



Markets | Thu Dec 17, 2015 12:15pm EST

Related: STOCKS, MARKETS

UPDATE 2-Nigeria's NNPC issues 2016 crude oil contracts worth \$13.5 billion

(Adds quotes, context)

By Julia Payne and Libby George

ABUJA/LONDON, Dec 17 The Nigerian National Petroleum Corporation (NNPC) has issued its 2016 crude oil term contracts to 21 companies, going directly to international refineries, trading houses and local downstream firms, according to a list obtained by Reuters.

The contracts cover 991,000 barrels per day (bpd) of oil, worth \$13.5 billion at current crude oil prices, which is roughly half of Nigeria's crude oil production of around 2 million bpd.

The list includes refiners such as Spain's Cepsa, Italy's Saras, India's IOC and ENOC of the United Arab Emirates, as well as trading houses Trafigura, Mercuria and Vitol and international oil companies ENI, Total, Exxon and Shell.

The remainder are Nigerian downstream and NNPC trading companies.

In a statement, NNPC said: "Apart from ensuring transparency, the companies were carefully chosen based on their track records and trading experience to ensure that Nigerian crude cargoes are not left unsold."

The list is pared down from the final 2015 contract list, which comprised 43 companies and did not include any global traders. Many of the mostly local companies included then were criticised by international watchdog groups, such as the Natural Resource Governance Institute (NRGI), as "unqualified intermediaries" who added little value.

President Muhammadu Buhari is on a campaign to root out corruption in the NNPC and oil theft across the nation, which he assesses at about 250,000 bpd.

During a televised launch of the contract process in October, when 278 companies submitting bids for crude oil contracts, NNPC officials promised to slash the number of winners and conduct business differently.

"Things have changed in Nigeria," said one oil industry source close to the contract negotiations. "The process of tendering has been more transparent they want to work with more reputable companies."

Oil traders said the inclusion of Exxon and Shell was also unusual.

"It is the first time for both," one trader of West African oil said of direct contracts between Exxon, Shell and NNPC. "It seems to tie up with the drive to partner with end-users."

NNPC's current managing director Emmanuel Ibe Kachikwu is a former Exxon executive.

The absence of China's Sinopec, and its trading arm Unipec, was also notable, as it is a large buyer of Nigerian oil and was on the 2015 contract list. Oil industry sources said there was another list of so-called "government" contracts with Nigeria's major partners yet to come, and many expected the company to be added at a later date.

On Thursday, Kachikwu told reporters that Nigeria is producing 2.1 million bpd and aims to boost output to 2.4 million next year.

Contract holder	Volume ('000 bpd)
Refiners	
Emirates National Oil Company	60
Indian Oil Corporation	60
Cepsa	60
Saras SPA	60

EDITOR'S CHOICE



Vietnam's Gaga is running for office

TRENDING ON REUTERS

1 Obama heads for historic visit as Cuba rolls out red carpet | VIDEO

2 Sherwin-Williams paint company to acquire Valspar for \$11.3 billion

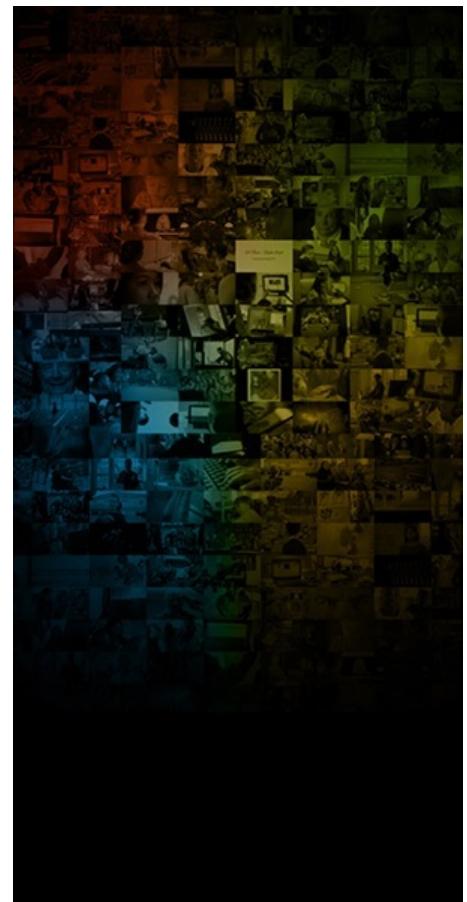
3 Brazil's Rousseff lacks Senate votes to defeat impeachment: senator

4 Trump refuses to condemn violence at his U.S. presidential rallies | VIDEO

5 Turkey says Istanbul suicide bomber was member of Islamic State | VIDEO

International Trading Companies	
Trafigura	32
Mercuria	32
Vitol SA	32
IOC Trading Companies	
ENI Shipping and Trading	32
Totsa SA	32
Exxon Sale and Supply	32
Shell Western Supply and Trading	32
Nigerian Downstream Companies	
Emo Oil & Petroleum/China	45
ZhenHuaOil	
Northwest Petroleum and Gas	45
Forte Oil PLC	45
Oando PLC	60
Sahara Energy Resouce LTD	60
A.A. Rano Nigeria Limited	45
Eterna Oil	45
MRS Oil and Gas	60
NNPC Trading Companies	
Calson/Hyson	32
Duke Oil Incorporated	90
Total: 21	991

(Additional reporting by Ron Bousso and Alex Lawler in London, editing by William Hardy and David Evans)



More from Reuters

- **Alaska sled-dog racer 'terrified' during two-hour snowmobile attack** | 18 Mar
- **Sarah Palin says husband still in intensive care after accident** | 17 Mar
- **Why a hope in the world since Biblical times is officially over** | 11 Mar
- **Two years after annexation, Putin seeks to bind Crimea by bridge to Russia** | 18 Mar
- **Risk of nuclear war in Europe growing, warns Russian ex-minister** | 19 Mar
- **Man in Manila gets \$30 million cash from cyber heist; Bangladesh central bank governor quits** | 15 Mar
- **Why Republicans hate the Republican Party so much** | 8 Mar
- **How social media responded to Carson backing Trump** | 11 Mar
- **Experts perplexed over why Sharapova was taking banned heart drug** | 10 Mar
- **China expresses alarm at Philippines-Japan aircraft deal** | 10 Mar

Sponsored Financial Content

- **Do smartphones lead to different investment decisions?** iShares
- **China is following Japan's footsteps 25-30 years ago in robot adoption** Mirae Asset
- **'Investors should avoid panic selling' says Michelle McGrade** TD Direct Investing
- **An in-depth analysis on recent inflation trends in emerging economies.** Franklin Templeton
- **Investing in the UK?** J.P. Morgan

PHOTOS OF THE WEEK



Our top photos from the past week. [Slideshow »](#)

[China's nail houses](#)

[Brazilians protest Lula's appointment](#)

[Approaching Pluto](#)

PHOTOS: WOMEN IN THE U.S. MILITARY



A look at women who serve in America's military.

[Slideshow »](#)

[Women who cracked the brass ceiling](#)

From The Web

Sponsored Links by Taboola



[INFO BRIEF] How to Protect Data in the Age of Employee...
Code42



This Watch Brand Is Disrupting A \$60 Billion Industry
MVMT Watches



Worst Exercise For Middle Age -- Ages You Faster
MAX Workouts Fitness Guide



Don't apply for a credit card before reading these 5 essential...
Capital One



Is investing in beach front property the best way to avoid...
UK Investor Magazine



Britain's Best Cars - Top 10 Cars to Buy in 2016!
Carbuyer

BUILD YOUR PERFECT CANDIDATE



Download Reuters' White House Run from the App Store

Sponsored Topics

[Best Cars to Own](#)

[New HD Security Cameras](#)

[2016 Best Cars](#)

[Life Insurance Quotes](#)

[Reverse Mortgage Quotes](#)

[Highest Paying Annuities](#)

[Retirement Annuity Rates](#)

[Type 2 Diabetes Symptoms](#)

Sponsored Financial Content

'Investors should avoid panic selling' says Michelle McGrade *TD Direct Investing*

Global Equity Income. Dividend trends and opportunities *Henderson*

10 common investment mistakes and how to avoid them *EQ Investors*

An in-depth analysis on recent inflation trends in emerging economies. *Franklin Templeton*

Henderson Investment Trusts: Which trust is right for you? *Henderson*

KEY RATES

MORTGAGE HOME EQUITY SAVINGS AUTO CREDIT CARDS

See today's average mortgage rates across the country.

TYPE	TODAY	1 MO
30-Year Fixed	3.71%	3.67%
15-Year Fixed	2.78%	2.80%
10-Year Fixed	2.77%	2.87%
5/1-Year ARM	3.21%	3.30%
30-Year Fixed Refi	3.70%	3.63%
15-Year Fixed Refi	2.79%	2.79%
5/1 ARM Refi	3.12%	3.18%
30-Year Fixed Jumbo	4.02%	4.09%

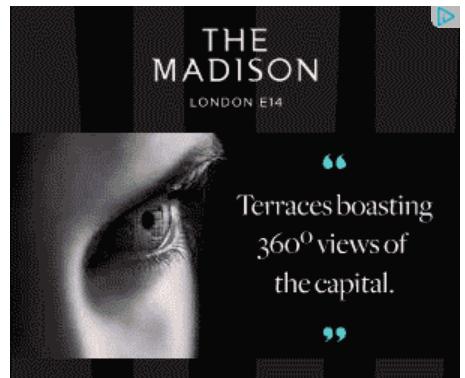
Rates may include points.

Source: Bankrate.com

[SEE MORE KEY RATE DATA](#)

SPONSORED TOPICS

1. [Hybrid Car Prices](#)
2. [Reverse Mortgage Calculator](#)
3. [Retirement Planning Calculator](#)
4. [Crossover SUV Deals](#)
5. [Cloud Security Services](#)
6. [Debt Consolidation Programs](#)



[Back to top](#)

Reuters.com

[Business](#) | [Markets](#) | [World](#) | [Politics](#) | [Technology](#) | [Opinion](#) | [Money](#) | [Pictures](#) | [Videos](#) | [Site Index](#)

More from Reuters

[Reuters News Agency](#) | [Brand Attribution Guidelines](#) | [Delivery Options](#)

Support & Contact

[Support](#) | [Corrections](#)

Account Information

[Register](#) | [Sign In](#)

Connect with Reuters

[Twitter](#) [Facebook](#) [Linkedin](#) [RSS](#) [Podcast](#) [Newsletters](#) [Mobile](#)

About

[Privacy Policy](#) | [Terms of Use](#) | [Advertise With Us](#) | [Advertising Guidelines](#) | [AdChoices](#) | [Copyright](#)

Thomson Reuters is the world's leading source of intelligent information for businesses and professionals.

Our Flagship financial information platform incorporating Reuters Insider

An ultra-low latency infrastructure for electronic trading and data distribution

A connected approach to governance, risk and compliance

Our next generation legal research platform

Our global tax workstation

[Thomsonreuters.com](#)

[About Thomson Reuters](#)

[Investor Relations](#)

[Careers](#)

[Contact Us](#)

Thomson Reuters is the world's largest international multimedia news agency, providing investing news, world news, business news, technology news, **headline news**, small business news, **news alerts**, personal finance, stock market, and mutual funds information available on Reuters.com, video, mobile, and interactive television platforms. Thomson Reuters journalists are subject to an Editorial Handbook which requires fair presentation and disclosure of relevant interests.

NYSE and AMEX quotes delayed by at least 20 minutes. Nasdaq delayed by at least 15 minutes. For a complete list of exchanges and delays, please click [here](#).