

NNPC



Monthly Report

Financial and Operations Report

October 2016



Disclaimer

This publication presents information on the Nigerian oil and gas industry. Its content reflects individual as well as general analysis and trend of activities that characterized the industry within the country. Although NNPC endeavors to ensure accuracy of information in this unaudited report, it cannot guarantee 100% accuracy nor can it be held liable for errors that may be contained therein. Users are to note that use of any information herein is purely at their own discretion.



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1 Introduction

Benchmark crude prices charted a bell-shaped curve in October 2016, inching up in the first part of the month before wiping out nearly all of the gains. Prices were initially lifted by declining US oil inventory levels and discussions to bring forward market rebalancing. However, prices came under pressure from a rise in US oil rig counts, a stronger US dollar, profit taking and possible OPEC agreement to limit production. Both Brent and WTI prices peaked around \$50.50 early October before reversing to circa \$49.52 at month end. OPEC reference basket price also followed similar trajectory to average \$47.87/b.

World economic growth remains unchanged at 2.9% for 2016 and 3.1% for 2017. Also, the OECD growth forecast remains at 1.6% and 1.7% for 2016 and 2017 despite revising up of Eurozone growth to 1.6% and 1.3% for this and the coming year respectively. Forecasts for China were also revised up to 6.7% in 2016 and 6.2% in 2017. The World oil demand in 2016 is expected to increase by 1.23 mb/d to average 94.40 mb/d. The oil demand growth was marginally adjusted downward due to slower-than-expected performance of Latin America and the Middle East which was almost entirely offset by better-than-expected oil demand growth data from OECD Europe and Asia Pacific.

The Global oil supply rose by 0.8mb/d in October 2016 to 97.8 mb/d, with OPEC output offsetting non-OPEC declines. OPEC crude output surged by 230 kb/d to a record 33.83 mb/d in October due to all-time high production in Iraq and production recovery in Libya and Nigeria. In October, OPEC supply stood nearly 1.3 mb/d above a year ago. According to OPEC, Output from the group's 14 members has climbed for five months running, led by Iraq and Saudi Arabia. Non-OPEC supply average 56.20mb/d following downward revision of around 0.1 mb/d. Non-OPEC supply is expected to average 56.43 mb/d by next year.

In September, 2016, Crude Oil production in Nigeria inched up to 1.64mb/d which represents 9.91% increase relative to August 2016 production but 24.92% lower than September, 2015 performance. Increase in production is credited to production restoration at Usan, post-completion of well intervention work at Ebok and CNL-Escravos gained from production fluctuation. However, some of the major drag to our performance include the subsisting force majeure at Forcados terminal, Qua Iboe terminal and Brass Terminal, attack and subsequent fire outbreak on major pipeline to Bonny terminal. Cumulative production capacity deferred due to shut in amounted to 1,150kb/d. Onshore and Shallow water assets, where government take is high, remain targets of the Militants. Hence, securing Onshore & Shallow water locations remain a priority to restore production.

Natural gas supply to Gas power plants edged up to 562.00 mmscfd or equivalent to power generation of 2,452 MW in October 2016. This is the highest in the last 5 months. However, the supply is lower than the highest supply for the year of 3,237MW recorded in January, 2016.



Pipeline sabotage in the country continues to reduce due to Federal Government and NNPC sustained engagements with the Militants. In October, 2016, there was 56% drop in the number of pipeline vandalized point relative to September, 2016 (i.e. from 179 vandalized points in September to 101 in October).

In the downstream sector, in spite of liberalization of Petroleum products and Government intervention to ease Marketers access to FOREX, NNPC remains the major importer of petroleum products, especially PMS. Also, the ongoing Turn Around Maintenance (TAM) is promising to entirely change the anemic outlook of the country's refineries.

NNPC has been operating in a challenging environment which limits its aspiration to profitability. This 15th publication of NNPC Monthly Financial and Operations Report indicates a trading deficit of ₦16.85 Billion as against September, 2016 trading deficit of ₦17.18 Billion. The marginal improvement was due to improved Petroleum Products Sales and enhanced cost control across the group. Factors that still drag NNPC performances include Force Majeure declared by SPDC as a result of vandalized 48-inch Forcados export line amongst others.

Notwithstanding the reduction in vandalism, the number of vandalized points (101) is still very significant and impactful. NNPC is indeed in need of Nigerians support especially in areas of security and Infrastructural integrity. Favourable business environment will afford NPDC to reverse almost ₦20.0billion monthly revenue currently being lost to vandalism to profit and create more jobs.

The report also highlighted our activities for twelve months period of November 2015 to October, 2016 to allow for trend recognition. NNPC has maintained effective communication with stakeholders through this report via publications on its website and in national dailies. This is in line with the Corporation's commitment to becoming a FACT based Organization. We will remain ***focused, accountable and transparent***.

Activity update

The Niger Delta Greenland Justice Mandate attacked NPDC 32-inch pipeline crude oil delivery line at Effurun-Otor Ughelli South Council Area of Delta State to thwart the ongoing reconciliation between FG and Niger Delta Community.

Federal Government is planning to establish a specialised petroleum force, comprising of coastal patrol teams, Niger Delta subsidiary police, and other paramilitary set-ups to ensure zero vandalism in 2017.

NNPC assured marketers and motorists of its readiness to continue to play its statutory role of being the supplier of last resort and ensuring energy security for the nation. The NNPC further confirmed the availability of over 1.6 billion litres of PMS in-country that would last 45 days consumption and dispelled the rumors for possible hike in the pump price of petrol to ₦150 per litres.



2 National Crude Oil & Natural Gas Production, Lifting and Utilization

2.1 National Crude Oil & Condensate Production

A total of 49.52 million barrels of crude oil & condensate was produced in the month of September 2016 representing an average daily production of 1.65 million barrels. This represents an increase of 5.99% compared to August 2016 performance. Of the September 2016 Production, Joint Ventures (JVs) and Production Sharing Contracts (PSC) contributed about 29.47% and 55.99% respectively. While AF, NPDC and Independent accounted for 8.30%, 2.45% and 3.79% respectively. The tables and charts below provide details of the National Crude Oil Production for the period October 2015 to September 2016.

Table 2.1.1: National Crude Oil & Condensate Production (12 Months Fiscalised)

Month	JVs	PSC	AF	NPDC	Independent / Marginal Fields	Total	Average Daily Production
	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
Oct-15	24,277,556	27,849,672	10,217,988	3,149,985	3,997,241	69,492,442	2,241,692
Nov-15	20,915,757	27,066,513	10,189,144	3,199,558	4,071,514	65,442,486	2,181,416
Dec-15	18,912,974	28,327,863	10,128,800	3,740,460	3,460,544	64,570,641	2,082,924
Jan-16	20,015,238	28,699,715	10,138,058	3,643,410	4,130,388	66,626,809	2,149,252
Feb-16	20,510,886	25,416,360	8,828,557	1,853,811	2,591,130	59,200,744	2,041,405
Mar-16	20,246,940	27,677,898	9,421,137	1,035,898	2,219,251	60,601,124	1,954,875
Apr-16	20,143,941	27,856,871	8,222,965	1,031,353	2,304,375	59,559,505	1,985,317
May-16	14,460,596	27,367,431	6,710,479	1,169,793	2,631,486	52,339,785	1,688,380
Jun-16	14,588,848	27,347,206	7,785,510	1,355,369	1,988,374	53,065,307	1,768,844
Jul-16	16,000,477	27,219,286	5,466,571	795,651	1,803,370	51,285,355	1,654,366
Aug-16	12,094,872	28,187,299	3,287,028	1,070,111	1,925,268	46,564,578	1,502,083
Sep-16	14,593,957	27,730,276	4,114,046	1,211,935	1,878,708	49,528,922	1,650,964
Total	216,762,042	330,746,390	94,510,283	23,257,334	33,001,649	698,277,698	1,907,863

Note:

- NPDC's Crude production was based on NPDC's wholly owned assets and percentage holding in JV assets.
- JV and AF production figures are reconciled from January to May 2016.
- NPDC 60 Series production is included in JVs & MCA production, the volume included in August 2016 was 1,916,179bbls.
- For more details on production by company, streams and well-head productions (Non-Fiscalised) click on these links: [company streams](#) and [well-head](#) respectively.

Chart 2.1.1: Crude Oil & Condensate Production: 12 Months Period

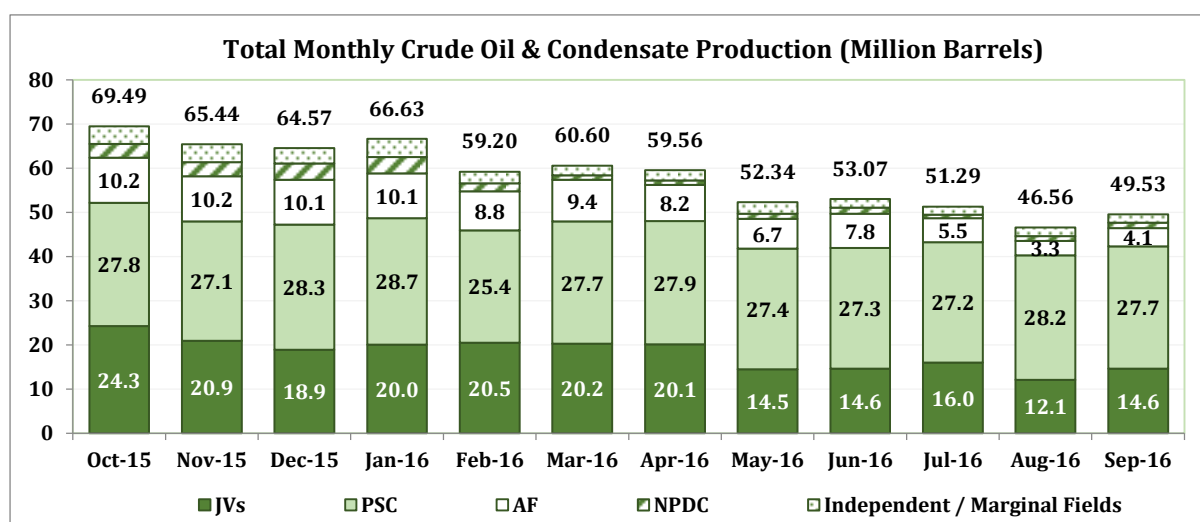




Chart 2.1.2: Average Daily Crude Oil & Condensate Production & Percentage distribution

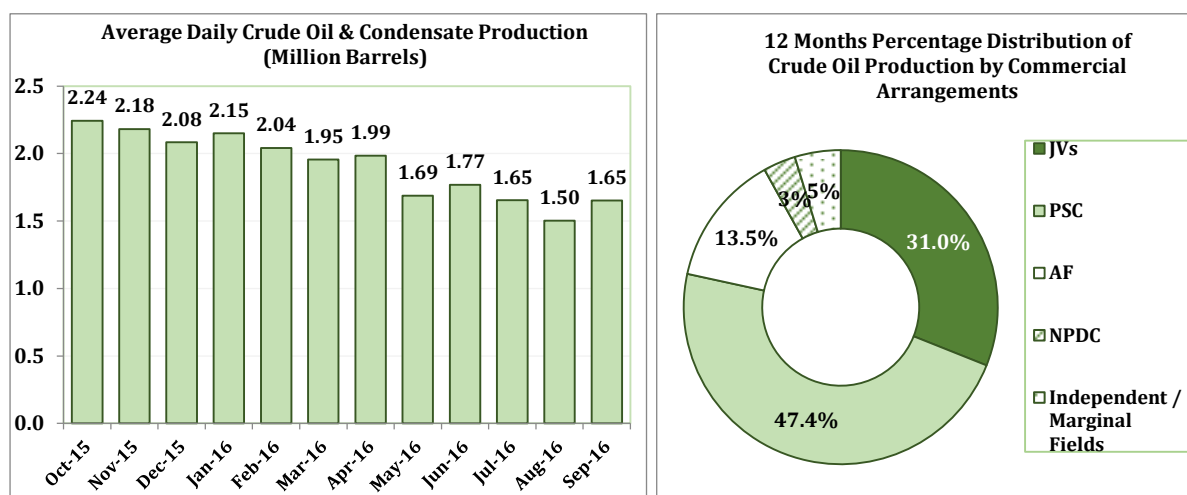


Table 2.1.2: NPDC monthly Crude oil & Condensate Production

Field/ Company	Block	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	PTD
NPDC Owned Direct Operated Assets		Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
Abura	OML 65	110,761	84,282	109,770	84,543	34,758	0	0	62,551	117,845	12,799	0	97,665	714,974
Oredo	OML 111	84,938	106,692	130,241	103,625	49,656	312	0	0	0	27,158	12,215	3,336	518,173
Oziengbe	OML 111	23,419	23,832	26,124	33,904	22,076	1,306	0	0	0	0	760	1,952	133,373
Okono_Okpoho	OML 119	658,431	630,224	847,374	738,751	665,544	878,036	796,160	738,182	756,858	173,051	588,002	742,023	8,212,636
SUB-TOTAL		877,549	845,030	1,113,509	960,823	772,034	879,654	796,160	800,733	874,703	213,008	600,977	844,976	9,579,156
NPDC JV Direct Operated Assets														
Ogini_Isoko/FHN	OML 26	93,809	90,421	67,491	96,120	34,196	0	31,388	34,648	81,716	9,134	0	57,247	596,170
Opuama/Elcrest	OML 40	49,438	53,541	36,586	49,211	34,683	0	0	0	0	0	0	0	223,459
Batan_Odidi/Netconde	OML 42	470,015	455,955	595,461	649,201	251,782	0	0	0	76,048	117,015	43,695	27,631	2,686,803
Afiesere_Kokori/Shoreline	OML 30	335,412	335,827	613,505	536,287	159,249	0	5,181	0	95,978	14,049	0	8,444	2,103,932
Utorogu_Ughelli/NDW	OML 34	233,601	256,732	178,396	244,613	166,007	119,290	146,916	193,807	119,262	118,877	110,956	94,798	1,983,255
SUB-TOTAL		1,182,275	1,192,476	1,491,439	1,575,432	645,917	119,290	183,485	228,455	373,004	259,075	154,651	188,120	7,593,619
NPDC JV Non-Operated Assets														
OBEN_Amukpe_Sapele/SEPLAT	OML 4,38&41	1,090,161	1,162,052	1,135,512	1,107,155	435,860	36,954	51,708	140,605	107,662	323,568	314,483	178,839	6,084,559
SUB-TOTAL		1,090,161	1,162,052	1,135,512	1,107,155	435,860	36,954	51,708	140,605	107,662	323,568	314,483	178,839	6,084,559
GRAND TOTAL		3,149,985	3,199,558	3,740,460	3,643,410	1,853,811	1,035,898	1,031,353	1,169,793	1,355,369	795,651	1,070,111	1,211,935	23,257,334
Average Daily Production		101,612	106,652	120,660	117,529	63,925	33,416	34,378	37,735	45,179	25,666	34,520	40,398	63,545

The NPDC PTD (August 2015 to September 2016) cumulative production from all fields amounted to 23,257,334 barrels of Crude oil which translated to an average daily production of 63,545 barrels. Comparing NPDC performance to National Production, the company production share amounted to 3.33%. NPDC production continued to be hampered by the incessant pipeline vandalism in the Niger-Delta. NPDC is projected to ramp-up production level to 250,000bp/d after the completion of the on-going NPDC re-kitting project and repairs of vandalized facilities.

Production from NPDC wholly operated assets amounted to 9,579,156 barrels (or 41.19% of the total production) with Okono Okpoho (OML 119) alone producing 85.73% of the NPDC wholly owned operated Assets or 35.31% of the total NPDC total production. Also on the NPDC operated JV assets, in which NPDC own 55% controlling interest, Crude Oil production amounted to 7,593,619 barrel (or 32.65% of the NPDC total production). On the Non-operated assets, production level stood at 6,084,559 barrels or 26.16% of the company production.



Chart 2.1.3 NPDC Monthly Crude Oil & Condensate Productions

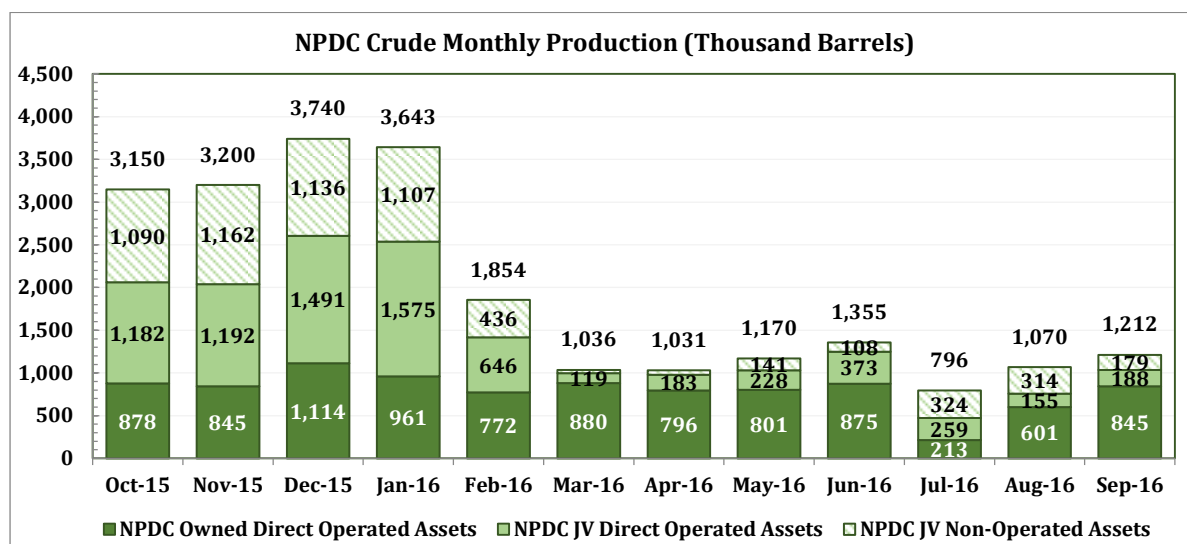
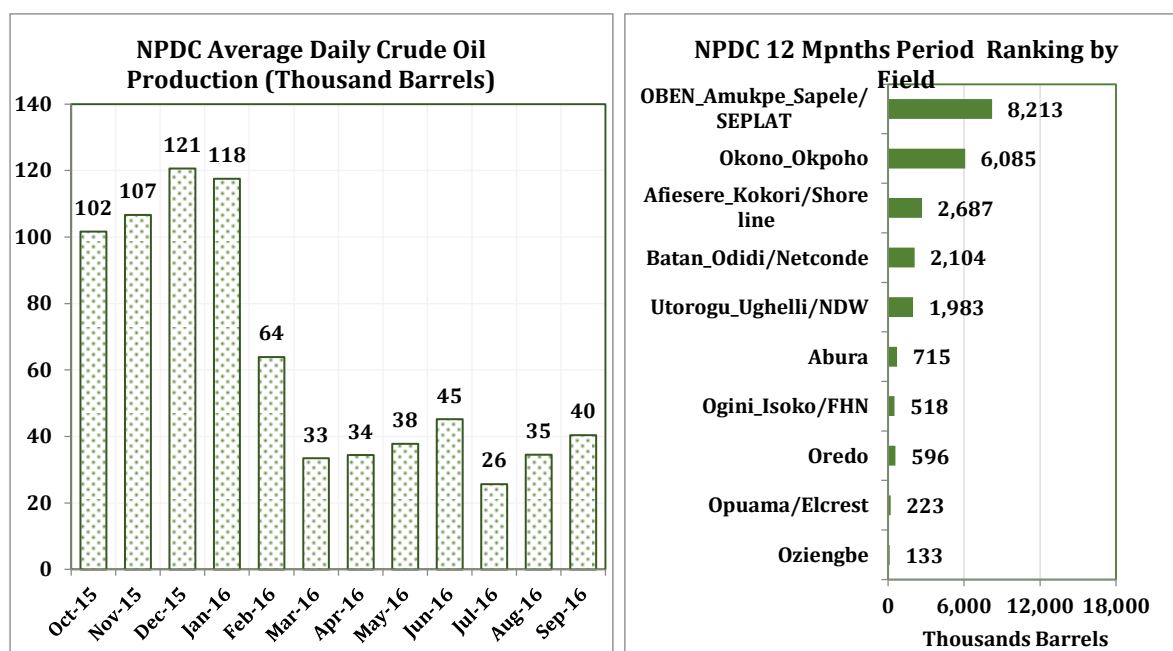


Chart 2.1.4 NPDC 12 Months Average Daily Crude Production by Field



2.2. National Gas Production

A total of 219.60 billion standard cubic feet (BCF) of natural gas were produced in the month of October, 2016 translating to an average daily production of 7.08 billion standard cubic feet per day (bscfd). For the period November 2015 to October 2016, a total of 2,646.63 BCF of gas was produced representing an average daily production of 7,235.04 mmscfd during the period. Production from Joint Ventures (JVs), Production Sharing Contracts (PSC) and NPDC contributed about 67.94%, 24.09% and 7.97% respectively to the total national gas production. The table and charts below provide details of the national gas production for the period November 2015 to October 2016.



Table 2.2.1: 12 Months National Gas Production (Total and Daily Average)

PERIOD	JV	PSC	NPDC	TOTAL	PERIOD	JV	PSC	NPDC	TOTAL
	mmscfd	mmscfd	mmscfd	mmscfd		BCF	BCF	BCF	BCF
Nov-15	5,802.96	1,724.09	713.70	8,240.75	Nov-15	174.09	51.72	21.41	247.22
Dec-15	5,102.42	1,598.24	713.75	7,414.40	Dec-15	158.18	49.55	22.13	229.85
Jan-16	5,605.28	1,606.13	786.19	7,997.60	Jan-16	173.76	49.79	24.37	247.93
Feb-16	5,225.09	1,662.82	654.87	7,542.77	Feb-16	151.53	48.22	18.99	218.74
Mar-16	4,995.80	1,700.47	422.22	7,118.48	Mar-16	154.87	52.71	13.09	220.67
Apr-16	5,414.30	1,810.50	388.70	7,613.50	Apr-16	162.40	54.30	11.70	228.40
May-16	5,116.00	1,724.40	478.50	7,318.90	May-16	158.60	53.50	14.80	226.90
Jun-16	4,956.70	1,795.60	465.80	7,218.10	Jun-16	148.70	53.90	14.00	216.60
Jul-16	4,502.56	1,762.65	571.12	6,836.33	Jul-16	139.58	54.64	17.70	211.93
Aug-16	3,190.21	1,869.14	550.24	5,609.58	Aug-16	98.90	57.94	17.06	173.90
Sep-16	4,418.40	1,829.70	579.50	6,827.60	Sep-16	132.60	54.90	17.40	204.90
Oct-16	4,671.90	1,821.90	588.70	7,082.50	Oct-16	144.80	56.50	18.30	219.60
Average	4,916.80	1,742.14	576.11	7,235.04	PTD Total	1,798.00	637.68	210.95	2,646.63

Chart 2.2.1: 12 Months Average Daily National Gas Production

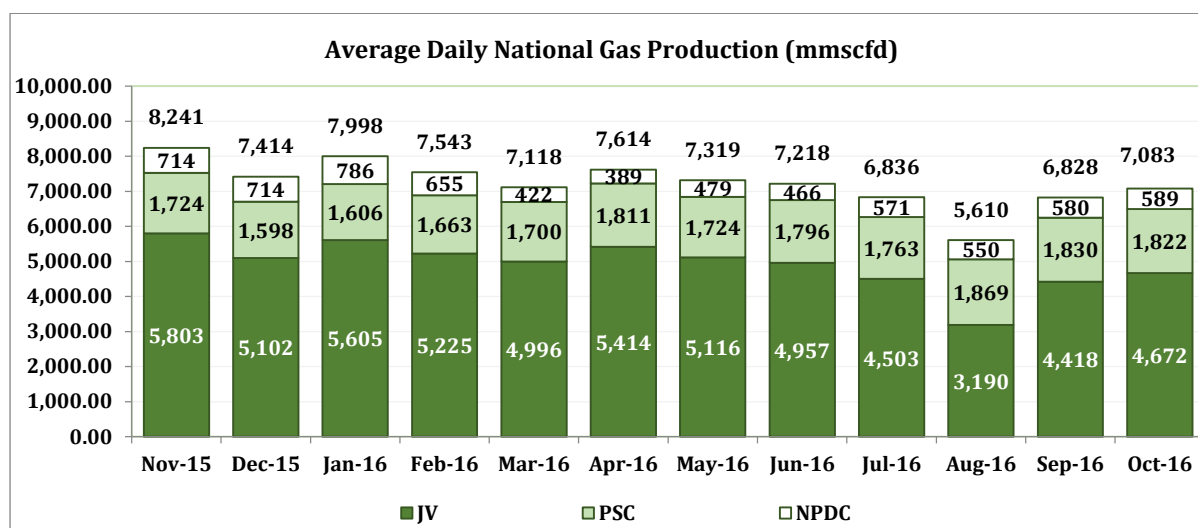
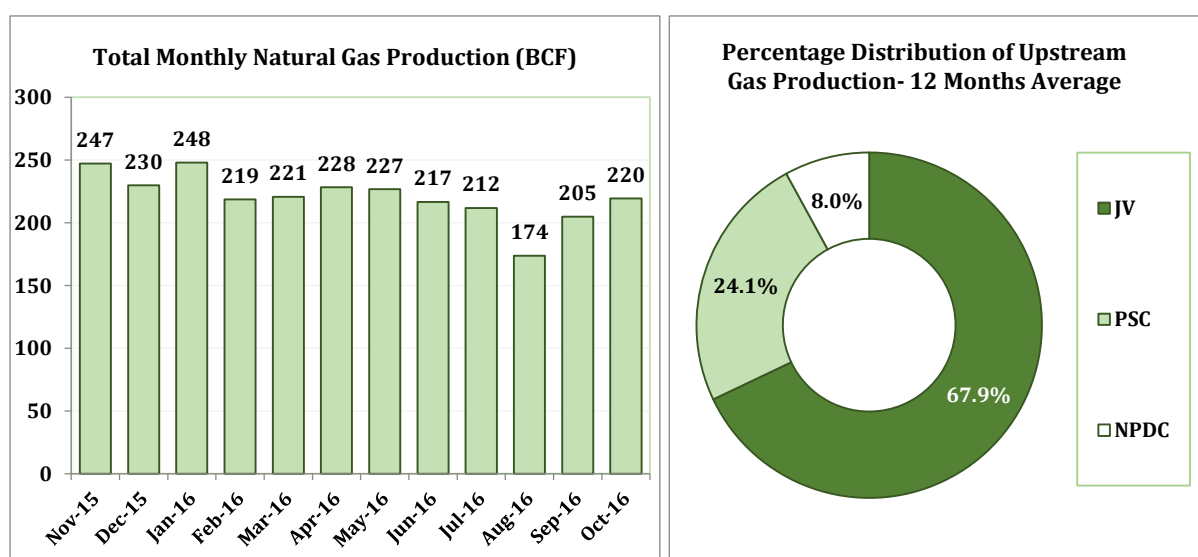


Chart 2.2.2: Monthly National Gas Production & Percentage Distribution





2.3 Crude Oil & Condensate Lifting & utilization

A total volume of 53.61 million barrels of crude oil and condensate was lifted in the month of August 2016 by all parties. Out of this volume, 16.27 million barrels was lifted by NNPC on behalf of the Federation. This comprises of 10.82 million barrels lifted on the account of NNPC (Domestic and Federation Export) while 5.13 million and 0.33 million was superintended for FIRS and DPR respectively.

Table 2.3.1: Crude Oil & Condensate Lifting and utilization

LIFTING MONTH	NIGERIAN GOVERNMENT						IOCs & INDEPENDENTS (INC. NPDC)	AF	GRAND TOTAL
	FIRS (PSC)	DPR (PSC)	NNPC		SUB-TOTAL (NNPC)	SUB-TOTAL GOVERNMENT LIFTING			
			FEDERATION EXPORT	DOMESTIC					
	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
Oct-15	6,090,293	695,089	6,168,996	12,074,800	18,243,796	25,029,178	42,770,198	2,514,583	70,313,959
Nov-15	3,770,894	150,000	3,730,564	11,321,080	15,051,644	18,972,538	45,117,960	1,394,000	65,484,498
Dec-15	2,738,650	1,446,360	5,176,525	13,037,358	18,213,883	22,398,893	42,278,726	1,275,000	65,952,619
Jan-16	6,102,912	1,000,000	5,382,638	11,302,861	16,685,499	23,788,411	41,756,177	2,046,234	67,590,822
Feb-16	5,327,773	1,525,886	3,047,586	10,268,966	13,316,552	20,170,211	40,084,870	988,000	61,243,081
Mar-16	4,223,368	773,000	4,950,908	14,185,585	19,136,493	24,132,861	34,443,416	1,093,000	59,669,277
Apr-16	2,822,524	1,298,533	2,111,342	13,050,958	15,162,300	19,283,357	39,211,187	972,000	59,466,544
May-16	2,045,570	383,157	4,310,166	11,290,998	15,601,164	18,029,891	36,661,725	243,000	54,934,616
Jun-16	3,737,956	500,000	3,159,142	8,958,721	12,117,863	16,355,819	31,737,847	1,385,000	49,478,666
Jul-16	3,925,838	1,049,049	2,181,583	9,056,579	11,238,162	16,213,049	28,851,582	977,000	46,041,631
Aug-16	5,130,420	326,726	1,843,579	8,975,016	10,818,595	16,275,741	37,144,381	190,000	53,610,122
Sep-16	4,209,286	232,000	452,661	5,159,028	5,611,689	10,052,975	37,279,027	1,436,055	48,768,057
TOTAL	50,125,484	9,379,800	42,515,690	128,681,950	171,197,640	230,702,924	457,337,096	14,513,872	702,553,892

Note:

- Crude oil liftings are reported one month in arrears
- For more details on crude oil lifting under each [AF liftings arrangement](#) and [MCA performance analysis](#) follow the link

Of the 5.61 million barrels lifted on the account of NNPC in September 2016, 5.16 million barrels and 0.45 million barrels were for domestic and export markets respectively. At an average oil price of \$47.65/barrel and exchange rate of ₦278.95/\$, the domestic crude oil lifted by NNPC is valued at \$245,813,790 or a Naira equivalent of ₦74,973,205,846.30 for the period. The remaining crude oil lifted for export was valued at \$ 21,401,359 at an average price of \$47.28/barrel. The total value of crude oil lifted on the account of NNPC in September, 2016 was thus \$ 267,215,149.

From October 2015 to September 2016, a total volume of 706.13 million barrels of crude oil and condensate was lifted by all parties.

The tables 2.2.1 above and charts 2.2.1 overleaf provide the details of crude oil and condensate lifting and their corresponding accrual values for the period October 2015 to September 2016.



Chart 2.3.1: Crude Oil & Condensate Monthly Lifting Entitlements

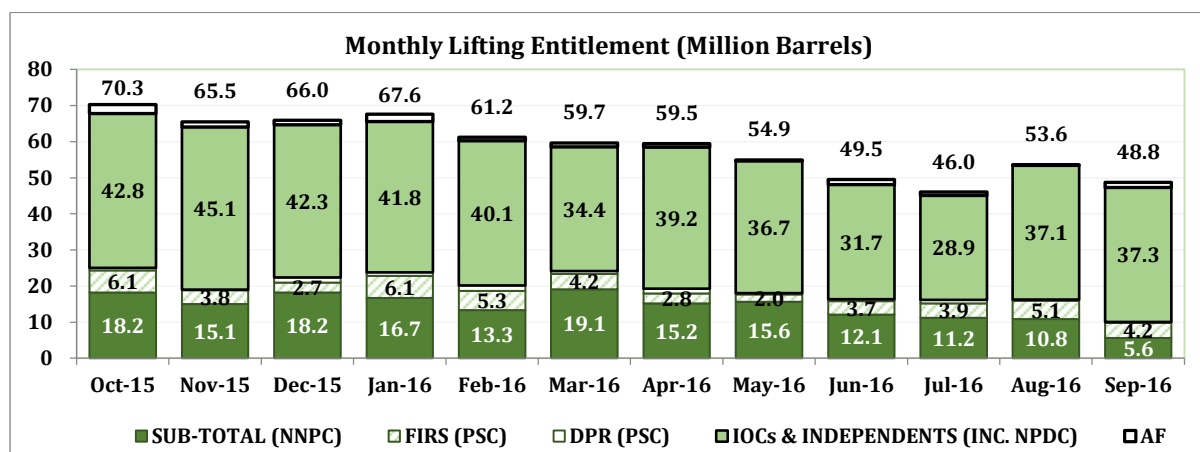


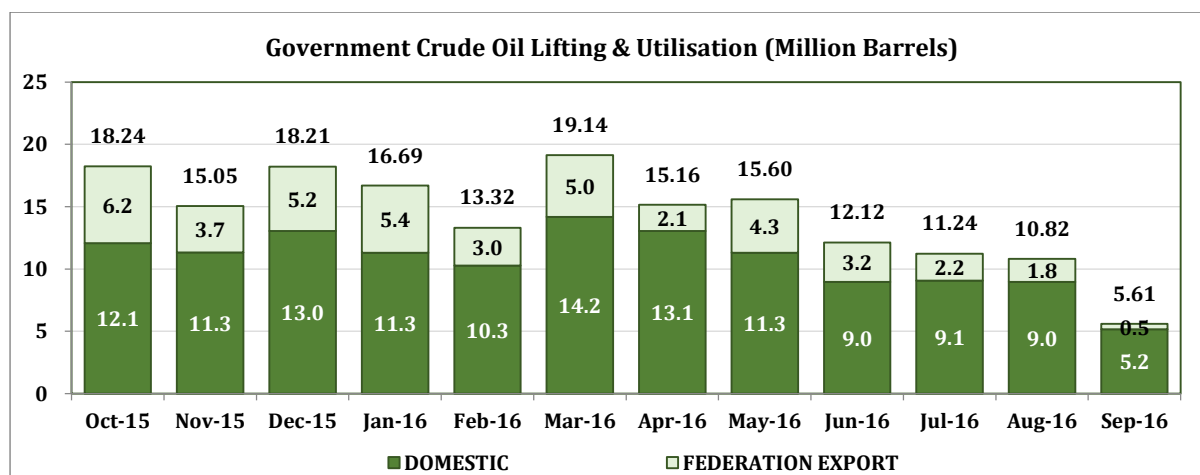
Table 2.3.2: Crude Oil Lifting Values

LIFTING MONTH	NIGERIAN GOVERNMENT						IOCs & INDEPENDENTS (INC. NPDC)	AF	GRAND TOTAL
	FIRS (PSC)	DPR (PSC)	NNPC			SUB-TOTAL GOVERNMENT LIFTING			
			FEDERATION EXPORT	DOMESTIC	SUB-TOTAL (NNPC)				
USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Oct-15	291,070,251	33,024,445	305,856,048	572,997,922	878,853,970	1,202,948,666	2,120,527,187	123,703,080	3,447,178,932
Nov-15	166,995,739	6,554,900	161,895,261	476,233,164	638,128,425	811,679,063	1,957,983,807	62,098,185	2,831,761,055
Dec-15	103,574,754	51,396,685	202,093,977	444,167,545	646,261,522	801,232,962	1,650,581,402	47,380,220	2,499,194,583
Jan-16	183,355,870	30,462,400	156,189,386	320,723,228	476,912,614	690,730,884	1,211,649,686	58,012,943	1,960,393,514
Feb-16	172,391,830	46,067,920	98,305,490	338,336,363	436,641,854	655,101,604	72,309,887	32,389,893	759,801,384
Mar-16	164,249,331	29,351,438	191,302,792	549,095,159	740,397,951	933,998,720	1,330,891,555	43,470,295	2,308,360,570
Apr-16	114,378,293	47,290,858	89,128,951	547,801,087	636,930,038	798,599,190	1,655,275,164	42,890,542	2,496,764,897
May-16	98,215,758	17,184,396	198,526,555	533,866,083	732,392,638	847,792,791	1,688,641,680	11,360,670	2,547,795,141
Jun-16	178,115,347	23,095,700	153,011,486	432,568,909	585,580,395	786,791,442	1,537,206,978	68,364,520	2,392,362,941
Jul-16	183,977,928	42,080,044	101,542,839	409,294,174	510,837,014	736,894,986	1,342,910,885	47,106,581	2,126,912,452
Aug-16	231,990,027	14,739,086	86,800,375	421,098,417	507,898,793	754,627,906	1,748,851,670	9,113,601	2,512,593,176
Sep-16	203,610,332	23,450,384	21,401,359	245,813,790	267,215,149	494,275,865	1,762,515,118	67,814,400	2,324,605,382
TOTAL	2,091,925,459	364,698,257	1,766,054,520	5,291,995,841	7,058,050,362	9,514,674,078	18,079,345,018	613,704,930	28,207,724,026

Note:

- IOCs, Independents, & AF values include government taxes and royalties superintended by FIRS and DPR respectively.
- For more information on crude oil lifting by [Company](#) and [Crude Destination](#) click the link.

Chart 2.3.2 Government Crude Oil Lifting and utilization on Account of NNPC





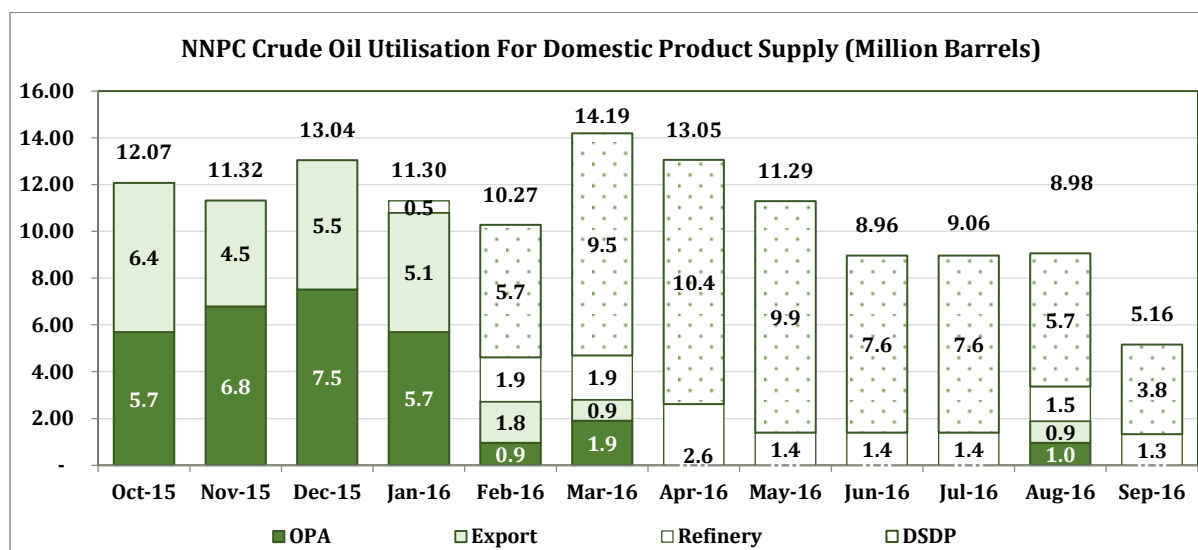
2.4 Utilization of Crude Oil for Domestic Product Supply

In September 2016, NNPC lifted 5,159,028 barrels of Crude Oil for domestic utilization translating to an average volume of 171,967.60 barrels of oil per day in terms of performance. In order to meet domestic product supply requirement for the month of September, 2016 about 3,839,181 barrels was processed under the Direct-Sales-Direct Purchase (DSDP) scheme and the balance of 1,319,847 barrels was delivered to the domestic refineries for processing. Tables and charts below provide details of NNPC's Utilization of Crude Oil for Domestic Product Supply for the period of October 2015 to September 2016.

Table 2.4.1 Domestic Crude Purchased By NNPC (12 Months Period)

Period	Volume	Ave. Price	Sales Value		Average Lifting
	Barrels	\$/bbl	USD	NGN	Barrels Per Day
Oct-15	12,074,800.00	47.45	572,997,921.89	112,278,942,793.37	389,509.68
Nov-15	11,321,080.00	42.07	476,233,163.74	93,341,700,092.84	377,369.33
Dec-15	13,037,358.00	34.07	444,167,545.12	87,043,513,817.17	420,559.94
Jan-16	11,302,861.00	28.38	320,723,227.98	62,861,752,684.08	364,608.42
Feb-16	10,268,966.00	32.95	338,336,363.49	66,313,927,244.43	354,102.28
Mar-16	14,185,585.00	38.71	549,095,159.11	107,622,651,185.95	457,599.52
Apr-16	13,050,958.00	41.97	547,801,087.04	107,369,013,058.86	435,031.93
May-16	11,290,998.00	47.28	533,866,082.89	104,637,752,245.66	364,225.74
Jun-16	8,958,721.00	48.28	432,568,909.21	84,783,506,205.75	298,624.03
Jul-16	9,056,579.00	45.19	409,294,174.11	114,173,876,974.85	292,147.71
Aug-16	8,975,016.00	46.92	421,098,417.22	131,382,706,171.70	289,516.65
Sep-16	5,159,028.00	47.65	245,813,789.66	74,973,205,846.30	171,967.60
Total/Ave	128,681,950.00	41.12	5,291,995,841.44	1,146,782,548,320.96	351,590.03

Chart 2.4.1: NNPC Crude Oil Utilization for Domestic Product Supply



In September 2016 out of the 3.84 million barrels recorded under DSDP, about 0.99 million barrels of crude oil was sourced from FIRS Cargo and the value will be credited to FIRS Account accordingly.

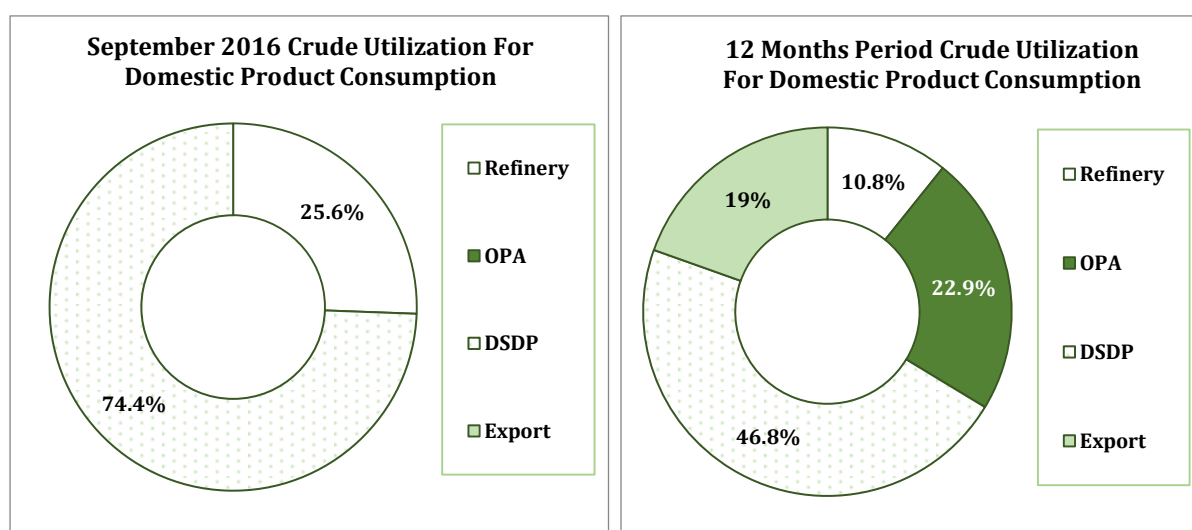


Table 2.4.2 Breakdown of NNPC Utilization of Crude oil for Domestic Product Supply

Month	EXPORT			OFFSHORE PROCESSING			DELIVERIES TO REFINERIES			DIRECT SALES DIRECT PURCHASE			TOTAL		
	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn
Oct-15	6,387.71	306.52	60,061.73	5,687.09	266.48	52,217.22	0.00	0.00	0.00	0.00	0.00	0.00	12,074.80	573.00	112,278.94
Nov-15	4,536.37	192.45	37,720.16	6,784.71	283.78	55,621.54	0.00	0.00	0.00	0.00	0.00	0.00	11,321.08	476.23	93,341.70
Dec-15	5,529.59	197.27	38,658.37	7,507.77	246.90	48,385.14	0.00	0.00	0.00	0.00	0.00	0.00	13,037.36	444.17	87,043.51
Jan-16	5,106.14	145.48	28,513.54	5,694.26	161.34	31,621.78	502.45	13.91	2,726.43	0.00	0.00	0.00	11,302.86	320.72	62,861.75
Feb-16	1,768.20	56.90	11,153.29	948.99	30.24	5,927.35	1,888.31	62.75	12,299.12	5,663.46	188.44	36,934.16	10,268.97	338.34	66,313.93
Mar-16	904.22	34.10	6,684.13	1,897.06	71.81	14,074.04	1,890.48	74.19	14,541.34	9,493.82	369.00	72,323.14	14,185.59	549.10	107,622.65
Apr-16	0.00	0.00	0.00	0.00	0.00	0.00	2,605.02	111.97	21,947.05	10,445.94	435.83	85,421.96	13,050.96	547.80	107,369.01
May-16	0.00	0.00	0.00	0.00	0.00	0.00	1,396.09	65.67	12,870.85	9,894.91	468.20	91,766.90	11,291.00	533.87	104,637.75
Jun-16	0.00	0.00	0.00	0.00	0.00	0.00	1,387.01	65.86	12,907.91	7,571.71	366.71	71,875.60	8,958.72	432.57	84,783.51
Jul-16	937.88	40.23	11,345.70	951.14	44.29	12,490.03	1,469.54	66.73	17,570.22	5,698.03	258.04	72,767.94	9,056.58	409.29	114,173.88
Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	3,282.24	156.73	48,901.32	5,692.78	264.36	82,481.39	8,975.02	421.10	131,382.71
Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	1,319.85	62.51	19,064.27	3,839.18	183.31	55,908.94	5,159.03	245.81	74,973.21
Grand Total	25,170.11	972.95	194,136.91	29,471.03	1,104.84	220,337.11	15,740.98	680.32	162,828.50	58,299.84	2,533.09	569,480.03	128,681.95	5,292.00	1,146,782.55

In September 2016 out of the 3.84 million barrels recorded under DSDP, about 0.99 million barrels of crude oil was sourced from FIRS Cargo and the value will be credited to FIRS Account accordingly.

Chart 2.4.3: Percentage Distribution for September 2016 Domestic Crude Utilization



2.5 Natural Gas Off take, Commercialization & Utilization

Out of the 215.43 BCF of gas produced in October 2016, a total of 121.63 BCF of gas was commercialized comprising of 29.29 BCF and 92.34 BCF for the domestic and export market respectively. This translates to an average daily supply of 945.00 mmscfd of gas to the domestic market and 2,978.80 mmscfd of gas supplied to the export market.

This implies that 56.46% of the total gas produced was commercialized while the balance of 43.54% was either re-injected, used as upstream fuel gas or flared. Gas flare rate was 10.49% for the month of October 2016 i.e. 728.70 mmscfd compared with average Gas flare rate of 9.36% i.e. 669.68 mmscfd for the period November 2015 to October 2016.



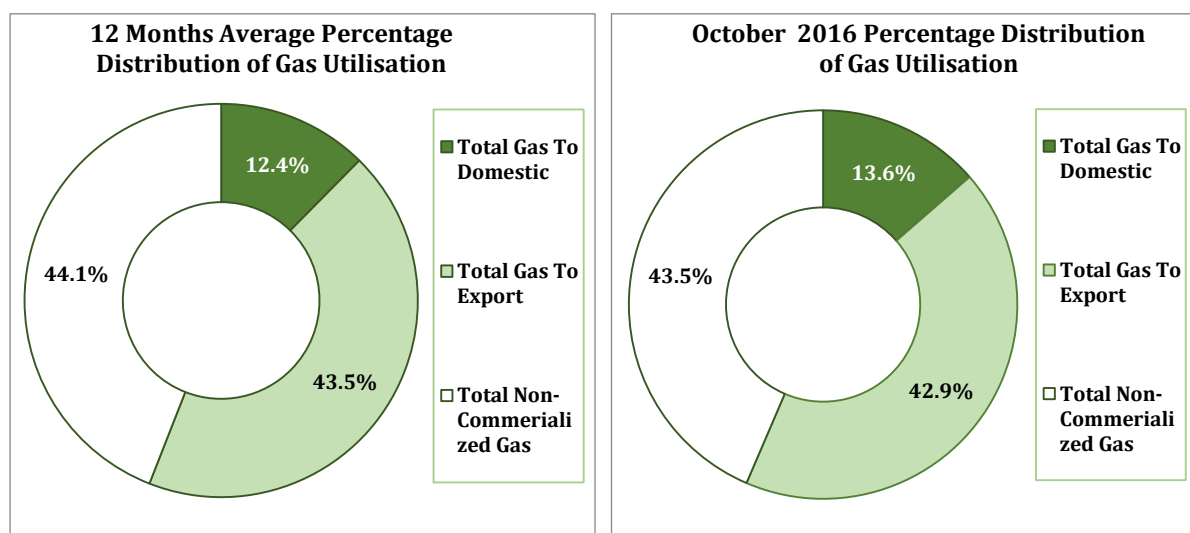
Table 2.5.1 Total Gas Commercialization and utilization

Total gas supply for the period November 2015 to October 2016 stands at 324.43 BCF and 1,138.90 BCF for the domestic and export market respectively. The table 2.5.1 and chart 2.5.1 provides more details of the gas utilization and commercialization for the period November 2015 to October 2016.

Period	Gas Commercialisation								Non-Commercialized Gas				Grand Total
	Domestic Gas			Export Gas					Re-Injection	Fuel Gas	Flare	Total Non-Commercialized Gas	
	Domestic Gas To Power	Domestic Gas to Industry	Total Domestic Gas Supply	WAPG	EGTL	NGL/ LPG	NLNG	Total Export Gas					
	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF					
Nov-15	22.01	11.02	33.03	1.27	6.54	7.01	94.40	109.23	68.08	11.82	23.25	103.15	245.41
Dec-15	22.38	11.79	34.17	1.23	4.86	8.64	77.32	92.05	68.14	11.60	22.59	102.32	228.55
Jan-16	22.74	12.43	35.17	1.04	7.55	19.60	79.66	107.85	72.36	12.11	22.32	106.79	249.81
Feb-16	19.26	10.58	29.84	0.66	7.73	11.06	74.92	94.37	63.85	11.48	20.38	95.71	219.92
Mar-16	16.53	11.27	27.80	0.57	4.37	8.30	71.94	85.19	73.46	12.63	20.11	106.21	219.20
Apr-16	16.42	10.34	26.76	0.55	5.80	8.06	82.44	96.85	71.80	11.90	18.70	102.40	226.01
May-16	13.81	7.66	21.47	0.38	6.40	7.99	93.47	108.24	67.70	11.70	15.80	95.20	224.91
Jun-16	9.80	6.70	16.50	0.06	6.36	9.34	83.62	99.38	70.50	11.40	14.80	96.70	212.58
Jul-16	12.57	7.73	20.30	0.01	1.43	6.48	86.64	94.56	58.81	10.44	21.79	91.04	205.90
Aug-16	14.55	9.58	24.13	0.05	0.27	3.74	61.36	65.42	47.76	10.17	21.14	79.07	168.63
Sep-16	15.58	10.39	25.97	0.11	0.13	4.74	88.43	93.41	48.60	10.20	21.50	80.30	199.68
Oct-16	17.42	11.87	29.29	0.00	0.21	6.33	85.80	92.34	60.00	11.20	22.60	93.80	215.43
Total	203.07	121.36	324.43	5.94	51.66	101.30	980.00	1138.90	771.05	136.65	244.99	1152.69	2616.03

Note: For more details on [Gas Liftings](#) follow this link

Chart 2.5.1 12 Months Percentage Distribution of Gas Utilization



From the 945.00mmscfd of gas supplied to the domestic market in October 2016, about 562.00mmscfd of gas representing 59.47% was used for Gas-Fired power plants while the balance of 383.00mmscfd or 40.53% was supplied to other industries. Similarly, for the period of November 2015 to October 2016 an average of 886.83mmscfd of gas was supplied to the domestic market comprising of an average of 555.18mmscfd or (58.75%) as gas supply to the power plants and 331.64mmscfd or (35.09%) as gas supply to industries.

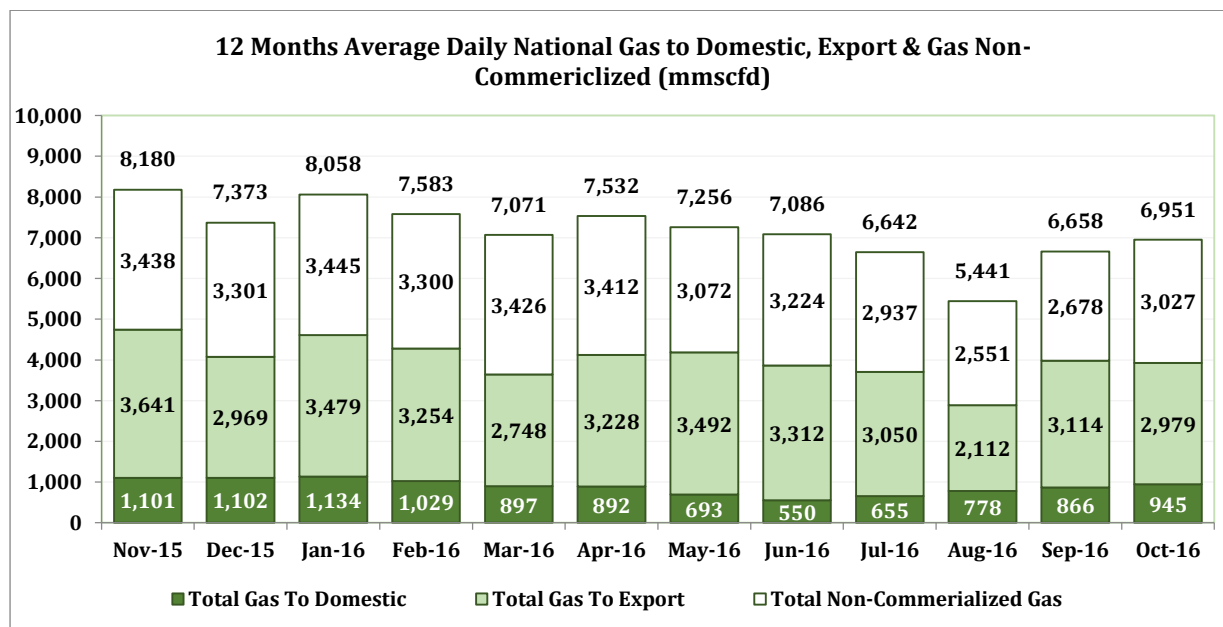


Table 2.5.2 Total Gas Commercialization and utilization

Period	Gas Commercialisation								Non-Commercialized Gas				Grand Total
	Domestic Gas			Export Gas					Re-Injection	Fuel Gas	Flare	Total Non-Commercialized Gas	
	Domestic Gas To Power	Domestic Gas to Industry	Total Gas To Domestic	WAPG	EGTL	NGL/LPG	NLNG	Total Gas To Export					
	mmscfd	mmscfd	mmscfd	mmscfd	mmscfd	mmscfd	mmscfd	mmscfd					
Nov-15	733.79	367.25	1,101.04	42.48	218.10	233.82	3,146.63	3,641.03	2,269.26	393.92	775.14	3,438.32	8,180.39
Dec-15	721.97	380.44	1,102.41	39.60	156.84	278.69	2,494.26	2,969.39	2,197.92	374.14	728.65	3,300.71	7,372.51
Jan-16	733.54	400.88	1,134.41	33.53	243.66	632.19	2,569.79	3,479.16	2,334.31	390.50	720.08	3,444.89	8,058.46
Feb-16	664.03	365.00	1,029.03	22.80	266.59	381.41	2,583.32	3,254.12	2,201.66	395.80	702.79	3,300.25	7,583.40
Mar-16	533.22	363.71	896.93	18.55	141.00	267.90	2,320.58	2,748.03	2,369.68	407.55	648.81	3,426.04	7,071.00
Apr-16	547.30	344.50	891.80	18.30	193.30	268.60	2,748.00	3,228.20	2,392.00	396.30	623.70	3,412.00	7,532.00
May-16	445.50	247.00	692.50	12.20	206.50	257.70	3,015.30	3,491.70	2,183.60	377.30	510.70	3,071.60	7,255.80
Jun-16	326.80	223.30	550.10	2.00	211.90	311.20	2,787.30	3,312.40	2,349.40	379.80	494.70	3,223.90	7,086.40
Jul-16	405.47	249.31	654.78	0.41	46.03	209.18	2,794.78	3,050.40	1,897.09	336.88	702.83	2,936.81	6,641.99
Aug-16	469.39	308.90	778.29	1.74	9.93	120.72	1,979.33	2,111.71	1,540.61	328.15	682.04	2,550.80	5,440.80
Sep-16	519.20	346.40	865.60	3.80	4.60	157.90	2,947.50	3,113.70	1,621.20	339.10	718.00	2,678.30	6,657.60
Oct-16	562.00	383.00	945.00	0.00	6.80	204.20	2,767.80	2,978.80	1,936.40	361.60	728.70	3,026.70	6,950.50
Average	555.18	331.64	886.83	16.28	142.10	276.96	2,679.55	3,114.89	2,107.76	373.42	669.68	3,150.86	7,152.57

About 2,767.80mmscfd or 92.92% of the export gas was sent to Nigerian Liquefied Natural Gas Company (NLNG) for October 2016 compared with an average of 2,679.55mmscfd for the period November 2015 to October 2016.

Chart 2.5.2 Average Daily National Gas to Domestic, Export & Gas Non-Commercialized





3 Refinery Operations

3.1 Capacity Utilization

Total Crude processed by the three local Refineries (KRPC, PHRC & WRPC) for the month of October 2016 was 442,693MT (3,245,825 bbls) which translates to a combined yield efficiency of 88.03% compared to crude processed in September 2016 was 252,897MT (1,854,241 bbls) which translates to a combined yield efficiency of 84.86%.

Table 3.1.1: Refineries Operations Consolidated (12 Months Performance)

Operational Parameters	Units	Consolidated Refineries Operations												
		Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Total
Opening Stock (A)	MT	493,959	475,784	369,069	128,707	274,154	243,195	325,666	244,493	296,354	459,550	516,329	581,127	4,408,387
Crude Received (B)	MT	0	118,024	16,391	178,354	322,480	569,113	303,988	382,108	432,903	509,814	460,246	366,376	3,659,797
Crude Transferred to KRPC (C)		-27,137	-103,590	0	0	-26,062	-146,912	-94,275	-94,071	-153,819	-85,669	-140,170	-93,296	-965,001
Total Crude Available (D=A+B-C)	MT	466,822	472,082	385,460	307,061	570,572	665,396	535,379	532,530	575,438	883,695	836,405	854,207	7,103,183
Closing Stock (E=D-F)	MT	466,822	369,069	128,707	274,154	243,195	317,025	231,361	296,354	454,110	516,329	581,127	411,514	4,289,767
Crude Processed (F)	MT	0	124,646	256,676	32,352	329,396	351,698	301,604	225,770	126,756	359,081	252,897	442,693	2,803,569
(i) Finished Products	MT	5,015	79,574	216,141	90,628	202,791	318,104	242,053	133,991	139,284	328,314	139,724	251,925	2,147,544
(ii) Intermediate Products	MT	4,843	32,226	1,064	74,167	110,057	2,624	9,708	47,495	-40,640	-16,305	74,885	137,776	272,504
(iii) Plant Consumption	MT	4,099	10,743	32,015	11,140	14,577	21,354	37,565	31,812	21,612	35,461	32,545	39,042	283,767
(iv) Losses	MT	3,927	2,103	9,584	4,751	1,971	14,864	12,278	12,473	6,500	11,612	5,744	13,950	99,757
Plant Capacity	kpd	445	445	445	445	445	445	445	445	445	445	445	445	445
Capacity Utilization	%	0.00%	6.85%	13.64%	1.72%	18.71%	19.32%	16.03%	12.40%	6.74%	19.09%	13.89%	23.53%	12.62%
Losses	%	0.00%	1.69%	3.73%	14.69%	0.60%	4.23%	4.07%	5.52%	5.13%	3.23%	2.27%	3.15%	3.56%
Plant Consumption	%	0.00%	8.62%	12.47%	34.43%	4.43%	6.07%	12.46%	14.09%	17.05%	9.88%	12.87%	8.82%	10.12%
Yields Efficiency based on CDU, CRU & FCC (%)	%	0.00%	89.69%	83.79%	50.88%	94.98%	89.70%	83.47%	80.39%	77.82%	86.89%	84.86%	88.03%	86.32%

For the month of October 2016, the three Refineries produced 251,925MT of finished Petroleum Products and 137,776MT of intermediate products out of 442,693MT of Crude processed at a combined capacity utilization of 23.53% compared to 13.89% combined capacity utilization achieved in the month of September 2016. The improved performance was due to success achieved by the domestic Refineries, the three Refineries processed the highest Crude and operates at the highest capacity in recent year despite crude pipeline vandalism in the Niger Delta region; however the three Refineries continue to operate at minimal capacity.

Chart 3.1.1: Refineries Consolidated Capacity Utilization

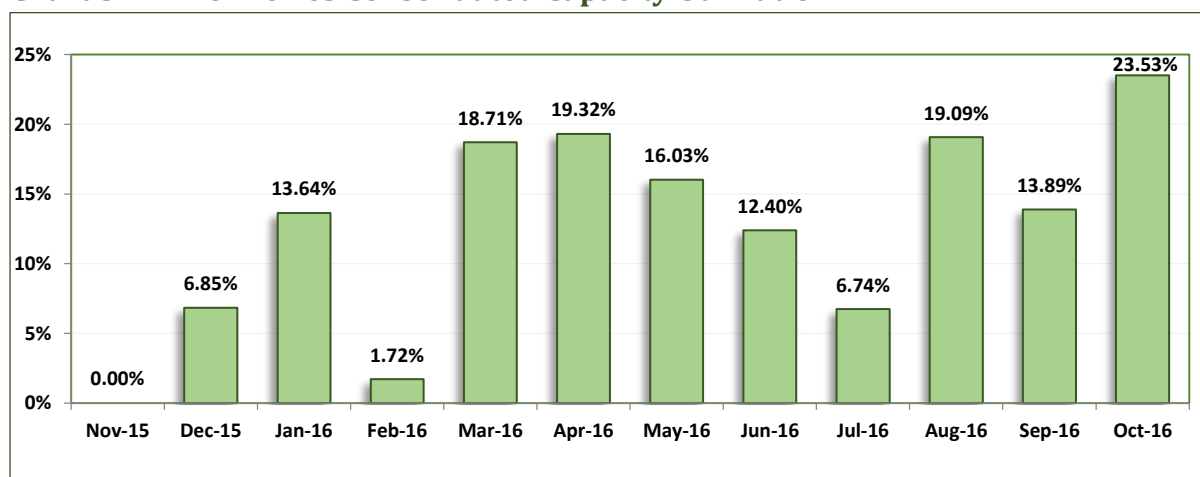




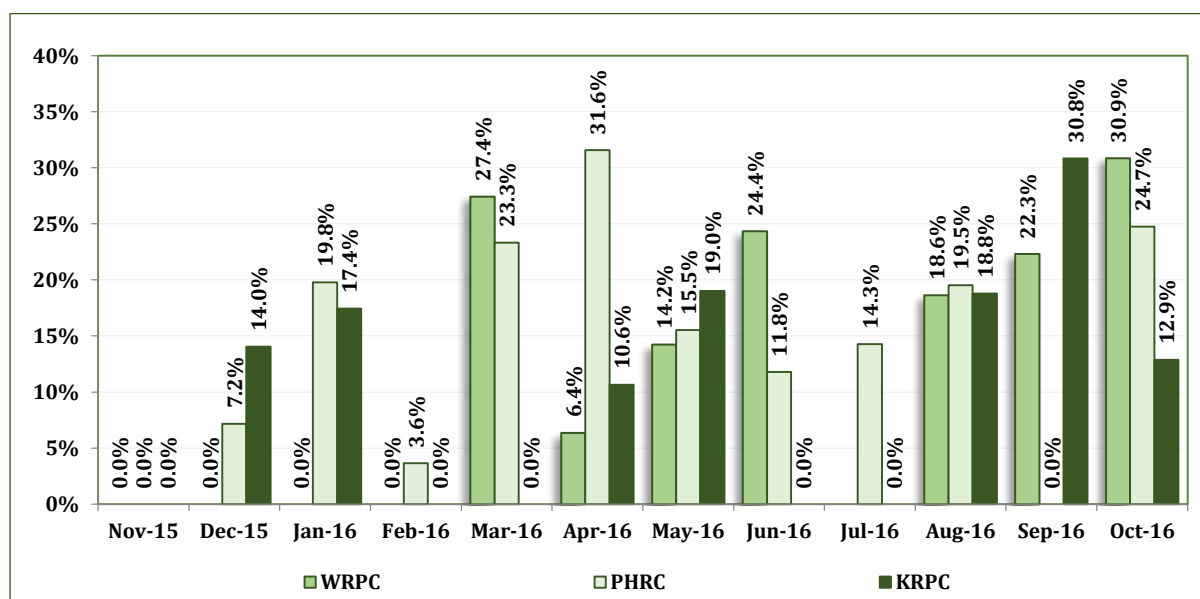
Table 3.1.2 Refineries Monthly Operations

Operational Parameters	Units	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Total
WRPC														
Opening Stock (A)	MT	190,000	162,863	60,292	60,292	109,284	143,920	151,748	117,356	59,763	90,458	166,251	167,403	1,479,630
Crude Received (B)	MT	0	0	0	49,547	194,252	187,268	124,643	171,433	179,086	268,209	257,387	227,242	1,659,067
Crude Transferred to KRPC (C)		-27,137	-103,590	0	0	-26,062	-146,912	-94,275	-94,071	-153,819	-85,669	-140,170	-93,296	-965,001
Total Crude Available (D=A+B-C)	MT	162,863	59,273	60,292	109,839	277,474	184,276	182,116	194,718	85,030	272,998	283,468	301,349	2,173,696
Closing Stock (E=D-F)	MT	162,863	60,292	60,292	109,284	143,920	151,749	104,224	59,763	90,458	166,251	167,403	138,241	1,414,740
Crude Processed (F)	MT	0	0	0	0	135,573	32,527	75,297	124,549	0	98,462	114,110	163,108	743,626
(i) Finished Products	MT	1,075	0	44,810	2,243	50,066	51,813	61,207	66,051	45,037	90,852	69,331	109,542	589,877
(ii) Intermediate Products	MT	0	0	60,083	3,599	80,008	-36,071	957	53,138	-55,413	-10,112	39,176	35,670	43,671
(iii) Plant Consumption	MT	1,075	0	9,158	1,255	4,528	6,933	6,743	4,609	7,065	10,955	4,897	9,029	66,247
(iv) Losses	MT	0	0	6,115	101	971	9,852	6,390	752	3,311	6,768	707	8,867	43,834
Plant Capacity	kpd	125	125	125	125	125	125	125	125	125	125	125	125	125
Capacity Utilization	%	0.00%	0.00%	0.00%	0.00%	27.42%	6.36%	14.25%	24.35%	0.00%	18.63%	22.31%	30.86%	11.92%
Losses	%	0.00%	0.00%	0.00%	0.00%	0.72%	30.29%	8.49%	0.60%	0.00%	6.87%	0.62%	5.44%	5.89%
Plant Consumption	%	0.00%	0.00%	0.00%	0.00%	3.34%	21.31%	8.96%	3.70%	0.00%	11.13%	4.29%	5.54%	8.91%
Yields Efficiency based on CDU, CRU & FCC (%)	%	0.00%	0.00%	0.00%	0.00%	95.94%	48.40%	82.56%	95.70%	0.00%	82.00%	95.09%	89.03%	85.20%
PHRC														
Opening Stock (A)	MT	264,787	264,439	202,941	27,340	123,795	58,200	77,609	74,111	129,534	173,282	207,990	305,740	1,909,768
Crude Received (B)	MT	0	0	0	128,807	128,228	279,297	134,358	156,644	170,504	207,990	97,750	73,694	1,377,272
Total Crude Available (C=A+B)	MT	264,787	264,439	202,941	156,147	252,023	337,497	211,967	230,755	300,038	381,272	305,740	379,434	3,287,040
Closing Stock (D=C-E)	MT	264,787	202,941	27,340	123,795	58,200	69,569	74,111	129,534	173,282	207,990	305,740	159,733	1,797,022
Crude Processed (E)	MT	0	61,498	175,601	32,352	193,823	271,255	137,856	101,221	126,756	173,282	0	219,701	1,493,345
(i) Finished Products	MT	4,810	53,575	122,375	77,475	150,565	246,372	153,640	46,648	76,420	203,665	-5,678	100,835	1,230,702
(ii) Intermediate Products	MT	1,324	964	38,367	56,935	35,766	7,371	31,898	46,468	37,728	-46,476	-8,873	104,633	123,863
(iii) Plant Consumption	MT	7,413	7,587	12,334	7,162	6,492	12,832	11,346	4,945	9,608	12,393	11,443	9,929	98,658
(iv) Losses	MT	3,927	1,300	2,525	4,650	1,000	4,680	4,768	3,160	3,000	3,700	3,108	4,304	40,122
Plant Capacity	kpd	210	210	210	210	210	210	210	210	210	210	210	210	210
Capacity Utilization	%	0.00%	7.16%	19.78%	3.64%	23.34%	31.57%	15.53%	11.78%	14.28%	19.52%	0.00%	24.74%	14.25%
Losses	%	0.00%	2.11%	1.44%	14.37%	0.52%	1.73%	3.46%	3.12%	2.37%	2.14%	0.00%	1.96%	2.69%
Plant Consumption	%	0.00%	12.34%	7.02%	22.14%	3.35%	4.73%	8.23%	4.89%	7.58%	7.15%	0.00%	4.52%	6.61%
Yields Efficiency based on CDU, CRU & FCC (%)	%	0.00%	85.55%	91.54%	63.49%	96.13%	93.54%	88.31%	91.99%	90.05%	90.71%	0.00%	93.52%	90.71%
KRPC														
Opening Stock (A)	MT	39,172	48,482	105,836	41,075	41,075	41,075	96,309	53,026	107,057	195,810	142,088	107,984	1,018,989
Crude Received (B)	MT	0	118,024	16,391	0	0	102,548	44,987	54,031	83,313	33,615	105,109	65,440	623,458
Total Crude Available (C=A+B)	MT	39,172	148,370	122,227	41,075	41,075	143,623	141,296	107,057	190,370	229,425	247,197	173,424	1,642,447
Closing Stock (D=C-E)	MT	39,172	105,836	41,075	41,075	41,075	95,707	53,026	107,057	190,370	142,088	107,984	113,540	1,078,005
Crude Processed (E)	MT	0	63,148	81,075	0	0	47,916	88,451	0	0	87,337	138,787	59,884	566,598
(i) Finished Products	MT	1,280	25,999	48,956	10,910	2,160	19,919	27,206	21,292	17,827	33,797	76,071	41,548	326,965
(ii) Intermediate Products	MT	3,519	33,190	20,652	13,633	5,717	26,076	40,649	52,111	22,955	40,283	44,582	2,527	104,970
(iii) Plant Consumption	MT	2,239	3,156	10,523	2,723	3,557	1,589	19,476	22,258	4,939	12,113	16,205	20,084	118,862
(iv) Losses	MT	0	803	944	0	0	332	1,120	8,561	189	1,144	1,929	779	15,801
Plant Capacity	kpd	110	110	110	110	110	110	110	110	110	110	110	110	110
Capacity Utilization	%	0.00%	14.03%	17.43%	0.00%	0.00%	10.65%	19.02%	0.00%	0.00%	18.78%	30.84%	12.88%	10.32%
Losses	%	0.00%	1.27%	1.16%	0.00%	0.00%	0.69%	1.27%	0.00%	0.00%	1.31%	1.39%	1.30%	2.79%
Plant Consumption	%	0.00%	5.00%	12.98%	0.00%	0.00%	3.32%	22.02%	0.00%	0.00%	13.87%	11.68%	33.54%	20.98%
Yields Efficiency based on CDU, CRU & FCC (%)	%	0.00%	93.73%	85.86%	0.00%	0.00%	95.99%	76.71%	0.00%	0.00%	84.82%	86.93%	65.16%	76.23%

Note: For more details on breakdown for Refineries [Crude grade](#) received follow this link.



Chart 3.1.2: Refineries Capacity Utilization



4 Petroleum Product Supply & Distribution

4.1 Petroleum Product Supply from Off-shore Processing Agreements (OPA)

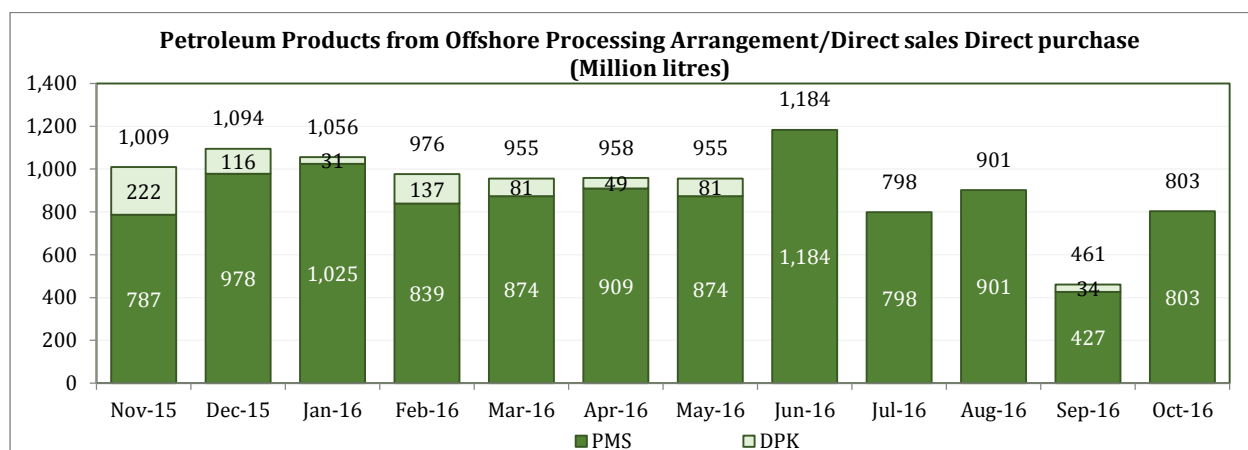
In October 2016, 802.75 million litres of white products was supplied into the country through the DSDP arrangements while 460.63 million litres was supplied in the month of September 2016; only PMS was supplied through DSDP in the month of October 2016 were 802.75 million and no DPK. The table and chart below provide more details of the total petroleum product supply from DSDPs.

Table 4.1.1: 12 Months Imported Petroleum Products via OPA & DSDP in litres

Period	PMS	DPK	TOTAL
	Litres	Litres	Litres
Nov-15	787,212,195.72	221,824,955.97	1,009,037,151.69
Dec-15	977,838,435.39	116,356,458.06	1,094,194,893.45
Jan-16	1,024,766,825.60	30,858,996.78	1,055,625,822.38
Feb-16	838,987,566.07	137,102,061.71	976,089,627.78
Mar-16	873,819,205.62	81,475,081.07	955,294,286.70
Apr-16	909,039,798.21	49,306,066.66	958,345,864.86
May-16	873,819,205.62	81,475,081.07	955,294,286.70
Jun-16	1,183,781,446.97	-	1,183,781,446.97
Jul-16	798,334,880.18	-	798,334,880.18
Aug-16	901,353,953.26	-	901,353,953.26
Sep-16	426,971,393.48	33,662,899.42	460,634,292.90
Oct-16	802,752,757.75	-	802,752,757.75
TOTAL	10,398,677,663.87	752,061,600.75	11,150,739,264.62



Chart 4.1.1: Petroleum Products Supply from OPA/DSDP



4.2 Petroleum Products Supply from Domestic Refineries

The petroleum products (PMS & DPK Only) production by the domestic refineries in October 2016 amounted to 210.00 million litres compared to 107.59 million litres in September 2016 as shown in Table 4.2.1.

Table 4.2.1: 12 Monthly Refined Petroleum Products from Local Refineries

Period	PMS	DPK	Total (PMS+DPK)
	Litres	Litres	Litres
Nov-15	50,524,857	0	50,524,857
Dec-15	25,197,390	14,435,344	39,632,734
Jan-16	133,272,603	28,747,488	162,020,091
Feb-16	82,378,971	18,142,432	100,521,403
Mar-16	54,236,640	56,277,891	110,514,531
Apr-16	170,779,032	62,764,240	233,543,272
May-16	126,060,705	38,874,528	164,935,233
Jun-16	211,562,865	119,582,848	331,145,713
Jul-16	43,743,273	22,953,014	66,696,287
Aug-16	156,137,832	63,469,000	219,606,832
Sep-16	67,903,173	39,690,112	107,593,285
Oct-16	125,845,811	84,153,826	209,999,637
Total	1,247,643,152	549,090,723	1,796,733,875

Chart 4.2.1 Total White Petroleum Product Supply from NNPC (OPA, DSDP + Refineries)

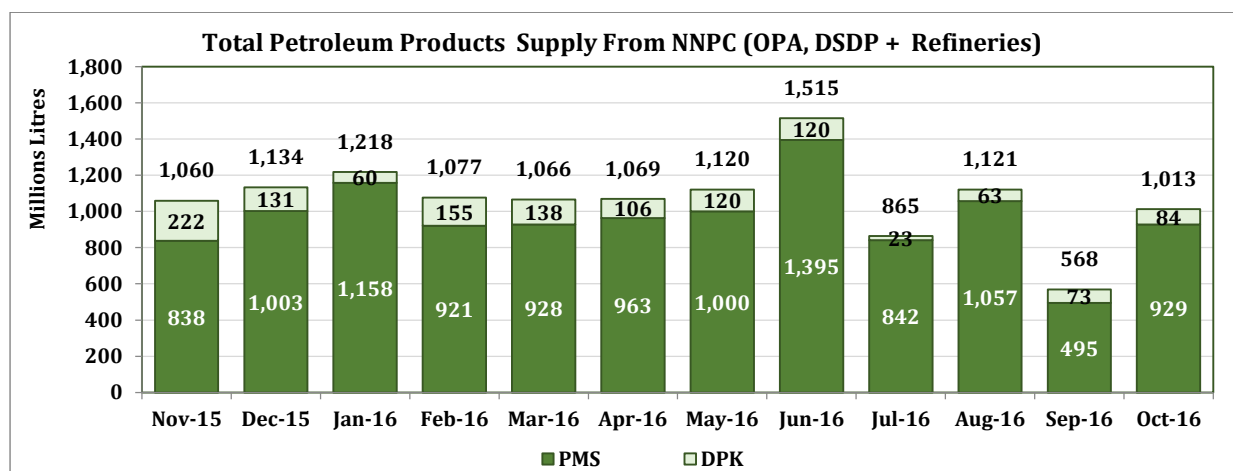
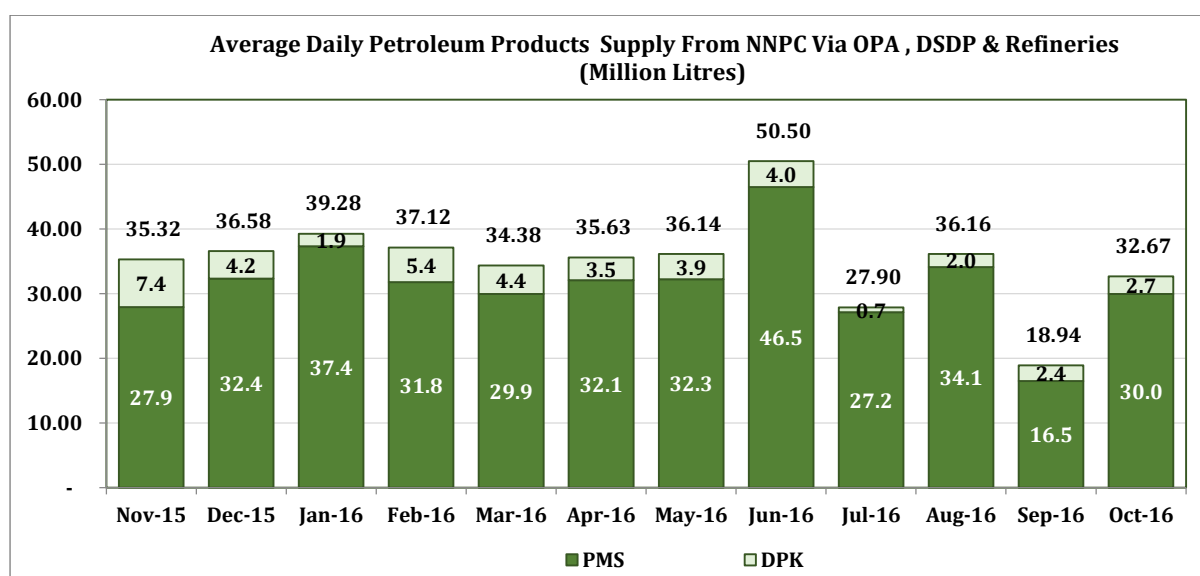




Table 4.2.2 Total White Petroleum Product Supply from NNPC (OPA, DSDP+ Refineries)

Period	Total Product Supply (OPA, DSDP+Refineries)			Average Daily Supply		
	PMS	DPK	Total	PMS	DPK	Total
	Litres	Litres	Litres	Litres/Day	Litres/Day	Litres/Day
Nov-15	837,737,052.72	221,824,955.97	1,059,562,008.69	27,924,568.42	7,394,165.20	35,318,733.62
Dec-15	1,003,035,825.39	130,791,802.06	1,133,827,627.45	32,355,994.37	4,219,090.39	36,575,084.76
Jan-16	1,158,039,428.60	59,606,484.78	1,217,645,913.38	37,356,110.60	1,922,789.83	39,278,900.43
Feb-16	921,366,537.07	155,244,493.71	1,076,611,030.78	31,771,259.90	5,353,258.40	37,124,518.30
Mar-16	928,055,845.62	137,752,972.07	1,065,808,817.70	29,937,285.34	4,443,644.26	34,380,929.60
Apr-16	963,276,438.21	105,583,957.66	1,068,860,395.86	32,109,214.61	3,519,465.26	35,628,679.86
May-16	999,879,910.62	120,349,609.07	1,120,229,519.70	32,254,190.67	3,882,245.45	36,136,436.12
Jun-16	1,395,344,311.97	119,582,848.00	1,514,927,159.97	46,511,477.07	3,986,094.93	50,497,572.00
Jul-16	842,078,153.18	22,953,014.00	865,031,167.18	27,163,811.39	740,419.81	27,904,231.20
Aug-16	1,057,491,785.26	63,469,000.00	1,120,960,785.26	34,112,638.23	2,047,387.10	36,160,025.33
Sep-16	494,874,566.48	73,353,011.42	568,227,577.90	16,495,818.88	2,445,100.38	18,940,919.26
Oct-16	928,598,568.75	84,153,826.00	1,012,752,394.75	29,954,792.54	2,714,639.55	32,669,432.09
Total	11,529,778,423.87	1,294,665,974.75	12,824,444,398.62	377,947,162.02	42,668,300.56	420,615,462.58

Chart 4.2.2 Average Daily Petroleum Product Supply from NNPC



4.3 Downstream Petroleum Product Distributions

A total of 922.07 million litres of white products were distributed and sold by PPMC in the month of October 2016 compared with 783.07 million litres in the month of September 2016. This comprised of 798.18 million litres of PMS, 40.16 million litres of Kerosene and 83.72 million litres of Diesel. Total sale of white products for the period November 2015 to October 2016 stands at 12.69 billion litres, PMS (11.22 billion litres) accounts for 88.41%. The Tables and Charts below provide more details of white products sold by NNPC/PPMC for the period November 2015 to October 2016. While total special products for the period under review was 11.76 million litres comprises of 11.65 million litres of LPFO and 0.12 million litres of other special products.



Table 4.3.1 Downstream Petroleum product sales by PPMC

Period	PMS	AGO	DPK	Total White Products	LPFO	Other Special Products	Total Special Products
	Litres	Litres	Litres	Litres	Litres	Litres	Litres
Nov-15	779,924,371	23,357,124	104,737,196	908,018,691	0	0	0
Dec-15	983,186,462	12,140,501	81,024,860	1,076,351,823	1,752,000	9,877,948	11,629,948
Jan-16	855,330,491	29,106,663	63,157,945	947,595,099	5,620,630	1,155,460	6,776,090
Feb-16	919,196,392	35,867,295	172,299,779	1,127,363,466	2,184,880	2,894,000	5,078,880
Mar-16	1,026,663,152	42,312,332	46,630,153	1,115,605,637	8,340,138	1,679,600	10,019,738
Apr-16	934,485,589	58,272,675	51,518,084	1,044,276,348	5,516,627	1,890,000	7,406,627
May-16	1,087,649,884	80,846,652	87,575,829	1,256,072,365	10,762,910	2,012,423	12,775,333
Jun-16	761,042,513	66,311,458	33,112,161	860,466,132	2,443,313	1,081,407	3,524,720
Jul-16	821,065,813	15,939,082	39,174,543	876,179,438	15,672,770	1,476,000	17,148,770
Aug-16	945,930,636	76,056,449	72,386,635	1,094,373,720	17,124,987	3,549,050	20,674,037
Sep-16	659,313,132	65,797,168	57,959,306	783,069,606	46,140,296	57,234,026	103,374,322
Oct-16	798,184,115	83,724,006	40,164,387	922,072,508	11,646,151	120,000	11,766,151
Total	11,217,763,629	615,890,758	854,492,990	12,688,147,377	130,397,381	136,993,933	267,391,314

▪ For more details on downstream petroleum products sales please [click here](#).

Chart 4.3.1 Monthly White Product sales by PPMC

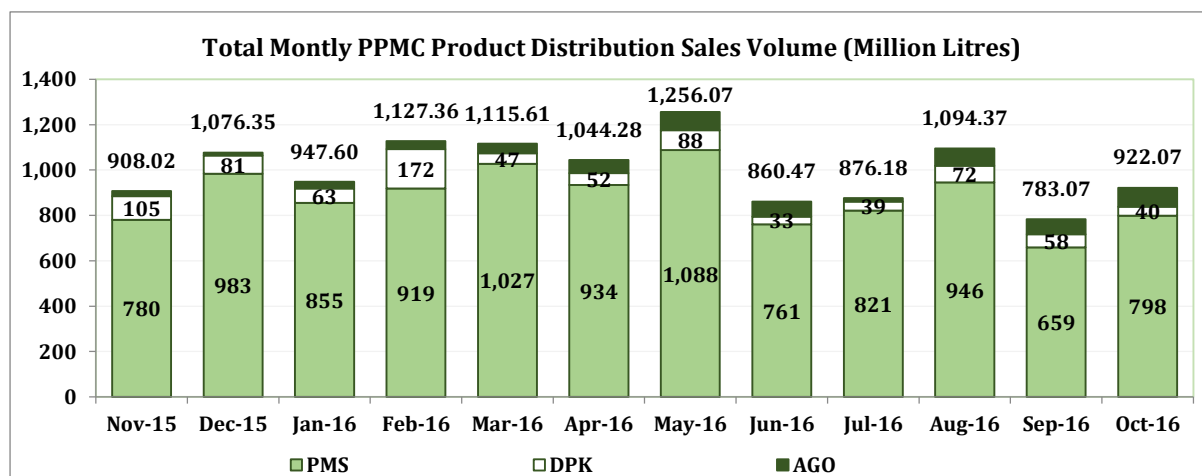


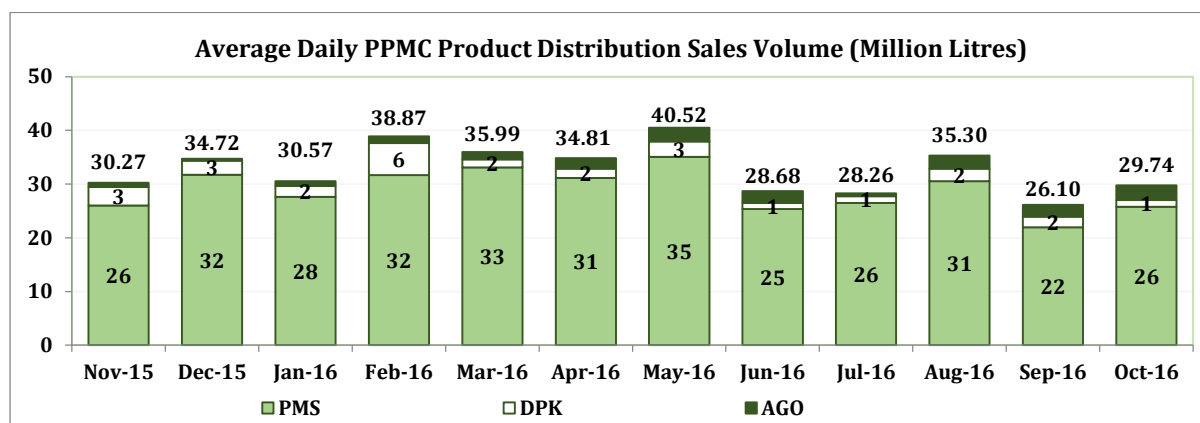
Table 4.3.2 Average Daily Petroleum Product Sales by PPMC

Period	PMS	AGO	DPK	Total White Products	LPFO	Other Special Products	Total Special Products
	Litres/Day	Litres/Day	Litres/Day	Litres/Day	Litres/Day	Litres/Day	Litres/Day
Nov-15	25,997,479	778,571	3,491,240	30,267,290	0	0	0
Dec-15	31,715,692	391,629	2,613,705	34,721,027	56,516	318,643	375,160
Jan-16	27,591,306	938,925	2,037,353	30,567,584	181,311	37,273	218,584
Feb-16	31,696,427	1,236,803	5,941,372	38,874,602	75,341	99,793	175,134
Mar-16	33,118,166	1,364,914	1,504,198	35,987,279	269,037	54,181	323,217
Apr-16	31,149,520	1,942,423	1,717,269	34,809,212	183,888	63,000	246,888
May-16	35,085,480	2,607,957	2,825,027	40,518,463	347,191	64,917	412,108
Jun-16	25,368,084	2,210,382	1,103,739	28,682,204	81,444	36,047	117,491
Jul-16	26,485,994	514,164	1,263,695	28,263,853	505,573	47,613	553,186
Aug-16	30,513,891	2,453,434	2,335,053	35,302,378	552,419	114,485	666,904
Sep-16	21,977,104	2,193,239	1,931,977	26,102,320	1,538,010	1,907,801	3,445,811
Oct-16	25,747,875	2,700,774	1,295,625	29,744,274	375,682	3,871	379,553
Average	30,649,627	1,682,762	2,334,680	34,667,069	356,277	374,300	730,577

▪ For more details on average daily PPMC downstream petroleum products sales please [click here](#).



Chart 4.3.2 Average Daily White Products Distribution by NNPC PPMC



A total value of ₦111.52 billion was collected as sales revenue for white products sold by PPMC in the month of October 2016 compared with ₦96.06 billion collected in the prior month of September 2016. Total revenues generated from the sales of white products for the period November 2015 to October 2016 stands at ₦1,128.64 billion where PMS contributed about 88.28% of the revenues collected with a value of ₦996.33 billion. Table and chart below provide details accordingly

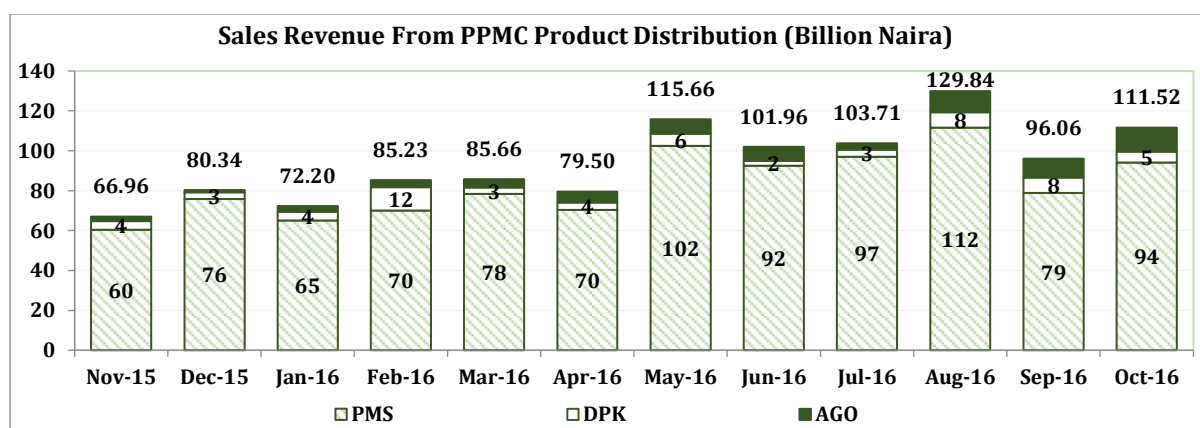
Table 4.3.3 Revenue from Sales of White Product

Period	PMS	AGO	DPK	Total White Products Revenue	LPFO	Other Special Products	Total Special Products Revenue
	Naira	Naira	Naira	Naira	Naira	Naira	Naira
Nov-15	60,437,022,382	2,237,612,479	4,283,751,316	66,958,386,177	0	0	0
Dec-15	75,861,273,984	1,163,059,996	3,313,916,774	80,338,250,754	507,528,968	97,551,360	605,080,328
Jan-16	65,042,846,723	2,788,418,315	4,364,284,005	72,195,549,043	295,271,509	125,300,710	420,572,220
Feb-16	69,951,542,913	3,436,086,861	11,842,847,137	85,230,476,911	112,259,134	161,137,920	273,397,054
Mar-16	78,356,352,199	4,053,521,406	3,251,184,486	85,661,058,090	428,516,290	93,520,128	522,036,418
Apr-16	70,396,954,576	5,406,073,935	3,699,849,897	79,502,878,409	284,311,535	105,235,200	389,546,735
May-16	102,431,624,423	7,200,709,202	6,028,065,485	115,660,399,110	552,998,316	346,825,583	899,823,898
Jun-16	92,416,814,771	7,126,910,489	2,417,187,753	101,960,913,013	125,537,422	216,202,811	341,740,233
Jul-16	97,038,812,467	3,260,762,595	3,413,927,018	103,713,502,080	773,640,828	117,607,680	891,248,508
Aug-16	111,551,883,881	10,527,563,779	7,761,204,481	129,840,652,141	1,248,411,552	282,788,304	1,531,199,856
Sep-16	78,788,023,845	9,507,786,865	7,762,074,909	96,057,885,620	3,088,137,487	6,813,104,419	9,901,241,906
Oct-16	94,060,844,488	12,037,566,582	5,422,192,245	111,520,603,315	849,004,408	9,561,600	858,566,008
Total	996,333,996,651	68,746,072,505	63,560,485,506	1,128,640,554,662	8,265,617,451	8,368,835,715	16,634,453,166

Note:

- For more details on downstream petroleum products sales please [click here](#).

Chart 4.3.3 Monthly Sales Revenue from Petroleum Product Distribution





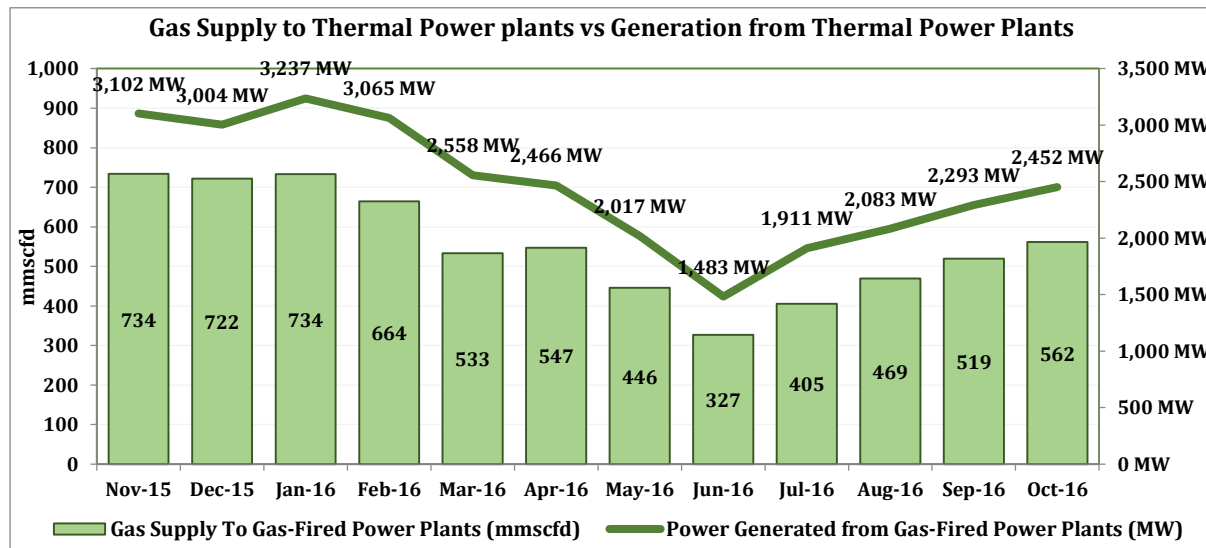
4.4 Domestic Gas Supply to the Power Sector

A total of 562 mmscfd was delivered to the gas fired power plants in the month of October 2016 to generate an average power of about 2,473 MW compared with November 2015 to October 2016 average gas supply of 555 mmscfd and power generation of 2,473 MW. The table 4.4.1 and chart 4.4.1 provide more details.

Table 4.4.1 Domestic Gas Supply to the Power Sector & Generation

Period	Gas Supply To Gas-Fired Power Plants (mmscfd)	Power Generated from Gas-Fired Power Plants (MW)	% of Total Generation including Hyrdo
	mmscfd	MW	%
Nov-15	734	3,102 MW	76.2%
Dec-15	722	3,004 MW	77.3%
Jan-16	734	3,237 MW	78.6%
Feb-16	664	3,065 MW	77.5%
Mar-16	533	2,558 MW	73.6%
Apr-16	547	2,466 MW	78.1%
May-16	446	2,017 MW	76.8%
Jun-16	327	1,483 MW	67.6%
Jul-16	405	1,911 MW	67.3%
Aug-16	469	2,083 MW	63.9%
Sep-16	519	2,293 MW	67.3%
Oct-16	562	2,452 MW	69.9%
Average	555	2,473 MW	72.8%

Chart 4.4.1 Domestic Gas Supply to the Power Sector & Generation



5.1 Summary of Group Operating Revenue and Expenditure for September 2016

Group operating revenue for the months of September and October 2016 were ₦157.89billion and ₦ 157.50billion respectively. This represents 66.47% and 66.30% respectively of monthly budget. Similarly, operating expenditure for the same periods were ₦175.07billion and ₦174.35billion respectively, which also represents 83.49% and 83.14% of budget for the months respectively.



Chart 5.1.2: NNPC Group Operating Expenditure: November 2015 - October 2016

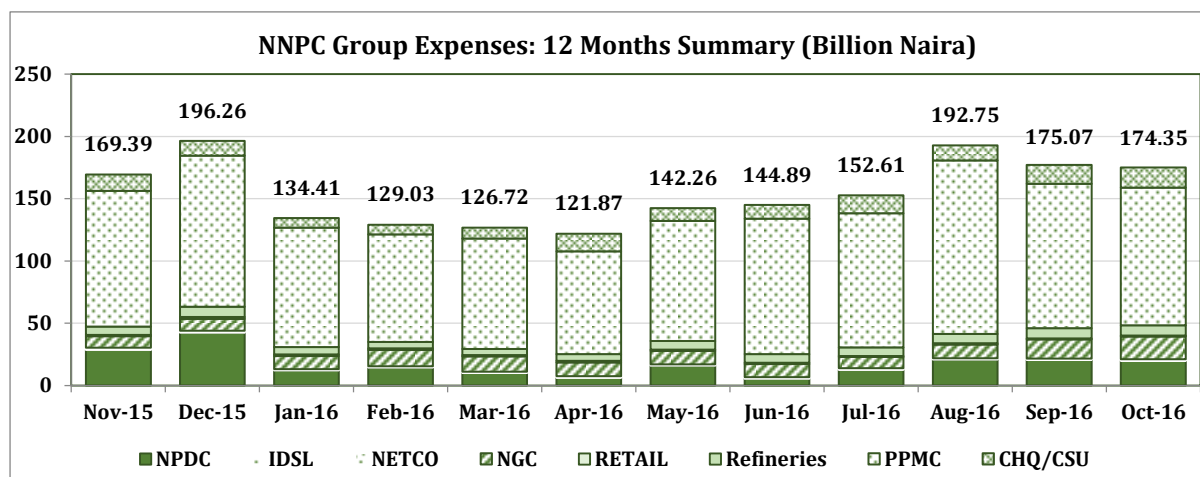
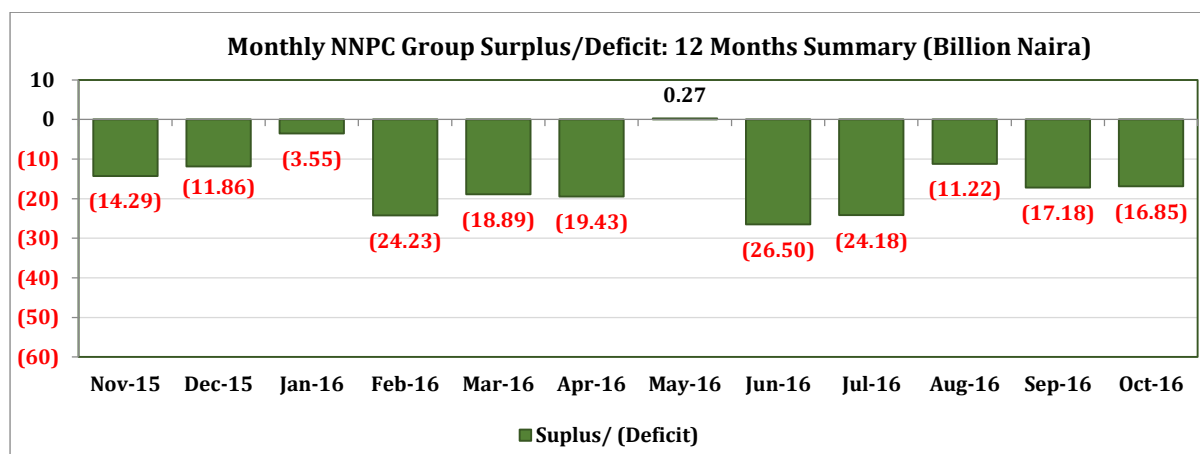


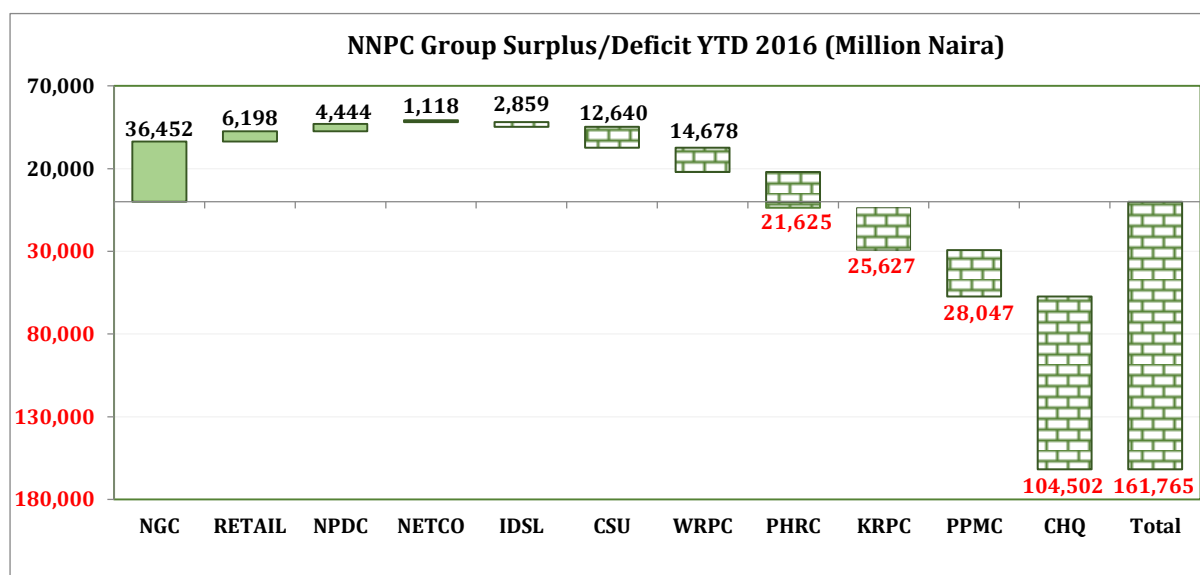
Chart 5.1.3: Monthly NNPC Group Surplus/Deficit November 2015 - October 2016



Note:

The marginal improvement during the month was due to improve PPMC PPS Sales and enhanced cost control across the group.

Chart 5.1.4: NNPC Group Surplus/Deficit January - November 2016



6 Federation Crude Oil & Gas Revenue

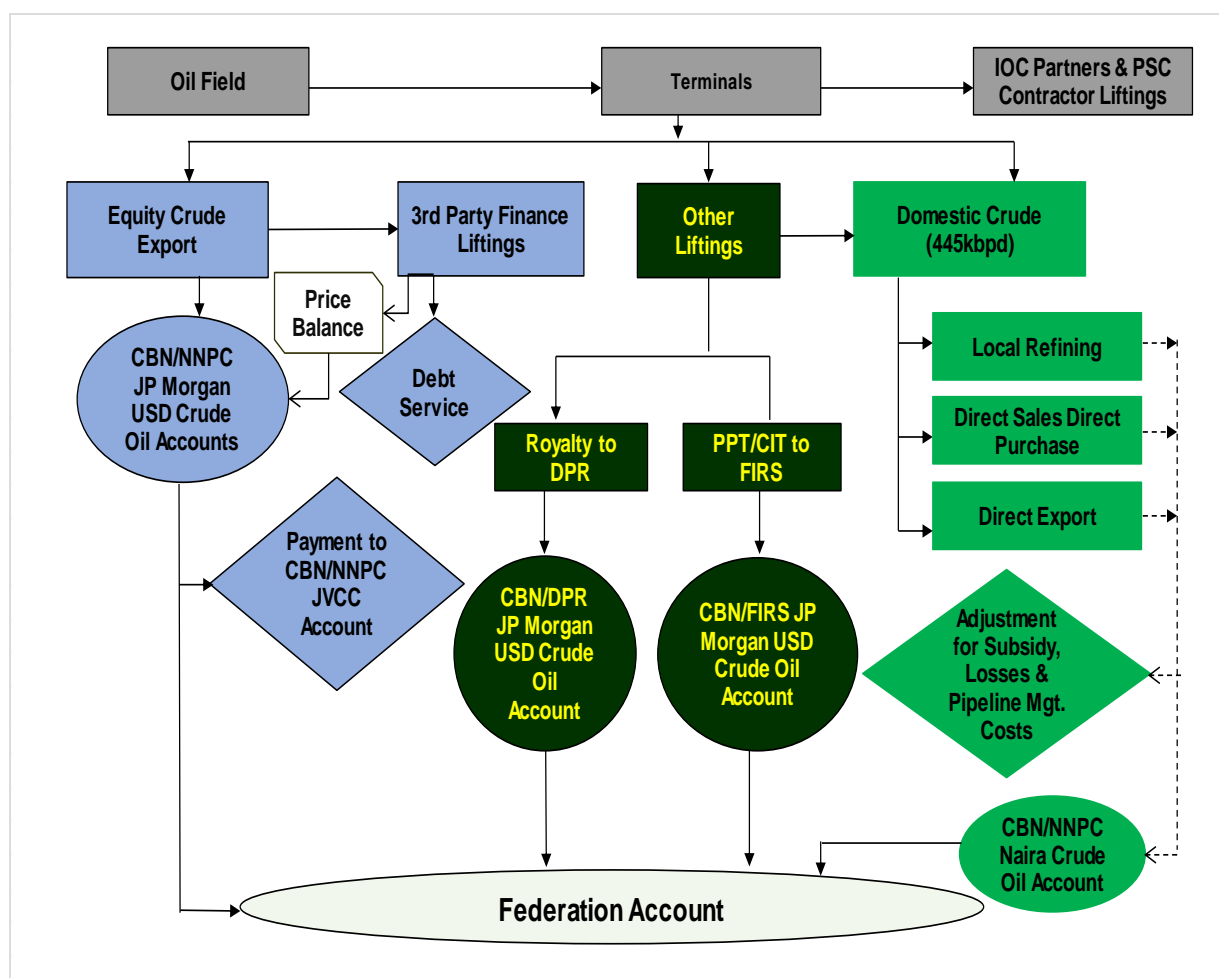
Federation Crude Oil and Gas lifting are broadly classified into Equity Export Crude and Domestic Crude. Both categories are lifted and marketed by NNPC and the proceeds remitted to the Federation Account.

Equity Export receipts, after adjusting for Joint Venture (JV) Cash Calls, are paid directly into JP Morgan Account operated by Central Bank of Nigeria (CBN). Domestic Crude Oil of 445,000bopd is allocated for Refining to meet domestic products supply. Payments are effected to Federation Account by NNPC after adjusting crude & product losses and pipeline repairs & management cost incurred during the period.

6.1 Flow of Oil Revenue into Federation Account.

NNPC also lift Crude Oil and Gas, other than Equity and Domestic Crude Oil, on behalf of DPR and FIRS proceeds of which are remitted into Federation Account.

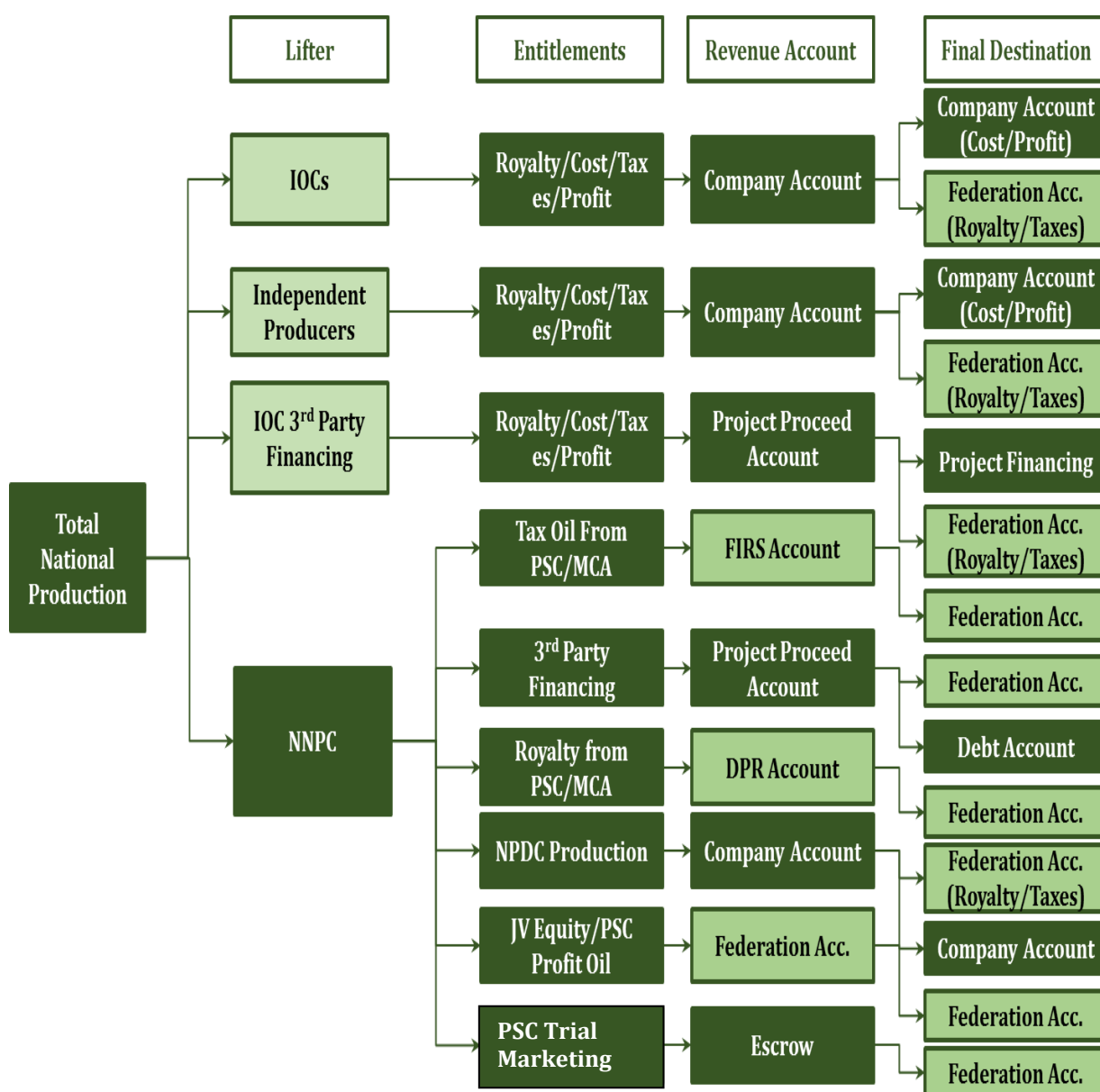
The Third Party finance lifting are Crude Oil and Gas from fields that are financed using alternative finance/loan facility which require the servicing of debt obligations before remitting the balance to Federation Account as Price Balance as shown below:





6.2 Accounting for Federation Crude Oil & Gas

The summary of Oil & Gas Sales and inflow to Federation Account can be depicted as follows:



6.3 Dollar Payments to Federation Account

A total export sale of \$105.74 million was recorded in October, 2016. This is \$25.76 million lower than the preceding month's performance. Crude oil export sales contributed \$21.40 million (or 20.24%) of the dollar transactions compared with \$86.80 contribution in the previous month. Also the export Gas sales amounted to \$84.34 million in the month. Twelve month Crude Oil and Gas transactions indicate that Crude Oil & Gas worth \$ 2,768.73 Million was exported. See Table & Chart 6.3.1 for details.



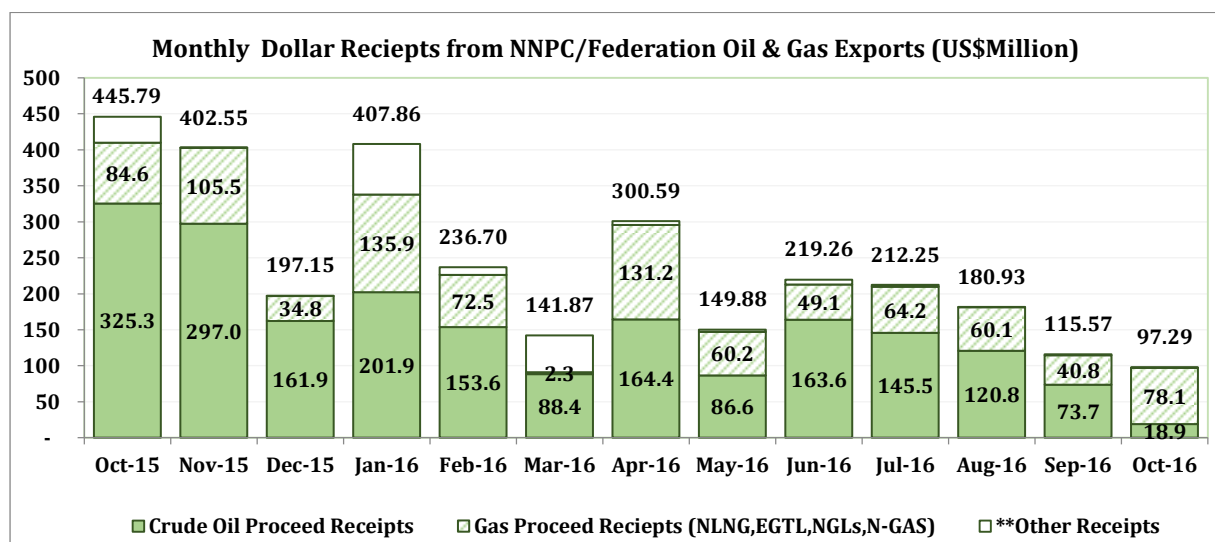
Table 6.3.1 NNPC/FGN Export Crude Oil & Gas Dollar Accruals, Receipts & Payments

Payment Month	NNPC/FGN Export Lifting Only								
	Export Sales Proceed Value Due			Export Sales Proceed Receipts				Allocation of Proceeds to Federation	
	Crude Oil Sales Proceed	Gas Sales Proceed	Total Oil & Gas Sales Proceed	Crude Oil Proceed Receipts	Gas Proceed Receipts (NLNG,EGTL,NGLs,N-GAS)	**Other Receipts	Total Sales Proceed Receipts	JV Cash Call Funding	Balance Remittance to FAAC
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Nov-15	296,986,367	118,022,480	415,008,847	296,986,367	105,534,282	25,096	402,545,745	402,545,745	0
Dec-15	161,895,261	107,962,918	269,858,179	161,895,261	34,840,505	419,082	197,154,848	197,154,848	0
Jan-16	202,093,977	80,740,055	282,834,032	201,916,074	135,891,015	70,050,482	407,857,571	407,857,571	0
Feb-16	156,189,386	91,263,968	247,453,354	153,630,938	72,525,245	10,544,130	236,700,314	236,700,314	0
Mar-16	98,305,490	72,571,896	170,877,386	88,363,958	2,275,746	51,228,943	141,868,647	141,868,647	0
Apr-16	191,302,792	98,062,195	289,364,987	164,398,704	131,174,922	5,016,650	300,590,276	300,590,276	0
May-16	89,128,951	66,558,537	155,687,488	86,628,833	60,245,532	3,002,440	149,876,805	149,876,805	0
Jun-16	198,526,555	89,644,254	288,170,809	163,589,045	49,124,829	6,551,005	219,264,879	214,398,900	4,865,979
Jul-16	153,011,486	73,459,665	226,471,151	145,511,441	64,212,838	2,529,900	212,254,179	168,129,620	44,124,559
Aug-16	101,542,839	84,220,874	185,763,713	120,841,617	60,088,669	935	180,931,221	157,046,660	23,884,561
Sep-16	86,800,375	44,700,250	131,500,625	73,714,609	40,813,107	1,040,067	115,567,783	115,567,783	0
Oct-16	21,401,359	84,339,597	105,740,956	18,901,409	78,137,458	251,548	97,290,416	97,290,416	0
Total	1,757,184,839	1,011,546,688	2,768,731,527	1,676,378,257	834,864,149	150,660,278	2,661,902,684	2,589,027,585	72,875,099

Note:

- Export Crude Oil Sales proceeds are received 30 days after bill of lading date.
- In October 2016 Naira portion of ₦59,498,978,610.00 equivalent to a functional Dollar of \$302,025,272.13 at a budgeted exchange rate of N197/\$ was transferred to JVCC from Domestic Crude Oil receipts in addition to the \$97,290,416.

Chart 6.3.1 Monthly dollar receipts from NNPC/Federation Oil & Gas Exports



6.3.2 Dollar Payments to JV Cash Call & Federation Account

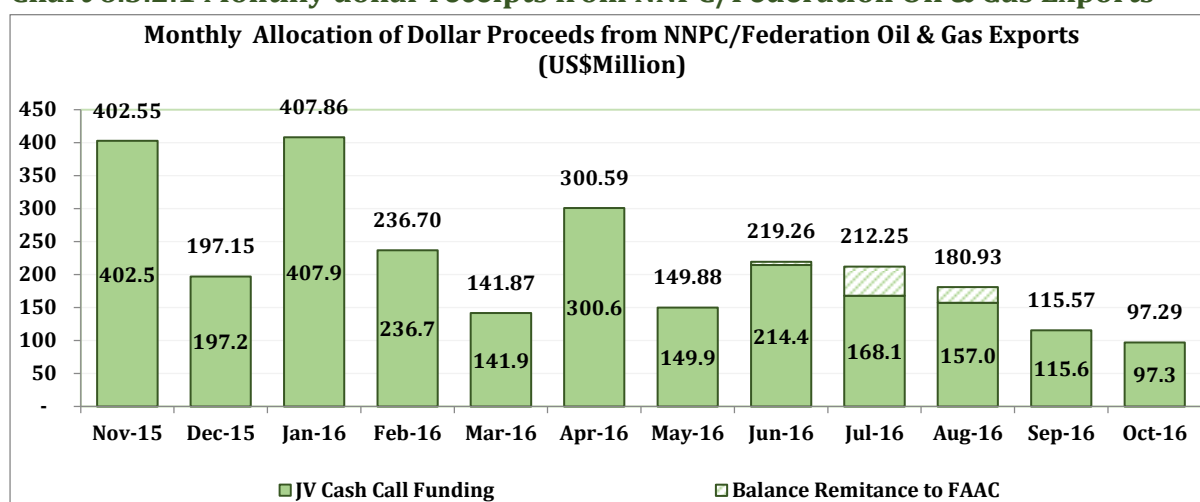
Total export proceeds of \$ 97.29 million were recorded in October 2016 as receipt against \$115.57 Million in September 2016. Contribution from Crude oil amounted to \$18.90 Million after adjusting for \$2.50 Million lifting deposit utilized earlier. Gas & Other proceeds was \$78.39 Million. The total receipt of \$97.29 Million remitted to fund the JV cash Call for the month of October 2016 to guarantee current and future production. The Poor performance is attributable to attack and sabotage of oil facilities in the Niger Delta.



At Forcados Terminal alone about 300,000bopd were shut in since February 2016 following Force majeure declared by SPDC. A number of crude oil Liftings were deferred until the repair is completed. Other major terminal affected by the renewed spate of vandalism includes Bonny, Usan, Que Ibo terminals, and the recent attack on the Nembe Creek Trunk Line (NCTL).

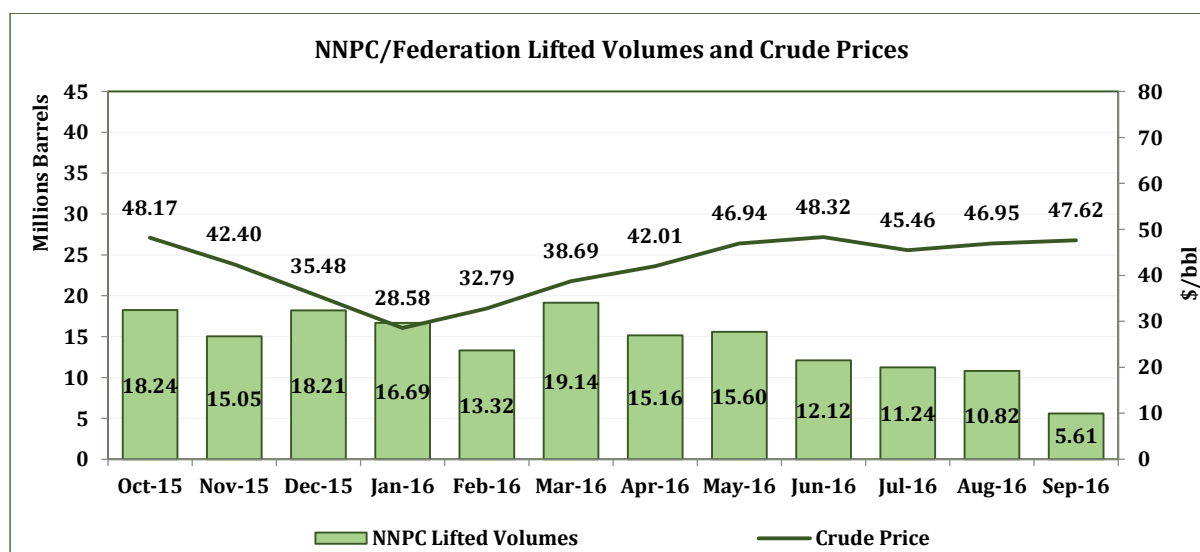
Total export crude Oil & Gas receipt for the period of November 2015 – October, 2016 stood at \$2.66Billion. Out of which the sum of \$2.59Billion was transferred to JV Cash Call in line with 2015/2016 Approved Budget (See Table & Chart 6.3.1) and the balance of \$0.073Billion was paid to Federation Account. However, this amount falls short of the calendarised appropriated amount of \$615.80Million and \$712.46Million for 2015 and 2016 respectively (See Table & Chart 6.3.1). This is due to worsening production and fall in Crude Oil price.

Chart 6.3.2.1 Monthly dollar receipts from NNPC/Federation Oil & Gas Exports



- In October 2016 Naira portion of ₦59,498,978,610.00 equivalent to a functional Dollar of \$302,025,272.13 at a budgeted exchange rate of ₦197/\$ was transferred to JVCC from Domestic Crude Oil receipts in addition to the \$97,290,416.

Chart 6.3.2.2 NNPC Federation Lifted Volumes vs. Crude Oil Prices





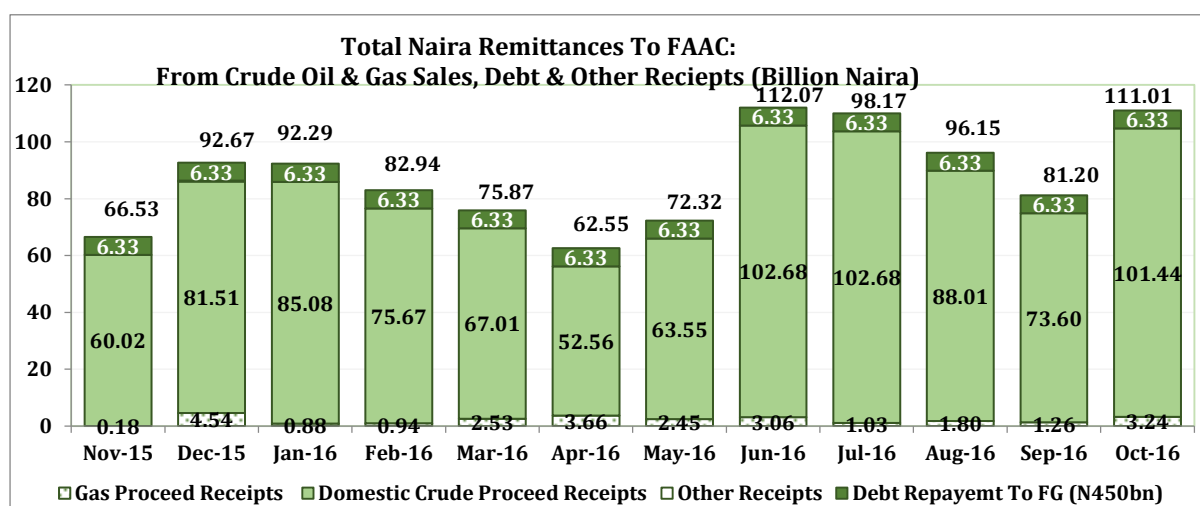
6.4 Naira Payments to Federation Account

The Domestic Crude Oil and Gas receipt during the month amounted to ₦104.68Billion, consisting of ₦3.24Billion from Domestic Gas and the sum of ₦101.44Billion from Domestic Crude Oil. Of the ₦101.44Billion receipt from Crude Oil, the sum of ₦59.50 Billion (FUS\$302.03Million) was transferred to Joint Venture Cash Call (JVCC) being a first line charge and to guarantee continuous flow of revenue stream to Federation Account.

Table 6.4.1: Naira Proceed from Sale of Domestic Crude Oil & Gas

Receipt/ Payment Month	Proceed Value Due	Domestic Sales Proceed Receipts			
	Total Domestic Sales Proceed due	Domestic Crude Proceed Receipts	Gas Proceed Receipts	Other Receipts	Total Sales Proceed Receipts
	NGN	NGN	NGN	NGN	NGN
Nov-15	95,983,816,906	60,019,423,319	176,207,432	0	60,195,630,751
Dec-15	126,329,013,388	81,507,573,994	4,541,979,742	291,415,657	86,340,969,392
Jan-16	112,278,942,793	85,077,843,432	880,313,926	0	85,958,157,358
Feb-16	93,341,700,093	75,669,493,242	944,399,579	0	76,613,892,821
Mar-16	87,043,513,817	67,009,042,386	2,534,736,166	0	69,543,778,552
Apr-16	62,861,752,684	52,557,101,459	3,657,505,286	0	56,214,606,745
May-16	66,313,927,244	63,547,266,205	2,446,509,598	0	65,993,775,802
Jun-16	107,622,651,186	102,677,588,055	3,064,092,344	0	105,741,680,399
Jul-16	107,369,013,059	102,677,588,055	1,025,243,409	0	103,702,831,464
Aug-16	104,637,752,246	88,011,699,935	1,804,203,024	0	89,815,902,959
Sep-16	84,783,506,206	73,603,750,476	1,262,684,823	0	74,866,435,299
Oct-16	114,173,876,975	101,440,041,481	3,236,910,288	0	104,676,951,769
TOTAL	1,162,739,466,597	953,798,412,039	25,574,785,617	291,415,657	979,664,613,313

Chart: 6.4.1 Monthly Naira Payments to FAAC



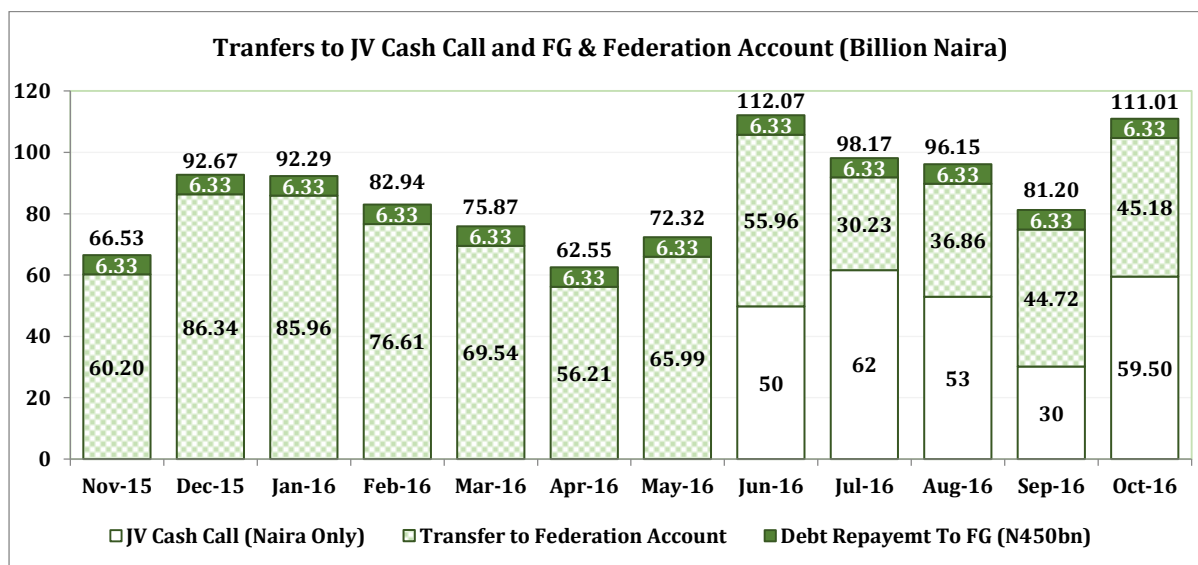
NNPC transferred the sum of ₦41.94Billion into Federation Account during the month under review from the net domestic crude oil receipt and ₦3.24Billion from Gas receipts. Also, the 27th installment of the refund to FG of ₦6.33Billion was remitted to Federation Account. The tables below show the Naira proceeds from the Sale of Domestic Crude Oil as well as Gas and the corresponding Naira remittances to Federation Account.



Table 6.4.2: Allocation of Naira Proceeds from Sale of Domestic Crude Oil: Payment to FAAC

Receipt/ Payment Month	Proceed Value Due	Allocation of Domestic Sales Proceeds							Total Remittances	Transfers To JV Cash Call, FG & Federation Account			
	Domestic Crude Cost	Domestic Crude Payments	Subsidy	Crude Losses	Product Losses	Pipeline Repairs & ManagmetCost	Gas & Other Receipts	JV Cash Call (Naira Only)		Transfer to Federation Account	Debt Repayemt To FG (N450bn)	Total Payment To FAAC	
	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=		=N=	=N=	=N=	
Nov-15	95,983,816,906	60,019,423,319	16,493,776,920	293,710,061	2,839,171,940	8,687,510,121	176,207,432	66,526,024,300	0	60,195,630,751	6,330,393,549	66,526,024,300	
Dec-15	126,329,013,388	81,507,573,994	13,617,984,556	287,814,000	2,742,298,856	8,106,796,133	4,833,395,399	92,671,362,942	0	86,340,969,392	6,330,393,549	92,671,362,942	
Jan-16	112,278,942,793	85,077,843,432	0	558,564,000	1,788,760,568	5,594,075,917	880,313,926	92,288,550,907	0	85,958,157,358	6,330,393,549	92,288,550,907	
Feb-16	93,341,700,093	75,669,493,242	0	558,564,000	1,240,487,347	14,022,897,218	944,399,579	82,944,286,370	0	76,613,892,821	6,330,393,549	82,944,286,370	
Mar-16	87,043,513,817	67,009,042,386	0	5,939,792,329	1,757,101,224	4,870,082,287	2,534,736,166	75,874,172,102	0	69,543,778,552	6,330,393,549	75,874,172,102	
Apr-16	62,861,752,684	52,557,101,459	0	3,277,860,605	2,273,338,772	9,506,903,694	3,657,505,286	62,545,000,294	0	56,214,606,745	6,330,393,549	62,545,000,294	
May-16	66,313,927,244	63,547,266,205	0	347,231,838	2,221,443,968	2,964,646,274	2,446,509,598	72,324,169,352	0	65,993,775,802	6,330,393,549	72,324,169,352	
Jun-16	107,622,651,186	102,677,588,055	0	736,487,849	323,922,508	3,884,652,774	3,064,092,344	112,072,073,948	49,784,217,180	55,957,463,219	6,330,393,549	62,287,856,768	
Jul-16	107,369,013,059	90,815,444,663	0	1,685,900,590	0	14,867,667,806	1,025,243,409	98,171,081,621	61,615,100,170	30,225,587,902	6,330,393,549	36,555,981,451	
Aug-16	104,637,752,246	88,011,699,935	0	1,635,484,664	0	14,990,567,646	1,804,203,024	96,146,296,509	52,959,007,240	36,856,895,719	6,330,393,549	43,187,289,269	
Sep-16	84,783,506,206	73,603,750,476	0	1,223,607,311	0	9,956,148,418	1,262,684,823	81,196,828,849	30,150,652,200	44,715,783,099	6,330,393,549	51,046,176,649	
Oct-16	114,173,876,975	101,440,041,481	0	395,333,760	0	12,338,501,734	3,236,910,288	111,007,345,318	59,498,978,610	45,177,973,159	6,330,393,549	51,508,366,708	
TOTAL	1,162,739,466,597	941,936,268,647	30,111,761,477	16,940,351,007	15,186,525,183	109,790,450,022	25,866,201,274	1,043,767,192,513	254,007,955,400	713,794,514,520	75,964,722,593	789,759,237,113	

Chart: 6.4.2 Monthly Naira Payments to FAAC



Note:

In October 2016 Naira portion of N59,498,978,610.00 equivalent to a functional Dollar of \$302,025,272.13 at a budgeted exchange rate of N197/\$ was transferred to JVCC from Domestic Crude Oil receipts in addition to the \$97,290,416.



7.0 Key Determinants for Change

7.1 Key events and activities during the period

■ DSDP Crude Oil Allocation

- In September, 2016, NNPC allocated 74.42% of domestic crude oil to Direct Sale-Direct Purchase (DSDP) arrangement to ensure petroleum products availability. So far the arrangement guarantees products stability and creates room for savings.
- The DSDP arrangement is constantly being reviewed to ensure value is delivered to the Corporation and Nigeria as envisaged/promised.

■ Other Achievements

Other key achievements during the month under review include the following:

- The Corporation is also exploring measures to deal with the intractable Cash Call challenges as the funding of Joint Venture (JV) Operations should be the first line charge to ensure sustainable oil production and reserve growth.
- The ongoing value for money Audit on all the Joint Venture Arrangements to ensure value is delivered to Federation Account.
- Ongoing engagement towards exploring oil in the Chad basin.
- Ongoing review of the existing PSC arrangements with a view to improve Government share of revenue from the arrangement.
- The newly created internal security advisory council, with membership from NNPC, the IOCs, the unions and security operatives continue to brainstorm and address host community agitations to complement efforts of the Government Security Team.

7.2 Key challenges

The following are the key inhibiting factors that drag performance:

7.2.1 Vandalism of Oil and Gas Facilities

FORCADOS TERMINAL

A Force Majeure declared since 15th February, 2016 was still in place in September 2016 due to the damage on the 48" sub-sea export which triggered a disruption in cargo lifting. This has resulted in a shut in of about 330,000bopd from 1st to 30th September, 2016. Repair works are still ongoing in September 2016 on the export line due to a second sabotaged section that occurred on the 3rd of June, 2016 between the shoreline and terminal.

QUA IBOE TERMINAL

Force Majeure declared on 14 July, 2016 was still in place in September 2016. As a result there was no Qua Iboe and NGL lifting in September 2016. About 400,000bopd was shut-in from 1st September to 30th September, 2016.



BONNY TERMINAL

There also was an attack and fire outbreak on a major pipeline on 25th September, 2016. In total 300,000bopd was shut in during September, 2016.

BRASS TERMINAL

The Force Majeure declared on 22nd May, 2016 was still in place as a result of the sabotage on the Clough Creek – Tebidaba pipeline. Some wells were shut down from 4th to 30th September, 2016 for maintenance of critical equipment. A total of about 120,000bopd was shut in throughout the month of September 2016 due to line leakage issues.

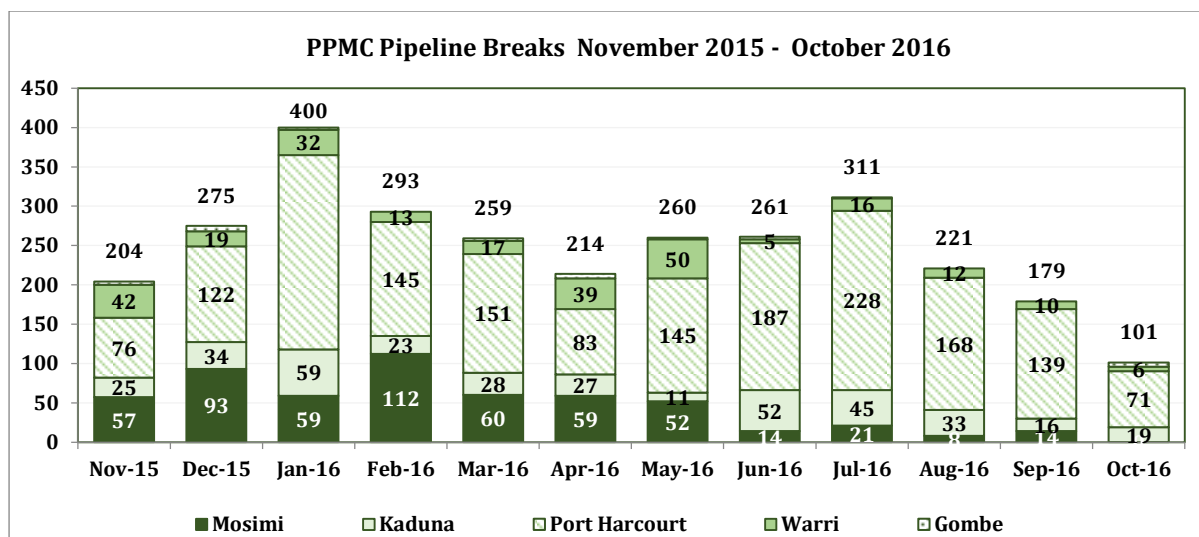
7.2.2 Funding of Projects

Federation funding has been inadequate over the years. This is as a result of the current wave of sabotage orchestrated by Militant and low oil prices further worsen the situation.

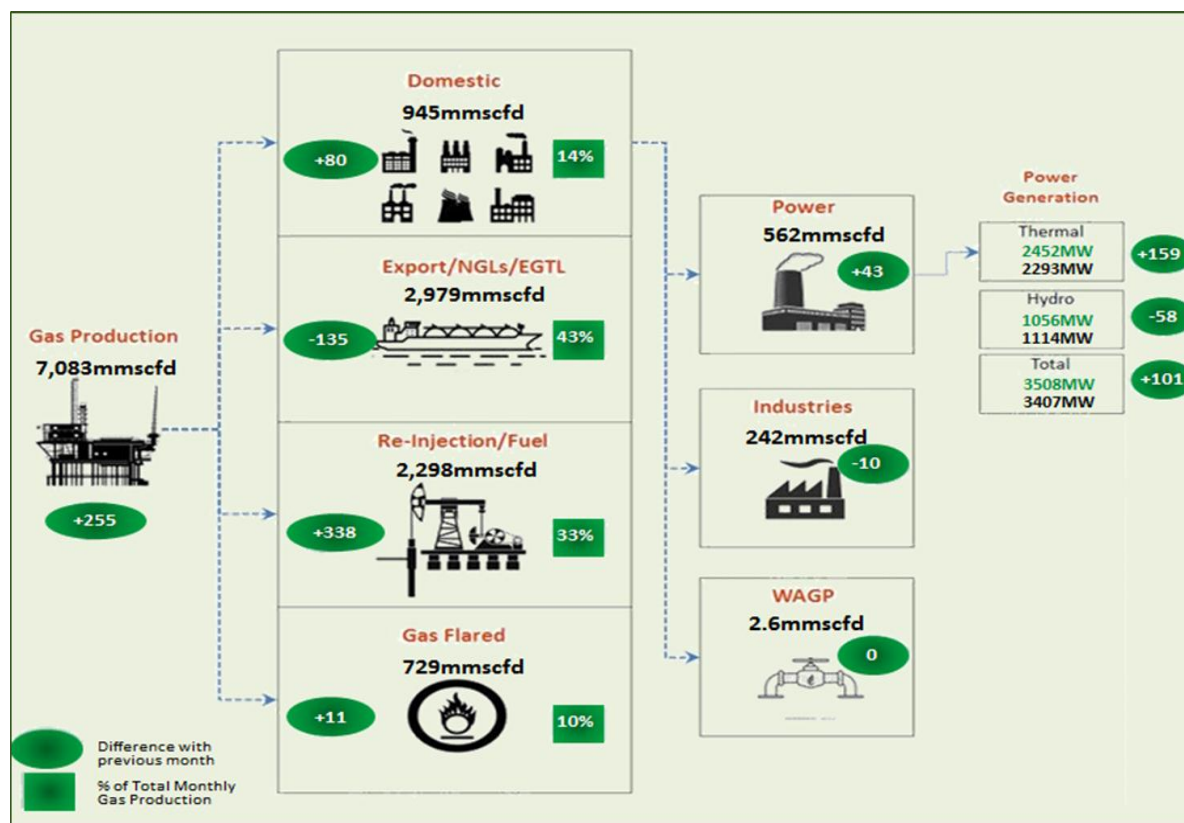
7.2.3 Products theft and Pipeline Security

Products theft and vandalism have continued to destroy value and put NNPC at disadvantaged competitive position. A total of 2,978 vandalized points have been recorded between November 2015 and October 2016. Therefore, crude and products losses have continued to cost NNPC and the Nation huge amount of money (see chart 7.1).

Chart 7.1 PPMC Pipeline Breaks November 2015 – October 2016



7.4 Gas Production, Utilization & Power Highlights for the month of October 2016





8 Glossary and Definition of Terms

AF	Alternative Funding (Financing)
AGO	Automotive Gas Oil
B/L	Bill of Lading
BBLs	Barrels
CA	Carry Agreement
CBN	Central Bank of Nigeria
DPK	Dual Purpose Kerosene
DPR	Department of Petroleum Resources
DSDP	Direct Sales Direct Purchase
EGTL	Escravos Gas to Liquid
EX.	Exchange
FAAC	Federation Account Allocation Committee
FGN	Federal Government of Nigeria
FIRS	Federal Inland Revenue Service
IOCs	International Oil Companies
JV(s)	Joint Ventures
JVCC	Joint Venture Cash Call
LPG	Liquefied Petroleum Gas
MCA	Modified Carry Agreement
MMBTU	Million British Thermal Unit
MT	Metric Tons
NGL	Natural Gas Liquid
NLNG	Nigeria Liquefied Natural Gas
NNPC	Nigerian National Petroleum Corporation
NPDC	Nigerian Petroleum Development Company
OECD	Organization for Economic Co-operation and Development
OPA	Offshore Processing Agreement
PMS	Premium Motor Spirit
PPMC	Pipelines and Products Marketing Company
PPRA	Petroleum Products Pricing Regulatory Agency
PPT	Petroleum Profit Tax
PSC	Production Sharing Contract
PTD	Period To Date
QIT	Qua Iboe Terminal
QTY	Quantity
RDP	Reserve Development Project
SC	Service Contract
SOF	Satellite Oil Field Project
TM	Trial Marketing
TMP	Trial Marketing Period
YTD	Year To Date



Explanatory Notes

• Federation Equity Crude Oil & Gas Export Sales

- Export sales proceeds are receivable 30 days after B/L date.
- About 61% of the NGL sales are dedicated for servicing the NGL II Project debt's obligations. The balance is transferred into the Federation Account as price balance.
- NLNG feedstock: Gas supplied by NNPC/JV partners to NLNG.

• Domestic Crude Oil Costs

- 445,000 barrels/day of crude oil is allocated to NNPC for the purpose of supplying refined products for domestic consumption.
- NNPC purchases its allocated crude oil from the Federation at the prevailing International market price per barrel and payment is due 90 days after the B/L date.
- NNPC obligations are paid in Naira based on CBN determined exchange rate in the month of lifting..

• Remittances To FAAC

- Domestic Gas: Revenues received from NNPC Joint Ventures for Gas sales in Domestic market e.g - Gas sales to Indorama, IPPs, and NGC. etc
- Miscellaneous Income consists of the following:
 - (a) Assets disposal income
 - (b) Ullage fees
 - (c) Osubi air strip
 - (d) JP Morgan Bank Account interest
 - (e) Price balance from Third Pary financing e.g RDP, SOF, NGLII
 - (f) Revenue from Afam-Power
 - (g) Insurance Claims settlement etc.

• FIRS PPT And DPR Royalty Remittances

- Receipts from PPT and Royalty crude liftings are paid directly into FIRS/CBN JP Morgan Accounts and DPR/CBN JP Morgan Accounts respectively without involvement of NNPC in the collection process.

