

Nigerian Oil and Gas News



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DPR Raises N470bn in Q1 2013



The Department of Petroleum Resources, DPR said it generated over N470 billion (USD 2.9 billion) in revenue in the first half of 2013, surpassing its projected targets by over N86 billion.

This was revealed during a recent interface between the DPR and the House Committee on Upstream Petroleum, when the latter visited the industry regulator, as part of its oversight functions.

The Committee led by its Chairman, Honourable Murraina Ajibola, commended the effort of the Department in its exceptional performance over the preceding six months, by

surpassing its revenue target for the period.

According to Ajibola, DPR's expected revenue target for the period, January to June 2013 was estimated at N383 billion, but instead realized about N470 billion.

DPR Director, Mr. George Osahon, who led the management team, was called upon to initiate practical steps that would boost internally generated revenue to robust levels, and promised full legislative backing in support of such initiatives.

Also, the Legislators expressed deep concern in the seemingly unabated spate of oil theft, particularly in the Niger Delta, and urged the Federal Government to implement the House's resolutions on the issue.

Ajibola recalled some of the recommendations to include, government to assign dedicated telephone lines to security agencies. Such lines should also be made available to the

public in order to facilitate easy reporting of these incidents to the appropriate security outlets.

Other recommendations include proper manning of crude export terminals and the installation of electronic metering at well heads to assist stem this negative tide.

FG Moves to Computerise Oil Exports

The Nigerian government is considering the computerisation of the oil exports with a view to generating more revenue and keeping a tab on the volume of crude oil that leave the country periodically.

Disclosing recently, Mr. Muktar Ahmed, Managing Director of Webb Fontaine said that his firm has proposed to the government to apply the same

modernisation process that has been in the Nigeria Customs Service, NCS, and by extension, the Nigeria port industry. Ahmed explained that his firm was contracted to carry out the modernisation of the Customs service about seven and half years ago, adding that the Customs is better positioned to deal with its trading publics. He stated that both Webb Fontaine and the cus-

toms together with the Central Bank of Nigeria, CBN, are talking with the relevant government agencies and their response has been very receptive.

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Gas Flaring Reduced by 20% - FG



Above: Nigeria's Petroleum Minister, Diezani Alison Madueke

The Federal Government, on Thursday, 5 September 2013, said that gas flaring in the country has been reduced to about 20 per cent over the last two years. Mrs. Diezani Alison-Madueke, Minister of Petroleum Resources, who disclosed this at the plenary session of the 19th Nigerian Economic Summit in Abuja, stated that a further reduction is expected in the years ahead. She said the series of gas projects including the oncoming petrochemical and fertilizer plants would take up a

bulk of the gas currently flared thereby reducing gas flare and the harm it does to the environment. She disclosed that the government was positioning the oil and gas sector, to ensure that Nigeria controlled 10 per cent of the global fertilizer market by 2017, especially as the bulk of the fertilizer companies are expected to come on stream by then. She identified some of the proposed fertilizer plants as Dangote Petrochemical and Fertilizer Plant to be built at Olokola, Indorama Fertilizer

Plant at Eleme, Brass Fertilizer Company at Brass, Nagarjuna Fertilizer Plant at Ogidigben, and another plant by the International Fertilizer Association. According to her, the need to get the gas sector to drive growth in all sectors of the economy, especially the agricultural sector, necessitated the excision of some key areas of the Gas Master Plan from the Petroleum Industry Bill, PIB, for accelerated implementation under the Gas Revolution Agenda.

“Despite the challenge of pipeline vandals and oil thieves, Nigeria’s crude oil production has stabilised to between 2 to 2.4 million barrels per day”

IPMAN Condemns Pipeline Vandalism

The Independent Petroleum Marketers Association of Nigeria (IPMAN) has charged all the stakeholders in the oil and gas industry to tackle pipeline vandalism. It said crude oil theft had been a great challenge against optimum output from the refineries. Speaking after a recent meeting of the National Executive Committee (NEC) of IPMAN in Lagos, Wednesday, 4 September

2013, the National Secretary of the Association, Mr. Mike Osatuyi, condemned the activities of vandals and urged all Nigerians to bring to a halt the activities of vandals and crude oil thieves. “Despite the challenge of pipeline vandals and oil thieves, Nigeria crude oil production has stabilised to between 2 to 2.4 million barrels per day,” he said. The Association listed some of the

achievements in the sector to include, “Unbroken stability in the supply of petroleum products throughout the country in the last four months. There is also the signing into law of the Nigerian Content Act, by President Goodluck Jonathan, as a major enabler for building indigenous capacities for the long term survival of the oil and gas industry.”

FG Names 10-Man Team for Electricity Services Company

Determined to reposition the nation’s power sector, and to also ensure proper sectoral coordination of the value chain, the Federal Government has created the Electricity Management Services Limited, EMS.

President Goodluck Jonathan, who approved the creation of EMS, also announced a management team for the body. Members of the management team include; Mr. Peter Ewesor as Managing Director/CEO; Mr.

Tukur M. Gidado, Executive Director, Technical Services; Ms. Ikechi Clara Nwosu, Executive Director, Human Resources and Corporate Services; Amb. Ayuba J. Ngbako, Executive Director, Commercial Services; and Ms. Funke Sam-Stanford, General Manager, Legal Services/Company Secretary. Others are Mr. Oyinnemi Gbeworo, General Manager, Finance & Accounts; Mr. E.O. Adeniyi, General Manager, Procurement; Mr.

Aneke Uche, General Manager, Public Affairs; Mr. Tijani Baba, General Manager, Audit; and Mr. Okwudili Ezegwa, General Manager, Meter Test Station.

The new body according to a statement signed by Mr. Timothy Oyedeji, Deputy Director/Head Media, Ministry of Power, became expedient, as the power sector transits from public sector-led to a private sector-driven one.

CNS Marine Acquires \$50m Vessels For Offshore Operations

Indigenous company, CNS Marine Nigeria Limited has acquired three vessels worth over \$50 million (N6 billion) for offshore services in Nigeria. The Managing Director/Chief Executive Officer of the company, Mr. Barry Adedamola, in a statement on Wednesday, 4 September 2013, said the new investment confirmed the company's belief in the Nigerian local content initiative. Speaking during the official commissioning of the new vessels, Mr Barry Adedamola, disclosed that the

three vessels were named, Adessa Ocean King; Adessa Legend; and Adessa Sea Protector. He further explained that one of the vessels (Adessa Ocean King) was an offshore dive vessel with intensive capacity of 50 tonnes, adding that it could accommodate about 90 workers on offshore projects at any given time. Adedamola said the vessel would enhance the capacity in offshore projects such as offshore pipe-laying services and support, underwater remote video surveys and inspections,

savage and recovery, pipeline pigging and hydrostatic test. He also said the vessels would help to reduce capital flight, noting that CNS Marine had been paying a lot of money hiring similar vessels from Italy, Brazil and others for projects in Nigeria. The company promised that adequate safety measures had been put in place to protect the crew, adding that security bullet-proof boat was acquired to support the operations of the vessels against militants.



Right: Managing Director of CNS Marine Nigeria Limited, Mr. Barry Adedamola

Kenya Seeks Nigeria's Support, Offers 46 Oil Blocks

New east African oil player, Kenya has partnered with Nigeria, Africa's largest oil producer to help it build a sustainable framework for its premature energy industry while offering 46 newly discovered oil blocks to Nigerian investors as prospective concession deals to increase investment in the sector. Nigeria's Minister of Petroleum Resources, Diezani Alison-Madueke made the disclosure adding that the partnership

was one of the seven MoUs and bilateral Agreements signed by delegates of both countries at the maiden Nigeria-Kenya Investment Forum held on Friday, 6 September 2013 in Nairobi. The forum had in attendance more than 500 prominent investors from both countries including Nigerian industrialists and Africa's richest man, Aliko Dangote who led the Nigerian delegate which included Forte Oil and Zenon Oil CEO Femi

Otedola and Honeywell Group Chairman, Oba Otudeko, said a number of Nigerian investors would be willing to invest in the oil sector in Kenya.

Oil Spill: Bodo Community Rejects Shell's N7.5bn Compensation Offer

About 11,000 fishermen and others from Bodo community, Gokana Local Government Area of Rivers, who lost incomes when a pipeline belonging to Shell burst in 2008 have rejected a £30 million (about N7.5 billion) or around £1,100 compensation offer for each person affected by the oil spill. Martyn Day, a partner with the UK law firm Leigh Day who represented the Bodo people during the negotiation, told British newspaper,

The Guardian that Shell's offer was rejected unanimously at a large public meeting in Bodo. Day said Bodo people unanimously rejected the compensation calling it "an insult", "cruel" and "derisory". With the rejection of the compensation offer, a London court is now likely to decide how much the giant Anglo-Dutch company should pay 11,000 fishermen and others from the Bodo community who lost their income when the 50-

year-old Shell-operated Trans Niger pipeline burst twice within a few months in 2008-09. Shell, which took a top London negotiating team including a barrister, a QC and other legal experts to the negotiations, had indicated that it wanted to be fair, saying: "We have an interest in sensible and fair compensation being paid quickly to those who have been genuinely impacted by these highly regrettable spills."

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Petroleum Development Consultants (PDC) is an independent consulting company specialising in oil and gas development activities. It was founded by David Aron in 1988 and has been building a solid reputation in oil and gas development work. Since then PDC has carried out numerous oil and gas projects in more than 50 countries.

PDC is unusual amongst oil and gas consulting companies in working in both the upstream and downstream part of the oil and gas industry. PDC carries out fully integrated sub-surface studies using leading edge software such as Petrel and ECLIPSE. However in addition it has detailed practical experience of international regulatory practice in the oil and gas industry.

PDC staff and associates include reservoir and petroleum engineers, geophysicists, geologists, petrophysicists, chemical engineers and petroleum economists.



Oando Repositions Fuel Marketing; Builds More Stations

Oando Marketing Plc, a subsidiary of Oando Group and a major player in the downstream sector of the Oil and Gas industry, is repositioning its fuel retailing with the construction of mega filling stations in Lagos and other parts of the country.

The new marketing initiative, which will lead to the building of 50 mega stations across the country, will not only help the oil marketing company to consolidate its leadership position in the market, but also guarantee consumers easy access to its products as well as raising the bar in the industry to international standards.

Chief Operating Officer (COO), Oando Marketing, Mrs. Olaposi Williams, said the company plans to roll out 10 mega stations every year in the next five years. She said

the mega stations operate with high speed pumps that dispense fuel to customers in about three minutes. Mrs. Williams said beyond the regular business of selling petroleum products, the mega stations were designed to serve as one-stop retail outlets adequately equipped to offer motorists a wide range of quality services and convenience products. Speaking on why the company is embarking on such a massive project, the COO said it was conceived to satisfy consumers and earn their trust, adding that nothing would be compromised by the company in its bid to achieve the best standards in dispensing fuel to its customers.

She also allayed the fears of some motorists who often complain about being short-changed through under dis-

persing in some stations, assuring Oando customers that the company doesn't pay lip service to integrity as monitoring teams of the oil marketing company are on routine checks of the stations to ensure accuracy.

Oando Plc