

	Results
1.	NNPC awards new crude oil lifting contracts to 21 firms Energy Monitor Worldwide, December 19, 2015 Saturday, 718 words

[Return to List](#)

1 of 1 DOCUMENT



Energy Monitor Worldwide

December 19, 2015 Saturday

NNPC awards new crude oil lifting contracts to 21 firms

LENGTH: 718 words

The Nigerian National Petroleum Corporation, NNPC, on Thursday announced the award of new contracts to 21 crude oil off-takers, almost four months after President Muhammadu Buhari revoked the licenses from previous holders.

Indigenous Nigerian firms were awarded contracts to lift 41 per cent of total crude allocation, while major trading firms would control 47 per cent of the crude oil allocation. NNPC trading affiliates were awarded 12 per cent of the total allocation.

Shortly on assumption of office, President Buhari had ordered the immediate cancellation of all offshore crude oil processing agreements and crude oil swap deals for refined petroleum products between the NNPC and various oil traders around the world.

The deals, initiated by the Goodluck Jonathan administration, were to supply crude petroleum products for refining outside the country to cushion the negative impact of continued reliance on importation of fuel for domestic consumption.

The cancellation was to enable the government review and re-evaluate the contracts to help restructure the terms to be more favourable to Nigerians.

Crude oil swap for refined petroleum products took a controversial twist after some Nigerians, and some regulatory agencies, like the Nigerian Extractive Industries Transparency Initiative (NEITI), criticised the deals as lacking transparency and accountability.

The Ahmed Joda Presidential Transition Committee had also recommended the revocation of the contracts

in its report to the new government.

Consequently, the government had invited fresh bids from prospective off-takers for the countrys 26 crude oil grades on offer.

At the expiration of the deadline for the submission of application by prospective bidders, about 278 bids were received from various indigenous and foreign firms seeking to secure the new contracts.

In October, following the bids opening exercise held in Abuja, 21 firms were announced winners of the contract as new off-takers.

A review of the new crude **oil contract** terms showed that 24 per cent of the total volume of 991,661 barrels per day of the Nigerian equity crude on offer, or about 240,000 bpd, was awarded to four refining firms classified as current major receivers with capacity to process all Nigerian crude grades.

Each of the off-takers awarded contracts to take 60,000 barrels per day of crude oil include Emirates National Oil Company (ENOC), Indian Oil Corporation, CEPESA Refinery Madrid and Sara SPA Refinery.

Three of the notable International trading companies, namely Trafigura PT Ltd, Mercuria Energy Trading SA and Vitol SA won the contract to lift 32,000 bpd of crude based on their capacities as large-scale buyers of Nigerian crude with structure for short term freight intervention and storage.

The off-takers in this category represent about 10 per cent of total crude volume on offer.

Trading affiliates of international oil companies consisting of ENI Trading and Shipping SPA, Total Oil Trading SA (TOTSA), Exxon Sale and Supply LLC and Shell Western Supply and Trading also received term allocation of 32,000 bpd each, totaling 128,000 bpd, representing about 13 per cent of total volume of crude oil on offer.

Under the new arrangement, indigenous Nigerian downstream players with considerable experience in crude oil trading and large asset base were allocated about 405,000 bpd, representing about 41 per cent of total crude volume on offer.

They include Emo Oil & Petrochemical Company/China Zhenhe, an NNPC long term trader (45,000 bpd); Northwest Petroleum and Gas Limited (45,000 bpd); Forte Oil (45,000 bpd); Oando PLC (60,000 bpd); Sahara Energy Resource Limited (60,000 bpd); A.A. Rano **Nigeria** Limited (45,000 bpd); Eterna Oil (45,000 bpd) and MRS Oil & Gas Company Limited (60,000 bpd).

NNPC Trading Companies, Carlson/Hyson was allocated contract to lift 32,000 bpd, while Duke Oil Incorporated, the NNPC affiliate was awarded contract for 90,000 bpd, accounting for combined off-take of 122,000 bpd, or about 12 per cent of total volume on offer.

The minister of State for Petroleum Resources, Ibe Kachikwu, said in Abuja on Thursday that apart from ensuring transparency, the companies were chosen based on their track records and trading experience to ensure that Nigerian crude oil cargoes were not left unsold. 2015 Global Data Point.

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Web Publication

JOURNAL-CODE: 1606

SUBJECT: PETROLEUM PRODUCTS (92%); PETROLEUM REFINERIES (90%); CONTRACT AWARDS (90%); OIL & GAS INDUSTRY (90%); CRUDE OIL & NATURAL GAS EXTRACTION (89%); CRUDE OIL MARKETS (89%); OIL & GAS EXTRACTION (89%); ENERGY MARKETS (89%); ENERGY & UTILITY TRADE (78%); AGREEMENTS (78%); IMPORT TRADE (77%); LICENSES & PERMITS (77%); ENERGY EXPORTS & IMPORTS (73%); CONTRACTS & BIDS (73%); CONSUMPTION (72%); INTERNATIONAL

TRADE (60%)

COMPANY: NIGERIAN NATIONAL PETROLEUM CORP (93%); EMIRATES NATIONAL OIL CO LTD (63%); ENI TRADING & SHIPPING BV (50%)

INDUSTRY: NAICS211111 CRUDE PETROLEUM & NATURAL GAS EXTRACTION (93%); SIC1311 CRUDE PETROLEUM & NATURAL GAS (93%); SIC1382 OIL & GAS FIELD EXPLORATION SERVICES (63%); NAICS488320 MARINE CARGO HANDLING (50%); SIC4412 DEEP SEA FOREIGN TRANSPORTATION OF FREIGHT (50%)

PERSON: MUHAMMADU BUHARI (90%); GOODLUCK JONATHAN (79%)

CITY: ABUJA, **NIGERIA** (79%)

COUNTRY: **NIGERIA** (79%); UNITED ARAB EMIRATES (79%)

LOAD-DATE: December 21, 2015

Copyright 2015 Global Data Point
Provided by Syndigate Media Inc. *Syndigate.info*
All Rights Reserved