to four major oil marketers to help fund fuel imports, Vanguard reports. On efforts to address the unavailability of foreign exchange, Kachikwu, in a video posted on the social media, listed the four oil majors providing the funds as Total, Exxon Mobil, Shell and Eni SpA. According to Kachikwu, Total SA and Exxon Mobil Corporation will provide dollars to their local retail units—Total Nigeria Plc and Mobil Oil Nigeria Plc, while Royal Dutch Shell Plc was paired with local oil importers as Conoil Plc and Eni SpA with Oando Plc. (Selected by SPTEC Advisory from Energy Mix Report, April 09)

Nigeria’s government may sell 40% of a new national oil company within 10 years of its creation, according to a draft law. At least 10% of the company will be divested within five first years, according to the draft bill handed to reporters in Parliament in the capital, Abuja. Nigeria’s Petroleum Ministry will hold 51% while the Bureau of Public Enterprise is to hold the remaining 49% for government. Last month, President Muhammadu Buhari approved a restructuring of the Nigerian National Petroleum Corporation into five units in a bid to reform the behemoth and make it profitable again. (Selected by SPTEC Advisory from Energy Voice, April 09)

A new analysis from the Natural Resource Governance Institute (NRGI) has shown that the Nigerian National Petroleum Corporation (NNPC) remitted only $2.1 billion out of the $6.3 billion it made from the sale of oil and gas during the second half of 2015. Though, the corporation said that it had commenced meeting with some officials of the NRGI toward reviewing the report, the analysis indicates that NNPC withheld $4.2 billion during the period. The international watchdog said that the NNPC continued to withhold revenues from sale of oil and gas worth billions of dollars from the treasury without effective rules or oversight. (Selected by SPTEC Advisory from The Guardian Nigeria, April 11)

Forte Oil, a Nigerian indigenous downstream firm, is looking to raise an estimated $502 million in equity or debt over 2016 to expand its activities. The company is considering raising the funds through a rights issue, bond or share offering. The company operates a power plant and is in the retail petrol business and is considering entering the upstream sector. (Selected by SPTEC Advisory from Petroleum Africa, April 12)

The Minister of State for Petroleum, Dr. Emmanuel Ibe Kachikwu has disclosed that the federal government is seeking joint venture (JV) partners that would refurbish and effectively manage the 22 depots that belong to the Nigerian National Petroleum Corporation (NNPC), ThisDay reports. Kachikwu in a recent web podcast message to workers of the NNPC in Abuja stated that the government was looking at a new policy, which would see it advertise and invite JV partners to invest in the refurbishment of the depots. (Selected by SPTEC Advisory from Energy Mix Report, April 12)
Lekoil (AIM: LEK), the oil and gas exploration and development company with a focus on Africa, announces an update on operations from the Otakikpo Marginal Field. The Otakikpo-002 well flowed oil from two upper zones during two production tests concluded on 10 April 2016. The C5 zone flowed at a peak rate of 6,404 bopd at a 36/64 choke while the C6 zone successfully flowed oil at a peak rate of 5,684 bopd at a 36/64 inch choke, for over 24 hours. Production testing at the well was curtailed due to storage capacity limits on well-testing equipment. The Company expects to start commercial production by the end of Q2 2016. (Selected by SPTEC Advisory from Oil Voice, April 13)

Nigeria has restarted the Port Harcourt refinery, which has a capacity of 210,000 barrels a day, a spokesman for state oil firm NNPC said on Wednesday, as the OPEC member seeks to end fuel shortages. "It is not in full capacity. Production is between three and five million litres daily," spokesman Garba Deen Muhammad said. Work resumed last week. NNPC said this month it planned to restart its 110,000-barrel-per-day refinery in the northern city of Kaduna by mid-April. (Selected by SPTEC Advisory from Reuters, April 13)

Eland Oil & Gas updated operations on its Opuama-3 well re-entry in Nigeria. According to the company canal access clearing operations have been completed, providing the required access to the Opuama-3 wellhead. Mobilization of contractor equipment, crude storage barges, and the associated marine spread from Warri and Port Harcourt to the Opuama-3 wellhead has been completed. All equipment required for re-entry operations are on site. Operations have begun and the planned Production Logging Tool (PLT) runs have been completed, successfully removing uncertainty with respect to oil and water producing intervals. Eland said the team will now carry out a water shut-off, before perforating the D2000 reservoir and an additional interval in the D1000 reservoir. In addition, two new perforated intervals are expected, in aggregate, to produce a further 2,000 to 4,000 bpd (gross). (Selected by SPTEC Advisory from Petroleum Africa, April 14)

The president, Nigeria Indigenous Ship Owners Association, NISA, Aminu Umar, said the nation was losing $700 million (N137.9 billion) monthly to dominance of crude oil shipment by foreign ship owners. Mr. Umar made the disclosure in an interview with the News Agency of Nigeria on Thursday in Lagos on the sideline of the Annual General Meeting of the association. He urged the Federal Government to grant indigenous ship-owners between 10 to 20 per cent allocation in lifting crude oil. The ship owner said that Nigeria was losing a huge amount of money due to the fact that the foreign owners had dominated the transportation of crude oil. (Selected by SPTEC Advisory from Premium Times, April 14)
The vice president stated this during the weekend after he and his entourage returned from an inspection tour of damaged gas pipelines at Forcados Terminal, Delta State. He added that the damage done by the vandals has led to low supply of gas which has resulted in the drop of power supply in the country. Osinbajo said: “We went to Forcados to see for our-selves the sabotage done to our pipelines. We have seen the alternative steps that the NNPC is taking in order to ameliorate the damage that has been done and the problem associated with getting gas from that ter-minal to all of our plants. “Aside from the gas problem, there is also the prob-lem of losing thousands of barrels of production. We are not able to produce as much as we ought to. About 250,000 barrels are lost per day. We are losing large sums of money daily. We look for alternative while we look to repair the pipelines.” Osinbajo, however, assured Nigerians that “there are efforts being made by the federal and state gov-ernments as well as through communal help to en-sure that we not only must meet current vandalism challenges but also look into what we can do in the future.” (Selected by SPTEC Advisory from the Sun, April 18)

The Federal Government is determined to cut the contracting cycle in the country’s oil and gas industry from the current average period of two to four years, to just six months, Minister of State for Petroleum Resources, Ibe Kachikwu, said. A contracting cycle is the duration between the initiation of the bidding process through registration of contractors and actual award of contracts for projects executed in the oil and gas industry. The Minister was speaking in Calabar at the Nigerian Content Policy workshop organized by the Senate Committee on Petroleum Resources (Upstream). He said the long contracting cycle in the industry was responsible for the high cost per barrel of the crude oil produced by Nigeria compared to other member countries of the Organization of Petroleum Exporting Countries, OPEC. (Selected by SPTEC Advisory from the Premium Times, April 18)

Total commits 300mscf gas daily to Nigerian domestic market. Power supply in the country is set to get a boost as Total Exploration and Production Nigeria Limited (TEPNG), has committed to devote about 300 million standard cubic feet (mscf) of gas daily to the domestic market, Vanguard reports. About 100MSCF of the 300MSCF gas will be used to feed the Alaoji Power Plant, a 1,131 megawatt (MW), capacity plant located near Aba, Abia State, while the balance of 200MSCF/d will be used for petrochemicals industry development. Leading journalists, Wednesday, on a tour of Owaza Gas Plant, Ukwa West area of Abia State, from where the gas will be transported to Alaoji plant, Managing Director/Chief Executive, TEPNG, Mr. Nicolas Terraz, disclosed that the plant would be ready for commissioning in July this year. (Selected by SPTEC Advisory from the Energy Mix Report, April 18)
Power outages in Nigeria are likely to persist until May as oil and gas giant Shell struggles to repair a major facility damaged by militants. Nigeria’s Vice President Yemi Osinbajo visited the Forcados Export Terminal in the southern Delta state over the weekend. The facility, which is run by a subsidiary of Royal Dutch Shell, known as the Shell Petroleum Development Corporation, was subject to an attack in February when an underwater pipeline was hit by an explosion. (Selected by SPTEC Advisory from Newsweek, April 18).

The Nigerian National Petroleum Corporation (NNPC) has unveiled plans to engage investors to enter into a Joint Venture (JV) arrangement with it to fund, rehabilitate and jointly operate any of the three Nigerian refineries. The JV deal will also include but not limited to off-take of refined products for sale primarily in the Nigerian Market. The Corporation in a public tender said the refineries will be jointly operated by NNPC and the selected investors for a defined period until investments are fully recovered. NNPC said it is seeking for the partnership to make the refineries operational and increase overall productivity via technically and financially capable private operators. (Selected by SPTEC Advisory from All Africa, April 19).

Shell Petroleum Development Company (SPDC) and the Joint Venture (JV) partners remitted $42 billion to the Federal Government between 2011 and 2015, The Nation reports. This is contained in Royal Dutch Shell’s 2015 Sustainability Report released yesterday. The oil giant said it also paid royalties and corporate taxes worth $1.1 billion to the government last year. Of the amount, SPDC paid $0.6 billion. Shell Nigeria Exploration and Production Company (SNEPCo) paid $0.5 billion. The report said that Shell Companies in Nigeria (SCIh) awarded 93 per cent of its total contracts during the year under review to indigenous firms and spent $0.9 billion on local contracting and procurement, adding that 94 per cent employees of SCIh are Nigerian. It said out of the $145.1 million paid to Niger Delta Development Commission (NDDC) in 2015, SPDC JV and SNEPCo contributed $62.3 million, and also spent $50.4 million on social investment projects. (Selected by SPTEC Advisory from Energy Mix Report, April 19).

Nigeria unit of French oil giant, Total Exploration and Production, E&P, Nigeria Limited, said crude oil production from its joint venture, JV operations is now about 190,000 barrels per day, kp/d. The production volume, it said, is made up of 105kb/d liquids and 85kb/d gas. Speaking further on Total’s operations at the company’s regional office in Port Harcourt, Rivers State, the Executive General Manager, JV Field Operations, Mr. Jean-Claude Vachet, gave further breakdown of the contributions from its operated assets to the production volumes from both onshore and offshore fields. They include Oil Mining Leases, OMLs 58 – 25kb/d; 99 – 30kp/d; 100 – 15kb/d; and 102 – 35kp/d, which production is expected to double upon the completion of Ofon 2, offshore project. Total is the operator of all the assets with 40 percent interest and the Nigerian National Petroleum Corporation, NNPC, with 60 percent. (Selected by SPTEC Advisory from Vanguard, April 19).
Despite the dwindling prices of oil and gas in the international market, Nigeria earned about $3.21 billion or N632.37 billion in 2015, through the liquefied natural gas, LNG, project, going by the exchange rate of N197 to a dollar. This is even as the NLNG said the tax break the company propelled it to expand to six trains, as against the two trains for which it was set up. The 2015 revenue is more than $2.79 billion or N549.63 billion earned in 2014. The figures are contained in the Facts and Figures on the Nigeria Liquefied Natural Gas, NLNG, presented to journalists by Babs Omotowa, the Managing Director of the Company. Out of the amount earned last year, $2.16 billion or N425.52 was earned through company income tax and export tax, which accrued to the Federal Inland Revenue Service, FIRS, while $1.04 billion or N205.62 billion was earned through dividend to the Nigerian National Petroleum Corporation, NNPC, which represents the federal government on the board of the NLNG. (Selected by SPTEC Advisory from All Africa, April 19).

The Nigeria Liquefied and Natural Gas (NLNG) has continued to push up shipping operations inline with its strategic agenda and mission statements. Already, NLNG boast of a line-up of twenty-three vessels utilized through an integrated scheduling point. According to NLNG, the twenty-three vessels load at its Terminal in Bonny, Nigeria, for ex-ship deliveries to buyers in Middle & Far East, Asia, Europe, South America and Gulf of Mexico (GOM) including ports in Mexico and the United States. Besides, LPG vessel, according to NLNG is utilized for LPG delivery in the Nigerian market. In the current edition of its “Facts and Figures”, unveiled in Lagos recently, NLNG explained that in addition to traditional deliveries to Europe and the United States, the company also supplies to South America, with deliveries to Mexico and Brazil, Asia and the Middle East, with deliveries to Japan, South Korea, India, China, Taiwan, Thailand and Kuwait. (Selected by SPTEC Advisory from The Guardian, April 20).

Some cargoes of Nigeria’s largest crude oil stream, Qua Iboe, planned to be exported in April and May, are struggling to find buyers, even as the June export programme is expected to start emerging this week. Trading sources said buyers from India, which is the single largest importer of Nigeria’s crude oil, were choosing other West African crude grades over Qua Iboe, according to Platts, a United States-based publication that provides information on energy and metals data. “Indian Oil Corporation Limited sidestepped Qua in the last two tenders,” one West African crude trader was quoted as saying. (Selected by SPTEC Advisory from Punch, April 20).

Commercial oil production is expected to begin soon at Aje field, offshore Lagos, Panoro Energy, one of the joint partners involved in the Aje field development said in an update yesterday. The final hook up procedures is in progress with a view to wells being brought into production shortly, the firm head quartered in London said on the final stage of its development operations at the oilfield Aje is an offshore field in the western part of Nigeria. It was discovered in 1997 and is located on the OML 113 license. (Selected by SPTEC Advisory from All Africa, April 21).
Eland Oil & Gas PLC, an oil & gas production and development company operating in West Africa with an initial focus on Nigeria, announce the results of a Reserves and Resources evaluation on Ubima Field, OML 17. The results are provided by AGR TRACS International Limited ("TRACS") as at April 2016 (collectively, the "TRACS Report" or the "Report"). Eland has carried out a complete re-evaluation of the Ubima Field. This work has increased our confidence in initiating production towards the end of this year by means of an Early Production System ("EPS"). This is anticipated to comprise the re-entry and completion of existing well Ubima-1 and perforating and producing oil from five reservoirs. Eland, through its wholly owned subsidiary Wester Ord Oil & Gas Limited ("Wester Ord"), holds a 40 per cent. working interest in Ubima which is located onshore in the northern part of Rivers State, within OML 17. Allgrace Energy Limited ("Allgrace") hold the balance of the equity in Ubima Field. (Selected by SPTEC Advisory from Energy Business Review, April 21).

Bayelsa state government officials said on Wednesday that Royal Dutch Shell has failed to halt production at the Gbaran Ubie oil and gas facility in southern Nigeria, contravening a court order for the site to be sealed and raising the prospect of legal action, Reuters reports. The facility, in the oil-rich southern Niger Delta region, supplies the Bonny liquefied natural gas (LNG) export terminal and also helps generate electricity, which is scarce in Africa’s top oil producer and most populous nation. On Monday, the Bayelsa state government said the premises had been sealed up for operating without a permit and staff had been evicted. But on Wednesday, Bayelsa state spokesman Francis Agbo said Shell had “flouted the court order” and production had not ceased. Boro Ige-Edaba, executive secretary of the state’s Physical Planning and Development Board, added that Bayelsa’s state government would “take appropriate action to prosecute them”. (Selected by SPTEC Advisory from Energy Mix Report, April 21).

JSE- and Aim-listed oil and gas company SacOil and Nigerian oil firm Energy Equity Resources (EER) have signed a memorandum of understanding to explore oil and gas opportunities in Nigeria. SacOil announced on Friday that it had officiated the planned joint venture with EER to establish SacOil Energy Equity Resources (Seer), which was awarded a 12-month term contract for the purchase of Nigerian crude oil by the Nigerian National Petroleum Corporation (NNPC). Print Send to Friend 0 0 The crude oil agreement would provide Seer with the right to acquire crude oil from the NNPC for onward sale. The amount of offtake by Seer is dependent on the aggregate crude production in Nigeria and the prevailing global oil price. SacOil CEO Dr Thabo Kgogo noted that the revenue generated from the sale of the crude allocation would contribute meaningful income to the South African upstream oil and gas company, supporting SacOil’s growth and investment strategy across the oil and gas value chain on the African continent. (Selected by SPTEC Advisory from Engineering News, April 22).
Minister of State for Petroleum Resources and Group Managing Director of Nigerian National Petroleum Corporation (NNPC), Dr. Ibe Kachukwu, has said the country needs about $700 million to upgrade the refineries to operate at 90 per cent capacity, ThisDay reports. He spoke when he inaugurated the Bonny–Eleme Refinery crude pipeline to formally bring the refinery on stream. While inaugurating the crude pipeline on Saturday at the Pig Station of the Port Harcourt Refining Company (PHRC), Alesa-Eleme, Kachikwu noted that there was need to upgrade the refineries to operate at 90 per cent capacity to produce about 20 million litres. He said the corporation was already sourcing for foreign investors to raise the necessary funds. He however said the foreign investors were not coming to run the refineries but only to provide the needed capital and technical assistance. (Selected by SPTEC Advisory from Energy Mix report, April 22).

Sirius is pleased to announce that it has engaged independent petroleum consultants, Rockflow Resources Limited, to produce a Competent Person’s Report on the Ororo Field located in OML 95, in shallow waters offshore Nigeria, to assist the Company in its discussions with potential funding providers. Rockflow has carried out comprehensive subsurface analysis on the Ororo field, building on the previous work carried out by Schlumberger, which was announced on 10 December 2013. Following completion of the subsurface review, ahead of publication of the full CPR, Rockflow has reported a gross Mid to High Case liquid hydrocarbon volume range for the Ororo field of 7.65 MMStb - 20.48 MMStb. This compares to previous estimates calculated by Schlumberger of 10.08 MMStb to 12.87 MMStb. The High Case confirms that significant potential exists on the field, which is located in a world-class petroleum system. (Selected by SPTEC Advisory from Oil Voice, April 22).

The Nigerian Union of Petroleum and Natural Gas Workers (NUPENG) has urged the Nigerian National Petroleum Corporation (NNPC) not to engage investors as joint technical partners for the rehabilitation and running of refineries. The NNPC has advertised for the job. The union said it is also worried by similar adverts by the NNPC inviting pre-qualification for rehabilitation, upgrade, operatorship, management and maintenance of NNPC jetties, storage depots and pipeline infrastructure on joint venture partnership. In a statement by its Acting General Secretary, Comrade Joseph Ogbebor, NUPENG described the NNPC’s move as privatisation of national assets through the backdoor. (Selected by SPTEC Advisory from The Nation, April 22).

Nigeria’s oil output is set to decline sharply over the next decade, according to analysts, mainly because of uncertainty over promised reforms to the cash-strapped and debt-laden state oil company, joint venture cash call debts as well as the non passage of the petroleum industry bill (PIB), FT reports. Wood Mackenzie, an energy consultancy, has cut its output forecast for Nigeria by more than a fifth, to 1.5m barrels a day on average over the next decade as details of a promised overhaul of the state-owned Nigerian National Petroleum Corporation remain unclear, putting investment on hold and stoking frustration in the sector. (Selected by SPTEC Advisory from Energy Mix Report, April 24).
The Minister of State for Petroleum Resources and Group Managing Director of the
Nigerian National Petroleum Corporation, Dr Ibe Kachikwu, has enjoined Nigerians to
be more patient as the corporation is working hard to end fuel shortage across the
country. "I appreciate the patience of Nigerians and I am committed and focused to
make petrol available to all nooks and crannies of Nigeria," Kachikwu said. He gave
the assurance as he recommissioned the 46km Escravos-Warri-Kaduna pipeline
Kachikwu stressed that both Warri and Kaduna refineries were now receiving crude
simultaneously for the first time in many years. He said Warri facility had started
working while Kaduna will start production at the end of the month. "The Escravos
terminal is the heartbeat of the downstream sector of the industry and critical to
local supply of finished petroleum product as both refineries in Warri and Kaduna are
majorly fed from Escravos crude stock," Kachikwu said. (Selected by SPTEC Advisory
from All Africa, April 25).

The Minister of State for Petroleum Resources and Group Managing Director of the
Nigerian National Petroleum Corporation (NNPC), Dr. Ibe Kachikwu, has said that the
Port Harcourt and Warri refineries now produce 5 and 2 million litres of petrol each
per day. The minister, while re-commissioning the Bonny-Port Harcourt Refinery
crude pipeline that has just been rehabilitated after being out of use for many years
due to incessant pipeline vandalism, added that for the first time in many years, the
three refineries would start working and that they would help solve the issue of fuel
supply and distribution across the country. "Port Harcourt is back in production,
Warri is back in production, Kaduna as at today is receiving crude and will soon be
back in production. Lagos is easing off now from fuel scarcity and Abuja is doing the
same thing and once Kaduna begins production, the North will see a lot of
improvement," he said at the weekend. (Selected by SPTEC Advisory from All Africa,
April 25).

With the discovery of shale gas in the United States, the Nigeria Liquefied Natural
Gas Limited (NLNG) has shifted focus to Asia. Japan as one of its global biggest
markets, The Nation has learnt. The Managing Director/Chief Executive Officer of
NLNG, Babs Omotowa, told The Nation how Japan became one of its biggest markets
and how the company grew the Asian market. Omotowa said when the Nigeria LNG
opened shop 15 years ago, US was one of its biggest markets, but with the discovery
of shale gas, US didn’t need LNG and by 2008, the NLNG’s market share there
dropped substantially, adding that at the moment, the US accounts for less than one
percent of its market. He said: "When we started off in 1999 to 2008, 35 per cent of
our sales were to United States, while 65 per cent was to Europe. But in the last 10
years, the US has discovered shale gas and no longer needs LNG. (Selected by SPTEC
Advisory from The Nation Online, April 26).
Nigerian oil companies that bought oilfields from majors when oil was selling for more than $100 a barrel have been hammered by the crash in oil prices. Now their troubles are taking a toll on the banking sector, FT reports. In the two years before crude oil prices began falling in mid-2014, Nigerian banks lent an estimated $10bn to local oil and gas companies to buy assets from Royal Dutch Shell, Eni and Total as they retreated from the country’s onshore industry. While at the time these loans were celebrated as a milestone for Nigerian finance and a boost to bank portfolios aimed at supporting greater domestic participation in the industry, now much of that lending has become a liability. Five Nigerian banks — First Bank, which is Nigeria’s largest bank by assets, Diamond, FCMB, Ecobank and Skye — have issued profit warnings in the past three months. Most of the country’s 22 licensed commercial banks are exposed to the industry through large syndicated loans, many of which were not hedged, and some of which were poorly collateralised. (Selected by SPTEC Advisory from Energy Mix Report, April 26).

The new Chairman of the Petroleum Technology Association of Nigeria (PETAN), Mr. Bank-Anthony Okoroafor has raised the alarm on the depleting crude oil reserves in Nigeria, saying that no new addition was recorded in the last 10 years, while the country drilled the highest number of exploration wells as far back as 1967. Okoroafor told journalists in Lagos recently that over the years, reserves target was set without commensurate actions to encourage exploration. "The Federal Government should encourage more oil exploration activities, so that what happened to us with the refineries will not happen with oil production as well. We had four refineries and we failed to maintain them as and when due until they gave up," Okoroafor explained. "For every volume of crude produced, Nigeria should set aside some quantity to build our reserves. Nigeria will benefit more from this when oil prices rise again as they will surely do in the future," he added. (Selected by SPTEC Advisory from All Africa, April 26).

The Minister of State for Petroleum Resources and Group Managing Director of the Nigerian National Petroleum Corporation, NNPC, Dr. Ibe Kachikwu has revealed that the nation’s refineries will soon start producing JET A1, better known as aviation fuel. The scarcity of aviation fuel has been affecting smooth operations in the aviation industry, forcing some airlines to purchase JET A1 fuel from neighbouring countries at an added cost. The statement noted that Sirika and Kachikwu have pledged to work together to eliminate the noticeable challenge faced by airline operators in accessing aviation fuel for their daily operations. Kachikwu said that the supply and distribution of JET A1 is out of government control because it has since been deregulated. But he added that a meeting of importers of aviation fuel would soon be convened to address all challenges impeding the seamless supply of the product. (Selected by SPTEC Advisory from Daily Post, April 27).
The World Bank Wednesday said it was impressed with the reforms initiated by the Minister of State for Petroleum Resources and Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), Dr. Ibe Kachikwu, at the state-run oil company in order to reposition it into a profit yielding entity. The bank also commended Kachikwu for bringing transparency and accountability to NNPC and Nigeria’s oil and gas sector. A statement from the Group General Manager, Public Affairs of NNPC, Mallam Garuba Deen Muhammad, in Abuja contained this development. According to the statement Managing Director of the bank, Sir Mulyani Indrawati, said this when she paid an official visit to Kachikwu in his office in Abuja. (Selected by SPTEC Advisory from Offshore Technology, April 28).

MARCH

Niger Delta Exploration & Production Plc has perfected plans to raise additional $400 million through private placement and Initial Public Offering from the Nigerian capital market. Dr. Layi Fatona, the company’s Managing Director, said this at the NASD OTC PLC investors forum on Monday in Lagos. Fatona said the company would also extend its petroleum exploration activities across sub-saharan Africa. He said the company had already completed the first tranche of $100 million capital raising exercise through private placement. Fatona said the next tranche of $300 million would be sourced through IPO that would open in a few weeks. He said the company was also seeking opportunities outside Nigeria and had entered into partnership with the State National Company of Southern Sudan for low cost entry opportunity in oil and gas exportation. (Selected by SPTEC Advisory from The Eagle Online, March 01).

Nigerian communities from the oil-rich Niger Delta initiated court action on Wednesday in London against the energy giant Royal Dutch Shell, in a case that may have far-reaching implications for whether companies can be sued in Britain for pollution and damages caused by their activities in other countries. The case is based on accusations by farming and fishing communities that say they have suffered years of damage because of repeated large spills from oil pipelines in their home areas. The law firm Leigh Day is bringing the claims against Shell and its Nigerian joint venture, the Shell Petroleum Development Company of Nigeria, in London on behalf of two communities in the swampy, oil-rich Niger Delta: the Ogale and the Bille. (Selected by SPTEC Advisory from NY Times, March 02).
Mart Resources and its co-venturers, Midwestern Oil and Gas Company Ltd and SunTrust Oil Company Ltd provided an update on Umusadege field production for January 2016 and other operations. According to the partners, the field saw production average 19,590 bpd during January. There were shutdowns on the pipelines the partners use for export with the NAOC export pipeline down for one day in January 2016 due to operational problems and the Umugini pipeline down for three days due also to operational problems and maintenance work. Further to its previous disclosures regarding the absence of accurate and reconcilable injection data from SPDC, the operator of the Trans Forcados oil export terminal system, Mart advises that the company and its co-venturers have received unreconciled reports that include only preliminary gross oil injection volumes and estimated pipeline and export facility losses. (Selected by SPTEC Advisory from Petroleum Africa, March 02).

The Nigerian National Petroleum Corporation’s (NNPC) financial and operations report for January 2016 has shown that the country’s three refineries which are located in Port Harcourt, Kaduna and Warri, had a combined yield efficiency of over 83 per cent in January 2016, The Punch reports. The NNPC said, “Total crude processed by the three refineries for the month of January 2016 was 256,676 metric tonnes (1,881,948 bbls) which translate to a combined yield efficiency of 83.79 per cent. “For the month of January 2016, the three refineries produced 216,141 MT (1,584,746 bbls) of finished petroleum products out of 256,676MT (1,881,948 bbls) of crude processed at an average capacity utilisation of 13.64 per cent which improved by 7.02 per cent compared to December 2015 average capacity utilisation.” (Selected by SPTEC Advisory from Energy Mix Report, March 05).

A sophisticated attack on a sub-sea pipeline in Nigeria’s Delta might lead to a return to the kind of widespread militant violence that crippled the oil industry in Africa’s top producer less than a decade ago. Adding a new dimension, unknown militants – probably using divers – hit a Shell underwater pipeline last month, interrupting oil flows and forcing the company to shut down its 250,000 barrel-a-day Forcados export terminal for weeks, Reuters reports. Nigeria-based diplomats and security experts say the attack showed a level of skill and inside intelligence rarely seen since the 2004-2009 insurgency, which at its height halved Nigeria’s oil output of around 2 million barrels a day. Militants usually tend to attack small overland pipelines or flow stations sitting in hard-to-access mosquito-infested creeks. (Selected by SPTEC Advisory from Alalam, March 05).
Nigeria emerged as the second-largest importer of kerosene from the United States last year, according to a new report released by the Energy Information Administration, the statistical arm of the US Energy Department. The country, which is Africa’s biggest crude oil producer, also took in the third-largest volume of the US jet fuel in 2015. The report said Nigeria imported 1.25 million barrels of the US kerosene from January to December. Other products imported from the US by Nigeria include liquefied petroleum gas, lubricants, petroleum coke, fuel ethanol and finished motor gasoline. The country imported 1.72 million barrels of the LPG; 290,000 barrels of lubricants; 121,000 barrels of petroleum coke, 161,000 barrels of fuel ethanol and 616,000 barrels of finished motor gasoline, the EIA data showed. Nigeria bought a total of 1.427 million barrels of the US kerosene in 2014. In 2013, 1.040 million barrels were imported; 272,000 barrels in 2012; 1,000 barrels in 2009; 4,000 barrels in 2008, and 1,000 barrels in 1995. Canada remained the top US kerosene importer, with 3.3 million barrels imported last year. After Nigeria came Finland, which bought 12,000 barrels. (Selected by SPTEC Advisory from Punch, March 06).

The Group Executive Director for Investment and Commercial, Nigerian National Petroleum Corporation (NNPC), Babatunde Adeniran on Saturday night disclosed that the corporation has already secured about 31 cargoes of petrol to take care of Nigeria’s consumption for the month of March, ThisDay reports. NNPC said that each of the 31 vessels would bring in about 30,000 metric tonnes of petrol, thus translating to a cumulative volume of 930,000 metric tonnes (MT). It added that at least one of the 30,000MT vessels would be delivered into the country every day. The corporation said that the 30,000MT translates to 40 million litres of petrol which is what the country currently needs to meet its daily consumption. (Selected by SPTEC Advisory from Energy Mix Report, March 06).

As part of the Nigerian government’s bid to transform its state-run oil and gas firm, Nigerian National Petroleum Corp. (NNPC), the firm is to be broken up into 30-revenue generating companies. Speaking at the 25th Oloibiri Lecture Series and Energy Forum in Abuja, Minister of State for Petroleum Resources and Group Managing Director of NNPC, Dr. Ibe Kachikwu, said that the companies would have separate managing directors. “For the first time, we are unbundling the subset of the NNPC to 30 independent companies with their own Managing Directors. Titles like Group Executive Directors are going to disappear and in their place you are going to have Chief Executive Officers and they are going to take responsibilities for their titles. At the end of the day, the CEO of an upstream company must deliver an upstream result,” Kachikwu stated. He went on to say that the state-run firm had made up some of its losses, moving a little bit nearer the red, going from N160 billion to N3 billion in January. Kachikwu added that by the end of the year NNPC should start seeing a profit. (Selected by SPTEC Advisory from Petroleum Africa, March 07).
Nigeria is working to end importation of petrol in the next 18 months, the Minister of State for Petroleum Resources, Dr. Ibe Kachikwu disclosed on Tuesday. Kachikwu who is also the Group Managing Director of the Nigerian National Petroleum Corporation (NNPC) said in Abuja that the plan would be supported by his ongoing discussions with new joint venture partners to build refineries alongside the country’s four existing refineries in Kaduna, Warri and Port Harcourt. He said that it was a shame that the country imports most of its domestic petrol needs, and that by the time the plan comes to fruition, the country should be able to attain self-sufficiency in providing for its domestic fuel needs. (Selected by SPTEC Advisory from This Day Live, March 08).

Nigeria's state-run oil firm, the Nigerian National Petroleum Corporation (NNPC), was on Tuesday divided into seven independent operational units, authorities said. Oil Minister Ibe Kachikwu on Wednesday told Xinhua that President Muhammadu Buhari has already approved the appointment of heads of the units created, adding that five of the newly created seven operational units will be strictly business-focused. The new units include Upstream, Downstream, Gas and Power, Refineries, Ventures, Corporate Planning and Services, as well as Finance and Accounts. Their operations will take immediate effect, the minister said. Creation of these new units will make the oil sector in Nigeria more competitive, Kachikwu said, noting the key issues include "getting the upstream working again". (Selected by SPTEC Advisory from Africa News, March 09).

Oil workers in Nigeria have suspended a strike called Tuesday in protest of the restructuring of state oil company, the Nigerian National Petroleum Corporation, NNPC. The decision came after a meeting between the Minister of State for Petroleum, Ibeh Kachikwu, and the workers' unions, PREMIUM TIMES understands. The head of Petroleum and Natural Gas Senior Staff Association of Nigeria, PENGASSAN, Saleh Abdullahi, told PREMIUM TIMES on Thursday that at the end of a lengthy meeting with the minister, the workers resolved to call off the strike immediately. (Selected by SPTEC Advisory from All Africa, March 10).

Nigeria is losing about 300,000 barrels of crude oil per day due to the bombing of Forcados pipeline that conveys Forcados grade of crude oil to the over 400,000 barrels per day Forcados Export Terminal, one of the country’s biggest export terminals in the Western Niger Delta, THISDAY’s investigation has revealed. The loss, which translates to an average of $12 million daily at an oil price of $40 per barrel, arose from the damage caused on the 48-inch underwater pipeline, which disrupted crude oil flows to the export terminal. It was also gathered that the loss may have eroded the gains Nigeria would have derived from the recent rise in oil price. (Selected by SPTEC Advisory from This Day Live, March 10).
Despite suspending their strike, Nigerian oil workers insist on the convocation of an all-inclusive conference to discuss the problems facing the oil and gas industry in the country. The nationwide strike suspended on Thursday was embarked upon to protest government’s decision to restructure the Nigerian National Petroleum Corporation, NNPC. The oil workers, under the aegis of the Petroleum and Natural Gas Senior Staff Association of Nigeria, PENGASSAN, said the problems facing the industry are too much for one individual, group or government to provide solutions to. The President of PENGASSAN, Francis Johnson, told PREMIUM TIMES in an exclusive interview in Abuja that the problems are so much that it would require the coming together of all interest groups in the industry to proffer solutions that would be lasting legacies for future generations. (Selected by SPTEC Advisory from Premium Times, March 13).

Federal Government has been called upon to declare state of emergency in the oil and gas sectors for the benefit of the country. The National President, Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN), Comrade F.O Johnson, made the call while chatting with Daily Trust during public presentation and lunching of the book ,"Reciter's Guide" in National Mosque, in Abuja, yesterday. "Declaring state of emergency is the key because the problems are enormous; there is issue of pipeline vandalism and the issue of oil theft among other challenges", he said. According to him, the gesture would address all the challenges facing oil and gas sectors. He established that the state of emergency would find the lasting solutions to the lingering crises that rocked the sectors. He said that it would make all the stakeholders in the sectors to be committed, sincere and honest in addressing the issues regarding oil and gas sectors. (Selected by SPTEC Advisory from All Africa, March 14).

State oil firm Nigerian National Petroleum Corp failed to remit Naira 3.2 trillion ($16.2 billion) in proceeds from the sale of crude oil into the government account in 2014, local media reported Auditor-General Samuel Ukura as saying Tuesday. A further $235.68 million from the proceeds of gas feedstock sales to Nigeria LNG Ltd., owners of the six train Bonny LNG plant, was not paid to the Federation Account and instead transferred to undisclosed Escrow accounts, Punch newspaper reported Ukura as saying in an audit. A spokesman for the NNPC said the corporation was studying the report. "It is an audit report and we are still studying before making our position known," he said. (Selected by SPTEC Advisory from Farsnews, March 15).

Illegal oil activities have cost Nigeria a whopping $16 billion, the Auditor General’s office has revealed. The latest development created a mammoth task for President Muhammadu Buhari in his attempt to fight out the rot in the oil sector, the country’s economic backbone. (Selected by SPTEC Advisory from All Africa, March 16).
Nigeria's plan of producing over 2.2 million barrels per day (bpd), the reason for which 45 licences were issued by the Department of Petroleum Resources (DPR) between 2002 and 2014 for the establishment of private refineries in the country, may remain a pipe dream never to be realised. This is because the DPR has already withdrawn the licences as the projects failed to take off after an 18-month deadline, due to political interferences, a lack of finance and technical know-how and inability to get the assurance of crude oil supply from the Federal Government. Besides, an agreement between the Nigerian National Petroleum Corporation (NNPC) and China State Construction Engineering Corporation (CSCEC) for the construction of three greenfield refineries and a petrochemical plant in Nigeria has also been stalled due to the inability of the two parties to conclude the deal. (Selected by SPTEC Advisory from All Africa, March 17).

Nigeria is set to ramp up the amount of crude oil it swaps for vital gasoline imports by more than a third as it grapples with the worst economic crisis in years and upheaval in its graft-ridden energy sector. A more than 60 percent drop in global oil prices since 2014 has hammered Nigeria’s economy and triggered a currency crisis, leaving it short of funds to pay for imports of oil products. While the country is Africa’s biggest oil producer, it is almost entirely reliant on imports for oil products, especially gasoline, after successive governments allowed its refineries to fall into disrepair. In recent weeks, state oil company NNPC agreed deals with seven refining companies - ENI, Essar, Litasco, Total, Cepsa, Societe Ivorienne de Raffinage (SIR) and Vitol refining arm Varo, with local partners - to take oil in exchange for gasoline imports, according to traders and other sources close to the negotiations. (Selected by SPTEC Advisory from Reuters, March 18)

The Minister of State for Petroleum Resources, Dr. Emmanuel Ibe Kachikwu has given a three-month ultimatum to the Petroleum Equalization Fund (PEF) to commence the tracking of the movement of petrol through its Project Aquila from depots up to filling stations. This directive is part of measures to check the diversion of petrol, Daily Trust reports. The minister issued the directive when he inspected the exhibition stand of the Fund at the just concluded African Petroleum Congress and Exhibition (CAPE VI) in Abuja. (Selected by SPTEC Advisory from Energy Mix Report, March 18)

Sirius Petroleum has been fundraising, receiving firm commitments in respect of subscriptions for, in aggregate, 166,666,667 new ordinary shares of 0.25 pence each from new and existing shareholders at a price of 0.3 pence per share to raise gross proceeds of £500,000 (£464,150 net of expenses). The subscriptions are conditional upon receipt of funds and admission of the Subscription Shares to trading on AIM. The net proceeds of the Subscriptions will be used for general working capital purposes and to enable the board to continue to pursue a number of opportunities in relation to project funding for the development of the Ororo field in Nigeria. (Selected by SPTEC Advisory from Petroleum Africa, March 18)
Global oil giant, Royal Dutch Shell, has announced the postponement of the final investment decision on the $12bn Bonga South-West project in deep-water Nigeria amid the sustained drop in oil prices. The company on Thursday announced that its adjusted profit fell by 56 per cent in the fourth quarter of 2015 compared to a year earlier, while its earnings fell by 80 per cent to $3.84bn, compared to $19bn in 2014. (Selected by SPTEC Advisory from Punch Nigeria, March 21)

The ongoing investigation by the Economic and Financial Crimes Commission into the operations of the Nigerian National Petroleum Corporation yielded fruits with the recovery of $14m oil funds from one of the companies operating in the upstream sector of the nation’s economy. An operative of the EFCC, who confided in our correspondent, said that the amount translated to N4,380,95,866.00bn at the rate of N303 to the dollar. It was stated that the company was expected to pay the money which was described as royalty for crude oil to the Federal Government between 2012 and 2012. It was stated that the money was paid by the firm to the Federal Governments’ account with JP Morgan Chase on January 29, 2016. (Selected by SPTEC Advisory from Punch Nigeria, March 21)

San Leon Energy PLC’s (LON:SLE) Nigeria oil deal appears to have edged closer to completion. AIM quoted San Leon is helping Midwestern Oil & Gas finance the C$89.2mln takeover of Mart Resources. As a result of the transaction San Leon will be due just less than 10% of a Nigerian oil field that currently produces more than 30,000 barrels per day. The Toronto listed, Nigeria focused oil producer has today told investors that funds for the deal have now been received by the lawyer of the acquisition vehicle - 1038821 B.C. Ltd. (Acquireco) - and Mart said it expects the funds will be paid into the depositary. (Selected by SPTEC Advisory from Proactive Investors, March 22)

Nigeria’s independent body for fiscal oversight alleged on Tuesday that the country’s state oil firm has withheld 4.9 trillion naira ($25 billion, 22 billion euros) from government coffers from the beginning of 2011 through 2015. The accusation by the Revenue Mobilization Allocation and Fiscal Commission is the latest in a growing list of claims leveled against the Nigerian National Petroleum Corporation (NNPC). Since 2014, the secretary-general of the country’s central bank, PricewaterhouseCoopers, the Natural Resource Governance Institute, and just last week, Nigeria’s state auditor, had raised alarm that the firm was hoarding funds. The state auditor claimed NNPC kept $16 billion from the state in 2014 alone. (Selected by SPTEC Advisory from Deutsche Welle, March 22)

Opec member Nigeria has said it expects oil producers to reach an output freeze deal at a meeting in Doha next month. "I expect that we will reach a conclusion on stabilisation, stabilise current production as of January," Emmanuel Ibe Kachikwu told Reuters in an interview in Abuja. Qatar has invited Opec and major non-Opec producers to a meeting on 17 April to discuss a freeze. (Selected by SPTEC Advisory from City AM, March 23)
The Department of Petroleum Resources, DPR, has blamed the International Oil Companies, IOCs in Nigeria, for failing to adequately maintain the various pipelines they operate in transporting crude oil and natural gas products across the country. This, according to the industry regulator has contributed to the frequent crisis Nigeria is currently suffering in the petroleum and energy sector of the economy. Deputy Director, Engineering and Standards Division, DPR, Dr. Olumide Aladeke, noted that most of the pipelines currently being used in the country have been in existence for over 30 years without replacement, adding that this gave room for natural eruptions of the pipelines. (Selected by SPTEC Advisory from Vanguard, March 24)

The Nigerian National Petroleum Corporation has assured Nigerians of its desire to provide a lasting solution to the current fuel scarcity in the country, reiterating that the government was keen on alleviating the problems occasioned by the scarcity. "We assure that the Government and NNPC are not taking the patience of Nigerians for granted," Garba Deen Mohammed, general manager, public affairs division of the NNPC said on Friday. "We urge Nigerians to continue to be patient because the difficulties being experienced as a result of the situation will soon be alleviated." Mohammed, in an earlier statement, cleared the air on the rumours that the Minister of State for Petroleum Resources, Dr Ibe Kachikwu, had said the fuel scarcity would only end in May. He claimed that the minister, who spoke to newsmen after leading members of the National Union of Petroleum and Natural Gas Workers, NUPENG and Petroleum and Natural Gas Senior Staff Association of Nigeria, PENGASSAN, to a meeting with President Muhammadu Buhari was misrepresented by media reports. (Selected by SPTEC Advisory from All Africa, March 27).

NUPENG and PENGASSEN, Nigeria’s two oil industry unions, are pushing for the government to come to their defense if oil majors begin laying them off. According to Oil Minister Emmanuel Ibe Kachikwu, the unions want the government to prevent firms from laying off staff as crude prices cut into their respective budgets. “They (unions) are worried about job loss in the sector arising from the position of majors who feel that the economy is giving the rough end of the stick,” said Kachikwu, who attended a meeting between President Muhammadu Buhari and the unions. “And so we are going to be working with the oil majors to ensure that we do not experience the kind of job loss that we are hearing has the potential to occur in the sector,” he told reporters. (Selected by SPTEC Advisory from Petroleum Africa, March 25).

The two crew members that were abducted in February from a vessel off the coast of Nigeria have been released. The vessel was attacked 55 nautical miles off Brass, Niger Delta. The two men were abducted on February 23 from the Bourbon Liberty 251, when the offshore supply vessel was attacked by six heavy armed men in a fast boat. In a statement Bourbon said that the two men were in good health when they gained their freedom. (Selected by SPTEC Advisory from Petroleum Africa, March 29).
Nigeria earned N1.94 trillion from the export of crude oil and other petroleum products in the fourth quarter, Q4, of 2015, according to data released by the National Bureau of Statistics, NBS. The NBS, in its Foreign Trade Statistics for the Fourth Quarter of 2015, disclosed that Nigeria’s total exports in the period under review were dominated by petroleum products export. On the other hand, Nigeria spent N288.625 billion on the importation of Premium Motor Spirit (PMS) also known as petrol in the period under review. Specifically, Nigeria, according to the report, exported crude petroleum oil and oils obtained from bituminous minerals valued at N1.674 trillion, Liquefied Natural Gas (LNG) export was put at N226.226 billion, while the export of other petroleum gases stood at N18.726 billion. (Selected by SPTEC Advisory from All Africa, March 29).

Shell Petroleum Development Company of Nigeria Limited (SPDC) Joint Venture has announced that more gas is being produced from Agbada field in the Eastern Niger Delta in support of federal government’s aspiration of increasing domestic gas production for manufacturing and power generation. This development is coming at a time Nigeria’s power supply has dropped significantly due to gas shortages to power stations. Power generation, which hit 5,074 megawatts on February 2, dropped to about 3,700MW yesterday due to gas shortages and transmission challenges. But Shell’s Corporate Media Relations Manager, Mr. Precious Okolobo, said in a statement last night that some 10 million standard cubic feet of non-associated gas per day (MMscf/d), which was produced from the Agbada Early Gas Production Facility (EGPF), into the eastern domestic gas network on March 8, 2016, had already ramped up to 20MMscf/d of gas, with 1,500 barrels per day of oil. (Selected by SPTEC Advisory from All Africa, March 29).

Three people were killed and several wounded when an oil pipeline belonging to Italy’s ENI exploded during repair works in Nigeria’s southern Delta region, an environmental group said on Tuesday. The blast was one of the worst in recent weeks in the swampland, where residents and former militant groups have long complained about oil pollution and casualties caused by pipeline accidents. The explosion happened in the Olugboboro community in Bayelsa state on Sunday but bodies were only recovered on Monday after the fire was brought under control, residents said. Up to seven had been wounded, they said. "The news of another tragic incident in the oil industry which claimed three lives ... came to the Environmental Rights Action (ERA) as a great shock," said Alagoa Morris, an activist at the group. (Selected by SPTEC Advisory from Reuters, March 29).
Oando Energy Resources Inc. ("OER" or the "Corporation") (TSX: OER), a company focused on oil and gas exploration and production in Nigeria, today announced financial and operating results for the three and twelve months ended December 31, 2015. Production in 2015 increased to 19.9 MMboe (average 54,520 boe/day) from 9.1 MMboe (average 24,945 boe/day) in 2014. During 2015 revenues increased by $33.5 million, to $455.0 from $421.4 million in 2014, primarily as a result of the COP Acqurion producing assets of OMLs 60 to 63, countered by a substantial decline in crude oil and natural gas sales prices. The Corporation recognized net income of $16.1 million in 2015, compared to a net loss of $320.0 million in 2014. The increase was primarily the result of the decrease in the non-cash impairment of assets, which was partially offset by lower commodity prices. (Selected by SPTEC Advisory from Energy Mix Report, March 30).

Royal Dutch Shell said on Wednesday Dutch investigators recently visited its headquarters in the Hague in the Netherlands in relation to an investigation into a Nigerian offshore oil field, Reuters reports. “Representatives of the Dutch Financial Intelligence and Investigation Service and the Dutch Public Prosecutor recently visited Shell at its headquarters, ” a spokesman said. “The visit was related to OPL 245, an offshore block in Nigeria that was the subject of a series of long-standing disputes with the Federal Government of Nigeria.” (Selected by SPTEC Advisory from Energy Mix Report, March 30).

FEBRUARY

Hyundai Heavy Industries (HHI) and Nigerdock have completed Chevron’s Sonam non-associated gas wellhead platform (Sonam NWP). The platform is now ready to load out and set sail to the Sonam field for installation. At its inauguration at Nigerdock’s fabrication yard on Snake Island, the Chairman/Managing Director, Chevron Nigeria Ltd, Clay Neff, represented by the company’s Director for Business Services, Emmanuel Imafidon, said the project accomplished in over 2.8 million man-hours, was done without injury or incident. The Sonam NWP will enable the delivery of up to 300 Mmcf/d of gas from Sonam to Chevron’s Escravos gas plant. This project will enable delivery of additional gas supply to the domestic market. (Selected by SPTEC Advisory from Petroleum Africa, February 01)

Pipeline blast allegedly carried out by militants on Agip’s facility on Thursday has resulted in a drop of 16,000 barrels of oil equivalent daily. A source at Eni, an Italian energy firm and parent company of Nigerian Agip oil Company (NAOC), said the oil firm was working to restore normalcy and resume optimal production, following the explosions. Eni said in an e-mail response that the cause of the blast was being investigated by the Nigerian security agencies. “The Eni production impacted by the incident was 16,000 barrel oil equivalent daily, (boed) and as at Monday morning all the activities aimed at restoring production have been activated,” Eni stated. (Selected by SPTEC Advisory from Premium Times, February 01)
Further to its announcement on 25 January 2016, MX Oil is pleased to provide an update in connection with the proposal it has received for its Nigerian investment in the proven Aje Field offshore Nigeria. The Directors believe a sale of its Nigerian investment is an attractive option for the Company and they have today signed a term sheet with the proposed purchaser who is part of an established international oil and gas group. Under the terms of the proposal, the Company will receive US$18 million for the sale of its investment upon meeting certain conditions as set out below. Initially up to US$3.5 million will be advanced to the Company in two stages after the signing of binding legal documentation. These funds will be used to finance the remaining cash calls expected to be required for the investment in order to bring the underlying asset into production. (Selected by SPTEC Advisory from Oil Voice, February 02)

Senate President, Dr. Abubakar Bukola Saraki, on Wednesday challenged the management of the Nigerian Liquified Natural Gas (NLNG) Limited to put an end to gas flaring in the country. According to a statement by the Chief Press Secretary to the Senate President, Sanni Onogu, in Abuja, Saraki who stated this when the Management of the NLNG, led by its Managing Director, Babs Omotowa visited him in Abuja, said it was high time the gas being flared is converted to something more productive as well as ensure the use of cleaner energy in the country. He also called on the NLNG to invest in gas infrastructure to facilitate the distribution of cooking gas across the country and to eliminate the use of kerosene as cooking energy. (Selected by SPTEC Advisory from Daily Post, February 03)

The Nigerian National Petroleum Corporation, NNPC, Wednesday, announced a loss of N267.138 billion in its financials for the year 2015. The loss was higher than the N257.38 billion allocated to the Ministry of Health for both recurrent and capital expenditure in the 2016 budget of the Federal Government; higher than the N134.57 billion and N37 billion capital allocations to the Ministry of Defence and the Ministry of Education respectively. The loss by the NNPC was also higher that the N115 billion and N70 billion allocated to the National Assembly and the National Judicial Council respectively, in the 2016 budget. (Selected by SPTEC Advisory from Vanguard Nigeria, February 03)

The Nigeria National Petroleum Corporation (NNPC) said Wednesday it would begin direct crude sales to refineries from March onwards, replacing the crude oil swap agreements in an effort to achieve savings of some USD 1 billion. Henceforth using a direct-sale-direct-purchase arrangement, the new system will eliminate costs related to middlemen and give the NNPC greater control over the transactions. This in turn should also increase transparency. (Selected by SPTEC Advisory from The Oil & Gas Year, February 03)
To augment the Federal Government’s dwindling oil revenue, the Nigerian National Petroleum Corporation (NNPC) has sought the approval of the National Assembly to explore alternative sources of funding, especially for its capital projects, The Sun reports. The Minister of State for Petroleum Resources and Group Managing Director of the Corporation, Dr. Emmanuel Ibe Kachikwu said this when he received the House of Representatives Committee on Petroleum Downstream at the NNPC Towers in Abuja during its oversight visit to the Corporation. Kachikwu noted that in the face of dwindling global crude oil prices, it was imperative for members of the National Assembly to allow the NNPC solicit funds from private local and international investors to execute its capital projects. (Selected by SPTEC Advisory from Energy Mix Report, February 04)

On Sunday, the Bayelsa State chapter of the Civil Liberties Organisation (CLO) accused the officials of multinational oil companies and security operatives deployed to the Niger Delta region of complicity in the rising cases of oil and gas pipeline vandalism and crude oil theft. The CLO stated the deployment of gunboats and the establishment of checkpoints at various waterways in the region by the military, oil theft and pipeline vandalism has persisted in the region. The Chairman the CLO in Bayelsa State, Nengi James, noted that the continued incidents of these crimes indicated that military personnel were somehow complicit in the theft of oil and pipeline vandalism. (Selected by SPTEC Advisory from Sahara Reporters, February 05)

The Federal Inland Revenue Service is to engage the services of at least four major audit firms to carry out tax assessment of banks, multinational companies and other corporate tax payers. Findings by SUNDAY PUNCH revealed the firms to be involved in the audit exercise as Akintola Williams and Deloitte, KPMG Professional Services, Ernst and Young as well as the PricewaterhouseCoopers Nigeria. The move, it was gathered, was part of the innovative ways by the FIRS to meet its revenue target of N4.95tn for the 2016 fiscal period. The FIRS is planning to raise the N4.95tn revenue through Value Added Tax, which is expected to contribute the sum of N2tn or 40.35 per cent of the entire revenue; Companies Income Tax of N1.87tn, representing 37.87 per cent; Petroleum Profit Tax N800bn (16.14 per cent) and Education Tax N180bn (3.63 per cent). (Selected by SPTEC Advisory from Punch Nigeria, February 05)

Global oil giant, Royal Dutch Shell, has announced the postponement of the final investment decision on the $12bn Bonga South-West project in deep-water Nigeria amid the sustained drop in oil prices, The Punch reports. The company on Thursday announced that its adjusted profit fell by 56 per cent in the fourth quarter of 2015 compared to a year earlier, while its earnings fell by 80 per cent to $3.84bn, compared to $19bn in 2014. The Chief Executive Officer, Royal Dutch Shell Plc, Ben van Beurden, said “For 2016, we have exited the Bab sour gas project in Abu Dhabi, and are postponing final investment decisions on LNG Canada and Bonga South West in deep-water Nigeria. Operating costs and capital investment have been reduced by a total of $12.5bn as compared to 2014, and we expect further reductions in 2016”. (Selected by SPTEC Advisory from Energy Mix Report, February 05)
Nigerian LNG was exported to a wider range of destinations last year, Eclipse (Eclipse is an analytics unit of Platts) data showed, with less material being sent to East Asia following a steep decline in JKM prices, partly as result of new liquefaction capacity in Asia Pacific, Platts reports. LNG exports fell 2.3% to 42.49 million cu meters, with exports to East Asia accounting for 34% of the total, down from 48% in 2014 as the Platts JKM spot marker fell to $5.79/MMBtu at the end of 2015 from $18.98/MMBtu in January 2014. New liquefaction capacity in the Pacific added further fundamental pressure to Nigerian export levels, with East Asian imports from other Pacific producers accounting for 52.0% of imports last year, up from 46.4% in 2014. (Selected by SPTEC Advisory from Energy Mix Report, February 08)

The global fall in the price of oil has rattled the economies of many petroleum producers, and Africa’s oil king Nigeria is no exception, with analysts predicting a rough year ahead. The fortunes of Africa’s largest economy have long been intertwined with the price of oil. But analysts are worried as crude prices have fallen to $35 per barrel from their peak of over $100 a barrel in 2014. Bismarck Rewane, chief executive of Lagos-based advisory firm Financial Derivatives Co., said, “Impact of fall in oil price is, to put it mildly, catastrophic, in the sense that, in terms of magnitude, huge, in terms of preparedness to deal with the magnitude, totally ill-prepared.” (Selected by SPTEC Advisory from VOA News, February 09)

The Nigerian Extractive Industries Transparency Initiative (NEITI) has said owners of oil blocks and oil and gas assets are difficult to trace because they manipulated their records at the Corporate Affairs Commission (CAC), The Nation reports. The extractive industry watchdog’s Acting Executive Secretary, Mr. Ogbonnaya Orji, said this in Abuja during a meeting with delegates from the global Extractive Industries Transparency Initiative (EITI), led by the incoming Chairman, Mr. Fredrik Reinfeldt and civil society organisations. (Selected by SPTEC Advisory from Energy Mix Report, February 09)

The FPSO vessel for the Aje field in Nigeria is now in transit from Singapore according to Panoro Energy. The vessel is expected to arrive in Nigeria mid-March 2016, following a brief stop in Cape Town. All key equipment related to the field development has been delivered to Nigeria. Anchor handling operations in the field started in January and will continue until mid-February. The construction vessel has commenced operations and will install the subsea equipment including the manifold and flowlines during February. Once the FPSO arrives in Nigeria it will be hooked-up to the mooring system and risers and a short test of the production systems will be conducted. (Selected by SPTEC Advisory from Petroleum Africa, February 09)
The Nigerian National Petroleum Corporation (NNPC) has said the country’s four refineries in Kaduna, Warri and Port Harcourt are expected to restart production before the end of the month after attacks on their feedstock pipelines forced their closure in January. According to a Reuters’ report, NNPC’s Group Executive Director, Refining and Technology, Dennis Ajulu, said Tuesday in Abuja that crude oil supply to the refineries and operation would gradually resume starting with the Port Harcourt refinery. NNPC had around mid-January halted crude oil flows to the refineries after key pipelines that feed the plants were attacked by vandals resulting in the shutdown of the refineries a few days earlier. Ajulu told Reuters that the 150,000 barrel per day (bpd) Port Harcourt refinery is expected to restart its crude distillation unit on Saturday after receiving crude oil supplies by sea. This will however be followed by a resumption in supplies through the pipeline. (Selected by SPTEC Advisory from This Day Live, February 10)

Reports have Shell in Nigeria postponing the FID for the Bonga South-West development offshore Nigeria. The delay in taking the FID is due to the bottoming out of oil prices. The Bonga South-West is not the only international project that is being shelved for the time being, or exited. The company exited the Bab sour gas project in Abu Dhabi and is postponing the FID for an LNG project in Canada. (Selected by SPTEC Advisory from This Petroleum Africa, February 10)

United Kingdom-based manufacturer of subsea products for the global oil and gas industry, MSCM, has entered into a joint venture agreement with a Nigerian firm, Padua Petroleum Nigeria Limited, The Punch reports. The agreement, which was disclosed during the 2016 Offshore West Africa Conference in Lagos, brought about MSCM-PPNL Subsea Solutions Nigeria Limited. The Managing Director of PPNL, Mr. Paul Ajisafe, said the formation of MSCM and PPNL Joint Venture was to demonstrate sincere commitment to their presence in Nigeria. (Selected by SPTEC Advisory from Energy Mix Report, February 11)

Following the dwindling fortune of oil, Former Provost Marshall of the Nigerian Army, General Idada Ikponmwen (rtd) has charged President Muhammadu Buhari to diversify the economy as a means to garner resources for the government. Idada stated this in an Interview in Benin City where he noted that the issue of the mono-economy has been a core issue for a long time, pointing out that the dependence on oil has caused a serious setback for the nation and its people. He noted that there is already a noticeable failure in purchase of the country’s oil which is a major source of the country’s resources, saying that other sectors of the economy must be looked into as virtually all Nigerians doesn’t see need to sustain other means of getting resources for the nation. (Selected by SPTEC Advisory from Daily Independent, February 11)
Nigeria’s crude oil output increased by 252,800 barrels per day in January, up from the 1.697 million barrels per day it recorded in December to 1.949 million barrels per day, The Guardian reports. This development has also boosted the total production of the Organisation of Petroleum Exporting Countries (OPEC) in the month under review. The price of Nigeria’s Bonny light however went down by $7.60 to $30.35 per barrel in January. (Selected by SPTEC Advisory from Energy Mix Report, February 11)

Nigeria’s quest to expand its Liquefied Natural Gas (LNG) market into Europe received a major boost on Thursday, as a visiting German trade delegation has indicated the country’s desire for Nigeria’s gas products. Vice Minister for Economic Affairs and Energy and member of the German Parliament, Mr. Uwe Beckmeyer, stated this during a visit of the contingent of business concerns to the Minister of State for Petroleum Resources, Mr. Ibe kachikwu, in Abuja. Beckmeyer said the country was seeking development of business relationship to accelerate the supply of LNG especially in the country’s ship building industry. According to him, Nigeria’s LNG would come in handy as the country and other European industrial powers seek to cut down drastically on carbon dioxide (C02) emissions arising from heavy industrial operations since LNG is far more friendlier to the environment. (Selected by SPTEC Advisory from The Sun, February 13)

Nigeria plans to raise funds through new drilling contracts to repay its USD 4 billion of debt, Petroleum Resources Minister of State and managing director of state-run Nigerian National Petroleum Corporation Emmanuel Ibe Kachikwu said in an interview with Reuters today. The government official wants to increase output to 2.5 million bopd from its current 2.3 million bopd by the end of this year. Big offshore projects have been delayed by lack of government funding, hampering output growth. Kachikwu said the debt stood at USD 3.5 billion-4 billion as of November and should be slashed by deals such as a USD 1.2-billion drilling project signed by Chevron in September. The company also had talks with Italy’s Eni, Dutch oil trader Vitol and Swiss commodity trader Gunvor to supply the country with capital. Nigerian National Petroleum Corporation reported a loss of USD 1.3 billion in its 2015 report. (Selected by SPTEC Advisory from The Sun, February 15)

President Muhammadu Buhari on Monday disclosed that the Federal Government has started mobilising the military and task forces to the oil-rich Niger Delta. He said the step became necessary to stop the sabotage of oil facilities and kidnapping of citizens for ransom in the coastal areas of the country. According to a statement by his Senior Special Assistant on Media and Publicity, Malam Garba Shehu, the President spoke at a meeting he had with a delegation from the United States Institute of Peace at the Presidential Villa, Abuja. (Selected by SPTEC Advisory from Punch Nigeria, February 15)
While making a presentation during the Senate Committee on Gas oversight visit to the NNPC Towers in Abuja, the Group General Manager, Gas Infrastructure Development (GID) of the Nigerian National Petroleum Corporation (NNPC), Engr. Farouk Said, indicated that the NNPC is currently working on six priority gas projects that would link gas-to-power and gas-to-industries to boost the national economy and reposition the country for profitability, The Nation reports. Said explained that the current gas infrastructure projects being executed are in tandem with the Gas Master Plan which was approved by the last Federal Executive Council adding that the plan would have a spin off effect on the Gross Domestic Product (GDP) of the country. (Selected by SPTEC Advisory from Energy Mix Report, February 16)

Eland Oil & Gas (LON:ELA) told investors that the Opuama field closed 2015 with production averaging 4,500 barrels per day, which amounts to 2,025 bopd net to the AIM company. It added that the field’s ‘uptime’ averaged 84% for the year, after the figure for the fourth quarter came in at 82%. A total of 341,000 barrels of oil was lifted from the field for sale during the year, which is some 195% more than in 2014. Some 38,000 barrels of oil has so far been loaded and sold in 2016 so far, the company added. “The strong production performance from the Opuama field in OML40 continued throughout 2015, with production and uptime at record levels,” said George Maxwell, Eland chief executive. (Selected by SPTEC Advisory from Proactive Investors, February 16)

The Nigerian National Petroleum Corporation (NNPC) is in talks with oil majors and banks to raise capital for new drilling and to repay up to $4 billion in debt that the state oil company has accumulated over years of mismanagement, the Group Managing Director of NNPC, Dr. Ibe Kachikwu, has told Reuters. Kachikwu, who is also the Minister of State for Petroleum Resources, said he wants to increase output to up to 2.5 million barrels a day by the end of 2016. Currently, Nigeria pumps 2.3 million barrels a day. President Muhammadu Buhari has made reforming the oil sector a priority as a slump in oil prices hammers the economy. The former military ruler fired the NNPC board and appointed Kachikwu to overhaul NNPC whose opaque structures allowed corruption and oil theft to flourish. (Selected by SPTEC Advisory from All Africa, February 16)

President Muhammadu Buhari yesterday admitted that Nigeria relied on crude oil for too long as a single source of revenue, stressing that such explains why the country is disorganized now that oil prices are down. Buhari, who disclosed this to a team of members of the British parliament led by a Nigerian-born MP for Newcastle, Hon Chi Onwurah at the State House, Abuja, however assured that his administration will rebuild Nigeria. (Selected by SPTEC Advisory from Daily Post Nigeria, February 17)
The Shell Petroleum Development Company of Nigeria Ltd (SPDC) is investigating the source of a crude oil spill which was observed on water around Forcados Terminal on Sunday February 14, 2016. Media Relations Manager of SPDC, Mr Precious Okolobo said in a press release that the initial investigation will enable the company to quickly determine what suitable response was further needed. According to him, SPDC JV and third party production into the terminal is being suspended as a precautionary measure. (Selected by SPTEC Advisory from PM News Nigeria, February 17)

The minister of state for Petroleum Resources Dr. Emmanuel Ibe Kachikwu has said that the Federal Government would advertise concessions for pipelines and depots beginning from next month, Daily Trust reports. It would be recalled that Kachikwu, who is also the Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), had late last year hinted of the federal government’s intention to privatize the country’s over 5000 km pipelines in order to enhance efficient management of the infrastructure and bring pipeline vandalism to the barest minimum. (Selected by SPTEC Advisory from Energy Mix Report, February 17)

Nigeria and the United Kingdom are currently making plans for the building of capacity aimed at boosting the growth of the Nigerian oil and gas sector, The Guardian reports. The Minister State for Petroleum Resources, Dr. Ibe Kachikwu, disclosed this in Abuja recently when the British Minister of State for Foreign and Commonwealth Affairs, Baroness Joyce Anne Anelay, paid him a courtesy visit. He hinted that top on his reform agenda for the oil sector in Nigeria is to push for commercialization at a faster rate to attract a much needed Foreign Direct Investment (FDI) as well as creating the right set of incentives to attract investment. (Selected by SPTEC Advisory from The Guardian, February 17)

San Leon Energy (LON:SLE) has told investors that the deadline has been extended on a proposed Nigerian oil field deal. The company, last month, agreed to support a takeover of Toronto listed Mart Resources by Nigerian oil firm Midwestern Oil and Gas. AIM quoted San Leon is helping Midwestern finance the deal and as a result it will be due just less than 10% of a Nigerian oil field that currently produces more than 30,000 barrels per day. According to the initial deal terms it was envisaged that the money for Mart’s purchase would be delivered into escrow by February 17, and that deadline has now moved to February 24. (Selected by SPTEC Advisory from Proactive Investors, February 18)

An indigenous company, Integrated Oil and Gas Ltd., has been given initial license to commence preliminary work for a 20,000 capacity modular refinery in one of the islands on the coast of Lagos. The refinery is expected to gulp between $75 - $250 million, Chief Executive Officer, CEO, of the company, Capt. Emmaneul Ihenacho, said. Ihenacho, who stated this in Lagos yesterday, said that his company has gotten preliminary approval from the Department of Petroleum Resourses, DPR, and has commenced work on the Environmental Impact Assessment, EIA. (Selected by SPTEC Advisory from All Africa, February 18)
The Shell Petroleum Development Company of Nigeria Limited (SPDC) at the weekend intensified recovery of oil from the February 14, 2016 spill at the Forcados Terminal export pipeline, P.M. News reports. A press statement issued and signed by Mr. Bamidele Odugbesan, SPDC’s spokesperson, indicated that the company had mobilised clean-up teams and contracted a specialised aircraft to join in the response. It also added that SPDC has deployed specialised equipment to contain the spill. (Selected by SPTEC Advisory from Energy Mix Report, February 21)

President Muhammadu Buhari is billed to leave Abuja for Suadi Arabia and Qatar tomorrow to engage officials of both countries in talks for the stability of oil prices. The president who would be away for a week will be accompanied to the journey by a high-powered Federal Government delegation, including the Minister of State (Petroleum) and Group Managing Director of the Nigerian National Petroleum Corporation, (NNPC), Dr. Ibe Kachikwu. On Tuesday, president Buhari would fly to Riyadyh, the Saudi Arabia capital to meet talks with King Salman Bin Abdulaziz Al Saud and senior officials of the Kingdom of Saudi Arabia. A statement by the presidential spokesman, Mr. Femi Adesina on Sunday stated that the “Ongoing efforts by Nigeria and other members of the Organisation of Petroleum Exporting Countries (OPEC) to achieve greater stability in the price of crude oil exports are expected to be high on the agenda of discussions between President Buhari and the Saudi Monarch.” (Selected by SPTEC Advisory from Vanguard Nigeria, February 21)

Mart Resources, San Leon Energy, Midwestern Oil & Gas Company Ltd., and 1038221 B.C. Ltd. (Acquireco) have mutually agreed, pursuant to the terms of an amending agreement, to amend the terms of the arrangement agreement dated January 21 to extend the obligation of Acquireco to deposit into escrow the purchase price to be paid to Mart shareholders and certain transaction costs until February 24, 2016. The amending agreement also grants San Leon an extension for the completion of the San Leon financing, a process which San Leon has announced is well advanced in its press release dated February 18. Other than certain corresponding date changes, all other material terms of the arrangement agreement remain unchanged. (Selected by SPTEC Advisory from Petroleum Africa, February 21)

Shell’s Nigerian subsidiary, SPDC, has officially warned of disruptions to crude exports from Nigeria’s Forcados terminal after production was disrupted by a pipeline spill, AFP reports. SPDC, said it had declared a force majeure on Forcados liftings following “the disruption in production caused by the spill on the Forcados terminal subsea crude export pipeline.” While Shell did not disclose the volume of production shut-in, Forcados remains one of Nigeria’s main export terminals. Shell has often blamed sabotage for most of the spills in the Niger delta. (Selected from SPTEC Advisory from Energy Mix Report, February 23)
The Nigerian National Petroleum Corporation (NNPC) plans to engage investors on a private partnership arrangement for the relocation of any overseas refineries to join the three existing refineries in Nigeria, Daily Trust reports. The corporation in a tender document said the proposed refinery name plate capacity to be established by potential investors must not be below 50,000bpd and also not exceeding 120,000bpd maximum. The corporation in the notice also requires the prospective investor to establish adequate funds guarantee of over $500million for acquisition, relocation, integration, modification and commissioning of the project on 100 percent self-funding without any counter-part funding from the NNPC. (Selected from SPTEC Advisory from Energy Mix Report, February 23)

The Federal Government has been urged to list the Nigerian National Petroleum Corporation (NNPC) on the Nigerian Stock Exchange (NSE) in order to engender transparent management and active participation of Nigerians in the running of the petroleum behemoth. This was the submission of Ms Arunma Oteh, former director-general of the Securities and Exchange Commission (SEC) and serving Vice-President and Treasurer of the World Bank at the Philip Asiodu Lecture Series in Lagos on Monday. Oteh, guest lecturer at the occasion, said that for over a decade the NNPC had lacked the requisite capital to grow its asset base or meet upstream operating costs partly because there has not been clarity in its funding sources and funds have often been diverted for other purposes. (Selected from SPTEC Advisory from Daily Independent Nigeria, February 23)

San Leon (LON:SLE) has confirmed that the deadline has again been extended on a proposed Nigerian oil field deal. The company, last month, agreed to support a takeover of Toronto listed Mart Resources by Nigerian oil firm Midwestern Oil and Gas. AIM quoted San Leon is helping Midwestern finance the deal and as a result it will be due just less than 10% of a Nigerian oil field that currently produces more than 30,000 barrels per day. It has now been agreed the cash for the acquisition must be placed in escrow by 5pm Calgary time on March 1. (Selected by SPTEC Advisory from Proactive Investors, February 25)

MX Oil plc, the AIM quoted oil and gas investing company, is pleased to announce that it has now agreed terms for the sale of its investment in the Aje Field offshore Nigeria to GEC Petroleum Development Company Limited (“GPDC”). GPDC is a Nigerian company actively exploring and developing oil and gas resources in the Niger Delta and Anambra basins. GPDC operates two licences offshore (OPLs 2009 and 2010) and two licences onshore (OPLs 907 and 917), along with OML 149 in joint venture partnership with Eni/Nigerian AGIP and Seven Energy. GPDC holds significant interests in these assets and has 2P Reserves (net) of 16mmboe and 2C Resources (net) of 139mmboe. GPDC has total estimated gas resources of 6.4TCF and oil resources of some 1.3 billion barrels. (Selected by SPTEC from Energy Mix Report, February 28).
Cath Norman, the MD of FAR Ltd., during a question and answer session released by FAR Ltd. discussed the Bellatrix Prospect offshore Senegal and what the “key risks to the Bellatrix Prospect being a success?” are. Norman said that the two known risks for the Bellatrix were the reservoir and the hydrocarbon mix. The Bellatrix sits above the SNE, where FAR and its JV partners made their significant discoveries, in the Buried Hill Play. The Buried Hill Play is of unknown quality as it has not yet been drilled by the Senegal JV. As for the hydrocarbon mix, Norman said the amplitude anomaly is strongly indicating gas and FAR forecasts it also contains an underlying oil leg, but this will need to be drilled to be proven. (Selected by SPTEC from Petroleum Africa, February 28).

JANUARY

According to the latest Nigerian National Petroleum Corporation (NNPC) financial report for November 2015, the country’s refineries operated at zero capacity utilisation in the month of November, The Punch reports. The refineries are Warri Refining and Petrochemical Company, Port Harcourt Refining Company and Kaduna Refining and Petrochemical Company. Meanwhile, only two of the nation’s refineries in Kaduna and Port Harcourt met the 90-day fast-track ultimatum, which elapsed on Thursday, December 31, 2015. The Minister of State for Petroleum Resources and Group Managing Director of the NNPC, Dr. Ibe Kachikwu, had recently given a 90-day ultimatum for the revival of the refineries. (Selected by SPTEC Advisory from Energy Mix Report, January 01)

The Independent Petroleum Marketers Association of Nigerian (IPMAN) has concluded arrangements with two British oil companies to build two modular refineries in Plateau State, Daily Trust reports. The National Secretary of IPMAN, Alhaji Danladi Pasali, who disclosed this to newsmen yesterday in Jos, said the decision was taken following the return of peace and the change in the political and economic atmosphere in the state. Pasali said, “We have concluded arrangements with two foreign firms from Britain, Blue Oil Company and Water Carbon Field Energy to build two modular refineries. One refinery would be located in Plateau South while the other one would be built in Plateau North.” (Selected by SPTEC Advisory from Energy Mix Report, January 04)

The federal government has officially stopped paying subsidy to oil marketers for the importation of premium motor spirit (PMS), otherwise called petrol and household kerosene. An analysis of the Petroleum Products Pricing Regulatory Agency (PPPRA) revised pricing template displayed on its website showed that with effect from January 1, 2016, the government was no longer paying subsidy for the importation of any petroleum products. (Selected by SPTEC Advisory from Daily Trust, January 04)
The Nigerian National Petroleum Corporation on Tuesday announced that the nation’s three refineries in Kaduna, Port Harcourt and Warri have attained a combined daily production capacity of over 6.76 million litres of petrol. The corporation in a statement issued by its Group General Manager, Group Public Affairs Division, Ohi Alegbe, said the oil firm’s petrol production was projected to increase to over 10 million litres per day by the end of January 2016. The NNPC gave a breakdown of the petrol yield from the various plants. It said while Port Harcourt refinery which was re-streamed a week earlier was producing some 4.09 million litres, the Kaduna was contributing some 1.29 million litres and Warri, which was re-streamed on Sunday, was producing 1.38 million litres. (Selected by SPTEC Advisory from Punch NG, January 05)

President Muhammadu Buhari on Tuesday said he would soon establish what he called an inter-ministerial committee that will be saddled with the responsibility of fast-tracking the re-organisation and reformation of the Nigerian National Petroleum Corporation. According to a statement by his Special Adviser on Media and Publicity, Mr. Femi Adesina, the President spoke while granting audience to the Chief Executive Officer of the International Finance Corporation, Jin-Yong Cai, at the Presidential Villa, Abuja. Adesina further quoted the President as saying that the reformation of the NNPC had become inevitable in view of the corruption and abuse of its present structure in the recent past. “The President also cited Nigeria’s current need to maximise income from every source of revenue as a further imperative for reforming the NNPC. (Selected by SPTEC Advisory from Punch NG, January 05)

Ecuador, a major oil producing country has called for the cooperation of Nigeria as part of the efforts to halt the free fall of crude oil prices at the international market, The Nation reports. Ecuadorian Ambassador to Nigeria, Mr. Leopoldo Rovayo Verdesoto called for a cut in the current OPEC daily quota; stressing that the market was already flooded with the product and stated that Nigeria and Ecuador could play the lead role in addressing the current situation in the international oil market. “Nigeria and Ecuador could make a sign to the market and work towards reducing production on a daily basis,” he said. (Selected by SPTEC Advisory from Energy Mix Report, January 05)

Several of Nigeria's struggling oil refineries are back in production and making enough gasoline to help "stabilise" its availability in the country, a spokesperson for the Nigerian National Petroleum Corporation (NNPC) said on Tuesday. Despite being one of Africa's biggest oil exporters, the country imports nearly all its gasoline as it has struggled to produce fuel at its ageing refineries, which have suffered from years of neglect and perennial sabotage. Print Send to Friend 0 0 NNPC spokesperson Ohi Alegbe said the Port Harcourt, Warri and Kaduna refineries were producing a total of 6.76 million litres of gasoline per day, adding that this was projected to rise to more than ten-million litres a day by the end of January. (Selected by SPTEC Advisory from Reuters, January 06)
Total exports of Nigerian crude oil are expected to slide in February after reaching a three-month high for January, a compilation of loading programmes showed on Tuesday. The export programme for Brass River crude, which was under force majeure, had not yet been issued, leaving just 56 cargoes for a total of 53 million barrels planned for February loading. While a Brass River programme was expected once the force majeure was lifted, it would not enable February exports to reach the 61.7 million barrels initially planned for January. (Selected by SPTEC Advisory from Reuters, January 10)

A Chinese steel pipe manufacturer, Jiangsu Yulong Group, has broken ground for a major manufacturing plant in Nigeria’s Lagos Lekki free trade zone, aimed at supplying the country’s oil and gas industries. The firm said the first of its three investment phases in the Lekki project would gulp about $50m. Yulong Group Deputy General Manager, Willy Wen, told journalists that the plant would become “the No.1 complex welding and seamless pipe manufacturer in Nigeria” as the group seeks to exploit new international markets. (Selected by SPTEC Advisory from National Mirror, January 11)

The International Monetary Fund, (IMF), has urged the Federal Government to publish Nigerian National Petroleum Corporation, (NNPC) finances monthly to ensure transparency in its operations, Footprint to Africa reports. The corporation’s finances, Footprint to Africa gathered have over the years been cloaked in secrecy, leading to suspicions and allegations of corruption and undercutting of government’s revenue. The IMF Managing Director, Christine Lagarde, in a statement marking the end of her visit to Nigeria stressed the need for the NNPC to be run with greater openness. She commended the government on its efforts to address corruption, stressing that the rule of law would be crucial in reducing constraints to the country’s growth. (Selected by SPTEC advisory from Footprint to Africa, January 11)

Minister of State for Petroleum Resources Dr. Emmanuel Ibe Kachikwu yesterday said the Federal Government was working out modalities for the Nigeria National Petroleum Corporation (NNPC) to establish more mega petrol stations. He spoke at a news conference in Abuja. Asked to confirm whether the corporation was planning to build 800 mega petrol stations, the minister who did not give the exact figure of stations, said: "Definitely, there are many fillings stations we were trying to develop working with the governors in terms of land, local government areas. The idea is to be able to expand our wings in crisis period. Some of that is going to come with Joint Ventures with some filling stations, which are willing to do JVs with us and so the 800 are not going to be built anew." He warned petrol marketers selling petrol above the official pump prices to revert to the Petroleum Product Pricing Regulatory Agency (PPPRA) prices. (Selected by SPTEC Advisory from Daily Independent, January 12)
Minister of State for Petroleum Resources, Emmanuel Kachikwu has said Nigeria plans to make its first initial public offering of assets owned by the Nigerian National Petroleum Corp (NNPC) in 2018, Bloomberg reports. Kachikwu, who also heads the NNPC, said on Tuesday in an interview in Abu Dhabi; “It’s inevitable”..“Part of the cleaning up process that we’re doing is to prepare for that.” The Federal Government is mulling plans to sell shares in its refining and distribution business and “select” exploration and production assets to the public, he said. (Selected by SPTEC Advisory from Bloomberg, January 13)

For conceptualizing, structuring and delivering an oversubscribed deal in a challenging macro-economic environment, the Joint Finance Team of the Nigerian National Petroleum Corporation, NNPC and its Joint Venture Partners, Chevron Nigeria Limited have clinched the prestigious Thomson Reuters /PFI Magazine “Africa and Middle East Oil Deal of the Year Award 2015”. The NNPC in a release stated that the award is in recognition of the novel $1.2 billion multi-year drilling financing package for 36 Offshore/Onshore Oil wells under the NNPC/CNL Joint Venture initiated under the Accelerated Upstream Financing Programme executed at a Signing-ceremony in London in September, 2015. (Selected by SPTEC Advisory from PM News Nigeria, January 13)

The President, Dangote Group, Alhaji Aliko Dangote, has said the gas pipeline currently being built by the company will triple the country’s consumption of the resource, The Punch reports. Speaking on the sidelines of a tour of the $14bn (2N2.8tn) refinery, fertiliser and petrochemical complex being built in Lagos, Dangote said, “We are doing a gas pipeline through the sea, 550 km each for two lines, which is about 1100km from Bonny to here (Dangote Industries Free Zone, Lekki, Lagos). And that will give us three billion cubic feet of gas. At the moment today, the entire consumption of Nigeria is one billion cubic feet. So, we are going to triple that all at a stretch.” (Selected by SPTEC Advisory from Energy Mix Report, January 14)

Nigeria said Wednesday it would not cut oil production outside the framework of the Organisation of Petroleum Exporting Countries (OPEC), even as nose diving crude prices caused by a global supply glut have ravaged its revenue. Minister of State for Petroleum, Dr. Ibe Kachikwu, said in Abu Dhabi on Tuesday that he expected an extraordinary meeting of the global oil cartel in "early March" to discuss the continued plunge in prices. His push for an emergency meeting was however opposed by the United Arab Emirates, which like Saudi Arabia has resisted calls for production cuts by the oil cartel in order to retain market share. (Selected by SPTEC Advisory from This Day Live, January 14)
Attacks on oil installations in Delta State entered the third day, yesterday, as militants blew-up major crude oil and gas pipelines to the Chevron Nigeria Limited (CNL) Tank Farm in Warri South West Local Government Area of the state, Vanguard reports. Blown up on Friday night was the main crude line from Makaraba through Otunana and Abiteye to Escravos while Olero to Escravos gas line was attacked in the early hours of yesterday. Earlier on Thursday, the Escravos – Warri – Abuja – Lagos pipelines came under attack. (Selected by SPTEC Advisory from Vanguard, January 15)

Several countries in the region are scheduled to undergo a variety of E&P projects this year, with a mix of major and independent energy firms taking part in upstream operations in the area. One country that will be the focus of many oil and gas companies in 2016 is Nigeria. In September 2015, the Nigerian National Petroleum Corporation (NNPC) announced that it had secured a $1.2 billion multi-year drilling financing package to contribute to the running of 36 oil wells across the OML 49, 90 and 95 license areas over two stages, under the NNPC/Chevron Nigeria Limited Joint Venture. Another energy firm planning activity in Nigeria is Lekoil Ltd., which revealed in an operations update December 3, 2015 that it plans to spud an appraisal well within OPL 310, with its partner Optimum, before the end of 2016. In Senegal, final processed products from a 3D seismic survey covering 1,005 square miles across the Sangomar Deep, Sangomar Offshore and Rufisque Offshore permits will be available in mid-2016, according to FAR Limited, which commenced the survey in September with its joint venture partners Cairn Energy plc, ConocoPhillips and Petrosen in a bid to delineate the SNE discovery made last year. (Selected by SPTEC Advisory from Rigzone, January 15)

With crude oil trading around $30 per barrel in the international market from a peak of $114 in June 2014, production from Nigeria now faces a decline as numerous industry experts have said that the continued decline in global oil prices would stall a number of deep-water projects in the country, The Punch reports. Prior to the drop in prices, several IOCs had in recent times shifted more of their focus to the offshore areas of the Nigerian oil industry as a result of onshore risks, with a number of planned deep-water projects expected to come on stream in the coming years. Deep-water oil projects that have yet to achieve Final Investment Decision include Bonga Southwest and Aparo (Shell); Zabazaba-Etan (Eni); Bosi, Satellite Field Development Phase 2 and Uge (ExxonMobil); and Nsiko (Chevron). (Selected by SPTEC Advisory from Energy Mix Report, January 18)

The Minister of Works, Power and Housing, Babatunde Fashola, late Tuesday revealed that the attack on the Nigeria Gas Company’s pipeline connected to Chevron Nigeria Limited’s facility at Escravos at the weekend, is costing the country N470 million daily, The News reports. In a statement signed by Hakeem Bello, the media aide to Fashola, the attack on the pipeline will impact negatively on the Olorunsogo NIPP plant with 600 megawatts capacity, as well as other power plants. (Selected by SPTEC Advisory from Energy Mix Report, January 20)
The Nigerian National Petroleum Corporation, NNPC, Wednesday, announced the operational shutdown of the Port Harcourt and Kaduna Refineries owing to crude supply challenges arising from recent attacks on vital crude oil pipelines. In a statement by the Corporation said that the plants were shut simultaneously on Sunday after the Bonny – Okrika crude supply line to the Port Harcourt Refinery and the Escravos-Warri crude supply line to the Kaduna Refinery suffered breaches. (Selected by SPTEC Advisory from Vanguard, January 20)

The Indian Oil Corporation plans to nearly double sourcing of crude oil from Nigeria through a term contract. This is in line with the government’s strategy to increase imports from African nations and diversify the crude sourcing basket and strengthen the energy security. “Nigeria has now agreed to increase the term contract from 1.7 million tonne per annum to 3 million tonne per annum,” Dharmendra Pradhan, Minister of State (Independent Charge) Petroleum and Natural Gas said at the sidelines of the 4{+t}{+h} India-Africa Hydrocarbons Conference. While the Indian Oil buys 8 million tonne of crude oil every year from Nigeria, most of it is through the spot market. It only procures 1.7 million tonne per annum through fixed-term contracts. (Selected by SPTEC Advisory from The Hindu Business Line, January 21)

Lukoil’s President Vagit Alekperov said on Thursday at the World Economic Forum in Davos that the Russian oil giant is looking to expand its operations in Nigeria’s oil sector, Sputnik News reports. He indicated that he had met with Nigeria’s Minister of State for Petroleum Resources, Dr. Emmanuel Ibe Kachikwu and was preparing for a visit to Nigeria to discuss future projects. In early 2015, the Lukoil president had announced the decision to establish joint operations with Chevron in Nigeria. (Selected by SPTEC Advisory from Energy Mix Report, January 21)

A spokesman indicated that Eni lifted force majeure on gas supplies to Nigeria’s liquefied natural gas (LNG) export plant on January 12 following sabotage on a pipeline last month, Reuters reports. Eni initially declared force majeure on the pipeline on Dec. 16, causing limited disruption to loading schedules and exports. However, a source added that exports from the plant are not yet back to normal and there is still some disruption. (Selected by SPTEC Advisory from Reuters, January 21)

The management of the Nigeria Liquefied Natural Gas on Wednesday reacted angrily to latest reports by a non-governmental organisation, ActionAid Nigeria, that Nigeria lost about $3.3 million (N650.1 billion) to alleged dubious agreement granting excessive tax incentives to the company. The NLNG, in a right of reply issued in Lagos described ActionAid’s report as "false, misleading and hypothetical". But ActionAid Nigeria says it is standing by its report, insisting the NLNG exploited the incentives granted it by the Nigerian government by neglecting to resume tax payment at the due time. The company's General Manager, External Relations Division, Kudo Eresia-Eke, described incorrect claims in the report alleging that tax breaks totalling $3.9 billion for NLNG had impacted on social services in Nigeria. (Selected by SPTEC Advisory from Premium Times, January 21)
Swiber Holding’s wholly owned subsidiary, Swiber Offshore Construction Pte. Ltd., acquired 9,500,000 nil-paid ordinary shares of Nigerian firm Deltatek Offshore Ltd. (DOL) with nominal value of $0.005, or NGN 1.00 each (the Shares), representing 38% of DOL’s entire issued share capital. Following the acquisition, DOL has become an associated company of Swiber. (Selected by SPTEC Advisory from Petroleum Africa, January 21)

The Nigeria Union of Petroleum and Natural Gas Workers (NUPENG), yesterday called on the Federal Government to stop Chevron and Shell Petroleum Development Company (SPDC), from extending the planned sack of 18,500 workers globally to Nigeria, Vanguard reports. NUPENG in a statement by its President, Mr. Igwe Achese, insisted that the union was worried and concerned about the purported sack threat of about 18,500 workers, though, globally in Chevron and Shell, describing the planned sack as alarming. (Selected by SPTEC Advisory from Energy Mix Report, January 22)

With oil prices currently trading below $28 a barrel, Vice President Yemi Osinbajo has said the Federal Government, which relies on crude oil for about two-thirds of its revenue, is seeing a silver lining to the plunge in crude prices because it will no longer have to subsidise fuel, Bloomberg reports. “Lower oil prices also mean there is some advantage,” Osinbajo said in a panel discussion at the World Economic Forum in Davos, Switzerland, on Thursday. “The decline “means that we are not paying any subsidies, which frees up something in the order of about $5bn (about N985bn)” he added. (Selected by SPTEC Advisory from Energy Mix Report, January 22)

AIM-listed San Leon Energy has announced its proposed entry into Nigerian onshore oil and gas production. US$180 million transaction to finance the acquisition of Mart Resources and an additional interest in MartWestern Energy, and to restructure the assets and liabilities of these acquisitions with Midwestern Oil and Gas Company. The acquisition and restructuring will result in San Leon securing a 9.72% indirect economic interest in the world-class OML 18 block, onshore Nigeria. Significant portion of production covered by hedge at $95 per barrel until December 2017. The transaction includes a definitive agreement signed between San Leon Energy, Mart Resources, and Midwestern Oil and Gas Company to acquire Mart Resources for approx. US$62.6 million. San Leon will receive a minimum 65% enhanced cash sweep of Martwestern’s production proceeds from OML 18 to cover the timely repayment of debt incurred to finance the total acquisition cost. San Leon will have no other assets or liabilities resulting from the transaction outside of the OML 18 block. (Selected by SPTEC Advisory from Energy-pedia, January 22)
India is set to import more crude oil from Nigeria, already one of the biggest contributors to the country’s oil imports, Oil Minister Dharmendra Pradhan said. “Nigeria has now agreed to increase the term contract from 1.7 million tonnes per annum to three million tonnes in 2016,” Mr. Pradhan said on the sidelines of the fourth India- Africa Hydrocarbon Summit in New Delhi. Nigeria is the third-largest contributor to India’s oil imports, accounting for 11.59 million tonnes (MT) in the first half of this financial year, behind Saudi Arabia (19.56 MT) and Iraq (17.01 MT). The benefit of a term contract is that not only does it assure a certain quantity to be supplied but also ensures a stable price unlike oil bought from spot markets whose price can fluctuate drastically. Apart from Nigeria, Sudan also wants to increase its engagement with India. (Selected by SPTEC Advisory from The Hindu, January 22)

Further to its announcement of 21 January 2016, MX Oil has provided an update in connection with its Nigerian investment and proposed fundraising. The Company previously announced that it had received expressions of interest to acquire all or part of its Nigerian investment or to invest into the underlying asset directly alongside the Company. The Company has now received a formal offer and term sheet from a credible third party for the whole of its Nigerian investment. The value of the offer represents several multiples of the Company’s current market capitalisation. The Directors believe that selling its investment on these terms, if completed, would be more attractive to shareholders than raising equity to fund its investment to first oil at the current share price. The Directors therefore intend to actively progress discussions in order to conclude a sale in the short term. Whilst the party making the offer has a detailed understanding of the investment, the completion of a transaction is subject to the completion of due diligence and legal documentation and therefore there can be no guarantee that a transaction can be completed in the timeframe available or at all. (Selected by SPTEC Advisory from Energy Mix Report, January 25)

The Nigerian government is set to retrieve one of Africa’s richest oil blocs from oil giants, Shell and Eni, PREMIUM TIMES has learnt. Not only will the two oil giants lose OPL 245, should President Muhammadu Buhari approve the recommendations, they will also be fined billions of dollars for illegal activities, including paying money to fraudulent public officials and private citizens in order to secure the bloc. The retrieval of the controversial oil bloc, estimated to contain about 9 billion barrels of crude, as well as placing heavy fines on the oil giants, is contained in a far-reaching recommendation by the office of the Director of Public Prosecution, DPP, Mohammed Diri. (Selected by SPTEC Advisory from Premium Times, January 25)

The Nigerian National Petroleum Corporation (NNPC) mega station at the Central Business District in Abuja has been gutted by fire. A member of staff at the mega station who preferred anonymity told the News agency of Nigeria(NAN) on Monday that the fire started around 10 p.m. when a tanker was discharging fuel to the tanks of the petrol station. The source said that no casualty nor injury was recorded but noted that some sections of the filling station were affected by the inferno. (Selected by SPTEC Advisory from PM News Nigeria, January 25)
San Leon Energy is looking to enter Nigeria through an acquisition of a company operating there; that company is Mart Resources. The deal involves a $180 million transaction to finance the acquisition of Mart and an addition interest in Martwestern Energy, and to restructure the assets and liabilities of these acquisitions with Midwestern Oil and Gas Company. The acquisition and restructuring will result in San Leon securing a 9.72% indirect economic interest in the world-class OML 18 block, onshore Nigeria. San Leon and Midwestern will acquire, through a Canadian acquiring entity, all of the issued and outstanding common shares of Mart by way of a Plan of Arrangement, at a price of C$0.25 per share, a 194% premium to the closing price on January 21. The aggregate consideration for the Mart shares will be approximately $62.6 million. (Selected by SPTEC Advisory from Petroleum Africa, January 26)

There were around 15 February-loading crude oil cargoes still looking for buyers. Qua Iboe was offered at a premium to dated Brent of $1.30-$1.50 per barrel. This was higher than the offers seen last month at closer to a $1 premium. Loading delays continued on Bonny Light, Qua Iboe, Brass River and Forcados crude, which traders said were limiting upward movement in their differentials to dated Brent. Shell reopened the Trans Niger Pipeline "in recent days", according to a spokeswoman on Monday. The pipeline had been closed since late November, creating loading delays for Bonny Light crude of up to 10 days, which made traders more wary of purchasing it. (Selected by SPTEC Advisory from Reuters, January 26)

The Monetary Policy Committee of the Central Bank of Nigeria on Tuesday warned Nigerians to brace for a longer period of low revenue from oil sources, which would necessitate hard and uncomfortable choices. The committee, in a communiqué issued at the end of its first meeting for the 2016 fiscal period in Abuja, observed that while the period of low oil prices, which occurred in 2005, lasted for a maximum of eight months, the current situation was expected to continue over a longer period of time. . (Selected by SPTEC Advisory from Punch Nigeria, January 26)

The Nigeria Extractive Industries Transparency Initiative (NEITI) has said it is intensifying efforts to stop international oil companies (IOCs) from defrauding Nigeria of billions of naira due to inadequate metering facilities at the production and export terminals, Vanguard reports. Speaking during a visit of officials of the International Monetary Fund (IMF), to its headquarters, Mr. Ogbonnaya Orji, Acting Executive Secretary of NEITI, lamented that presently royalties are being paid by the IOCs based on computations using lifting volumes instead of production volumes. Orji stated “NEITI is working to ensure that the correct estimates of Nigeria’s crude oil lifted is gotten and we will not depend on estimates given by the IOCs.” (Selected by SPTEC Advisory from Energy Mix Report, January 26)
General Electric’s Jay Ireland, who runs the U.S. multinational’s Africa operations has said Nigeria’s current economic woes, including lower prices for oil that produces 80 percent of government revenue and a related slump in the naira currency, are positives for investors, Leadership reports. “This is the time to come in,” he said, adding American companies should be looking at long-term investments that ride out the cycles of oil prices and currency exchanges. “We’re going to be here for a long time and feel very comfortable investing in Nigeria. … [It] provides a tremendous platform for growth.” GE is currently investing $200 million in Nigeria to build two facilities to assemble oil and gas and power generation equipment that the company hopes to export to other West African nations. The company employs nearly 500 people in Nigeria. (Selected by SPTEC Advisory from Energy Mix Report, January 27)

The 2,700 ton Sonam Non-Associated Gas Wellhead Platform (Sonam NWP) built by Hyundai Heavy Industries in partnership with Nigerdock in Lagos for the Nigerian National Petroleum Corporation (NNPC) and Chevron Nigeria Limited (CNL) Joint Venture, has been completed and ready for load out and sail to Sonam field for installation. Speaking at its inauguration at Nigerdock’s fabrication yard on Snake Island, Apapa, Lagos, the Chairman/Managing Director, Chevron Nigeria Limited, Clay Neff, represented by the company’s Director for Business Services, Emmanuel Imafidon, said the project accomplished in over 2.8 million man-hours, was done without injury or incident. Neff said the Sonam non-associated gas (NAG) platform will enable the delivery of up to 300 million standard cubic feet per day (mmmscf/d) of gas from Sonam to Escravos gas plant. (Selected by SPTEC Advisory from The Nation, January 28)

Nigeria’s parliament ordered three local oil traders to pay taxes it says they owe the country for crude swap deals and it asked tax authorities to assess Swiss-based trader Trafigura’s tax liability for similar deals, lawmakers said. The House of Representatives launched a probe into crude swaps after Nigeria’s state-owned oil company NNPC cancelled several deals with other firms in August, complaining they had been “skewed in favour of the companies”. (Selected by SPTEC Advisory from Reuters, January 28)

The Chairman, Brass Liquefied Natural Gas (LNG) Limited, Dr. Jackson Gaius-Obaseki, while speaking at the 11th Annual General Meeting of the company in Abuja, said that the low price of crude oil in the international market will not adversely affect the realisation of the LNG project, Vanguard reports. He said this in the face of fears that the low oil price might have made the project, which is capable of generating over 10,000 jobs and around eight million metric tonnes of gas, to not be economically viable. Gaius-Obaseki also stated that the cost of the project had been reviewed downwards, while the project could commence with a single train and an eye on the second train thereafter. (Selected by SPTEC Advisory from Energy Mix Report, January 28)
About SPTEC Advisory
About SPTEC Advisory

SPTEC Advisory was established in 1994 as an independent advisory firm focusing on the Oil & Gas industry in Africa and the Middle-East.

We deliver un-biased advice supported by in-depth knowledge of the sector value chain.

We have developed a comprehensive technical and economic understanding of assets and business models.

The team has been involved in numerous transactions in the industry and has demonstrated the capability to deliver outstanding execution and in-depth advice to clients.

Our client base includes corporations, financial institutions, governments and individuals within our focus industry.

SPTEC Advisory’s management has an extensive network of relationships with access to global industry leaders and decision makers.
Our Services

Strategic Advisory

SPTEC Advisory offers high-level strategic and commercial advisory to corporates and governments. We assist our clients in assessing new markets and negotiate complex commercial contracts. We inspire innovative approaches to our clients and counterparts. In conjunction with a lobby firm dedicated to energy issues, we advise our clients in evaluating regulations and implementing energy policies.

Mergers, Acquisitions & Divestitures

SPTEC Advisory specializes in providing full-service in mergers, acquisitions and divestitures to corporates and investors. In conjunction with our strategic partners, an upstream consultancy, we have an extensive complement of engineers, geologists and corporate finance professionals to provide in-depth industry experience and market knowledge. We advise clients on the assessment of asset’s potential and in the preparation to reach the optimal transaction structure. We develop multi-criteria valuation methodologies interfacing technical and financial approaches. We organize due diligences and technical reviews on the sell-side and buy-side. We use state-of-the-art virtual data room management and data distribution.

Fund Raising Advisory

SPTEC Advisory advises clients in defining their fund raising strategy and structures their funding (equity and debt). We assist clients in finding their adequate equity partner(s) and the relevant group of lenders. With our in-depth understanding of the fund providers and their approaches to projects, we help our clients in achieving the most cost-effective funding structure. SPTEC Advisory assists clients in implementing adequate internal financial monitoring and reporting tools.
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SPTEC Advisory specialises in strategic and commercial advisory, investments and divestitures advisory, as well as financial structuring and fund raising advisory.
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