NNPC

Monthly Report

Financial and Operations Report

December 2015

Disclaimer

This publication presents information on the 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 occur. Users are to note that use of any information herein is purely at their discretion.

Outline

1 Introduction

The Downtrend in global crude oil prices has continued to affect the energy industry worldwide with average Brent Oil Price of $37.97 per barrel throughout December, 2015. Local operational challenges such as refinery capacity utilization which is below commercial threshold due to prolonged Turn Around Maintenance (TAM) issues, pipeline vandalism and products losses have continued to cost NNPC huge amount of money. These developments have put the Corporation in disadvantaged market position.

However, we are determined to survive, grow and take calculated risk for the benefit of the industry and all Nigerians alike. The new NNPC leadership has taken bold steps to address the Corporation's key business and operational challenges through the "20 fixes initiatives" as always being reported. The initiatives principally seek to grow upstream production, resolve the complex issues in downstream operations, increase efficiency and push for improved operational and financial performance among others.

In retrospect therefore, this fifth publication of NNPC monthly financial and operations report covers the activities for the period of January – December 2015, as one of the initiatives of the Corporation in its ongoing restructuring efforts to ensure probity, transparency and accountability in the conduct of its business. The report is being published as part of NNPC's commitment to keep our stakeholders, and the general public informed about our activities across the oil and gas value chain (Upstream, Midstream & Downstream).

As a result of popular demand from the public, we have accordingly expanded this report to incorporate additional links to enable access into more detailed information that could not be displayed on the face of the report on account of space. We are also going ahead in 2016 to develop an index by which NNPC could continuously measure its progress in improving its transparency and public accountability.

In the second quarter of 2016, we, like other National Oil Companies will produce Annual Report as required by the NNPC enabling Act. This report will provide information on NNPC's corporate governance, operational activity and financial performance. The 2016 Annual Report will build on the strong foundation of NNPC's Annual Statistical Bulletin (ASB).

Activity update

You may recall that NNPC had recently achieved financial close for $1.2bn multi-year drilling package for the development of 23 onshore and 13 offshore wells on OML 49, 90 and 95 in two stages over 2015- 2018 through alternative funding arrangements called , NNPC/CNL JV Project Cheetah. The project objective is to mitigate production declines and meet incremental production targets.

This Project has been awarded the ***"Africa and Middle-East Oil Deal of the Year 2015"*** by Thomson Reuters/PFI Magazine, which is one of the most prestigious award in the International Financing Market. The Award Ceremony is scheduled for 3rd February, 2016 at the Hilton Park Lane, London, United Kingdom.

In a related development, NNPC recently took a giant leap towards the selection of Financial Advisors for alternative financing initiative aimed at bridging the current upstream JV funding gap, grow NPDC operations and established energy investment fund for downstream infrastructure development. (See section 7 for details of key achievements).

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

2.1 National Crude Oil & Condensate Production

A total of 65.48 million barrels of crude oil & condensate was produced in the month of November 2015 representing an average daily production of 2.18 million barrels. This represents decrease of 4.23% compared to October, 2015 performance. Of the November, 2015 Production, Joint Ventures (JVs) and Production Sharing Contracts (PSC) contributed about 34.08% and 41.61% respectively. While AF, NPDC and Independent accounted for 14.34%, 4.89% and 5.09% respectively. The tables and charts below provide details of the National Crude Oil & Condensate Production for the period January to November, 2015.

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

Month	JVs	PSC	AF	NPDC	Independent / Marginal Fields	Total	Average Daily Production
	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
Jan-15	22,221,832.00	28,141,885.00	11,055,401.00	2,590,807.00	4,056,586.00	68,066,511.00	2,195,693.90
Feb-15	19,631,486.00	25,112,636.00	9,800,902.00	3,177,031.00	4,138,868.00	61,860,923.00	2,209,318.68
Mar-15	18,780,222.00	26,845,229.00	9,614,364.00	3,691,908.00	5,224,426.00	64,156,149.00	2,069,553.19
Apr-15	19,568,055.00	26,008,972.00	10,799,392.00	1,182,498.00	3,282,359.00	60,841,276.00	2,028,042.53
May-15	19,579,478.00	27,197,671.00	11,166,850.00	3,419,018.00	2,126,082.00	63,489,099.00	2,048,035.45
Jun-15	18,334,670.00	25,593,567.00	9,704,798.00	2,082,212.00	3,371,609.00	59,086,856.00	1,969,561.87
Jul-15	21,940,240.00	27,858,467.00	9,850,062.00	3,491,493.00	4,359,294.00	67,499,556.00	2,177,405.03
Aug-15	20,521,917.00	26,502,653.00	11,193,300.00	2,884,069.00	2,241,536.00	63,343,475.00	2,043,337.90
Sep-15	21,712,359.00	26,362,841.00	10,383,570.00	3,497,687.00	4,024,468.00	65,980,925.00	2,199,364.17
Oct-15	23,159,858.80	27,849,376.00	10,217,919.00	3,149,985.00	3,997,241.00	68,374,379.80	2,205,625.15
Nov-15	22,318,997.00	27,244,979.00	9,388,108.00	3,199,558.00	3,332,856.00	65,484,498.00	2,182,816.60
Total	**227,769,114.80**	**294,718,276.00**	**113,174,666.00**	**32,366,266.00**	**40,155,325.00**	**708,183,647.80**	**2,120,310.32**

Note:
- *NPDC's Crude production was based on NPDC's wholly owned assets and percentage holding in JV assets.*
- *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: Monthly Crude Oil & Condensate Production

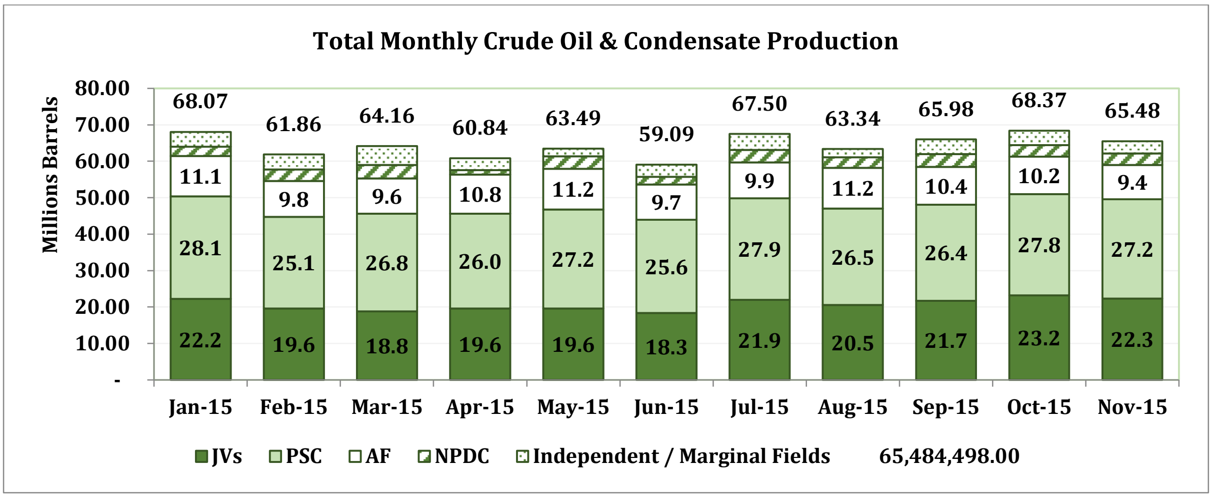
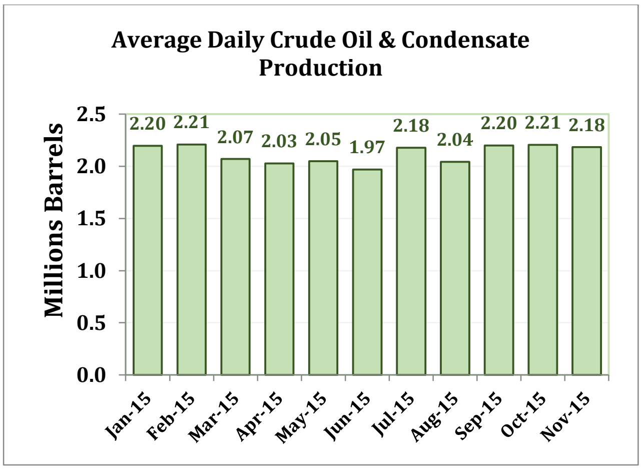


Chart 2.1.2: Average Daily Crude Oil & Condensate Production & Percentage distribution



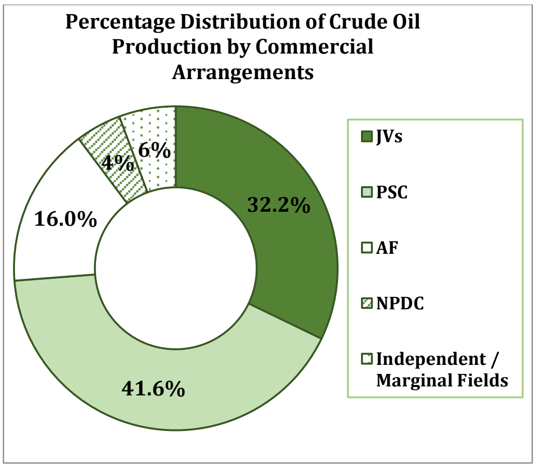


Table 2.1.2: NPDC monthly Crude oil & Condensate Production

Field/Company	Block	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	2015 YTD
NPDC Owned Direct Operated Assets		Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
Abura	OML 65	110,843	99,773	127,658	58,167	0	2,167	0	0	89,074	110,761	84,282	**682,725**
Oredo	OML 111	74,585	140,231	159,110	34,382	35,112	63,068	137,803	127,796	175,734	84,938	106,692	**1,139,451**
Oziengbe	OML 111	0	0	39,086	5,030	7,420	15,843	29,685	25,293	32,536	23,419	23,832	**202,144**
Okono_Okpoho	OML 119	900,295	809,733	757,583	567,076	592,383	705,329	682,491	665,826	583,879	658,431	630,224	**7,553,250**
SUB-TOTAL		**1,085,723**	**1,049,737**	**1,083,437**	**664,655**	**634,915**	**786,407**	**849,979**	**818,915**	**881,223**	**877,549**	**845,030**	**9,577,570**
NPDC JV Direct Operated Assets													
Ogini_Isoko/FHN	OML 26	32,427	72,484	74,209	4,973	209,347	27,791	42,309	978,556	99,026	93,809	90,421	**1,725,352**
Opuama/Elcrest	OML 40	37,392	50,317	52,724	49,254	27,213	32,773	34,784	148,710	45,837	49,438	53,541	**581,983**
Batan_Odidi/Netconde	OML 42	325,465	358,605	434,495	40,484	142,692	314,153	513,171	278,883	468,420	470,015	455,955	**3,802,338**
Afiesere_Kokori/Shoreline	OML 30	198,708	494,598	550,060	38,846	1,421,263	0	416,571	182,232	546,038	335,412	335,827	**4,519,555**
Utorogu_Ughelli/NDW	OML 34	277,131	271,514	316,736	216,558	154,132	121,914	253,075	204,753	242,352	233,601	256,732	**2,548,498**
SUB-TOTAL		**871,123**	**1,247,518**	**1,428,224**	**350,115**	**1,954,647**	**496,631**	**1,259,910**	**1,793,134**	**1,401,673**	**1,182,275**	**1,192,476**	**13,177,726**
NPDC JV Non-Operated Assets													
OBEN_Amukpe_Sapele/SEPLAT	OML 4,38&41	633,961	879,776	1,180,247	167,728	829,456	799,174	1,381,604	272,020	1,214,791	1,090,161	1,162,052	**9,610,970**
Brass/NAOC	OML 60-63												
SUB-TOTAL		**633,961**	**879,776**	**1,180,247**	**167,728**	**829,456**	**799,174**	**1,381,604**	**272,020**	**1,214,791**	**1,090,161**	**1,162,052**	**9,610,970**
GRAND TOTAL		**2,590,807**	**3,177,031**	**3,691,908**	**1,182,498**	**3,419,018**	**2,082,212**	**3,491,493**	**2,884,069**	**3,497,687**	**3,149,985**	**3,199,558**	**32,366,266**
Average Daily Production		**83,574**	**113,465**	**119,094**	**39,417**	**110,291**	**69,407**	**112,629**	**93,034**	**116,590**	**101,612**	**106,652**	**96,905**

The NPDC YTD cumulative production from all fields amounted to 32,366,266 barrels of Crude oil which translated to an average daily production of 96,905 barrels. Comparing NPDC performance to National Production, the company production share amounted to 4.89%. NPDC production is expected to hit production level of 250,000bp/d after the completion of the on-going NPDC re-kitting project.

Production from NPDC wholly operated assets amounted to 9,577,570 barrels (or 29.59% of the total production) with Okono Okpoho (OML 119) alone producing more than 78.86% of the NPDC operated Assets or 23.36% of the total NPDC production. Also on the NPDC operated JV assets, in which NPDC own 55% controlling interest, Crude Oil production amounted to 13,177,726 (or 40.71% of the NPDC total production). On the JV assets not operated by NPDC, production level stood at 9,610,970 barrels or 29.69% of the company production.

Chart 2.1.3 NPDC Monthly Crude Oil & Condensate Productions

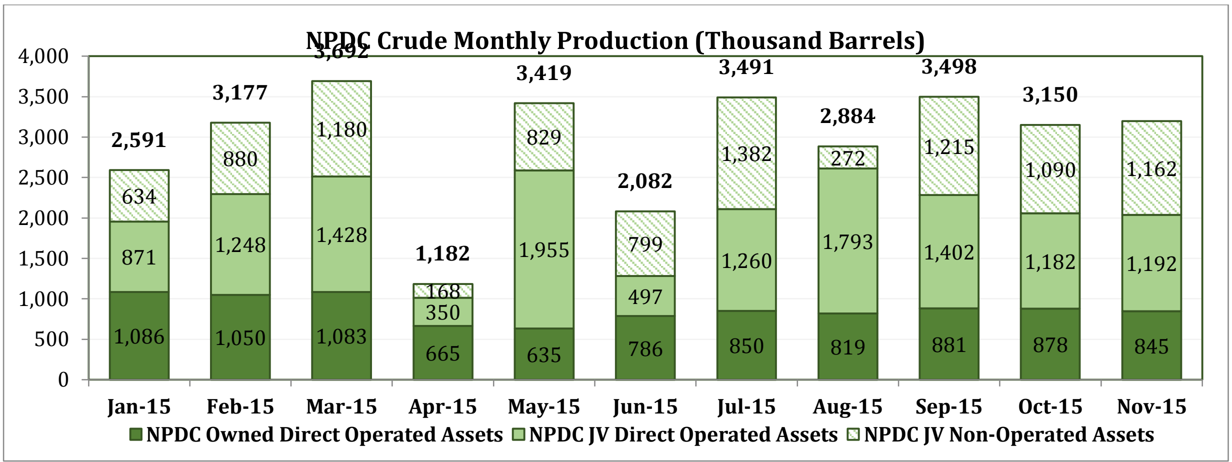
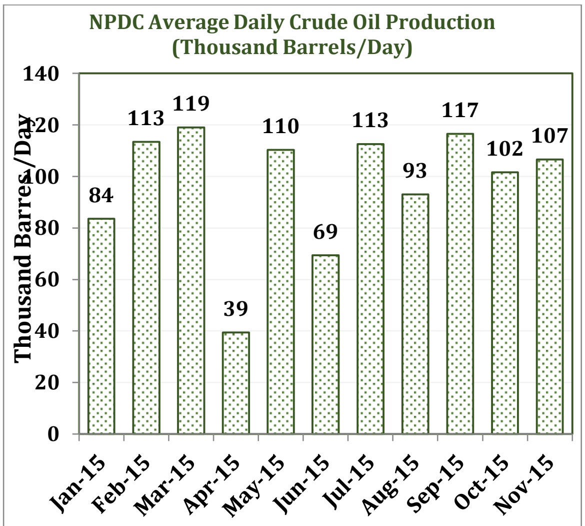
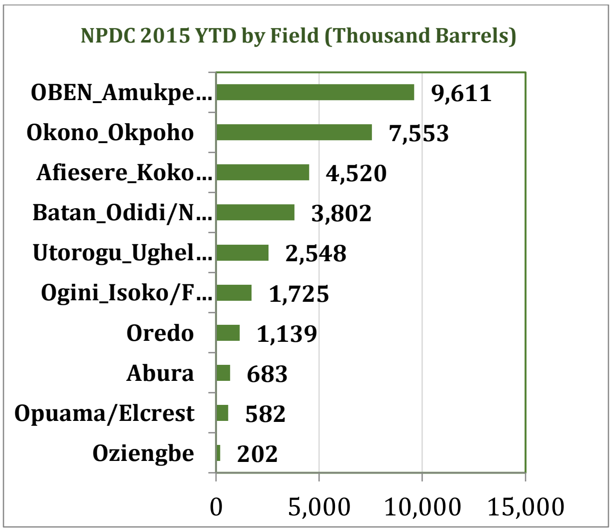


Chart 2.1.4 NPDC Average Daily Crude Production & 2015 YTD by Field





2.2. National Gas Production

A total of 247.22 billion standard cubic feet (BCF) of natural gas was produced in the month of December 2015 translating to an average daily production of 8.24 billion standard cubic feet per day (bscfd). For the period January to December 2015, a total of 2,656.08BCF of gas was produced representing an average daily production of 7951.42 mmscfd during the period. Production from Joint Ventures (JVs), Production Sharing Contracts (PSC) and NPDC contributed about 69.89%, 21.88% and 8.22% respectively to the total national gas production. The table and charts below provide details of the national gas production for the period January to December 2015.

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

PERIOD	JV	PSC	NPDC	TOTAL
	BCF	BCF	BCF	BCF
Jan-15	179.03	57.94	17.68	**254.65**
Feb-15	146.23	51.98	17.17	**215.38**
Mar-15	157.47	53.43	20.54	**231.44**
Apr-15	167.97	54.32	16.75	**239.03**
May-15	175.10	53.59	16.46	**245.14**
Jun-15	164.30	52.98	19.05	**236.33**
Jul-15	177.61	54.71	22.91	**255.23**
Aug-15	169.45	48.85	22.72	**241.02**
Sep-15	172.71	48.79	24.11	**245.61**
Oct-15	173.75	50.56	20.71	**245.02**
Nov-15	174.09	51.72	21.41	**247.22**
Dec-15	158.18	49.55	22.13	**229.85**
YTD Total	2,015.87	628.42	241.64	2,885.93

PERIOD	JV	PSC	NPDC	TOTAL
	mmscfd	mmscfd	mmscfd	mmscfd
Jan-15	5,775.01	1,869.04	570.45	**8,214.50**
Feb-15	5,222.47	1,856.54	613.26	**7,692.28**
Mar-15	5,079.63	1,723.52	662.70	**7,465.86**
Apr-15	5,598.86	1,810.56	558.30	**7,967.72**
May-15	5,648.28	1,728.64	530.88	**7,907.81**
Jun-15	5,476.72	1,766.09	634.90	**7,877.72**
Jul-15	5,729.20	1,764.83	739.15	**8,233.18**
Aug-15	5,466.26	1,575.78	732.91	**7,774.95**
Sep-15	5,757.01	1,626.37	803.52	**8,186.91**
Oct-15	5,604.94	1,630.96	668.00	**7,903.90**
Nov-15	5,802.96	1,724.09	713.70	**8,240.75**
Dec-15	5,102.42	1,598.24	713.75	**7,414.40**
Average	5,521.98	1,722.89	661.79	7,906.66

Chart 2.2.1: Average Daily National Gas Production

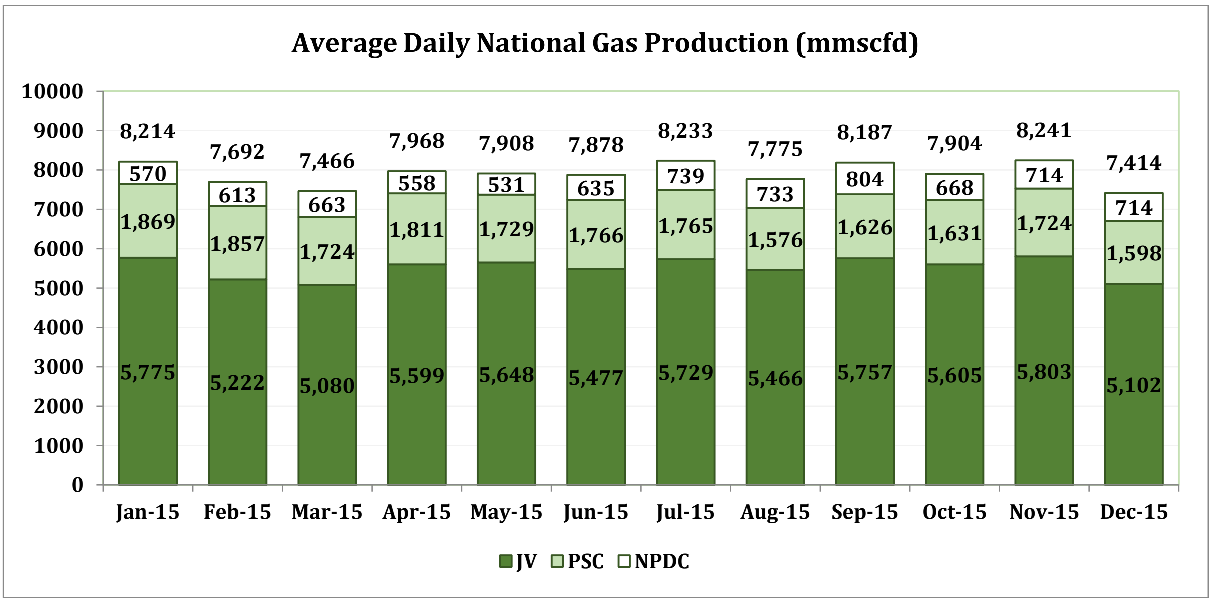
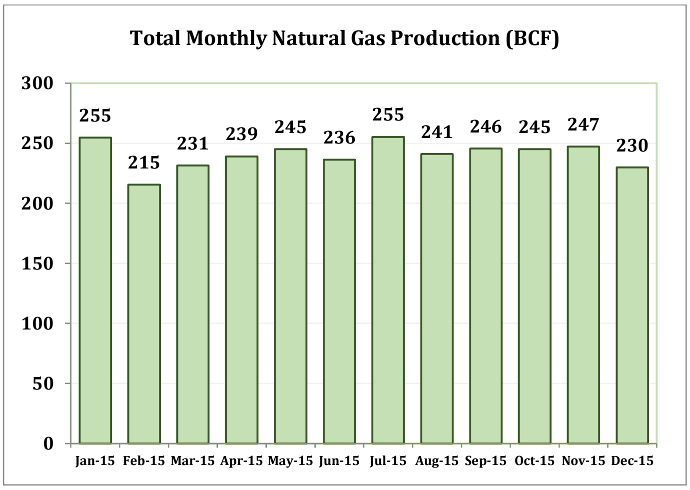
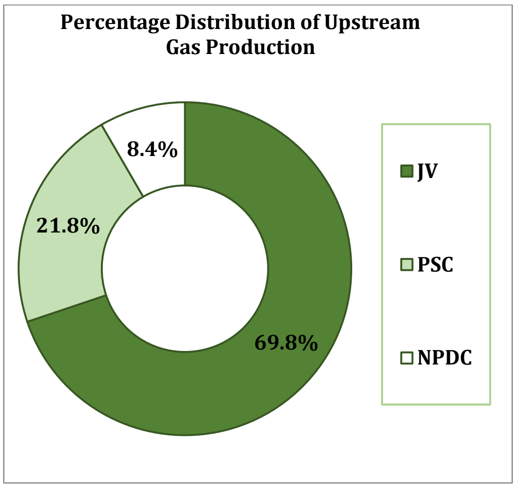


Chart 2.2.2: Monthly National Gas Production & Percentage Distribution





2.3 Crude Oil & Condensate Lifting & utilization

A total volume of 65.49 million barrels of crude oil and condensate was lifted in the month of November 2015 by all parties. Out of this volume, 18.97 million barrels was lifted by NNPC on behalf of the Federation. This comprises of 15.05 million barrels lifted on the account of NNPC while 3.77 million and 0.15 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 GOVERNMENT LIFTING			
			FEDERATION EXPORT	DOMESTIC	SUB-TOTAL (NNPC)				
	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
Jan-15	6,599,431.00	410,000.00	6,647,330.00	13,564,197.00	**20,211,527.00**	**27,220,958.00**	38,250,075.20	1,291,873.00	**66,762,906.20**
Feb-15	4,995,452.00	260,000.00	6,539,228.00	14,608,257.00	**21,147,485.00**	**26,402,937.00**	36,991,819.00	1,054,215.00	**64,448,971.00**
Mar-15	2,295,064.00	1,296,138.00	6,071,583.00	14,062,453.00	**20,134,036.00**	**23,725,238.00**	35,552,081.20	1,210,000.00	**60,487,319.20**
Apr-15	4,754,914.00	51,400.00	5,119,906.00	11,173,963.00	**16,293,869.00**	**21,100,183.00**	40,410,853.00	2,297,199.00	**63,808,235.00**
May-15	4,862,603.00	1,447,689.00	3,940,965.00	12,287,020.00	**16,227,985.00**	**22,538,277.00**	36,123,485.00	2,388,624.00	**61,050,386.00**
Jun-15	3,268,292.00	550,300.00	5,022,429.00	11,193,080.00	**16,215,509.00**	**20,034,101.00**	37,004,226.00	1,775,030.00	**58,813,357.00**
Jul-15	7,809,563.00	0.00	1,918,716.00	15,493,685.00	**17,412,401.00**	**25,221,964.00**	37,243,405.00	1,263,140.00	**63,728,509.00**
Aug-15	6,690,638.00	484,972.00	3,393,903.00	10,902,373.00	**14,296,276.00**	**21,471,886.00**	41,440,073.00	2,274,562.00	**65,186,521.00**
Sep-15	2,504,514.00	0.00	6,927,580.00	13,516,762.00	**20,444,342.00**	**22,948,856.00**	41,128,651.00	2,080,328.00	**66,157,835.00**
Oct-15	6,090,293.00	695,089.00	6,168,996.00	12,074,800.00	**18,243,796.00**	**25,029,178.00**	42,770,198.00	2,514,583.00	**70,313,959.00**
Nov-15	3,770,894.00	150,000.00	3,730,564.00	11,321,080.00	**15,051,644.00**	**18,972,538.00**	45,117,960.00	1,394,000.00	**65,484,498.00**
TOTAL	**53,641,658.00**	**5,345,588.00**	**55,481,200.00**	**140,197,670.00**	**195,678,870.00**	**254,666,116.00**	**432,032,826.40**	**19,543,554.00**	**706,242,496.40**

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 15.05 million barrels lifted on the account of NNPC in November 2015, 11.32 million barrels and 3.73 million barrels were for domestic and export markets respectively. At an average oil price of $42.07/bbl and exchange rate of ₦196/$, the domestic crude oil lifted by NNPC is valued at $476,233,163.74 or a Naira equivalent of ₦93,341,700.09 for the period. The remaining crude oil lifted for export was valued at $161,895,260.84 at an average price of $43.40/barrel. The total value of crude oil lifted on the account of NNPC in November, 2015 was thus $638,128,424.57.

From January to November 2015, a total volume of 706.24 million barrels of crude oil and condensate was lifted by all parties.

The tables and charts below provide the details of crude oil and condensate lifting and their corresponding accrual values for the period January to November 2015.

Chart 2.3.1: Crude Oil & Condensate Monthly Lifting Entitlements

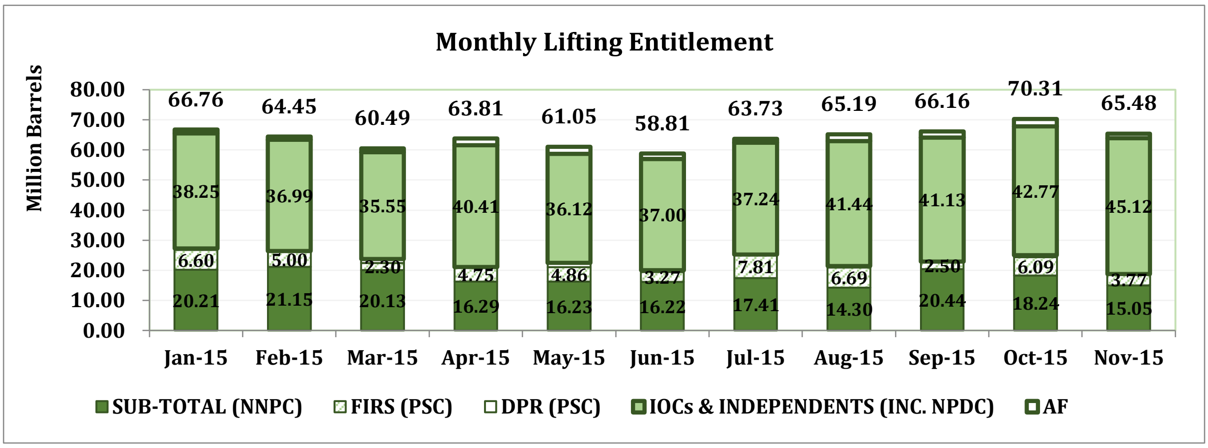


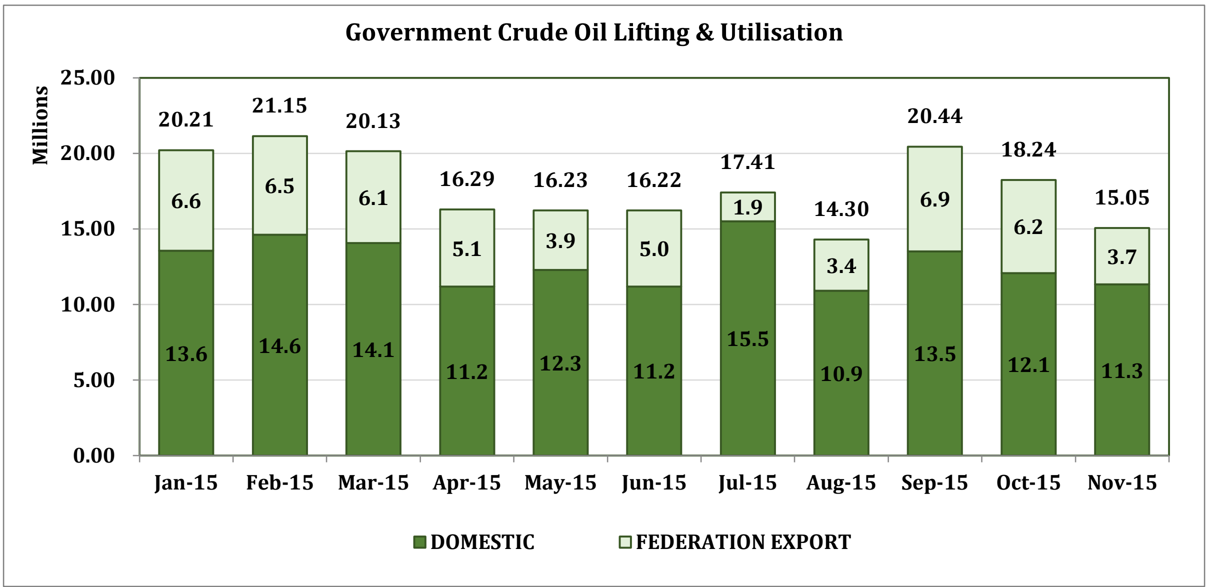
Table 2.3.2: Crude Oil Lifting Values

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
Jan-15	310,266,556.23	19,539,530.00	323,425,507.45	643,398,272.67	966,823,780.12	1,296,629,866.35	1,861,055,488.68	61,313,049.50	3,218,998,404.53
Feb-15	292,117,091.83	15,672,480.00	361,897,548.29	824,796,240.92	1,186,693,789.21	1,494,483,361.04	2,047,221,568.49	62,951,971.33	3,604,656,900.86
Mar-15	126,351,940.61	69,709,608.20	340,227,160.36	761,340,883.99	1,101,568,044.35	1,297,629,593.16	1,992,196,043.69	67,563,676.00	3,357,389,312.85
Apr-15	285,992,511.59	2,942,441.00	306,598,469.71	659,356,403.75	965,954,873.46	1,254,889,826.05	2,419,947,883.71	144,145,396.12	3,818,983,105.88
May-15	306,629,363.06	88,010,118.27	259,160,156.94	777,315,998.01	1,036,476,154.95	1,431,115,636.28	2,375,501,442.37	157,165,605.10	3,963,782,683.75
Jun-15	201,845,553.46	33,793,992.70	307,749,639.78	676,152,346.19	983,901,985.97	1,219,541,532.13	2,267,436,179.16	109,159,403.46	3,596,137,114.75
Jul-15	443,053,618.17	0.00	108,916,802.23	805,220,071.02	914,136,873.25	1,357,190,491.42	2,114,139,130.94	73,988,172.52	3,545,317,794.88
Aug-15	308,972,288.87	22,233,627.80	160,582,393.41	489,713,351.56	650,295,744.97	981,501,661.65	1,960,735,502.88	109,760,211.07	3,051,997,375.60
Sep-15	119,672,598.45	0.00	325,281,541.77	644,535,784.59	969,817,326.36	1,089,489,924.81	1,931,178,132.63	101,175,629.90	3,121,843,687.34
Oct-15	291,070,250.71	33,024,445.21	305,856,048.03	572,997,921.89	878,853,969.91	1,202,948,665.83	2,120,527,186.85	123,703,079.78	3,447,178,932.46
Nov-15	166,995,738.83	6,554,900.00	161,895,260.84	476,233,163.74	638,128,424.57	811,679,063.41	1,957,983,806.88	62,098,185.00	2,831,761,055.29
TOTAL	**2,852,967,511.81**	**291,481,143.18**	**2,961,590,528.80**	**7,331,060,438.33**	**10,292,650,967.13**	**13,437,099,622.12**	**23,047,922,366.28**	**1,073,024,379.78**	**37,558,046,368.18**

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 November 2015, NNPC lifted 11,321,080.00 barrels of Crude Oil for domestic utilization translating to an average volume of 377,369.33 barrels of oil per day in terms of performance. In order to meet domestic product supply requirement for the month of November, 2015 about 6,784,714 barrels of crude oil was processed through Offshore Processing Agreements (OPA), and the balance of 4,536,366 barrels was sold in the export market. No crude was processed in the domestic refineries. Tables and charts below provide details of NNPC's Utilization of Crude Oil for Domestic Product Supply for the period of January to November 2015.

Table 2.4.1Domestic Crude Purchased By NNPC In 2015

Period	Volume	Ave. Price	Sales Value	Sales Value	Average Lifting
	Barrels	$/bbl	USD	NGN	Barrels Per Day
Jan-15	13,564,207.00	47.43	643,398,272.67	107,447,511,535.89	437,555.06
Feb-15	14,608,257.00	56.46	824,796,240.92	161,316,709,513.75	521,723.46
Mar-15	14,062,453.00	54.14	761,340,883.99	149,222,813,260.86	453,627.52
Apr-15	11,173,963.00	59.01	659,356,403.75	129,233,855,135.39	372,465.43
May-15	12,287,020.00	63.26	777,315,998.01	152,353,935,609.76	396,355.48
Jun-15	11,193,080.00	60.41	676,152,346.19	132,525,859,853.83	373,102.67
Jul-15	15,493,685.00	51.97	805,220,071.02	157,782,872,916.76	499,796.29
Aug-15	10,902,373.00	44.92	489,713,351.56	95,983,816,906.15	351,689.45
Sep-15	13,516,762.00	47.68	644,535,784.59	126,329,013,388.64	450,558.73
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
Total/Ave	**140,197,680.00**	**52.29**	**7,331,060,438.33**	**1,417,817,031,007.25**	**419,753.53**

Chart 2.4.1: NNPC Crude Oil Utilization for Domestic Product Supply

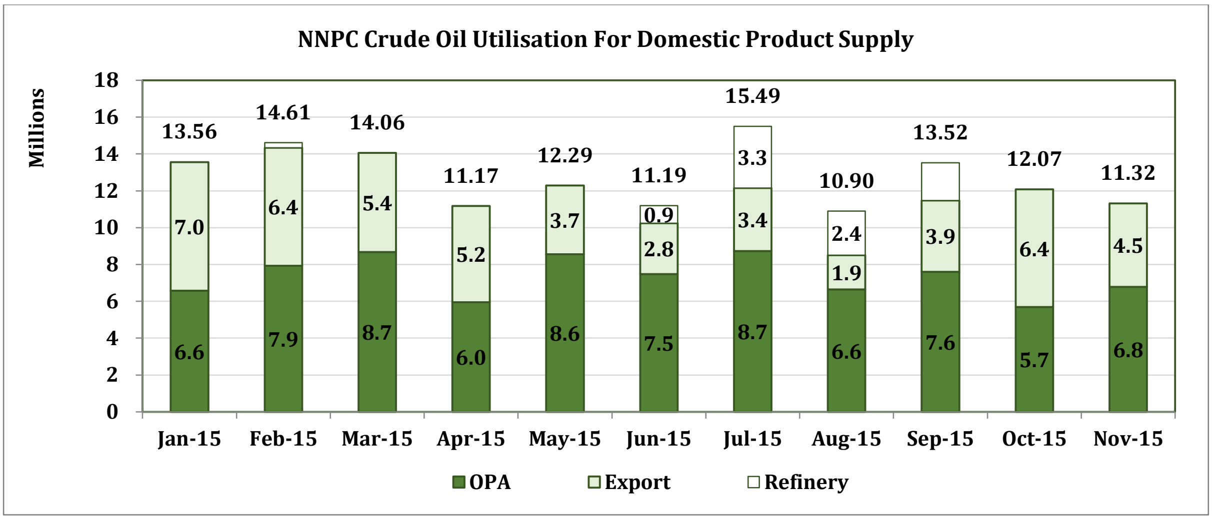
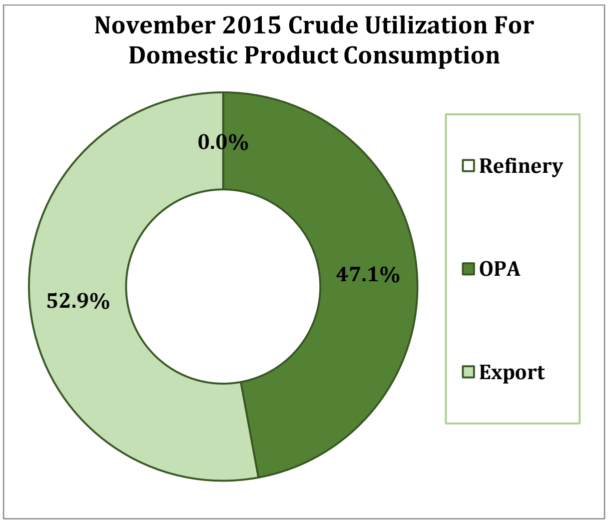
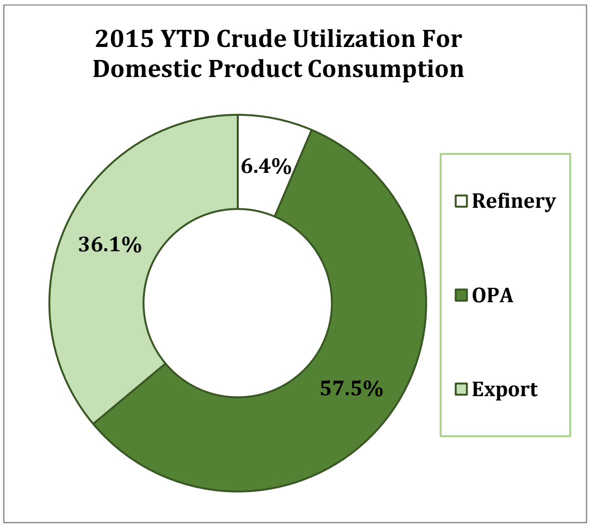


Table 2.4.2 Breakdown of NNPC Utilization of Crude oil for Domestic Product Supply

Month	EXPORT			OFFSHORE PROCESSING			DELIVERIES TO REFINERIES			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
Jan-15	6,993.53	330.91	55,261.96	6,570.68	312.49	52,185.55	0.00	0.00	0.00	13,564.21	643.40	107,447.51
Feb-15	6,408.80	356.01	70,134.06	7,934.01	441.15	86,906.62	265.45	27.64	4,276.03	14,608.26	824.80	161,316.71
Mar-15	5,388.98	293.84	57,591.71	8,673.47	467.51	91,631.10	0.00	0.00	0.00	14,062.45	761.34	149,222.81
Apr-15	5,219.86	306.00	59,975.10	5,954.11	353.36	69,258.76	0.00	0.00	0.00	11,173.96	659.36	129,233.86
May-15	3,735.48	239.32	46,907.38	8,551.54	537.99	105,446.56	0.00	0.00	0.00	12,287.02	777.32	152,353.94
Jun-15	2,761.38	166.51	32,636.06	7,483.12	451.83	88,558.40	948.58	57.81	11,331.40	11,193.08	676.15	132,525.86
Jul-15	3,415.78	189.56	37,144.82	8,731.92	441.17	86,448.16	3,345.99	174.48	34,189.90	15,493.69	805.22	157,782.87
Aug-15	1,861.37	83.09	16,285.35	6,643.33	298.90	58,584.02	2,397.68	107.73	21,114.45	10,902.37	489.71	95,983.82
Sep-15	3,871.78	185.57	36,372.16	7,597.21	362.87	71,122.25	2,047.77	96.09	18,834.61	13,516.76	644.54	126,329.01
Oct-15	6,387.71	306.52	60,061.73	5,687.09	266.48	52,217.22	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	11,321.08	476.23	93,341.70
Grand Total	50,581.03	2,649.77	510,090.48	80,611.17	4,217.53	817,980.16	9,005.48	463.75	89,746.39	140,197.68	7,331.06	1,417,817.03

Chart 2.4.3: Percentage Distribution for November 2015 Domestic Crude Utilization





2.5 Natural Gas Off take, Commercialization & Utilization

Out of the 228.55 BCF of gas produced in December 2015, a total of 126.23 BCF of gas was commercialized comprising of 34.17 BCF and 92.05 BCF for the domestic and export market respectively. This translates to an average daily supply of 1,102.41mmscfd of gas to the domestic market and 2,969.39mmscfd of gas supplied to the export market.

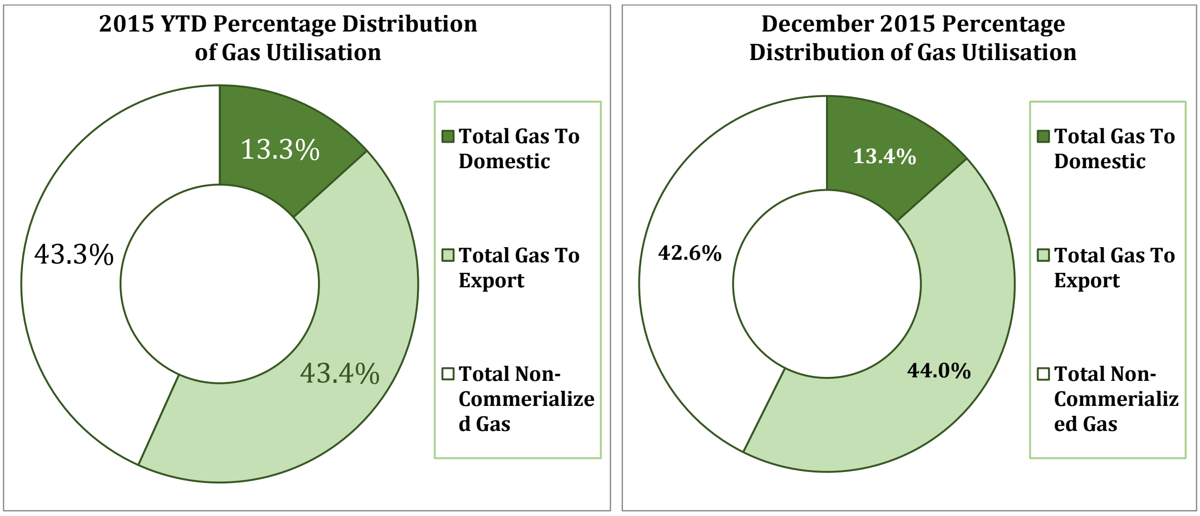
This implies that 55.23% of the total gas produced was commercialized while the balance of 44.77% was either re-injected, used as upstream fuel gas or flared. Gas flare rate was 9.88% for the month of December 2015 i.e. 728.65mmscfd compared with the 2015 YTD average flare rate of 9.51% i.e. 744.80mmscfd.

Table 2.5.1 Total Gas Commercialization and utilization

Period	Gas Commercialisation								Non-Commercialized Gas				Grand Total
	Domestic Gas			Export Gas									
	Domestic Gas To Power	Domestic Gas to Industry	Total Domestic Gas Supply	WAPG	EGTL	NGL/ LPG	NLNG	Total Export Gas	Re-Injection	Fuel Gas	Flare	Total Non-Commerial Gas	
	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF
Jan-15	20.82	9.50	**30.32**	1.63	4.68	8.35	97.84	**112.51**	69.14	12.21	26.68	**108.03**	**250.86**
Feb-15	18.08	9.32	**27.40**	1.42	3.35	6.05	76.37	**87.20**	59.79	11.49	26.20	**97.48**	**212.07**
Mar-15	20.82	11.21	**32.03**	1.85	4.94	5.65	86.19	**98.64**	57.59	11.62	28.49	**97.69**	**228.36**
Apr-15	18.15	10.10	**28.25**	1.72	5.39	7.40	89.59	**104.10**	67.56	13.52	22.66	**103.75**	**236.10**
May-15	16.52	9.91	**26.44**	1.78	6.40	7.60	92.99	**108.78**	74.60	13.51	19.07	**107.19**	**242.40**
Jun-15	20.37	10.00	**30.37**	1.35	4.07	7.76	89.55	**102.73**	70.35	12.32	18.66	**101.33**	**234.43**
Jul-15	24.37	11.01	**35.38**	2.10	3.99	7.25	96.77	**110.11**	76.33	12.36	18.80	**107.50**	**252.99**
Aug-15	25.16	11.27	**36.43**	2.44	4.99	7.49	86.38	**101.30**	69.68	11.31	21.28	**102.27**	**240.00**
Sep-15	23.19	10.90	**34.10**	2.82	4.99	6.46	93.59	**107.86**	68.06	11.93	21.89	**101.88**	**243.84**
Oct-15	22.56	9.97	**32.53**	2.01	8.22	7.96	88.87	**107.05**	69.50	12.45	21.81	**103.76**	**243.35**
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**
Total	**254.44**	**126.01**	**380.45**	**21.62**	**62.43**	**87.63**	**1,069.87**	**1,241.56**	**818.83**	**146.14**	**271.38**	**1,236.35**	**2,858.36**

Note: *For more details on* ***Gas Liftings*** *follow this link*

Chart 2.5.1 Percentage Distribution of Gas Utilization



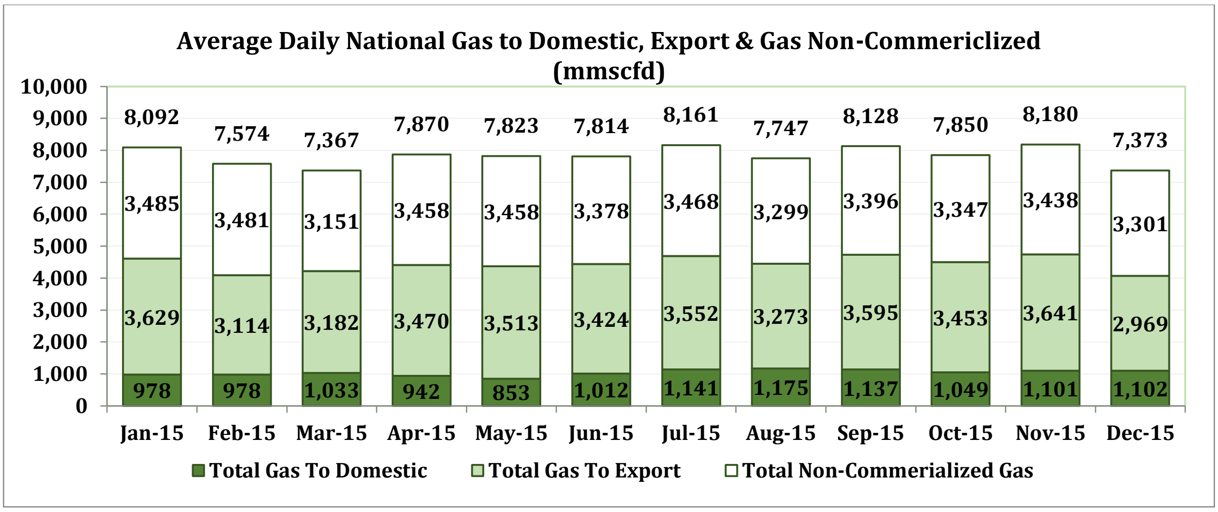
Total gas supply for the period January to December 2015 stands at 380.45 BCF and 1,241.56 BCF for the domestic and export market respectively. The table 2.5.1 and chart 2.5.1 provides more details of the gas utilization and commercialization for the period January to December 2015.

Table 2.5.2 Daily Average Gas Commercialization and utilization

Period	Gas Commercialisation								Non-Commercialized Gas			
	Domestic Gas			Export Gas					Re-Injection	Fuel Gas	Flare	Total Non-Commerialized 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	mmscfd	mmscfd	mmscfd	mmscfd
Jan-15	671.8	306.4	**978.14**	52.68	151.00	269.33	3,156.24	**3,629.25**	2,230.44	393.79	860.65	**3,484.88**
Feb-15	645.6	332.8	**978.42**	50.80	119.71	216.18	2,727.51	**3,114.20**	2,135.46	410.42	935.57	**3,481.45**
Mar-15	671.6	361.8	**1,033.36**	59.80	159.45	182.21	2,780.45	**3,181.92**	1,857.61	374.72	918.97	**3,151.30**
Apr-15	605.0	336.6	**941.68**	57.32	179.80	246.50	2,986.40	**3,470.03**	2,252.14	450.76	755.28	**3,458.18**
May-15	533.1	319.7	**852.78**	61.31	206.55	245.31	2,999.79	**3,512.97**	2,406.57	435.96	615.11	**3,457.64**
Jun-15	678.9	333.5	**1,012.35**	45.00	135.70	258.52	2,985.01	**3,424.23**	2,344.95	410.56	622.08	**3,377.60**
Jul-15	786.1	355.2	**1,141.34**	67.68	128.61	233.99	3,121.61	**3,551.89**	2,462.41	398.71	606.55	**3,467.66**
Aug-15	811.5	363.5	**1,175.03**	84.18	160.94	241.70	2,786.41	**3,273.22**	2,247.69	364.97	686.46	**3,299.12**
Sep-15	773.1	363.4	**1,136.56**	93.84	166.38	215.35	3,119.81	**3,595.38**	2,268.82	397.63	729.56	**3,396.01**
Oct-15	727.8	321.6	**1,049.44**	64.69	265.10	256.87	2,866.66	**3,453.31**	2,242.04	401.64	703.53	**3,347.20**
Nov-15	733.8	367.2	**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**
Dec-15	722.0	380.4	**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**
Average	**696.69**	**345.19**	**1,041.88**	**59.95**	**170.68**	**239.87**	**2,930.90**	**3,401.40**	**2,242.94**	**400.60**	**744.80**	**3,388.34**

From the 1,102.41mmscfd of gas supplied to the domestic market in December, about 722.0mmscfd of gas representing 65.49% was used for Gas-Fired power plants while the balance of 380.4mmscfd or 34.51% was supplied to other industries. Similarly, for the period of January – December an average of 1,041.88mscfd of gas was supplied to the domestic market comprising of an average of 696.69mmscfd or (66.87%) as gas supply to the power plants and 345.19mmscfd or (33.13%) as gas supply to industries.

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



About 2,494.26mmscfd or 84.00% of the export gas was sent to Nigerian Liquefied Natural Gas Company (NLNG) for December 2015 compared with a 2015 YTD average of 2,930.90mmscfd.

3 Refinery Operations

3.1 Capacity Utilization

Total Crude processed by the three Refineries, for the month of December 2015 was 124,646 MT (913,904.47 bbls) which translates to a combined yield efficiency of 63.84%.

From January to December 2015, the three Refineries produced 767,490 MT of finished Petroleum Products out of 1,080,183 MT of Crude processed at an average capacity utilization of 4.88% and yield efficiency of 80.19%. The table and chart below provide more details.

Table 3.1.1: Refineries Operations Consolidated

Operational Parameters	Units	Consolidated Refineries Operations												
		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	YTD
Opening Stock (A)	MT	311,096	152,580	156,522	157,379	155,960	165,188	242,463	285,216	299,744	491,540	493,959	493,611	**3,405,258**
Crude Received (B)	MT	43,732	2,509	0	27,665	12,521	77,006	296,784	462,218	220,850	50,777	0	109,198	**1,303,260**
Total Crude Available (C=A+B)	MT	354,828	155,089	156,522	185,044	168,481	242,194	539,247	747,434	520,594	542,317	493,959	602,809	**4,708,518**
Closing Stock (D=C-E)	MT	144,408	155,089	156,522	185,044	168,481	242,194	282,930	294,282	484,946	542,317	493,959	485,105	**3,628,335**
Crude Processed ('E)	MT	210,420	0	0	0	0	0	256,317	453,152	35,648	0	0	124,646	**1,080,183**
(i) Finished Products	MT	113,514	32,370	2,778	19,830	2,463	15,469	100,543	232,171	100,269	68,420	5,015	79,574	**767,490**
(ii) Intermediate Products	MT	57,924	51,371	27,814	31,052	1,201	22,458	140,009	180,847	83,650	92,332	4,843	32,226	**98,687**
(iii) Plant Consumption	MT	35,432	17,107	23,048	7,617	1,262	3,082	13,117	32,574	15,922	18,749	4,099	10,743	**174,554**
(iv) Losses	MT	3,551	1,894	1,988	3,605	0	3,907	2,649	7,561	3,107	5,162	3,927	2,103	**39,454**
Plant Capacity	kpd	445	445	445	445	445	445	445	445	445	445	445	445	**445**
Capacity Utilization	%	11.18%	0.00%	0.00%	0.00%	0.00%	0.00%	13.62%	24.08%	1.96%	0.00%	0.00%	6.62%	**4.88%**
Losses	%	1.69%	0.00%	0.00%	0.00%	0.00%	0.00%	1.03%	1.67%	8.72%	0.00%	0.00%	1.69%	**3.65%**
Plant Consumption	%	16.84%	0.00%	0.00%	0.00%	0.00%	0.00%	5.12%	7.19%	44.66%	0.00%	0.00%	8.62%	**16.16%**
Yields Efficiency based on CDU, CRU & FCC (%)	%	53.95%	0.00%	0.00%	0.00%	0.00%	0.00%	39.23%	51.23%	281.28%	0.00%	0.00%	63.84%	**80.19%**

Chart 3.1.1: Refineries Consolidated Capacity Utilization

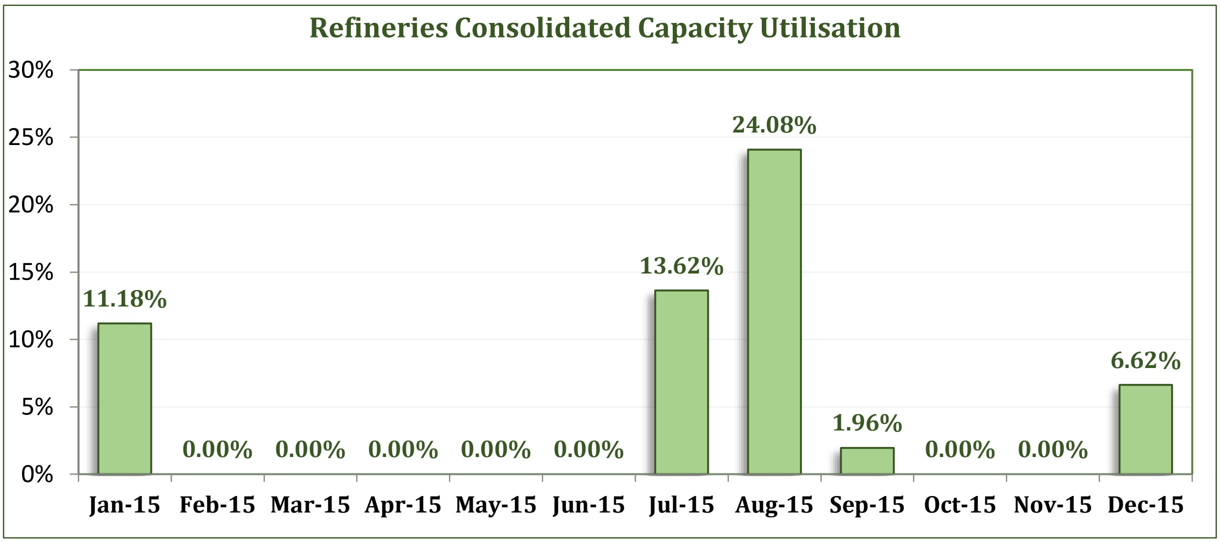


Table 3.1.2 Refineries Monthly Operations

Operational Parameters	Units	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	YTD
		WRPC												
Opening Stock (A)	MT	210,939	73,978	73,978	73,978	53,232	57,627	131,894	130,940	145,977	194,865	190,000	190,000	**1,527,408**
Crude Received (B)	MT	30,419	0	0	10,261	7,303	74,267	118,859	153,826	42,294	44,841	0	0	**482,070**
Total Crude Available (C=A+B)	MT	241,358	73,978	73,978	84,239	60,535	131,894	250,753	284,766	188,271	239,706	190,000	190,000	**2,009,478**
Closing Stock (D=C-E)	MT	68,341	73,978	73,978	84,239	60,535	131,894	128,635	143,988	188,271	239,706	190,000	190,000	**1,573,565**
Crude Processed ('E)	MT	173,017	0	0	0	0	0	122,118	140,778	0	0	0	0	**435,913**
(i) Finished Products	MT	110,958	29,294	901	3,405	4,384	14,703	46,106	111,055	12,293	4,259	1,075	0	**327,671**
(ii) Intermediate Products	MT	50,537	32,905	0	437	4,991	16,228	69,016	18,999	13,279	6,695	0	0	**64,891**
(iii) Plant Consumption	MT	8,897	3,017	901	1,997	607	838	6,005	8,552	986	2,435	1,075	0	**35,310**
(iv) Losses	MT	2,626	594	0	971	0	687	992	2,173	0	0	0	0	**8,043**
Plant Capacity	kpd	125	125	125	125	125	125	125	125	125	125	125	125	**125**
Capacity Utilization	%	32.74%	0.00%	0.00%	0.00%	0.00%	0.00%	23.11%	26.64%	0.00%	0.00%	0.00%	0.00%	**7.01%**
Losses	%	1.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.81%	1.54%	0.00%	0.00%	0.00%	0.00%	**1.85%**
Plant Consumption	%	5.14%	0.00%	0.00%	0.00%	0.00%	0.00%	4.92%	6.07%	0.00%	0.00%	0.00%	0.00%	**8.10%**
Yields Efficiency based on CDU, CRU & FCC (%)	%	93.34%	0.00%	0.00%	0.00%	0.00%	0.00%	94.27%	92.38%	0.00%	0.00%	0.00%	0.00%	**90.06%**

Operational Parameters	Units	PHRC												
Opening Stock (A)	MT	31,636	34,171	35,620	36,477	38,400	38,015	38,315	69,740	114,595	257,503	264,787	264,439	**1,223,698**
Crude Received (B)	MT	0	0	0	0	0	0	153,566	308,392	178,556	5,936	0	0	**646,450**
Total Crude Available (C=A+B)	MT	31,636	34,171	35,620	36,477	38,400	38,015	191,881	378,132	293,151	263,439	264,787	264,439	**1,870,148**
Closing Stock (D=C-E)	MT	31,636	34,171	35,620	36,477	38,400	38,015	69,740	114,595	257,503	263,439	264,787	202,941	**1,387,324**
Crude Processed ('E)	MT	0	0	0	0	0	0	122,141	263,537	35,648	0	0	61,498	**482,824**
(i) Finished Products	MT	808	3,076	3,679	23,235	6,847	1,847	54,437	105,780	63,764	57,786	4,810	53,575	**360,640**
(ii) Intermediate Products	MT	17,116	13,817	15,907	30,183	6,545	3,290	61,085	147,688	40,299	71,260	1,324	-964	**21,158**
(iii) Plant Consumption	MT	17,414	9,441	10,240	4,314	302	1,917	5,118	7,933	9,076	8,312	7,413	7,587	**74,241**
(iv) Losses	MT	510	1,300	1,988	2,634	0	3,220	1,501	2,136	3,107	5,162	3,927	1,300	**26,785**
Plant Capacity	kpd	210	210	210	210	210	210	210	210	210	210	210	210	**210**
Capacity Utilization	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.76%	29.68%	4.15%	0.00%	0.00%	6.93%	**4.62%**
Losses	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.23%	0.81%	8.72%	0.00%	0.00%	2.11%	**5.55%**
Plant Consumption	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.19%	3.01%	25.46%	0.00%	0.00%	12.34%	**15.38%**
Yields Efficiency based on CDU, CRU & FCC (%)	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	94.58%	96.18%	65.82%	0.00%	0.00%	85.55%	**79.08%**

Operational Parameters	Units	KRPC												
Opening Stock (A)	MT	68,521	44,431	46,924	46,924	64,328	69,546	72,254	84,536	39,172	39,172	39,172	39,172	**654,152**
Crude Received (B)	MT	13,313	2,509	0	17,404	5,218	2,739	24,359	0	0	0	0	109,198	**174,740**
Total Crude Available (C=A+B)	MT	81,834	46,940	46,924	64,328	69,546	72,285	96,613	84,536	39,172	39,172	39,172	148,370	**828,892**
Closing Stock (D=C-E)	MT	44,431	46,940	46,924	64,328	69,546	72,285	84,555	35,699	39,172	39,172	39,172	92,164	**667,446**
Crude Processed ('E)	MT	37,403	0	0	0	0	0	12,058	48,837	0	0	0	63,148	**161,446**
(i) Finished Products	MT	3,364	0	0	0	0	2,613	0	15,336	24,212	6,375	1,280	25,999	**79,179**
(ii) Intermediate Products	MT	24,503	4,649	11,907	1,306	353	2,940	9,908	14,160	30,072	14,377	3,519	33,190	**12,638**
(iii) Plant Consumption	MT	9,121	4,649	11,907	1,306	353	327	1,994	16,089	5,860	8,002	2,239	3,156	**65,003**
(iv) Losses	MT	415	0	0	0	0	0	156	3,252	0	0	0	803	**4,626**
Plant Capacity	kpd	110	110	110	110	110	110	110	110	110	110	110	110	**110**
Capacity Utilization	%	8.04%	0.00%	0.00%	0.00%	0.00%	0.00%	2.59%	10.50%	0.00%	0.00%	0.00%	13.58%	**2.95%**
Losses	%	1.11%	0.00%	0.00%	0.00%	0.00%	0.00%	1.29%	6.66%	0.00%	0.00%	0.00%	1.27%	**2.87%**
Plant Consumption	%	24.39%	0.00%	0.00%	0.00%	0.00%	0.00%	16.54%	32.94%	0.00%	0.00%	0.00%	5.00%	**40.26%**
Yields Efficiency based on CDU, CRU & FCC (%)	%	74.50%	0.00%	0.00%	0.00%	0.00%	0.00%	82.17%	60.40%	0.00%	0.00%	0.00%	41.17%	**56.87%**

Note: *For more details on breakdown for Refineries* ***Crude grade*** *received follow this link.*

3.2 Crude Processed and Production for December 2015

The combined value of output by the three refineries (at import parity price) for the month of December 2015 amounted to ₦4.96billion while the associated Crude plus freight cost was ₦4.47billion, giving a loss of ₦7.82billion after considering overhead of ₦8.31billion as shown in Table below:

Table 3.2: Refinery Financial Performance January – December 2015

Description	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million
WRPC												
Revenue	18,367.58	11.61	25.73	12.40	13.75	19.36	13,217.78	12,836.46	11.47	0.95	0.00	0.00
Crude + Frieght (COGS)	(12,079.52)	0.00	0.00	0.00	0.00	0.00	(11,463.76)	(11,708.82)	(883.41)	0.00	0.00	0.00
Opex	(1,620.06)	(1,401.46)	(1,364.04)	(1,765.82)	(1,302.02)	(1,551.36)	(1,675.36)	(2,322.26)	(6,651.94)	(1,463.34)	(1,820.56)	(2,093.49)
Operating Profit/Loss	**4,668.00**	**(1,389.85)**	**(1,338.31)**	**(1,753.42)**	**(1,288.27)**	**(1,532.00)**	**78.66**	**(1,194.62)**	**(7,523.89)**	**(1,462.40)**	**(1,820.56)**	**(2,093.49)**
KRPC												
Revenue	378.44	397.41	981.84	178.87	58.21	444.50	211.78	2,649.46	2,677.55	1,195.97	243.38	1,650.34
Crude + Frieght (COGS)	(2,251.97)	0.00	0.00	0.00	0.00	0.00	(1,205.96)	(3,339.55)	(441.70)	0.00	0.00	(1,216.56)
Opex	(3,237.67)	(3,070.64)	(3,241.61)	(3,223.40)	(2,653.25)	(3,106.87)	(2,853.08)	(3,299.69)	(3,564.62)	(3,170.66)	(3,640.36)	(3,590.45)
Operating Profit/Loss	**(5,111.20)**	**(2,673.23)**	**(2,259.77)**	**(3,044.53)**	**(2,595.04)**	**(2,662.37)**	**(3,847.26)**	**(3,989.78)**	**(1,328.78)**	**(1,974.70)**	**(3,396.98)**	**(3,156.67)**
PHRC												
Revenue	432.45	27.18	2,479.57	455.29	27.15	37.36	13,661.78	29,708.02	7,221.79	4,293.04	43.53	3,306.76
Crude + Frieght (COGS)	0.00	0.00	0.00	0.00	0.00	0.00	(11,346.83)	(22,757.26)	(5,026.04)	0.00	0.00	(3,250.61)
Opex	(1,929.37)	(1,732.50)	(1,775.05)	(1,891.93)	(1,739.99)	(1,742.33)	(1,757.69)	(1,905.48)	(2,184.72)	(2,301.00)	(2,037.37)	(2,630.39)
Net Cash Flow	**(1,496.92)**	**(1,705.32)**	**704.52**	**(1,436.64)**	**(1,712.84)**	**(1,704.97)**	**557.26**	**5,045.28**	**11.03**	**1,992.04**	**(1,993.84)**	**(2,574.24)**
Consolidated												
Revenue	19,178.47	436.20	3,487.14	646.56	99.11	501.22	27,091.34	45,193.94	9,910.80	5,489.95	286.91	4,957.10
Crude + Frieght (COGS)	(14,331.49)	0.00	0.00	0.00	0.00	0.00	(24,016.55)	(37,805.62)	(6,351.15)	0.00	0.00	(4,467.17)
Opex	(6,787.10)	(6,204.60)	(6,380.70)	(6,881.15)	(5,695.26)	(6,400.56)	(6,286.13)	(7,527.44)	(12,401.28)	(6,935.01)	(7,498.29)	(8,314.33)
Operating Profit/Loss	**(1,940.12)**	**(5,768.40)**	**(2,893.56)**	(6,234.59)	(5,596.15)	(5,899.34)	(3,211.34)	(139.12)	(8,841.63)	(1,445.06)	(7,211.38)	(7,824.40)

Note: *The combined factors of; Plant preservation cost to maintain plant integrity, Rehab/TAM work resulting in deficit.*

4 Petroleum Product Supply & Distribution

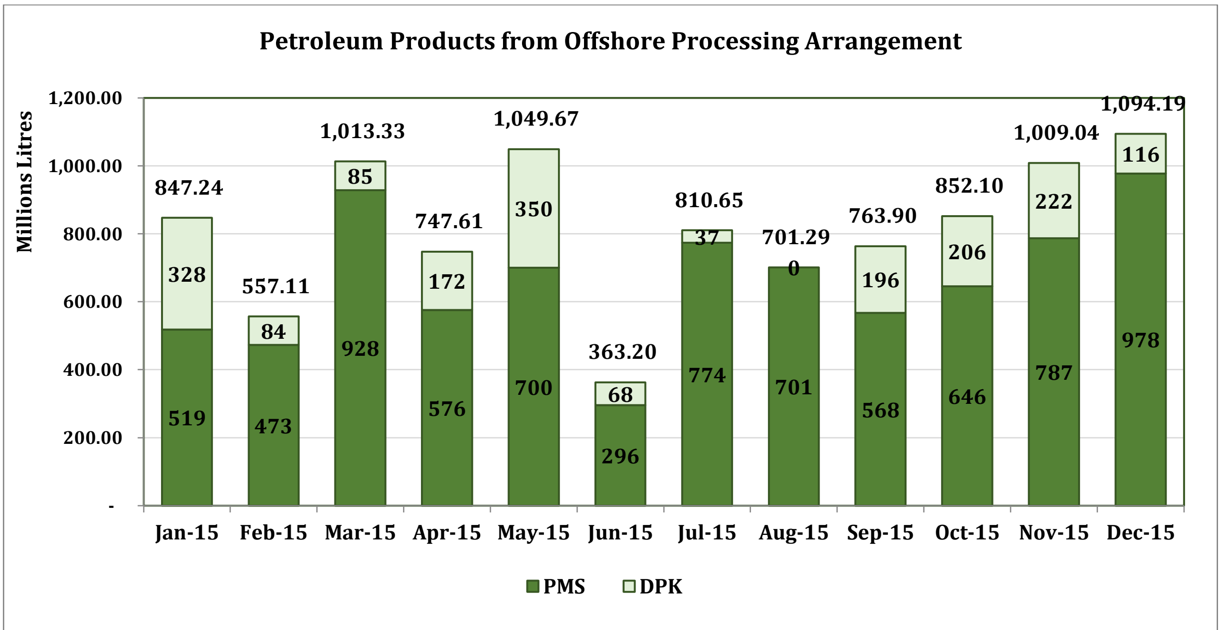
4.1 Petroleum Product Supply from Off-shore Processing Agreements (OPA)

In December 2015, 1,094.19 million litres of white products was supplied into the country through the OPA arrangements which comprised of 977.84 million litres and 116.36 million litres of PMS and DPK respectively while 1,009.04 million litres was supplied in the month of November 2015; PMS and DPK receipt in November 2015 were 787.21 million litres and 221.82 million litres. The tables and charts below provide more details of the total petroleum product supply from OPAs.

Table 4.1.1: Imported Petroleum Products from OPA in litres 2015

Period	PMS	DPK	TOTAL
	Litres	Litres	Litres
Jan-15	518,772,435.65	328,471,903.76	**847,244,339.41**
Feb-15	472,805,826.73	84,308,867.10	**557,114,693.84**
Mar-15	928,342,421.75	84,985,825.23	**1,013,328,246.98**
Apr-15	575,901,484.32	171,709,078.46	**747,610,562.78**
May-15	700,039,657.96	349,630,514.46	**1,049,670,172.43**
Jun-15	295,642,465.38	67,562,199.94	**363,204,665.32**
Jul-15	773,679,148.25	36,968,789.09	**810,647,937.33**
Aug-15	701,294,113.85	-	**701,294,113.85**
Sep-15	567,601,005.43	196,295,727.94	**763,896,733.37**
Oct-15	645,641,292.96	206,461,653.55	**852,102,946.51**
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**
TOTAL	**6,179,719,852.27**	**1,526,394,559.54**	**7,706,114,411.81**

Chart 4.1.1: Petroleum Products Supply from Offshore Processing Arrangement



4.2 Petroleum Products Supply from Domestic Refineries

The petroleum products (PMS & DPK Only) production by the domestic refineries in December 2015 amounted to 39.63 million litres compared to 50.52 million litres in November 2015 as shown in Table 4.2.1.

Table 4.2.1: Refined Petroleum Products in Litres

Period	PMS	DPK	Total (PMS+DPK)
	Litres	Litres	Litres
Jan-15	180,510,669	63,937,104	244,447,773
Feb-15	60,764,733	0	60,764,733
Mar-15	55,103,031	0	55,103,031
Apr-15	58,084,074	0	58,084,074
May-15	28,980,351	0	28,980,351
Jun-15	57,822,579	0	57,822,579
Jul-15	53,394,597	29,859,984	83,254,581
Aug-15	116,464,509	83,780,928	200,245,437
Sep-15	72,011,700	3,774,848	75,786,548
Oct-15	102,469,833	0	102,469,833
Nov-15	50,524,857	0	50,524,857
Dec-15	25,197,390	14,435,344	39,632,734
Total	**861,328,323**	**195,788,208**	**1,057,116,531**

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

Period	Total Product Supply (OPA+Refineries)			Average Daily Supply		
	PMS	DPK	Total	PMS	DPK	Total
	Litres	Litres	Litres	Litres/Day	Litres/Day	Litres/Day
Jan-15	699,283,104.65	392,409,007.76	1,091,692,112.41	22,557,519.50	12,658,355.09	35,215,874.59
Feb-15	533,570,559.73	84,308,867.10	617,879,426.84	19,056,091.42	3,011,030.97	22,067,122.39
Mar-15	983,445,452.75	84,985,825.23	1,068,431,277.98	31,724,046.86	2,741,478.23	34,465,525.10
Apr-15	633,985,558.32	171,709,078.46	805,694,636.78	21,132,851.94	5,723,635.95	26,856,487.89
May-15	729,020,008.96	349,630,514.46	1,078,650,523.43	23,516,774.48	11,278,403.69	34,795,178.18
Jun-15	353,465,044.38	67,562,199.94	421,027,244.32	11,782,168.15	2,252,073.33	14,034,241.48
Jul-15	827,073,745.25	66,828,773.09	893,902,518.33	26,679,798.23	2,155,766.87	28,835,565.11
Aug-15	817,758,622.85	83,780,928.00	901,539,550.85	26,379,310.41	2,702,610.58	29,081,921.00
Sep-15	639,612,705.43	200,070,575.94	839,683,281.37	21,320,423.51	6,669,019.20	27,989,442.71
Oct-15	748,111,125.96	206,461,653.55	954,572,779.51	24,132,616.97	6,660,053.34	30,792,670.31
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
Total	**8,806,098,806.38**	**2,060,364,181.57**	**10,866,462,987.95**	**24,126,298.10**	**5,644,833.37**	**29,771,131.47**

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

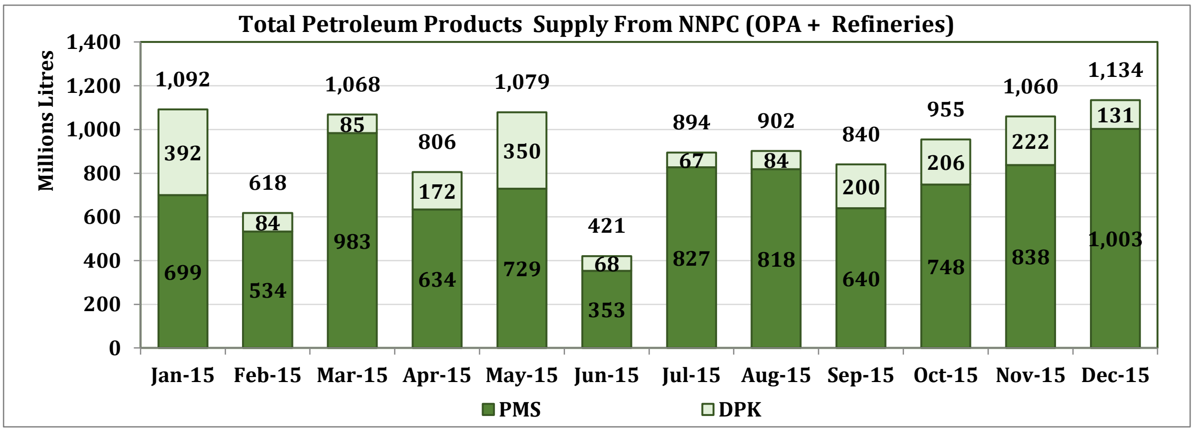
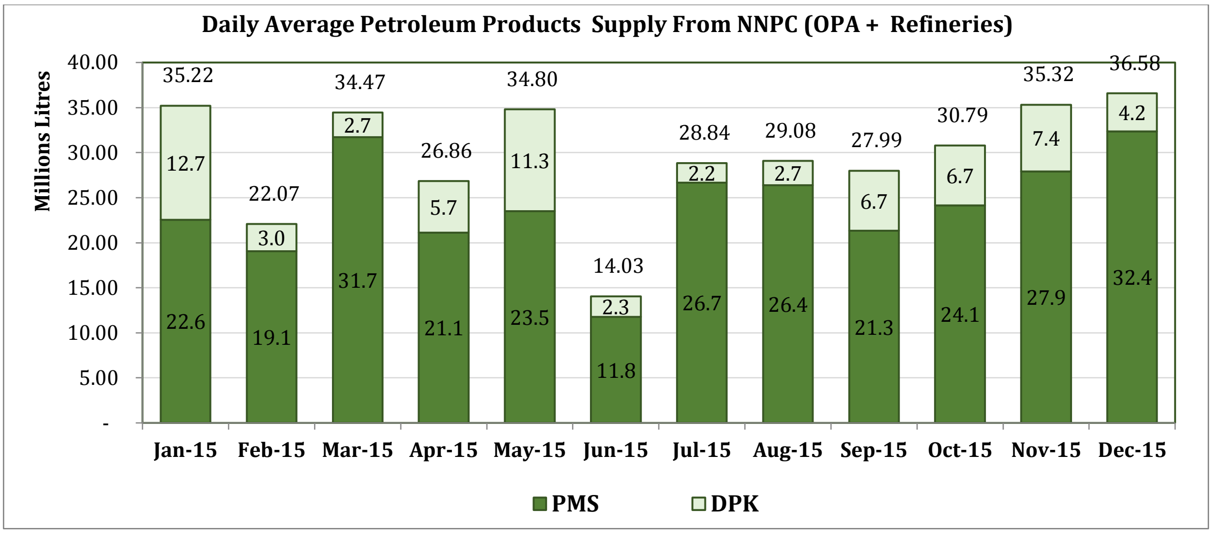


Table 4.2.2 Daily Average Petroleum Product Supply from NNPC (OPA+ Refineries)



4.3 Downstream Petroleum Product Distributions

A total of 1,076.35 million litres of white product was distributed and sold by PPMC in the month of December 2015 compared with 908.02 million litres in the month of November 2015. This is comprised of 983.19 million litres of PMS, 81.02 million litres of Kerosene and 12.14 million litres of Diesel. Total sale of white products for the period January to December 2015 stands at 9.07 billion litres, PMS (7.49 billion litres) accounts for 82.61%. The Tables and Charts below provide more details of white products sold by NNPC/PPMC for the period January – December 2015. While total special products for the period under review was 11.63 million litres comprises of 1.75 million litres of special products and 9.88 million litres of Bunker products.

Table 4.3.1 Downstream Petroleum product sales by PPMC

Period	PMS	AGO	DPK	Total White Products	Special Products	Export/ Bunker	Total Special Products
	Litres	Litres	Litres	Litres	Litres	Litres	Litres
Jan-15	512,396,097	20,966,547	303,183,934	836,546,578	2,070,000	0	2,070,000
Feb-15	499,945,695	19,004,650	93,309,212	612,259,557	8,319,643	0	8,319,643
Mar-15	795,149,204	31,644,056	124,187,347	950,980,607	8,499,145	0	8,499,145
Apr-15	582,586,368	17,227,372	191,077,678	790,891,418	750,000	0	750,000
May-15	566,290,963	13,988,465	271,031,091	851,310,519	936,000	0	936,000
Jun-15	582,416,290	11,601,322	42,022,793	636,040,405	132,082	0	132,082
Jul-15	570,023,134	3,292,716	40,506,046	613,821,896	4,422,048	0	4,422,048
Aug-15	516,699,923	6,562,586	83,581,196	606,843,705	9,834,225	8,351,455	18,185,680
Sep-15	456,814,949	19,676,371	31,412,691	507,904,011	2,428,900	15,720,816	18,149,716
Oct-15	645,791,079	26,159,353	4,752,112	676,702,544	3,192,679	54,024,019	57,216,698
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
Total	**7,491,224,536**	**205,621,063**	**1,370,826,156**	**9,067,671,755**	**42,336,722**	**87,974,238**	**130,310,960**

Chart 4.3.1 Monthly White Product sales by PPMC

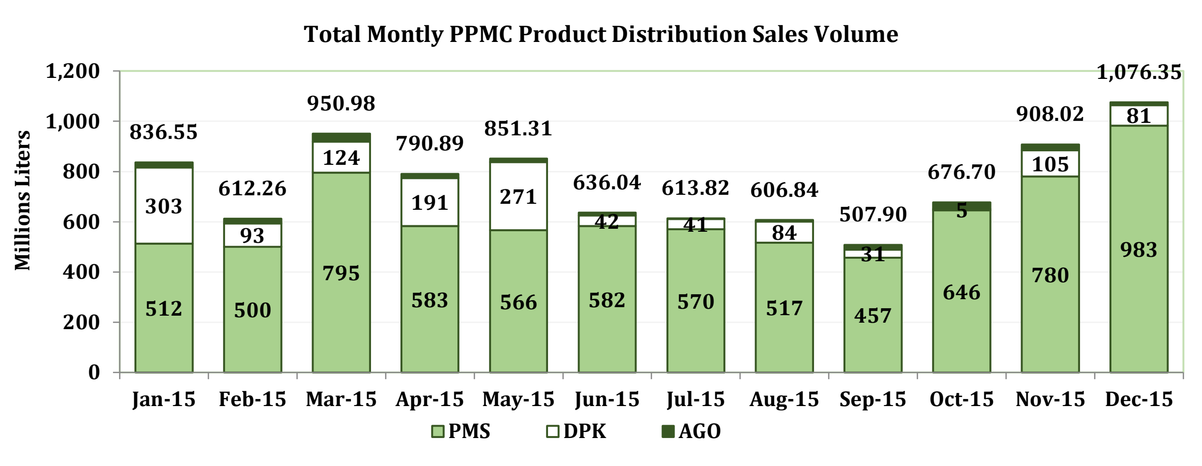
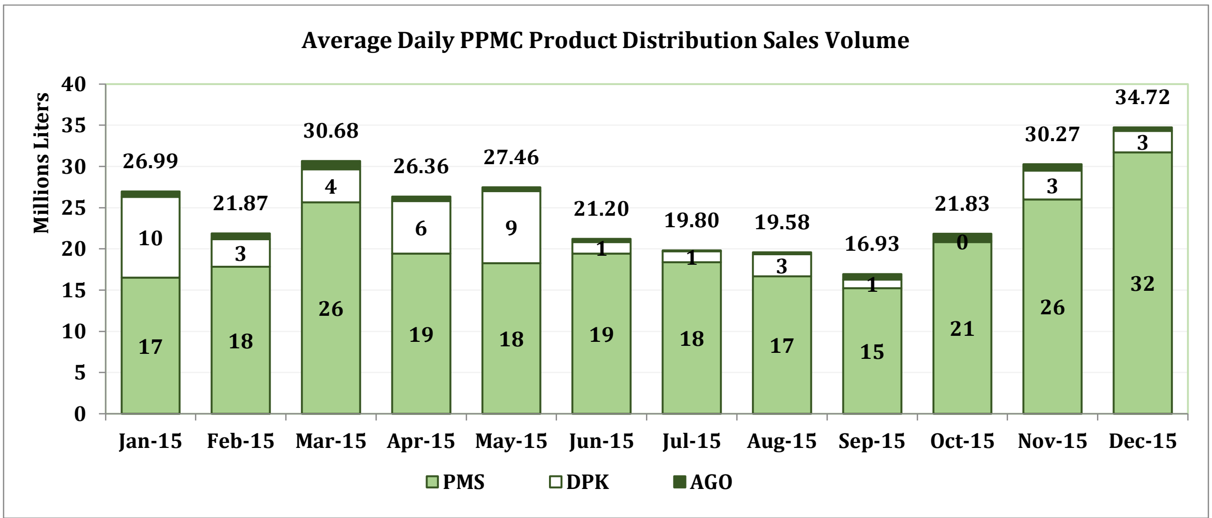


Table 4.3.2 Daily Average of Petroleum Product Sales by PPMC

Period	PMS	AGO	DPK	Total White Products	Special Products	Export/ Bunker	Total Special Products
	Liters/Day	Liters/Day	Liters/Day	Liters/Day	Liters/Day	Liters/Day	Liters/Day
Jan-15	16,528,906	676,340	9,780,127	26,985,373	66,774	0	66,774
Feb-15	17,855,203	678,738	3,332,472	21,866,413	297,130	0	297,130
Mar-15	25,649,974	1,020,776	4,006,043	30,676,794	274,166	0	274,166
Apr-15	19,419,546	574,246	6,369,256	26,363,047	25,000	0	25,000
May-15	18,267,450	451,241	8,742,938	27,461,630	30,194	0	30,194
Jun-15	19,413,876	386,711	1,400,760	21,201,347	4,403	0	4,403
Jul-15	18,387,843	106,217	1,306,647	19,800,706	142,647	0	142,647
Aug-15	16,667,739	211,696	2,696,168	19,575,603	317,233	269,402	586,635
Sep-15	15,227,165	655,879	1,047,090	16,930,134	80,963	524,027	604,991
Oct-15	20,831,970	843,850	153,294	21,829,114	102,990	1,742,710	1,845,700
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
Total	**20,523,903**	**563,345**	**3,755,688**	**24,842,936**	**115,991**	**241,025**	**354,400**

Chart 4.3.2 Average Daily White Products Distribution by NNPC PPMC

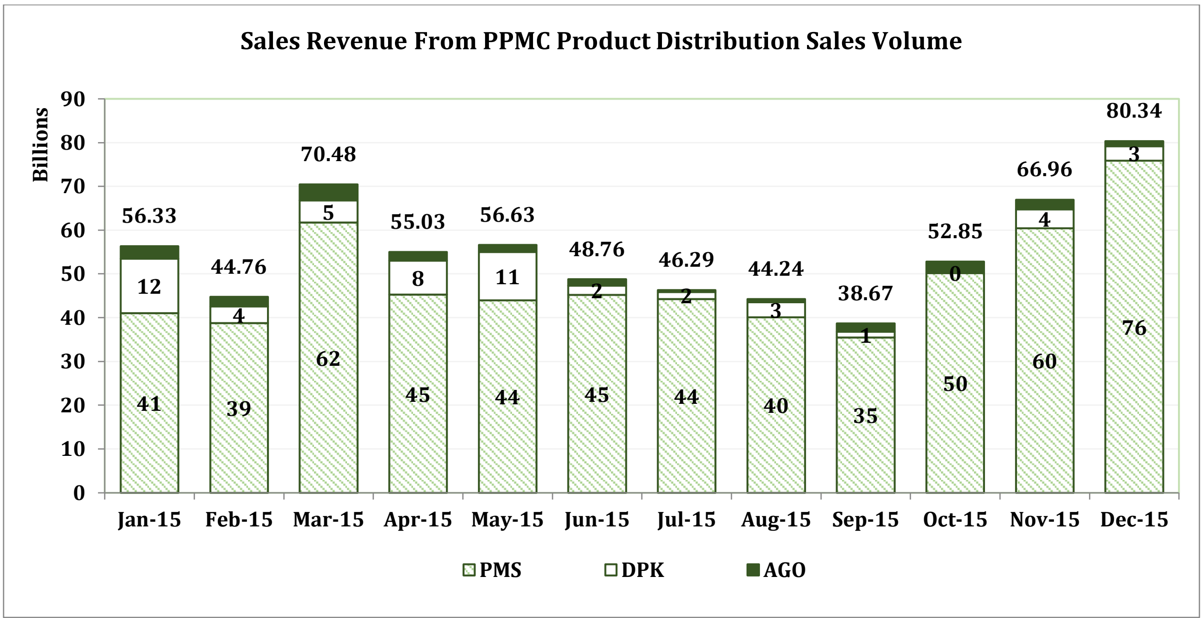


A total value of 80.34 billion naira was collected as sales revenue for white products sold by PPMC in the month of December 2015 compared with 66.96 billion naira collected in the prior month of November 2015. Total revenues generated from the sales of white products for the period January to December 2015 stands at 661.34 billion naira where PMS contributed about 88.02% of the revenues collected with a value of 582.14 billion naira. 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	Special Products	Export/ Bunker	Total Special Products Revenue
	Naira	Naira	Naira	Naira	Naira	Naira	Naira
Jan-15	41,039,382,833	2,892,544,824	12,400,222,901	56,332,150,558	115,257,600	0	115,257,600
Feb-15	38,731,828,782	2,211,571,121	3,816,346,771	44,759,746,673	563,624,625	0	563,624,625
Mar-15	61,718,451,733	3,686,952,718	5,079,262,492	70,484,666,943	612,971,796	0	612,971,796
Apr-15	45,243,657,319	1,974,058,858	7,815,077,030	55,032,793,208	41,760,000	0	41,760,000
May-15	43,937,131,621	1,612,590,245	11,085,171,622	56,634,893,488	53,627,220	0	53,627,220
Jun-15	45,230,449,083	1,441,464,259	2,084,424,706	48,756,338,048	11,320,748	0	11,320,748
Jul-15	44,235,234,795	395,718,609	1,656,697,281	46,287,650,685	366,587,779	0	366,587,779
Aug-15	40,075,798,540	741,703,470	3,418,470,916	44,235,972,926	766,479,497	197,205,751	963,685,247
Sep-15	35,476,248,942	1,904,976,828	1,284,779,062	38,666,004,832	135,241,152	348,511,861	483,753,013
Oct-15	50,152,135,231	2,506,066,017	194,361,381	52,852,562,629	172,036,342	349,989,115	522,025,457
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
Total	**582,138,615,245**	**22,768,319,424**	**56,432,482,252**	**661,339,416,922**	**3,346,435,727**	**993,258,087**	**4,339,693,814**

Chart 4.3.3 Monthly Sales Revenue from Petroleum Product Distribution



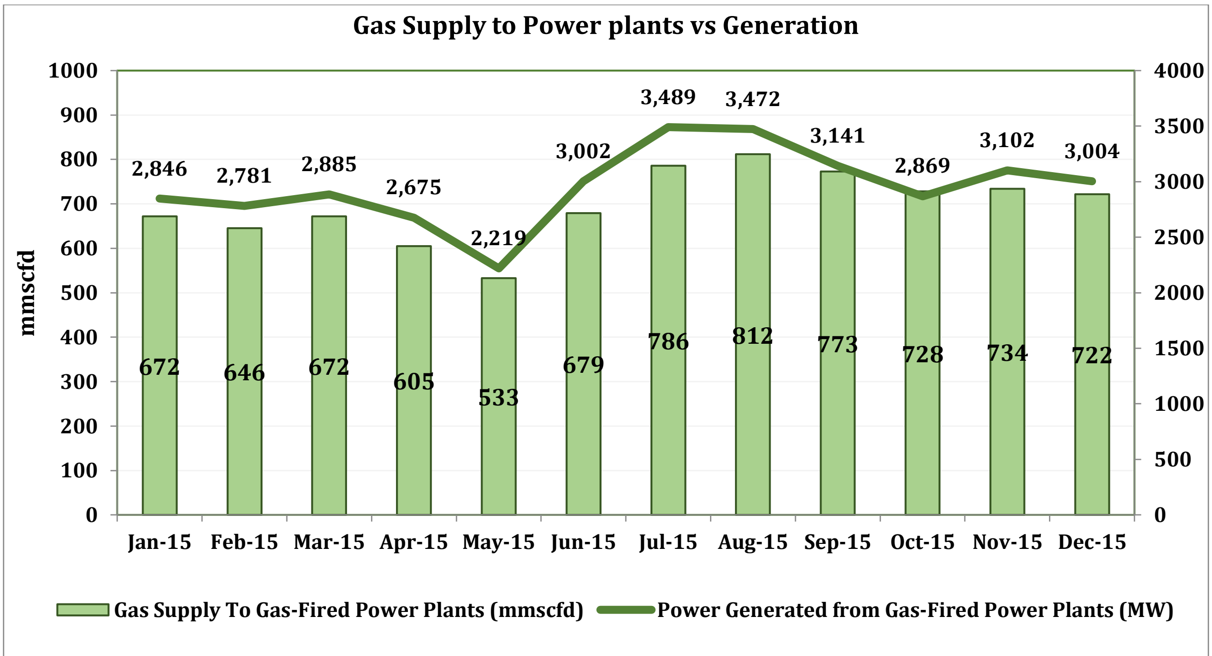
4.4 Domestic Gas Supply to the Power Sector

A total of 722 mmscfd was delivered to the gas fired power plants in the month of December 2015 to generate an average power of about 3,004 MW compared with a 2015 YTD average gas supply 694 mmscfd and power generation of 2,957 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	%
Jan-15	672	2,846 MW	80.2%
Feb-15	646	2,781 MW	80.0%
Mar-15	672	2,885 MW	84.6%
Apr-15	605	2,675 MW	84.1%
May-15	533	2,219 MW	86.2%
Jun-15	679	3,002 MW	87.3%
Jul-15	786	3,489 MW	91.1%
Aug-15	812	3,472 MW	87.2%
Sep-15	773	3,141 MW	78.4%
Oct-15	728	2,869 MW	74.6%
Nov-15	734	3,102 MW	76.2%
Dec-15	722	3,004 MW	77.3%
Average	694	2,957 MW	82.3%

Chart 4.4.1 Domestic Gas Supply to the Power Sector & Generation



5.1 Summary of Group Operating Expenditure and Revenue for December 2015

Group operating revenue after subsidy for the months of November and December 2015 were ₦155.10billion and ₦184.40billion respectively. This represents 50.68% and 60.26% respectively of monthly budget.

Similarly, operating expenditure for the same periods were ₦169.39billion and ₦196.26billion respectively, which also represents 63.42% and 73.48% respectively of budget for the months.

Operating deficits of ₦14.29billion and ₦11.86billion for November and December 2015 respectively was attained as against monthly budgeted surplus of ₦38.91billion. The table 5.1.1 and charts 5.1.1 provide more details.

Table 5.1: Group Financial Performance

SBU/CSU	MONTHLY BUDGET (=N= MILLION)			ACTUAL (=N= MILLION)						YEAR TO DATE (=N= MILLION)					
				NOVEMBER			DECEMBER			2015 BUDGET			2015 ACTUAL		
	Revenue	Expense	Profit/ (Loss)	Revenue	Expense	Profit/ (Loss)	Revenue	Expense	Profit/ (Loss)	Revenue	Expense	Profit/ (Loss)	Revenue	Expense	Profit/ (Loss)
NPDC	54,969	17,308	37,660	19,718	28,533	(8,815)	39,385	42,298	(2,914)	659,623	207,699	451,924	295,713	*278,805	16,908
IDSL	1,970	1,279	692	399	623	(224)	678	466	212	23,645	15,342	8,303	11,120	8,693	2,428
NETCO	604	460	143	453	1,082	(629)	497	1,137	(640)	7,246	5,524	1,722	7,847	8,591	(744)
NGC	8,574	5,158	3,416	12,623	9,219	3,404	13,186	9,624	3,561	102,891	61,899	40,992	143,128	108,227	34,901
Sub-Total	**66,117**	**24,205**	**41,912**	**33,193**	**39,457**	**(6,264)**	**53,746**	**53,526**	**220**	**793,405**	**290,465**	**502,940**	**457,809**	**404,316**	**53,493**
KRPC	22,142	22,478	(336)	1	3,230	(3,228)	2	3,590	(3,589)	265,698	269,731	(4,033)	69	34,764	(34,694)
PHRC	35,345	36,296	(952)	44	1,851	(1,808)	57	2,491	(2,434)	424,138	435,557	(11,419)	536	23,626	(23,090)
WRPC	41,469	37,673	3,796	0	1,703	(1,703)	5	1,976	(1,972)	497,625	452,077	45,547	124	24,432	(24,308)
Sub-Total	**98,955**	**96,447**	**2,508**	**45**	**6,784**	**(6,739)**	**64**	**8,058**	**(7,994)**	**1,187,461**	**1,157,366**	**30,095**	**730**	**82,822**	**(82,093)**
RETAIL	2,878	1,787	1,091	1,702	1,100	602	1,478	1,488	(10)	34,537	21,446	13,091	17,781	12,732	5,050
PPMC After Subsidy	**136,737**	**125,389**	**11,348**	**120,097**	**108,827**	**11,270**	**128,923**	**121,380**	**7,543**	**1,640,849**	**1,504,673**	**136,176**	**1,567,709**	**1,629,765**	*****(62,056)**
Sub-Total	**139,616**	**127,177**	**12,439**	**121,799**	**109,927**	**11,872**	**130,402**	**122,868**	**7,533**	**1,675,386**	**1,526,119**	**149,267**	**1,585,491**	**1,642,497**	**(57,006)**
CHQ	1,187	16,525	(15,338)	16	11,973	(11,957)	150	9,571	(9,421)	14,249	198,303	(184,054)	1,790	164,526	(162,736)
CSU	143	2,752	(2,609)	49	1,251	(1,202)	38	2,237	(2,199)	1,715	33,021	(31,306)	294	19,090	(18,796)
Sub-Total	**1,330**	**19,277**	**(17,947)**	**65**	**13,224**	**(13,159)**	**188**	**11,808**	**(11,620)**	**15,964**	**231,324**	**(215,360)**	**2,084**	**183,616**	**(181,532)**
Grand Total	**306,018**	**267,106**	**38,912**	**155,102**	**169,391**	**(14,289)**	**184,399**	**196,260**	**(11,861)**	**3,672,215**	**3,205,273**	**466,942**	**2,046,113**	**2,313,251**	****(267,138)**

Note:

- *NPDC Expenses now includes royalty obligations.
- **61.09% of YTD NNPC deficit of ₦267.14Bn is mainly accounted for by claimable Pipeline repairs/management cost of ₦103.48Bn and Crude & Product losses of ₦59.71Bn due to vandalized pipelines.
- *** The ₦62.06Bn deficit attributable to PPMC was arrived at after adjusting for an estimated claimable subsidy of ₦306.92Bn from the petroleum products sales.
- ****Refineries' revenue does not include Petroleum Product sales similarly the expenses excludes Crude cost processed.
- For details on the following NNPC subsidiaries refer to quarterly Consolidated Management Account; NIKOMA, NIDAS, HYSON/CALSON, Wheel Insurance, NAPOIL and Duke Oil Group.
- SBUs/CSUs retained the excess revenue generated but share Head Office Cost through Corporate Overhead Cost Allocation.

Chart 5.1.1: NNPC Group Operating Revenue January – December 2015

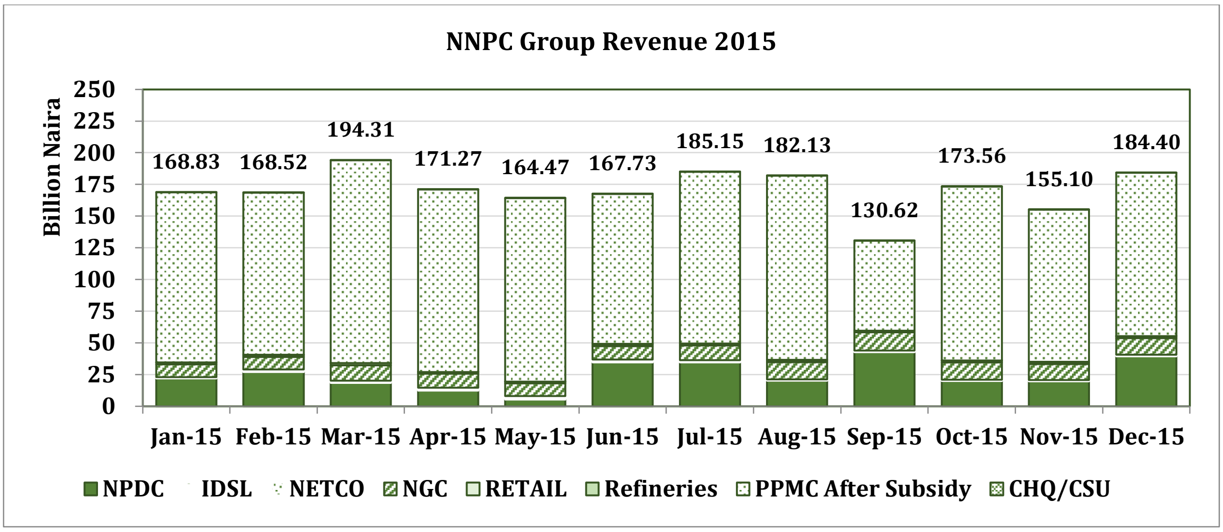


Chart 5.1.2: NNPC Group Operating Expenditure January – December 2015

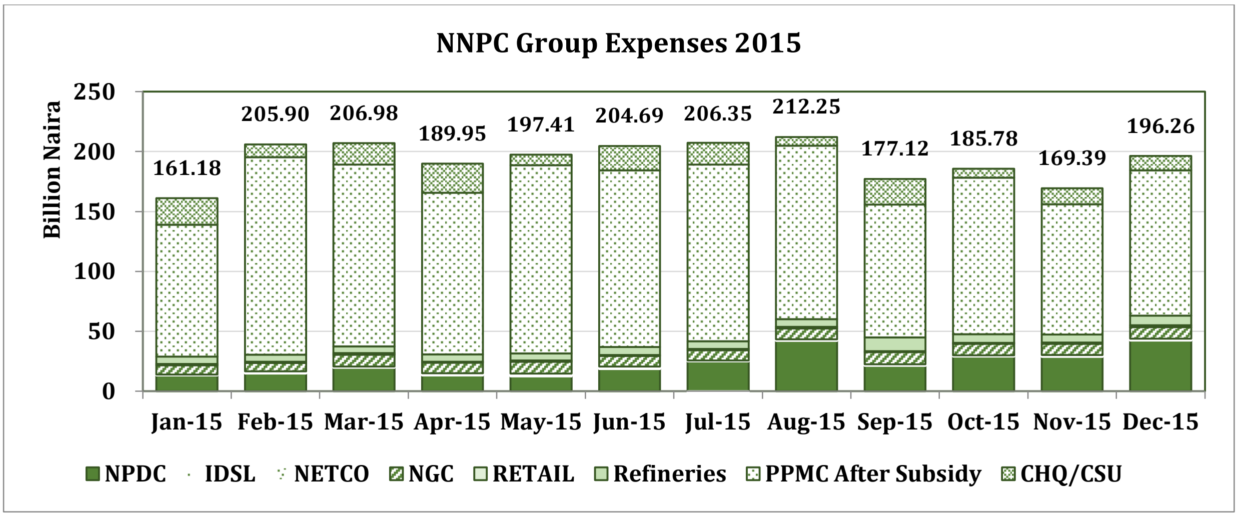


Chart 5.1.3: Monthly NNPC Group Surplus/Deficit January – December 2015

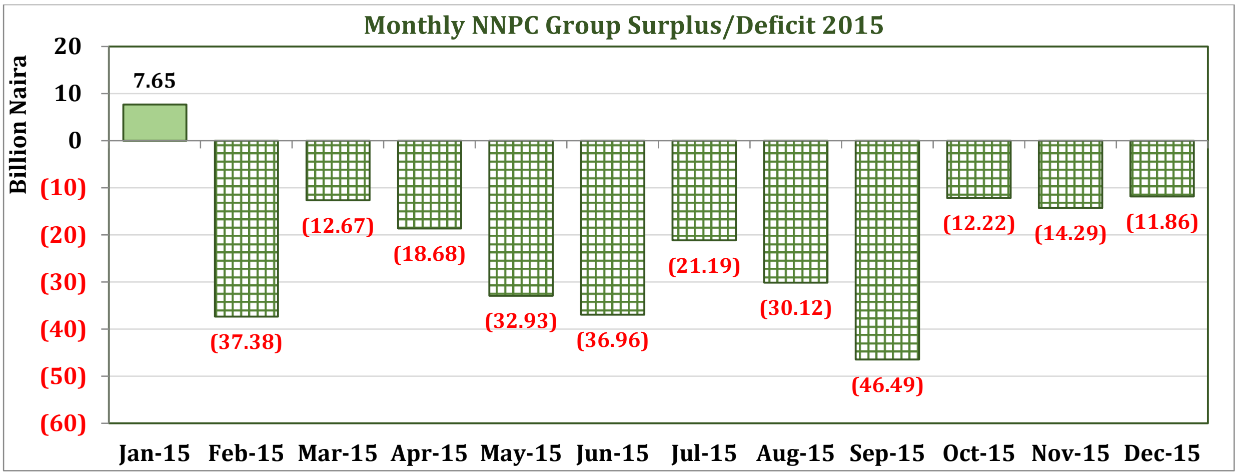
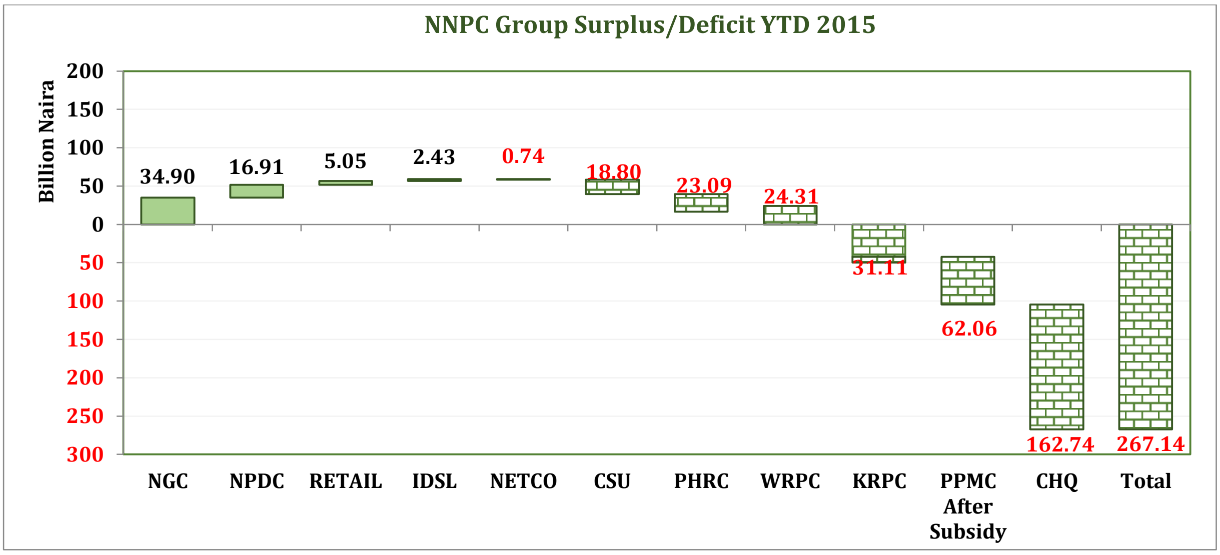


Chart 5.1.4: NNPC Group Surplus/Deficit January – December 2015



Note:

61.09% of YTD NNPC deficit of ₦267.14Bn is mainly accounted for by claimable Pipeline repairs/management cost of ₦103.48Bn and Crude & Product losses of ₦59.71Bn due to vandalized pipelines. Group Expense, Surplus/Deficits now included for NPDC Royalty.

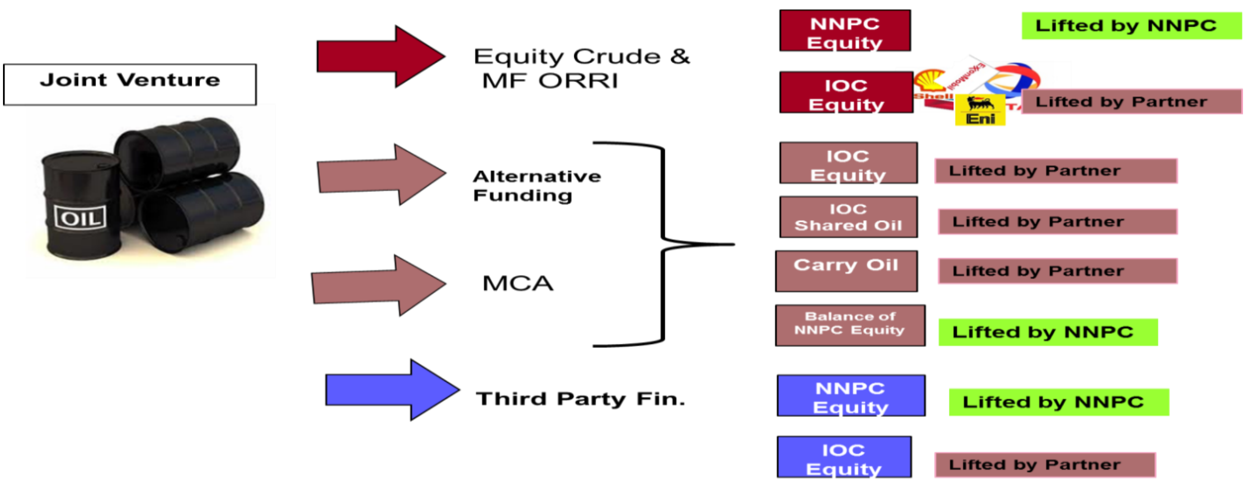
6 Federation Crude Oil & Gas Revenue

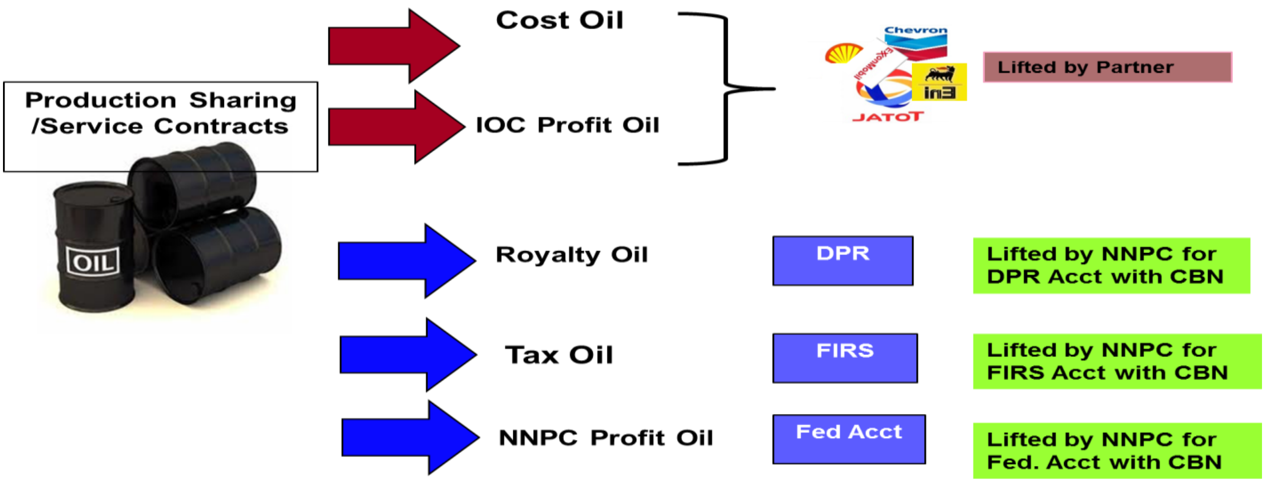
Federation Crude Oil and Gas liftings are broadly classified into Equity Export Crude and Domestic Crude. Both categories are lifted and marketed by NNPC and the proceeds remitted to the Federation Account. Monthly export receipts are paid directly into JP Morgan Account operated by Central Bank of Nigeria (CBN), after adjusting for calenderized Joint Venture (JV) Cash Calls, being a first line charge as provided in the Appropriation Bill; the balance is transferred to the Federation Account.

Domestic Crude Oil of 445,000bopd is allocated for Refining to meet domestic products supply. This volume is utilized through various arrangements[1] and the net proceeds-after adjusting for fuel subsidy, crude & product losses and pipeline repairs & management cost- are remitted to the Federation Account.

6.1 Main Sources of Federation Revenue

Figure 6.1: Sources of Federation Crude Oil



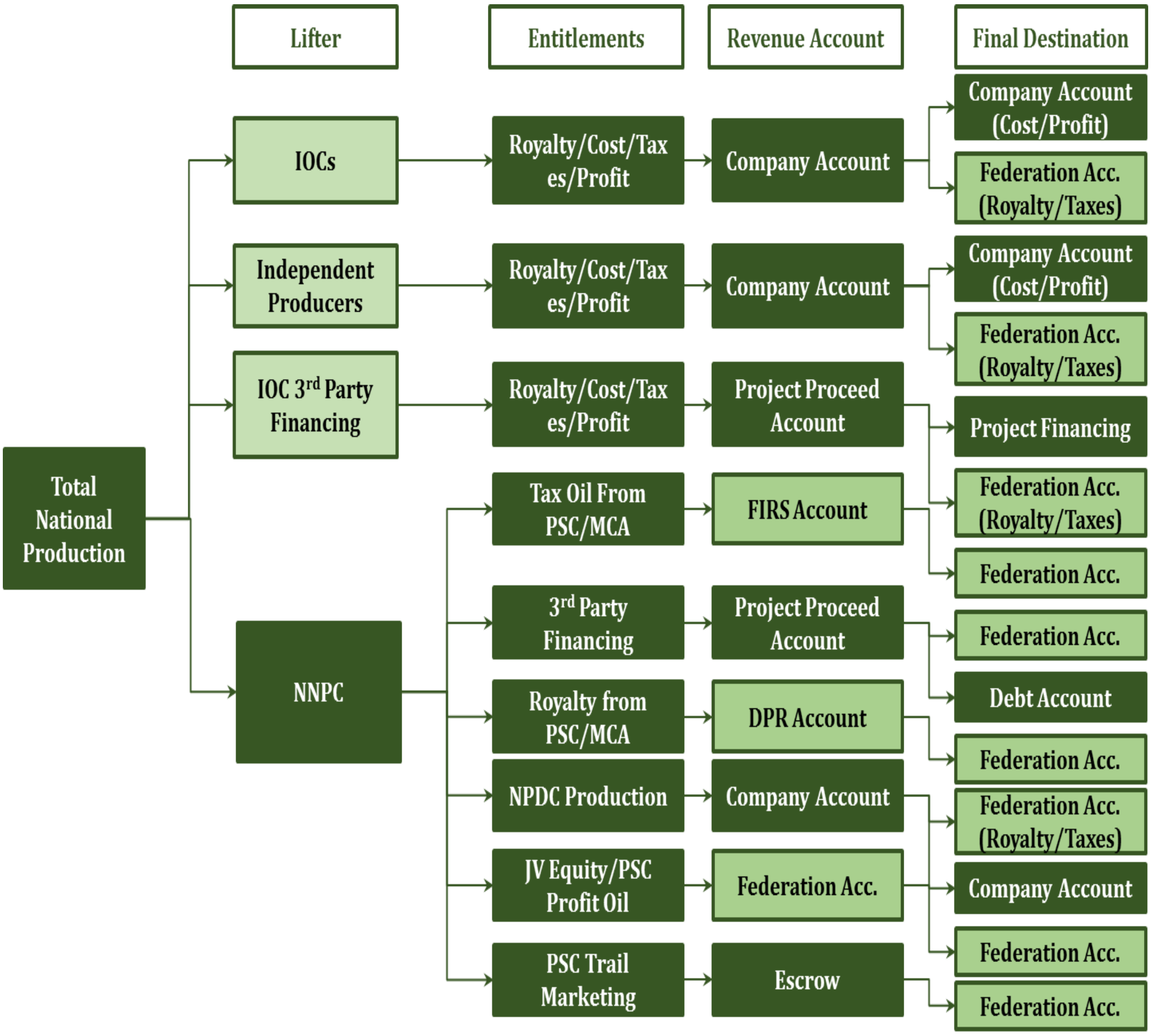


Note: *NNPC MCA Lifting is on behalf of Carry party*

6.2 Accounting for Federation Crude Oil & Gas

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

Figure 6.2.1 Accounting for Federation Crude Oil & Gas



6.3 Dollar Payments to Federation Account

Total export proceeds of $269.86 million was recorded in December, 2015 with proceeds from Crude oil export sales amounting to $161.90 million or 59.99% of the dollar transactions compared with 73.78% contribution in previous month of November, 2015. Also the export Gas sales amounted to $107.96 million for the month. A total of $607.8 million has been paid so far to FAAC in the year 2015 from sales of export Oil and Gas. Table & Chart 6.3.1 provides the details of the dollar payments due, receipt of proceeds and allocation of proceeds.

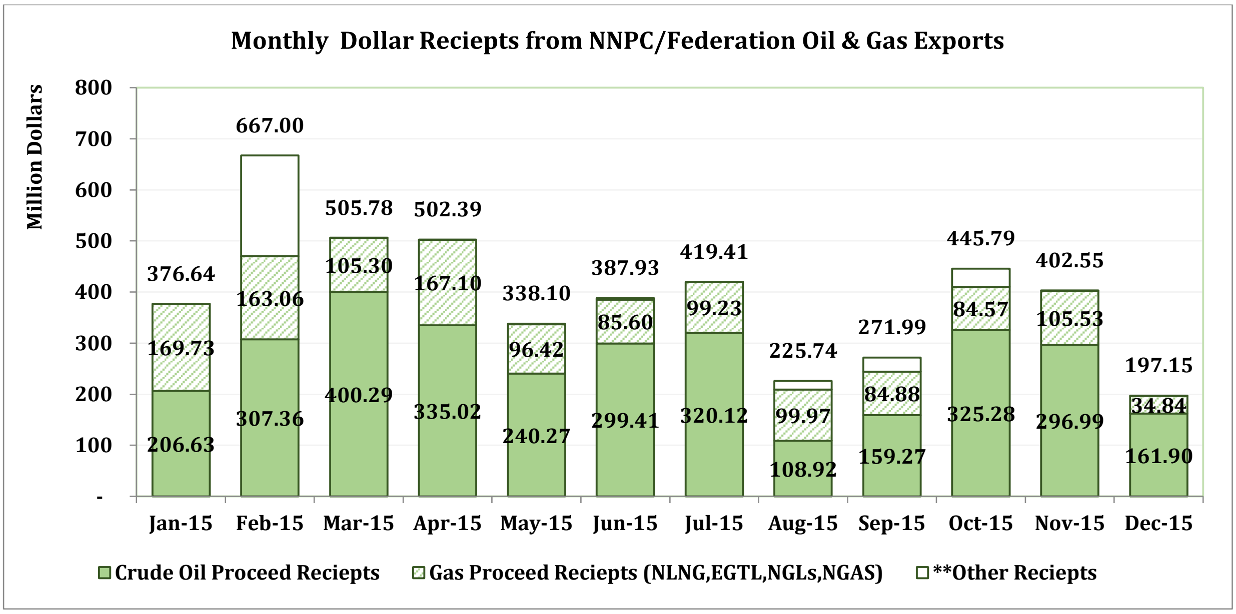
Table 6.3.1 NNPC/FGN Export Crude Oil & Gas Dollar Accruals, Receipts & Payments

Payment Month	NNPC/FGN Export Lifting Only								
	Export Sales Proceed Value Due			Export Sales Proceed Reciepts			Allocation of Proceeds		
	Crude Oil Sales Proceed	Gas Sales Proceed	Total Oil & Gas Sales Proceed	Crude Oil Proceed Reciepts	Gas Proceed Reciepts (NLNG,EGTL,NGLs,NGAS)	**Other Reciepts	Total Sales Proceed Reciepts	JV Cash Call Funding	Balance Remitance to FAAC
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Jan-15	212,838,844	173,184,756	**386,023,600**	206,629,106	169,728,467	284,105	**376,641,677**	300,000,000	**76,641,677**
Feb-15	323,425,507	151,597,792	**475,023,299**	307,360,109	163,060,514	196,582,834	**667,003,457**	320,796,841	**346,206,616**
Mar-15	361,897,548	113,344,504	**475,242,053**	400,294,202	105,295,932	185,061	**505,775,195**	320,796,841	**184,978,354**
Apr-15	340,227,160	123,190,134	**463,417,295**	335,023,929	167,104,408	257,969	**502,386,306**	502,386,306	**0**
May-15	306,598,470	110,115,836	**416,714,305**	240,269,115	96,422,239	1,411,600	**338,102,954**	338,102,954	**0**
Jun-15	259,160,157	101,347,202	**360,507,359**	299,413,261	85,599,747	2,912,709	**387,925,718**	387,925,718	**0**
Jul-15	307,749,640	126,633,631	**434,383,271**	320,122,055	99,230,169	58,921	**419,411,144**	419,411,144	**0**
Aug-15	108,916,802	124,338,562	**233,255,365**	108,916,734	99,965,193	16,860,637	**225,742,564**	225,742,564	**0**
Sep-15	160,582,393	94,135,081	**254,717,475**	159,265,231	84,883,512	27,844,818	**271,993,561**	271,993,561	**0**
Oct-15	325,281,542	94,981,051	**420,262,593**	325,281,473	84,574,667	35,930,138	**445,786,278**	445,786,278	**0**
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**
Total	**3,165,559,692**	**1,438,853,948**	**4,604,413,640**	**3,161,456,843**	**1,296,239,635**	**282,772,969**	**4,740,469,447**	**4,132,642,800**	**607,826,648**

Note:

- *Export Crude Oil Sales proceeds are received 30 days after bill of landing date.*

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 **$197.15 million** were recorded in November, 2015 consisting of Crude oil receipt of $161.90 million, LPG & EGTL proceed of **$34.84 million**, and Miscellaneous receipt amounting to **$0.42** million.

The current total export receipt dropped by more than 50% following further slide in Crude Oil Prices and additional shut-in of about 35,000bopd in **Usan and Yoho Terminals**. Other factors include none receipt of NLNG Feedstock of about **$74.47million** following payment slippage into New Year and 57.08% drop in LPG/NGL lifting. Total export crude Oil & Gas receipt for the period of January – December 2015 is **$4.74** billion. Of the total receipts, the sum of $0.61billion was remitted to Federation Account while the balance of $4.13 billion was used to fund the JV Cash Call for the period.

Thus JV funding has gulped more than 87% of the proceeds (See Table & Chart 6.3.1) JV cash call is a first line charge to Federation Account and 2015 Approved Budget requires monthly funding of about $615.8m.NNPC is therefore mandated to sweep all the export receipt to JV Cash Call funding implying a zero remittance to Federation Account. See to chart 6.3.2.1.

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

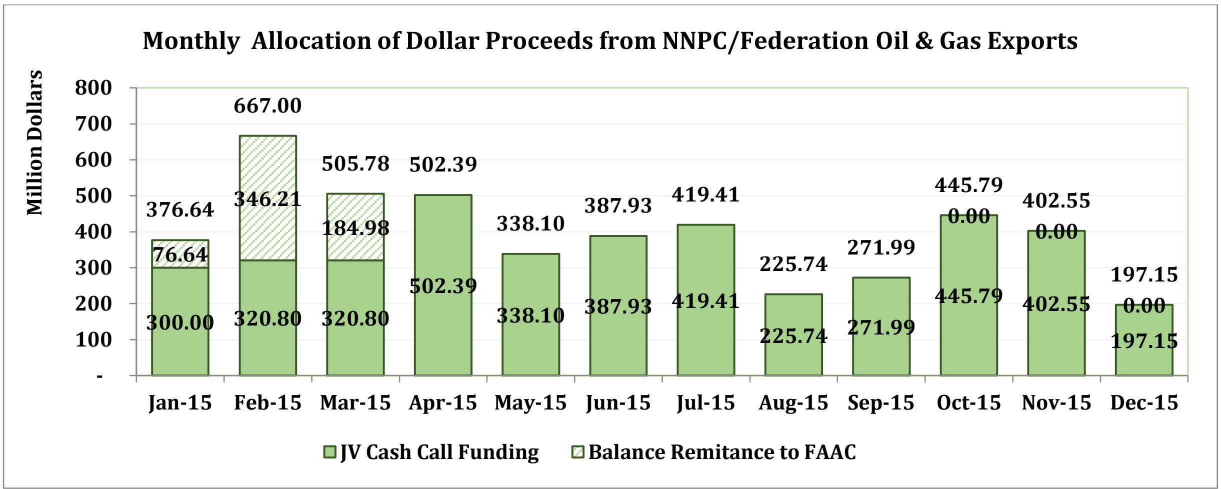
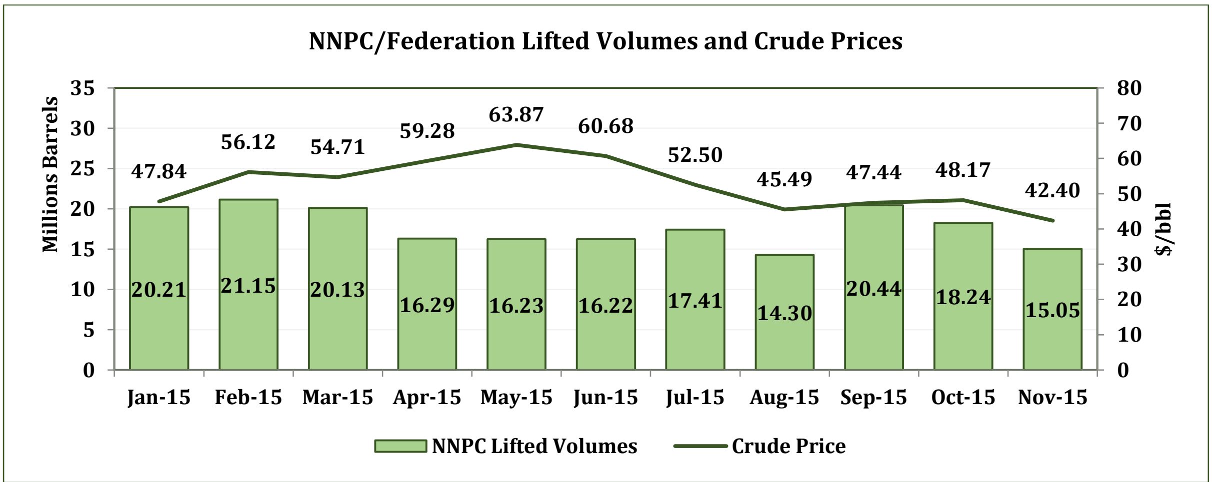


Chart 6.3.2.2 NNPC Federation Lifted Volumes vs. Crude Oil Prices



6.4 Naira Payments to Federation Account

NNPC transferred the sum **₦86.34billion** into the Federation account for the month under review. Thus the sum of **₦1,019.44 billion** have been paid to the Federation Account being Domestic Crude Oil & Gas and other receipts from January to December 2015. 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 6.4.1: Naira Proceed from Sale of Domestic Crude Oil & Gas

Receipt/ Payment Month	Proceed Value Due	Domestic Sales Proceed Recipets			
	Total Domestic Sales Proceed due	Oil Proceed Reciepts	Gas Proceed Reciepts	Other Reciepts	Total Sales Proceed Reciepts
	NGN	NGN	NGN	NGN	NGN
Jan-15	193,396,589,831	130,258,254,777	1,199,275,878	410,190	131,457,940,845
Feb-15	140,359,919,841	72,127,787,317	5,068,536,722	967,206,524	78,163,530,562
Mar-15	130,786,721,631	94,109,331,892	3,121,971,726	0	97,231,303,617
Apr-15	107,447,511,536	81,021,606,452	2,741,653,924	0	83,763,260,375
May-15	161,316,709,514	95,693,106,452	962,282,254	6,020,506	96,661,409,211
Jun-15	149,222,813,261	93,539,606,452	2,091,998,862	0	95,631,605,314
Jul-15	129,233,855,135	68,983,606,452	2,083,680,988	0	71,067,287,439
Aug-15	152,353,935,610	67,339,606,452	138,157,794	2,370,034,843	69,847,799,089
Sep-15	132,525,859,854	64,521,911,666	2,410,024,022	0	66,931,935,687
Oct-15	157,782,872,917	78,418,991,743	3,725,995,638	0	82,144,987,381
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
TOTAL	**1,676,739,619,424**	**987,540,806,965**	**28,261,764,979**	**3,635,087,720**	**1,019,437,659,665**

Chart: 6.4.1 Monthly Naira Payments to FAAC

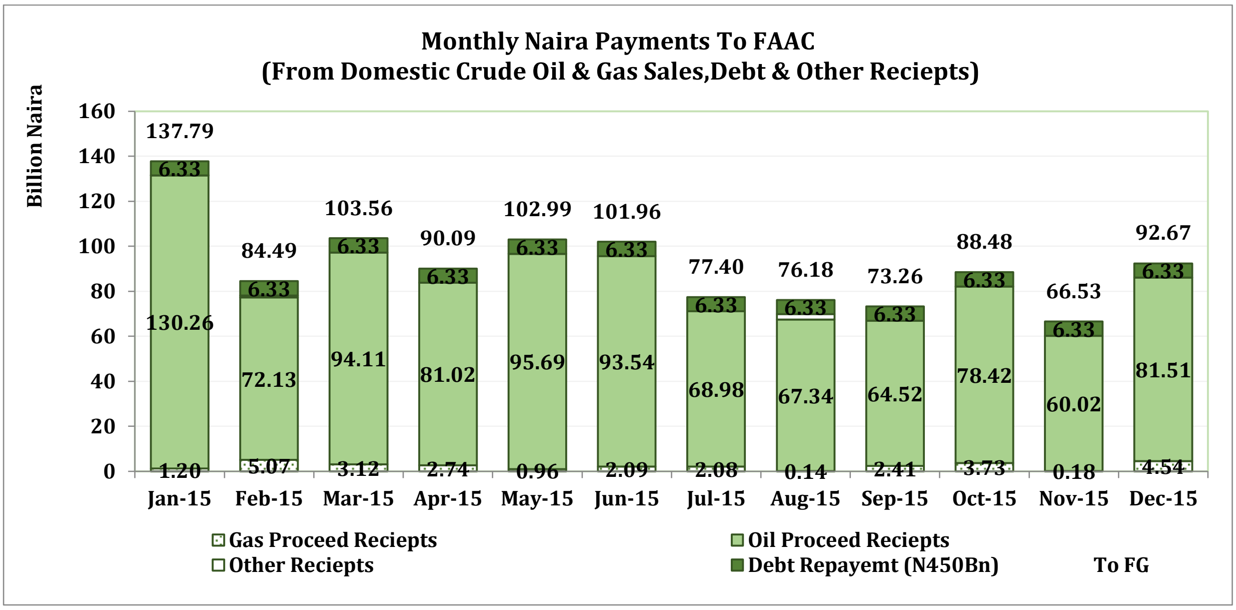


Table 6.4.2: Allocation of Naira Proceeds from Sale of Domestic Crude Oil: Payment to FAAC

Receipt/ Payment Month	Proceed Value Due	Allocation of Domestic Sales Proceeds						Payment to FAAC		
	Domestic Crude Cost	Domestic Crude Payments	Subsidy	Crude Losses	Product Losses	Pipeline Repairs & Managmet Cost	Gas & Other Receipts	Transfer to Federation Account	Debt Repayemt (N450Bn) To FG	Total Payment To FAAC
	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=	=N=
Jan-15	193,396,589,831	130,258,254,777	15,351,177,597	0	4,179,073,288	7,797,441,420	1,199,686,068	131,457,940,845	6,330,393,548	137,788,334,393
Feb-15	140,359,919,841	72,127,787,317	11,175,067,731	0	3,610,801,700	7,863,634,588	6,035,743,245	78,163,530,562	6,330,393,548	84,493,924,111
Mar-15	130,786,721,631	94,109,331,892	31,062,399,328		5,378,809,260	17,188,809,171	3,121,971,726	97,231,303,617	6,330,393,548	103,561,697,166
Apr-15	107,447,511,536	81,021,606,452	30,008,360,677	1,807,936,000	6,060,119,430	10,976,056,674	2,741,653,924	83,763,260,375	6,330,393,548	90,093,653,924
May-15	161,316,709,514	95,693,106,452	53,049,002,640	364,989,456	6,338,126,300	6,804,615,602	968,302,760	96,661,409,211	6,330,393,548	102,991,802,760
Jun-15	149,222,813,261	93,539,606,452	18,928,215,273	189,483,278	6,024,148,888	5,697,988,516	2,091,998,862	95,631,605,314	6,330,393,548	101,961,998,862
Jul-15	129,233,855,135	68,983,606,452	35,954,234,278	1,807,943,717	4,886,682,912	9,202,611,479	2,083,680,988	71,067,287,439	6,330,393,548	77,397,680,988
Aug-15	152,353,935,610	67,339,606,452	35,510,220,672		5,176,627,751	3,874,456,877	2,508,192,637	69,847,799,089	6,330,393,548	76,178,192,637
Sep-15	132,525,859,854	64,521,911,666	18,110,312,747	0	2,995,337,445	7,305,257,803	2,410,024,022	66,931,935,687	6,330,393,548	73,262,329,236
Oct-15	157,782,872,917	78,418,991,743	27,656,470,791	3,646,740,300	1,083,290,638	9,975,967,372	3,725,995,638	82,144,987,381	6,330,393,549	88,475,380,931
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	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	86,340,969,392	6,330,393,549	92,671,362,942
TOTAL	**1,676,739,619,424**	**987,540,806,965**	**306,917,223,208**	**8,398,616,812**	**51,314,488,408**	**103,481,145,755**	**31,896,852,700**	**1,019,437,659,665**	**75,964,722,584**	**1,095,402,382,249**

7.0 Key Determinants for Change

7.1 Key events and activities during the period.

- ✓ **Alternative Project Financing**

Key constraint to Nigerian upstream sector has been under-funding of the sector which prompted the use of debt to finance essential projects aimed at arresting production decline and grow producible reserves. Conventional Oil and Gas fields typically have average decline rates of 10%-20% per year which requires a serious step-up in investment in infrastructure and production facilities to maintain production plateau or to grow production.

In this regard, NNPC recently kick started the process of selecting Financial Advisors for alternative financing initiative aimed at bridging the current upstream JV funding gap, growing NPDC production and establishing energy investment fund for downstream infrastructure development.

- ✓ **Extra measures to Address Fuel Scarcity**

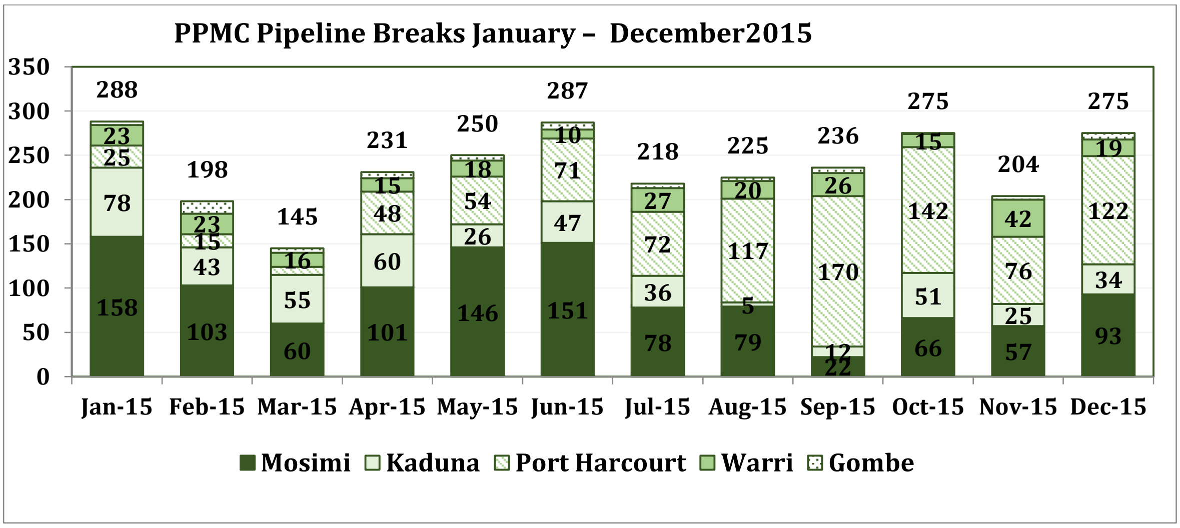
In a bid to ease the distribution challenge that led to the resurgence of queues at filling stations across the country, NNPC has increased the volume of petrol being trucked out to fuel stations across major cities in the country. NNPC has over the past few weeks supplied over 1 billion litres of petroleum products to ensure constant product supply in all its 513 NNPC Retail outlets. Also the Corporation adopted 24hours operation model where the security situation allows.

7.2 Key challenges

The following factors will be the key determinants for driving change for the Corporation:

- **Refinery Reform**: Need to carry out a holistic reform of the refineries in order to put the assets back on the track of profitability. A 90 days program is currently ongoing to reassess/resuscitate the refineries. Refinery capacity below commercial threshold due to prolong Turn Around Maintenance (TAM) issues and pipeline vandalism and products losses have continued to cost NNPC huge amount of money.
- **Pipeline Security Reform:** A comprehensive reform of the pipeline security situation will unlock several industry upsides which include improved upstream oil production due to reduced pipeline disruptions, improved refinery utilization due to increased crude oil feed from restored pipelines, and reduction of crude/product losses. A total of 2,832 vandalised points have been recorded between January to December 2015, resulting in a total loss of ₦59.71Bn for crude and products.
- These developments have put NNPC in disadvantaged market position.

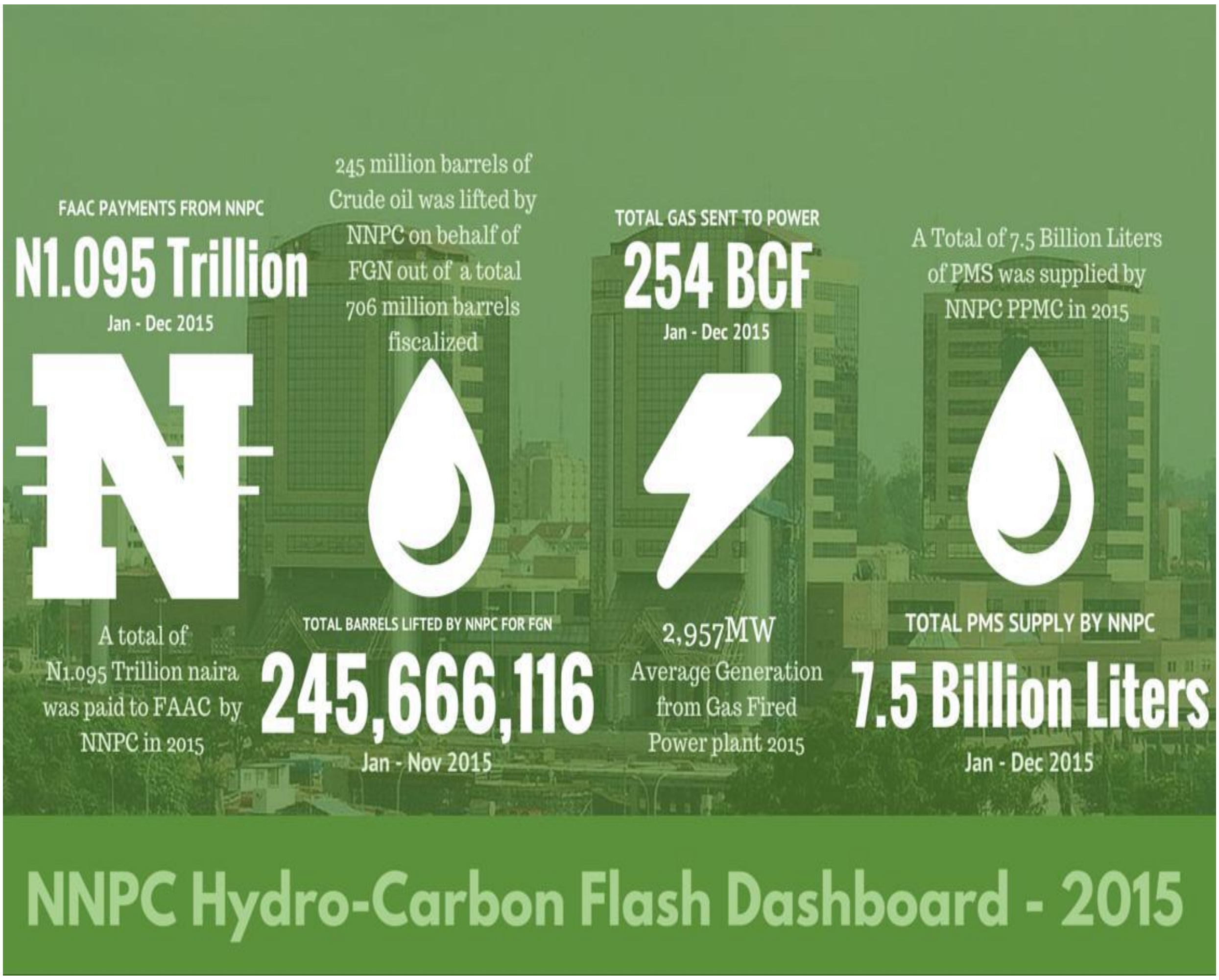
Chart 7.1 PPMC Pipeline Breaks January – December 2015



7.3 Organizational Restructuring

- NNPC aspires to drive a fundamental change in its performance in order to improve profitability, accountability, transparency and focus.
- Consequently the new NNPC leadership team is committed in ensuring a fit-for-purpose organization aligned with NNPC's aspiration; this will be achieved by restructuring the corporation into autonomous entities that will enable a substantive step change towards the desired outcome.
- Accordingly, the restructured NNPC will be composed of four autonomous business units namely - Upstream, Downstream, Refineries, Gas & Power and supported by a lean Group HQ. Non-Core assets will be ring-fenced in a Ventures unit.

Fig 7.3.1 NNPC Hydro-Carbon Flash Dashboard 2015



8 Glossary and Definition of Terms

AF	Alternative Funding
AGO	Automatic Gasoline 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	Joint Venture
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 Liquified Natural Gas
NNPC	Nigerian National Petroleum Corporation
NPDC	Nigerian Petroleum Development Company
OPA	Offshore Processing Agreement
PMS	Premium Motor Spirit
PPMC	Pipelines and Products Marketing Company
PPPRA	Petroleum Products Pricing Regulatory Agency
PPT	Petroleum Profit Tax
PSC	Production Sharing Contract
QIT	Qua Iboe Terminal
QTY	Quantity
RDP	Reserve Development Project
SC	Service Contract
SOF	Satellite Oil Field Project
TM	Trial Marketing
YTD	Year To Date

Explanatory Notes
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- ### Federation Equity Crude Oil & Gas Export Sales

  - Export sales proceeds are receivable 30 days after B/L date.
  - About 70% of Gas sales are for NGL funded projects, which are utilized for financing. The balance is transferred into the Federation Account after servicing debt obligation.
  - NLNG feedstock: Gas supplied by IOC operators 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 International price and payment is due 90 days after the B/L date.
  - NNPC obligations are paid in Naira based on CBN determined exchange rate.

- ### 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 interest
    (e) Price balance from Third Pary financing e.g RDP, SOF, NGLII
    (f) Revenue from Afam-Power
    (g) Insurances Claims settlement and etc.

- ### FIRS PPT And DPR Royalty Remittances

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