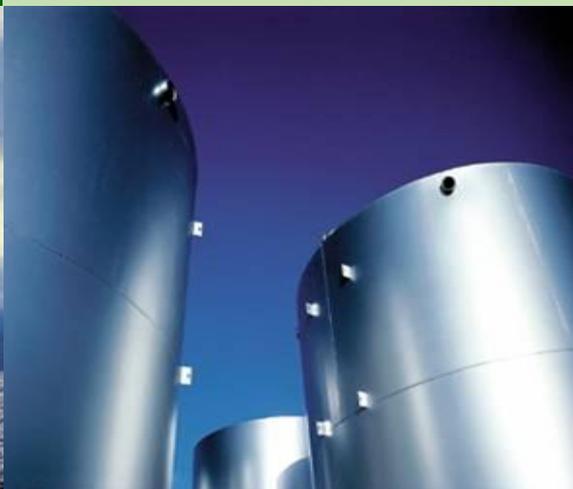
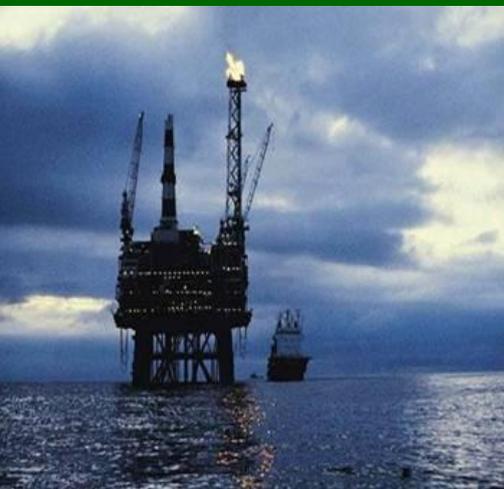


NNPC



Monthly Report

Financial and Operations Report

November 2016



Disclaimer

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



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1 Introduction

Worldwide crude oil prices remained volatile during the month amid uncertainties surrounding implementation of OPEC's Algiers Accord agreed in September, 2016, All-time high build-up of 14.4 mb/d in US crude stocks, and over supply that continued to suppress modest price recovery. OPEC referenced basket price shed circa \$4.65/b to finish the month at \$43.22/b. Both ICE Brent and NYMEX WTI have not fared any better, reflecting the market uncertainties. ICE Brent was down by 8.4% to \$47.08/b and NYMEX WTI fell 8.4% to \$45.76/b. However, OPEC has agreed to cut output by 1.2 mb/d from January 2017 and secured a reduction of 558 kb/d from non-OPEC.

World economic growth remains unchanged at 2.9% for 2016 and 3.1% for 2017. However, OECD growth forecast was revised up from 1.6% for 2016 to 1.7% for 2017 in anticipation of strong growth in Japan and USA. Eurozone growth is estimated to remain at 1.6% and 1.3% for 2016 and 2017 respectively. Forecasts for China remain at 6.7% in 2016 and 6.2% in 2017. The World oil demand in 2016 is expected to increase by 1.24 mb/d to average 94.41 mb/d. The oil demand growth was slightly revised up to reflect better-than-expected data from OECD Europe. Going into 2017, world oil demand growth is forecasted at 1.15 mb/d to average 95.56 mb/d. OECD and OECD contribution to oil demand growth is expected to be around 0.15 mb/d and 1.00 mb/d respectively.

The Global oil supply surged to 96.84 mb/d in November, with OPEC output offsetting non-OPEC declines. OPEC crude output surged by 0.15mb/d to record 33.87 in November, 2016. Non-OPEC supply average 56.20mb/d following downward revision of around 0.1 mb/d. Non-OPEC supply was revised up to average 56.40 mb/d in 2017.

In October, 2016, Crude Oil production in Nigeria inched up to 1.78mb/d which represents 7.84% increase relative to September, 2016 production but still 20% lower than October, 2015 performance. The increase in production is credited to lifting of force majeure at Qua Iboe Terminal on 11th October and ramping up of production from 17th October, 2016. However, some of the major drag to our performance includes the subsisting force majeure at Forcados terminal and Brass Terminal, and shutdown of two NCTL flow stations following pipeline leakages. Cumulative production capacity deferred due to shut in amounted to about 775kb/d.

National Gas production for the month stood at 229BCF or 7,629.90 mmscfd. This represents 7.73% increase from the 7,082.50 mmscfd recorded in October, 2016. Natural gas supply to Gas power plants slowed down to 528 mmscfd or equivalent to power generation of 2,344 MW in November, 2016. This supply is also lower than the corresponding supply recorded in November, 2015 of 3,102MW.

Pipeline sabotage in the country continues to reduce due to Federal Government and NNPC sustained engagements with the stakeholders. Only 43 downstream pipeline vandalized points were recorded in the month as against 101 in October 2016. This also represents 78.92% reduction relative to November, 2015 (i.e 204 vandalized points).



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

The Corporation has been operating in challenging situations which limits its aspiration to profitability. This 16th publication of NNPC Monthly Financial and Operations Report indicates a trading deficit of ₦18.72Billion. This represents an increase of ₦1.87Billion in trading deficit as against October, 2016. The marginal increase in the trading deficit was due to an upsurge in IDSL Operating costs attributed to the ongoing mobilization activities in both Benue Trough seismic data project located in Bauchi and Party 05 in Elele, Rivers state, despite an improved revenue generation. Also, the strike action by Bristow Helicopters workers delayed the planned lay-time of Okono Blend resulting to nil NPDC offshore export sales for the month. Other factors that pulled down NNPC's performance include Force Majeure declared by SPDC as a result of the vandalized 48-inch Forcados export line after the restoration on 17th October, 2016 amongst others.

Notwithstanding the reduction in downstream vandalism, NNPC is undeniably needs the support of Nigerians especially in areas of security and Infrastructural integrity. Favourable business environment will afford NPDC to reverse on average over ₦20 billion monthly revenue currently being lost due to pipeline sabotage which would have create more profit and jobs.

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

Activity update

- NNPC is currently exploring other petroleum acreages in Nigeria and the Gulf of Guinea to enhance oil reserve.
- The Corporation held its 2016 Health, Safety and Environment (HSE) week with the theme: "HSE Best Practice - A Requirement for Business Profitability and Sustainability,"
- To resolve epileptic crude oil supply to KRPC due to incessant vandalism, NNPC is exploring Crude Oil supply from Niger Republic.
- On the ongoing exploratory activities in the Chad Basin and Benue Trough, Nigeria is collaborating with Niger Republic on sharing of geological data.
- NNPC is undertaking Kerosene Hydro treating Unit (KHU) rehabilitation in KRPC with equipment overhaul and integrity checks.



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

2.1 National Crude Oil & Condensate Production

A total of 55.19 million barrels of crude oil & condensate was produced in the month of October 2016 representing an average daily production of 1.78 million barrels. This represents an increase of 11.43% compared to September 2016 performance. Of the October 2016 Production, Joint Ventures (JVs) and Production Sharing Contracts (PSC) contributed about 30.64% and 51.93% respectively. While AF, NPDC and Independent accounted for 10.59%, 2.49% and 4.35% respectively. The tables and charts below provide details of the National Crude Oil Production for the period November 2015 to October 2016.

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

Month	JVs	PSC	AF	NPDC	Independent / Marginal Fields	Total	Average Daily Production
	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
Nov-15	20,915,757	27,066,513	10,189,144	3,199,558	4,071,514	65,442,486	2,181,416
Dec-15	18,912,974	28,327,863	10,128,800	3,740,460	3,460,544	64,570,641	2,082,924
Jan-16	20,015,238	28,699,715	10,138,058	3,643,410	4,130,388	66,626,809	2,149,252
Feb-16	20,510,886	25,416,360	8,828,557	1,853,811	2,591,130	59,200,744	2,041,405
Mar-16	20,246,940	27,677,898	9,421,137	1,035,898	2,219,251	60,601,124	1,954,875
Apr-16	20,143,941	27,856,871	8,222,965	1,031,353	2,304,375	59,559,505	1,985,317
May-16	14,460,596	27,367,431	6,710,479	1,169,793	2,631,486	52,339,785	1,688,380
Jun-16	14,588,848	27,347,206	7,785,510	1,355,369	1,988,374	53,065,307	1,768,844
Jul-16	16,000,477	27,219,286	5,466,571	795,651	1,803,370	51,285,355	1,654,366
Aug-16	12,094,872	28,187,299	3,287,028	1,070,111	1,925,268	46,564,578	1,502,083
Sep-16	14,593,957	27,730,276	4,114,046	1,211,935	1,878,708	49,528,922	1,650,964
Oct-16	16,910,354	28,659,218	5,842,794	1,376,709	2,403,453	55,192,528	1,780,404
Total	209,394,840	331,555,936	90,135,089	21,484,058	31,407,861	683,977,784	1,868,792

Note:

- NPDC's Crude production was based on NPDC's wholly owned assets and percentage holding in JV assets.
- JV and AF production figures are reconciled from January to June 2016.
- NPDC 60 Series production is included in JVs & MCA production, the volume included in October 2016 was 1,698,699bbls.
- For more details on production by company, streams and well-head productions (Non-Fiscalised) click on these links: [company streams](#) and [well-head](#) respectively.

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

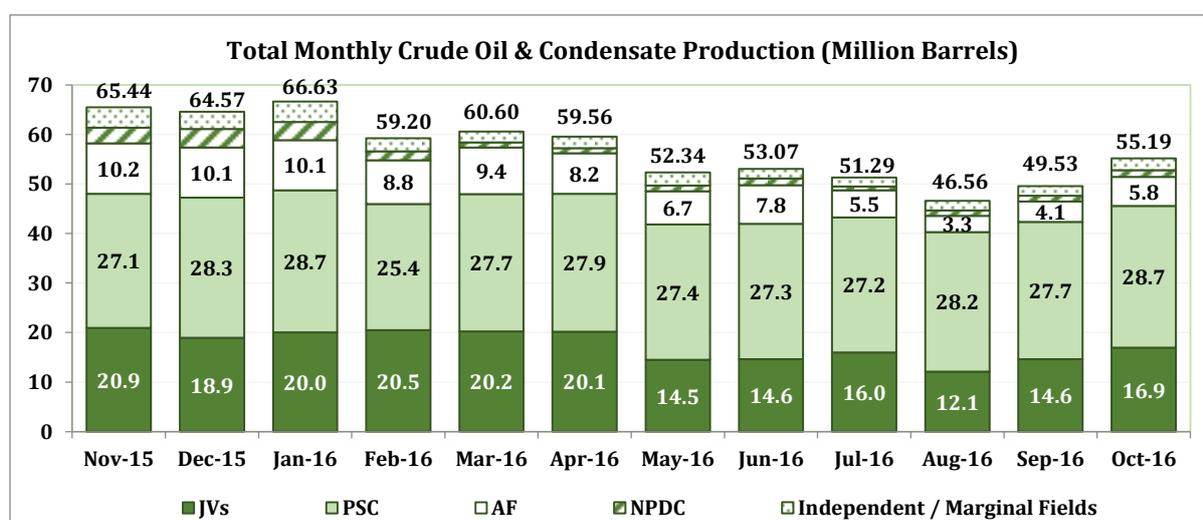




Chart 2.1.2: Average Daily Crude Oil & Condensate Production & Percentage distribution

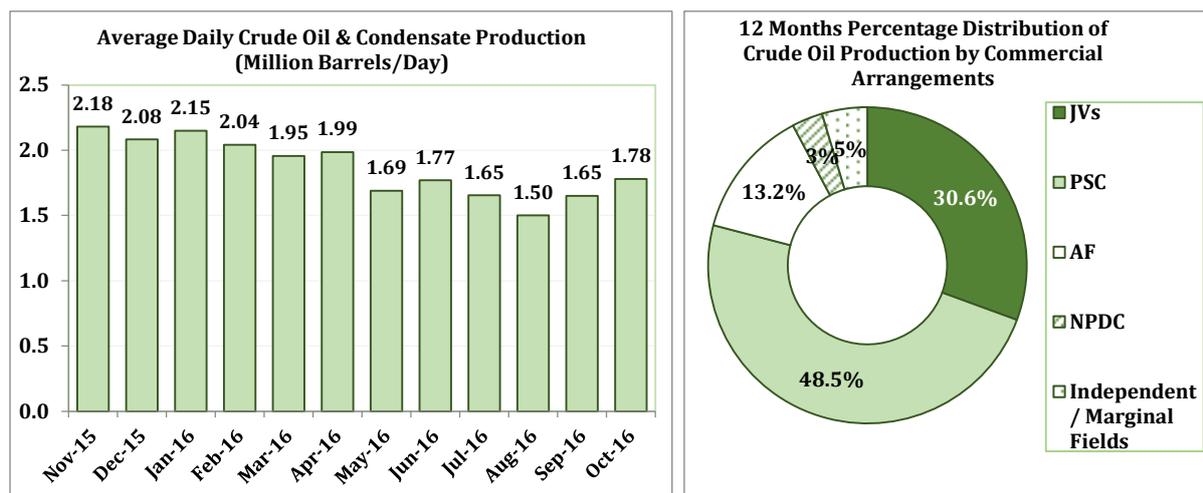


Table 2.1.2: NPDC monthly Crude oil & Condensate Production

Field/ Company	Block	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	PTD
NPDC Owned Direct Operated Assets														
Abura	OML 65	84,282	109,770	84,543	34,758	0	0	62,551	117,845	12,799	0	97,665	87,743	691,956
Oredo	OML 111	106,692	130,241	103,625	49,656	312	0	0	0	27,158	12,215	3,336	8,650	441,885
Oziengbe	OML 111	23,832	26,124	33,904	22,076	1,306	0	0	0	0	760	1,952	423	110,377
Okono, Okpoho	OML 119	630,224	847,374	738,751	665,544	878,036	796,160	738,182	756,858	173,051	588,002	742,023	762,535	8,316,740
SUB-TOTAL		845,030	1,113,509	960,823	772,034	879,654	796,160	800,733	874,703	213,008	600,977	844,976	859,351	9,560,958
NPDC JV Direct Operated Assets														
Ogini Isoko/FHN	OML 26	90,421	67,491	96,120	34,196	0	31,388	34,648	81,716	9,134	0	57,247	14,561	516,922
Opuama/Elcrest	OML 40	53,541	36,586	49,211	34,683	0	0	0	0	0	0	0	0	174,021
Batan Odidi/Netconde	OML 42	455,955	595,461	649,201	251,782	0	0	0	76,048	117,015	43,695	27,631	91,804	2,308,592
Afiesere Kokori/Shoreline	OML 30	335,827	613,505	536,287	159,249	0	5,181	0	95,978	14,049	0	8,444	32,408	1,800,928
Utorogu Ughelli/NDW	OML 34	256,732	178,396	244,613	166,007	119,290	146,916	193,807	119,262	118,877	110,956	94,798	108,331	1,857,985
SUB-TOTAL		1,192,476	1,491,439	1,575,432	645,917	119,290	183,485	228,455	373,004	259,075	154,651	188,120	247,104	6,658,448
NPDC JV Non-Operated Assets														
OBEN_Amukpe Sapele/SEPLAT	OML 4,38&41	1,162,052	1,135,512	1,107,155	435,860	36,954	51,708	140,605	107,662	323,568	314,483	178,839	270,254	5,264,652
SUB-TOTAL		1,162,052	1,135,512	1,107,155	435,860	36,954	51,708	140,605	107,662	323,568	314,483	178,839	270,254	5,264,652
GRAND TOTAL		3,199,558	3,740,460	3,643,410	1,853,811	1,035,898	1,031,353	1,169,793	1,355,369	795,651	1,070,111	1,211,935	1,376,709	21,484,058
Average Daily Production		106,652	120,660	117,529	63,925	33,416	34,378	37,735	45,179	25,666	34,520	40,398	44,410	58,700

The NPDC PTD (September 2015 to October 2016) cumulative production from all fields amounted to 21,484,058 barrels of Crude oil which translated to an average daily production of 58,700 barrels. Comparing NPDC performance to National Production, the company production share amounted to 3.14%. NPDC production continued to be hampered by the incessant pipeline vandalism in the Niger-Delta. NPDC is projected to ramp-up production level to 250,000bp/d after the completion of the on-going NPDC re-kitting project and repairs of vandalized facilities.

Production from NPDC wholly operated assets amounted to 9,560,958 barrels (or 44.50% of the total production) with Okono Okpoho (OML 119) alone producing 86.99% of the NPDC wholly owned operated Assets or 38.71% of the total NPDC total production. Also on the NPDC operated JV assets, in which NPDC own 55% controlling interest, Crude Oil production amounted to 6,658,448 barrel (or 30.99% of the NPDC total production). On the Non-operated assets, production level stood at 5,264,652 barrels or 24.50% of the company production.



Chart 2.1.3 NPDC Monthly Crude Oil & Condensate Productions

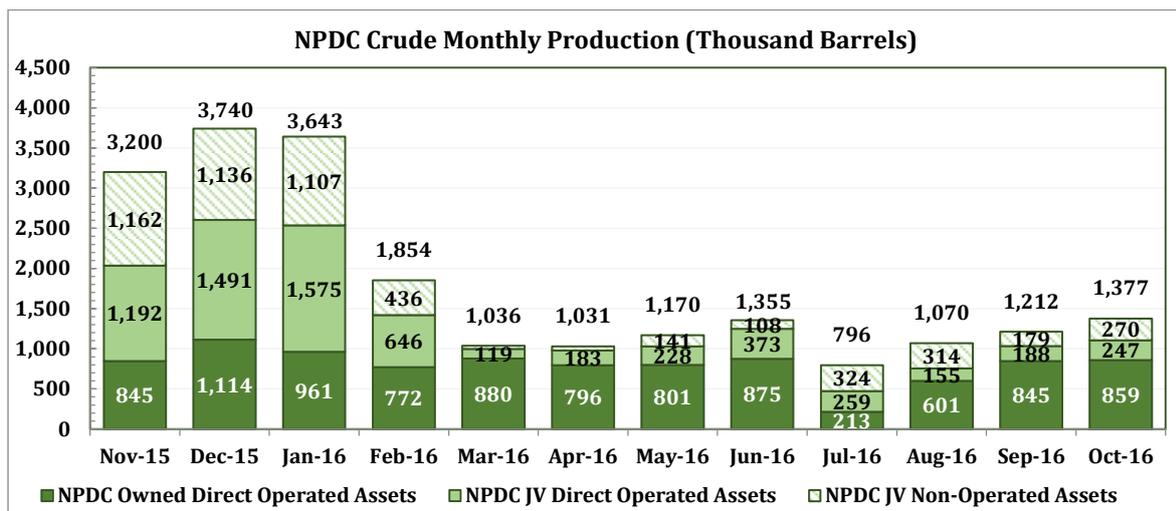
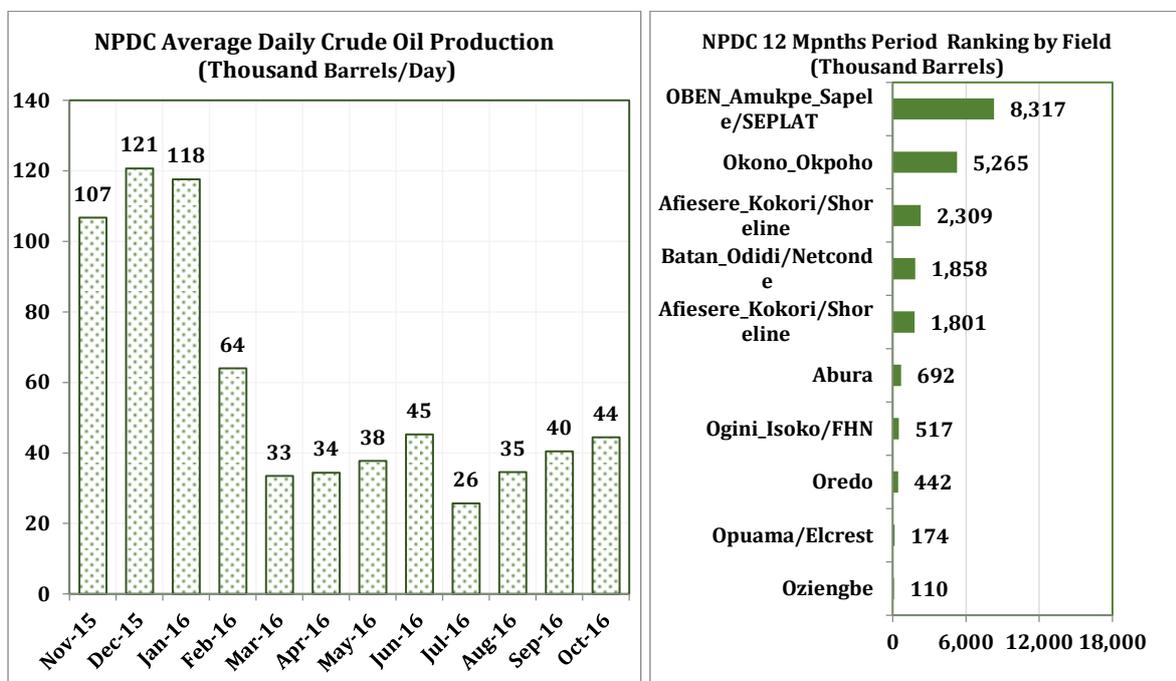


Chart 2.1.4 NPDC 12 Months Average Daily Crude Production by Field



2.2. National Gas Production

A total of 229.00 billion standard cubic feet (BCF) of natural gas were produced in the month of November, 2016 translating to an average daily production of 7629.90 million standard cubic feet per day (mmscfd). For the period December 2015 to November 2016, a total of 2,628.41 Billion Cubic Feet (BCF) of gas was produced representing an average daily production of 7,184.14 mmscfd during the period. Production from Joint Ventures (JVs), Production Sharing Contracts (PSC) and NPDC contributed about 67.82%, 24.31% and 7.87% respectively to the total national gas production. The table and charts below provide details of the national gas production for the period December 2015 to November 2016.



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

PERIOD	JV	PSC	NPDC	TOTAL	PERIOD	JV	PSC	NPDC	TOTAL
	BCF	BCF	BCF	BCF		mmscfd	mmscfd	mmscfd	mmscfd
Dec-15	158.18	49.55	22.13	229.85	Dec-15	5,102.42	1,598.24	713.75	7,414.40
Jan-16	173.76	49.79	24.37	247.93	Jan-16	5,605.28	1,606.13	786.19	7,997.60
Feb-16	151.53	48.22	18.99	218.74	Feb-16	5,225.09	1,662.82	654.87	7,542.77
Mar-16	154.87	52.71	13.09	220.67	Mar-16	4,995.80	1,700.47	422.22	7,118.48
Apr-16	162.40	54.30	11.70	228.40	Apr-16	5,414.30	1,810.50	388.70	7,613.50
May-16	158.60	53.50	14.80	226.90	May-16	5,116.00	1,724.40	478.50	7,318.90
Jun-16	148.70	53.90	14.00	216.60	Jun-16	4,956.70	1,795.60	465.80	7,218.10
Jul-16	139.58	54.64	17.70	211.93	Jul-16	4,502.56	1,762.65	571.12	6,836.33
Aug-16	98.90	57.94	17.06	173.90	Aug-16	3,190.21	1,869.14	550.24	5,609.58
Sep-16	132.60	54.90	17.40	204.90	Sep-16	4,418.40	1,829.70	579.50	6,827.60
Oct-16	144.80	56.50	18.30	219.60	Oct-16	4,671.90	1,821.90	588.70	7,082.50
Nov-16	158.70	52.90	17.40	229.00	Nov-16	5,288.50	1,763.10	578.30	7,629.90
PTD Total	1,782.61	638.86	206.94	2,628.41	Average	4,873.93	1,745.39	564.82	7,184.14

Chart 2.2.1: 12 Months Average Daily National Gas Production

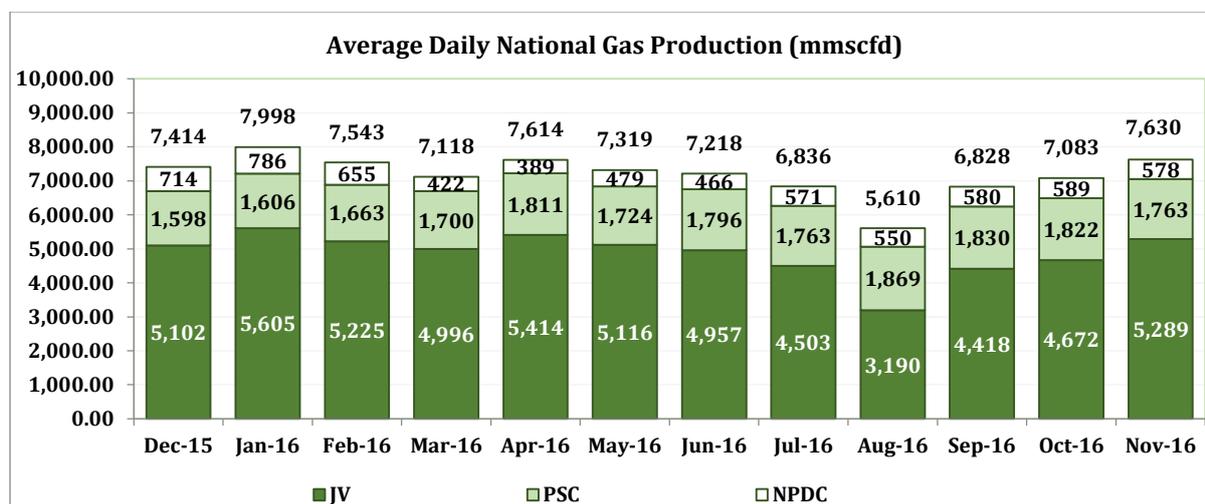
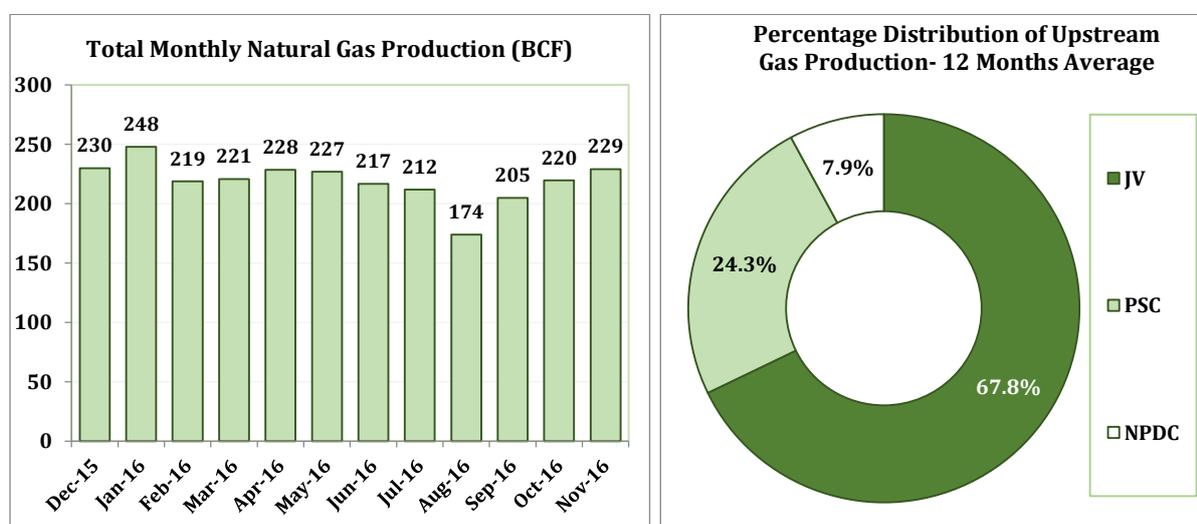


Chart 2.2.2: Monthly National Gas Production & Percentage Distribution





2.3 Crude Oil & Condensate Lifting & utilization

A total volume of 53.38 million barrels of crude oil and condensate was lifted in the month of October 2016 by all parties. Out of this volume, 18.05 million barrels was lifted by NNPC on behalf of the Federation. This comprises of 13.84 million barrels lifted on the account of NNPC (Domestic and Federation Export) while 4.02 million and 0.19 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	
Nov-15	3,770,894	150,000	3,730,564	11,321,080	15,051,644	18,972,538	45,117,960	1,394,000	65,484,498
Dec-15	2,738,650	1,446,360	5,176,525	13,037,358	18,213,883	22,398,893	42,278,726	1,275,000	65,952,619
Jan-16	6,102,912	1,000,000	5,382,638	11,302,861	16,685,499	23,788,411	41,756,177	2,046,234	67,590,822
Feb-16	5,327,773	1,525,886	3,047,586	10,268,966	13,316,552	20,170,211	40,084,870	988,000	61,243,081
Mar-16	4,223,368	773,000	4,950,908	14,185,585	19,136,493	24,132,861	34,443,416	1,093,000	59,669,277
Apr-16	2,822,524	1,298,533	2,111,342	13,050,958	15,162,300	19,283,357	39,211,187	972,000	59,466,544
May-16	2,045,570	383,157	4,310,166	11,290,998	15,601,164	18,029,891	36,661,725	243,000	54,934,616
Jun-16	3,737,956	500,000	3,159,142	8,958,721	12,117,863	16,355,819	31,737,847	1,385,000	49,478,666
Jul-16	3,925,838	1,049,049	2,181,583	9,056,579	11,238,162	16,213,049	28,851,582	977,000	46,041,631
Aug-16	5,130,420	326,726	1,843,579	8,975,016	10,818,595	16,275,741	37,144,381	190,000	53,610,122
Sep-16	4,209,286	232,000	452,661	5,159,028	5,611,689	10,052,975	37,279,027	1,436,055	48,768,057
Oct-16	4,016,873	187,489	1,943,053	11,901,838	13,844,891	18,049,253	35,207,694	128,000	53,384,947
TOTAL	48,052,064	8,872,200	38,289,747	128,508,988	166,798,735	223,722,999	449,774,592	12,127,289	685,624,880

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 13.84 million barrels lifted on the account of NNPC in October 2016, 11.90 million barrels and 1.94 million barrels were for domestic and export markets respectively. At an average oil price of \$49.87/barrel and exchange rate of ₦304.29/\$, the domestic crude oil lifted by NNPC is valued at \$593,575,938.03 or a Naira equivalent of ₦180,622,099,676.12 for the period. The remaining crude oil lifted for export was valued at \$96,311,189 at an average price of \$49.57/barrel. The total value of crude oil lifted on the account of NNPC in October, 2016 was thus \$689,887,127.

From November 2015 to October 2016, a total volume of 685.62 million barrels of crude oil and condensate was lifted by all parties.

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



Chart 2.3.1: Crude Oil & Condensate Monthly Lifting Entitlements

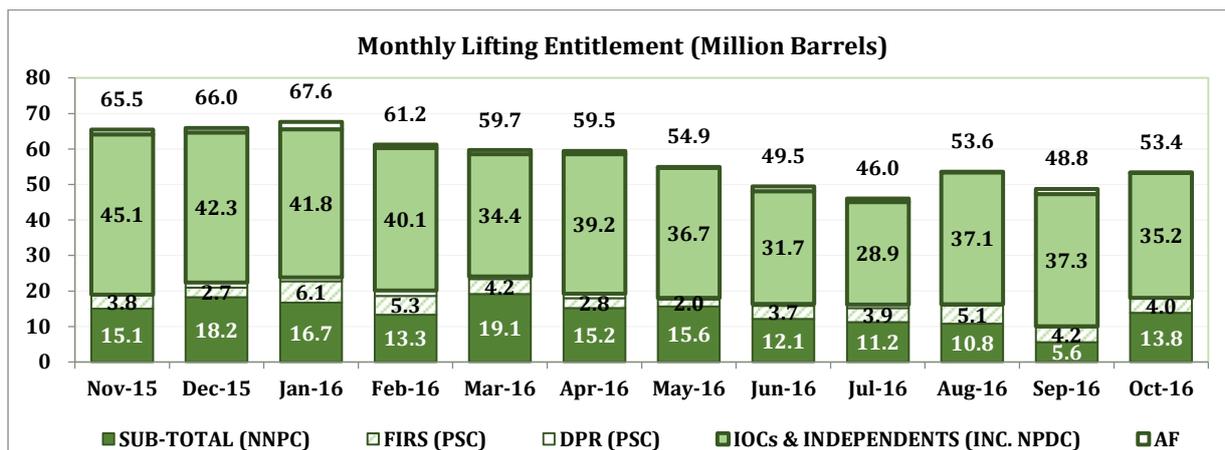


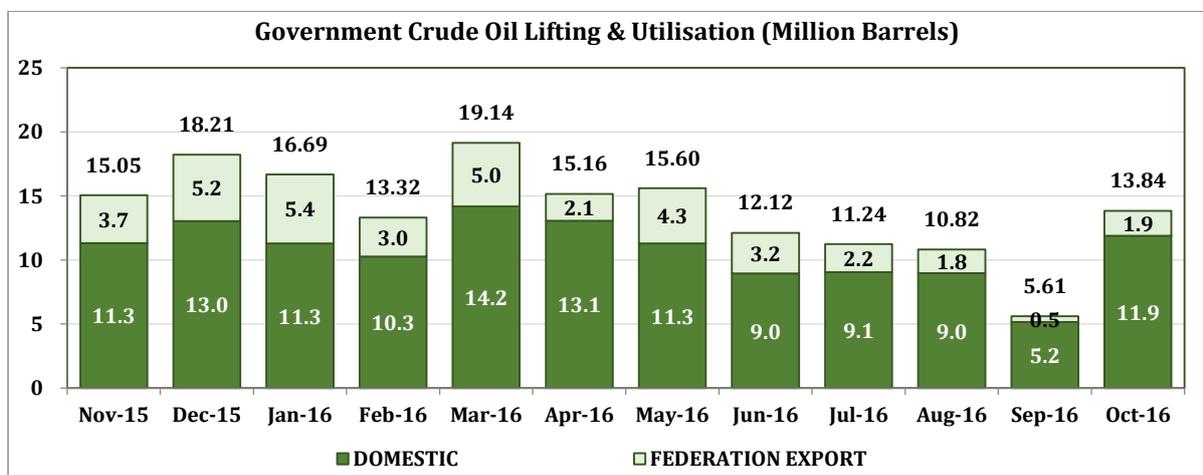
Table 2.3.2: Crude Oil Lifting Values

LIFTING MONTH	NIGERIAN GOVERNMENT						IOCs & INDEPENDENTS (INC. NPDC)	AF	GRAND TOTAL
	FIRS (PSC)	DPR (PSC)	NNPC			SUB-TOTAL GOVERNMENT LIFTING			
			FEDERATION EXPORT	DOMESTIC	SUB-TOTAL (NNPC)				
USD	USD	USD	USD	USD	USD	USD	USD	USD	
Nov-15	166,995,739	6,554,900	161,895,261	476,233,164	638,128,425	811,679,063	1,957,983,807	62,098,185	2,831,761,055
Dec-15	103,574,754	51,396,685	202,093,977	444,167,545	646,261,522	801,232,962	1,650,581,402	47,380,220	2,499,194,583
Jan-16	183,355,870	30,462,400	156,189,386	320,723,228	476,912,614	690,730,884	1,211,649,686	58,012,943	1,960,393,514
Feb-16	172,391,830	46,067,920	98,305,490	338,336,363	436,641,854	655,101,604	72,309,887	32,389,893	759,801,384
Mar-16	164,249,331	29,351,438	191,302,792	549,095,159	740,397,951	933,998,720	1,330,891,555	43,470,295	2,308,360,570
Apr-16	114,378,293	47,290,858	89,128,951	547,801,087	636,930,038	798,599,190	1,655,275,164	42,890,542	2,496,764,897
May-16	98,215,758	17,184,396	198,526,555	533,866,083	732,392,638	847,792,791	1,688,641,680	11,360,670	2,547,795,141
Jun-16	178,115,347	23,095,700	153,011,486	432,568,909	585,580,395	786,791,442	1,537,206,978	68,364,520	2,392,362,941
Jul-16	183,977,928	42,080,044	101,542,839	409,294,174	510,837,014	736,894,986	1,342,910,885	47,106,581	2,126,912,452
Aug-16	231,990,027	14,739,086	86,800,375	421,098,417	507,898,793	754,627,906	1,748,851,670	9,113,601	2,512,593,176
Sep-16	203,610,332	23,450,384	21,401,359	245,813,790	267,215,149	494,275,865	1,762,515,118	67,814,400	2,324,605,382
Oct-16	203,824,153	9,306,579	96,311,189	593,575,938	689,887,127	903,017,859	1,745,137,610	6,441,196	2,654,596,665
TOTAL	2,004,679,362	340,980,391	1,556,509,661	5,312,573,858	6,869,083,519	9,214,743,272	17,703,955,441	496,443,046	27,415,141,759

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





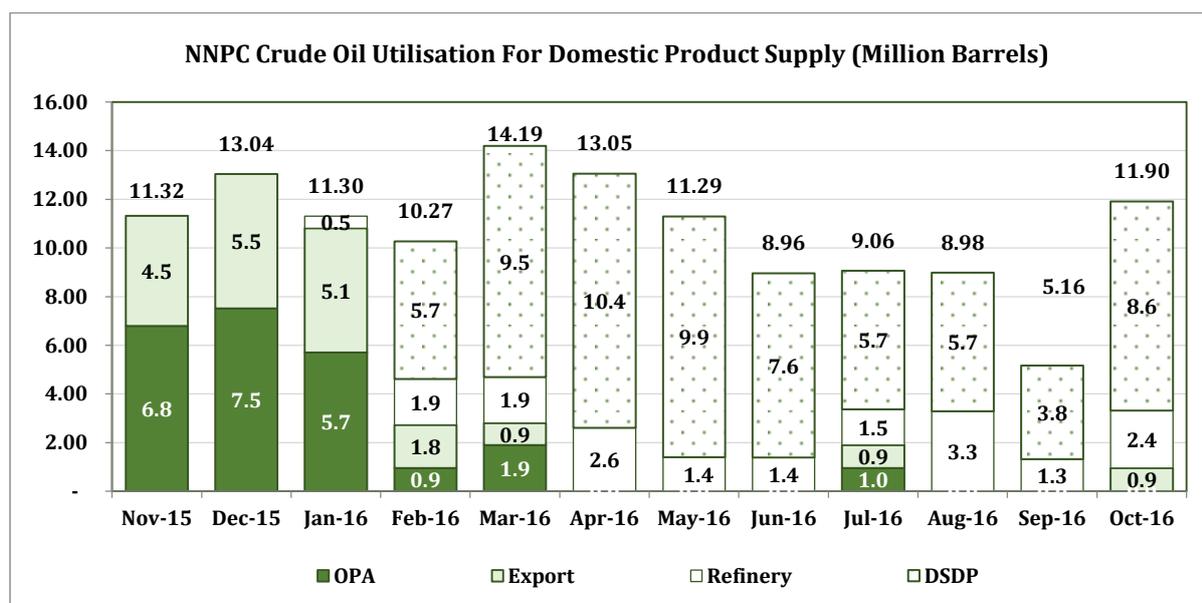
2.4 Utilization of Crude Oil for Domestic Product Supply

In October 2016, NNPC lifted 11,901,838 barrels of Crude Oil for domestic utilization translating to an average volume of 383,930.26 barrels of oil per day in terms of performance. In order to meet domestic product supply requirement for the month of October, 2016 about 8,587,623 barrels was processed under the Direct-Sales-Direct Purchase (DSDP) scheme while 2,366,763 barrels was delivered to the domestic refineries for processing and the balance of 947,452 barrels was exported as unutilized. Tables and charts below provide details of NNPC's Utilization of Crude Oil for Domestic Product Supply for the period of November 2015 to October 2016.

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

Period	Volume	Ave. Price	Sales Value	Sales Value	Average Lifting
	Barrels	\$/bbl	USD	NGN	Barrels Per Day
Nov-15	11,321,080.00	42.07	476,233,163.74	93,341,700,092.84	377,369.33
Dec-15	13,037,358.00	34.07	444,167,545.12	87,043,513,817.17	420,559.94
Jan-16	11,302,861.00	28.38	320,723,227.98	62,861,752,684.08	364,608.42
Feb-16	10,268,966.00	32.95	338,336,363.49	66,313,927,244.43	354,102.28
Mar-16	14,185,585.00	38.71	549,095,159.11	107,622,651,185.95	457,599.52
Apr-16	13,050,958.00	41.97	547,801,087.04	107,369,013,058.86	435,031.93
May-16	11,290,998.00	47.28	533,866,082.89	104,637,752,245.66	364,225.74
Jun-16	8,958,721.00	48.28	432,568,909.21	84,783,506,205.75	298,624.03
Jul-16	9,056,579.00	45.19	409,294,174.11	114,173,876,974.85	292,147.71
Aug-16	8,975,016.00	46.92	421,098,417.22	131,382,706,171.70	289,516.65
Sep-16	5,159,028.00	47.65	245,813,789.66	74,973,205,846.30	171,967.60
Oct-16	11,901,838.00	49.87	593,575,938.03	180,622,099,676.12	383,930.26
Total/Ave	128,508,988.00	41.34	5,312,573,857.59	1,215,125,705,203.71	351,117.45

Chart 2.4.1: NNPC Crude Oil Utilization for Domestic Product Supply



In October 2016 out of the 8.6 million barrels recorded under DSDP, about 0.95 million barrels of crude oil was for Products swaps.

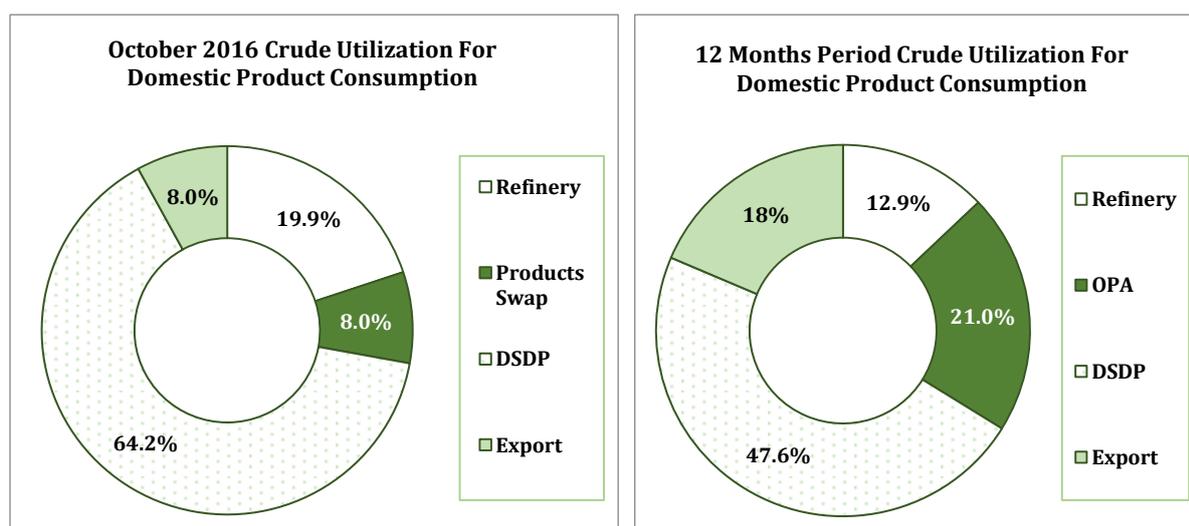


Table 2.4.2 Breakdown of NNPC Utilization of Crude oil for Domestic Product Supply

Month	EXPORT			OFFSHORE PROCESSING			DELIVERIES TO REFINERIES			DIRECT SALES DIRECT PURCHASE			TOTAL		
	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn
Nov-15	4,536.37	192.45	37,720.16	6,784.71	283.78	55,621.54	0.00	0.00	0.00	0.00	0.00	0.00	11,321.08	476.23	93,341.70
Dec-15	5,529.59	197.27	38,658.37	7,507.77	246.90	48,385.14	0.00	0.00	0.00	0.00	0.00	0.00	13,037.36	444.17	87,043.51
Jan-16	5,106.14	145.48	28,513.54	5,694.26	161.34	31,621.78	502.45	13.91	2,726.43	0.00	0.00	0.00	11,302.86	320.72	62,861.75
Feb-16	1,768.20	56.90	11,153.29	948.99	30.24	5,927.35	1,888.31	62.75	12,299.12	5,663.46	188.44	36,934.16	10,268.97	338.34	66,313.93
Mar-16	904.22	34.10	6,684.13	1,897.06	71.81	14,074.04	1,890.48	74.19	14,541.34	9,493.82	369.00	72,323.14	14,185.59	549.10	107,622.65
Apr-16	0.00	0.00	0.00	0.00	0.00	0.00	2,605.02	111.97	21,947.05	10,445.94	435.83	85,421.96	13,050.96	547.80	107,369.01
May-16	0.00	0.00	0.00	0.00	0.00	0.00	1,396.09	65.67	12,870.85	9,894.91	468.20	91,766.90	11,291.00	533.87	104,637.75
Jun-16	0.00	0.00	0.00	0.00	0.00	0.00	1,387.01	65.86	12,907.91	7,571.71	366.71	71,875.60	8,958.72	432.57	84,783.51
Jul-16	937.88	40.23	11,345.70	951.14	44.29	12,490.03	1,469.54	66.73	17,570.22	5,698.03	258.04	72,767.94	9,056.58	409.29	114,173.88
Aug-16	0.00	0.00	0.00	0.00	0.00	0.00	3,282.24	156.73	48,901.32	5,692.78	264.36	82,481.39	8,975.02	421.10	131,382.71
Sep-16	0.00	0.00	0.00	0.00	0.00	0.00	1,319.85	62.51	19,064.27	3,839.18	183.31	55,908.94	5,159.03	245.81	74,973.21
Oct-16	947.45	47.94	14,585.21	0.00	0.00	0.00	2,366.76	116.28	35,405.46	8,587.62	429.36	130,631.43	11,901.84	593.58	180,622.10
Grand Total	19,729.85	714.37	148,660.39	23,783.94	838.36	168,119.89	18,107.74	796.60	198,233.96	66,887.46	2,963.24	700,111.46	128,508.99	5,312.57	1,215,125.71

In October 2016 out of the 8.6 million barrels recorded under DSDP, about 0.95 million barrels of crude oil was for Products swaps.

Chart 2.4.3: Percentage Distribution for October 2016 Domestic Crude Utilization



2.5 Natural Gas Off take, Commercialization & Utilization

Out of the 225.03 BCF of gas supplied in November 2016, a total of 127.43 BCF of gas was commercialized comprising of 25.49 BCF and 101.94 BCF for the domestic and export market respectively. This translates to an average daily supply of 849.80 mmscfd of gas to the domestic market and 3,398.00 mmscfd of gas supplied to the export market.

This implies that 56.63% of the total gas produced was commercialized while the balance of 43.37% was either re-injected, used as upstream fuel gas or flared. Gas flare rate was 10.89% for the month of November 2016 i.e. 817.90 mmscfd compared with average Gas flare rate of 9.49% i.e. 673.24 mmscfd for the period December 2015 to November 2016.



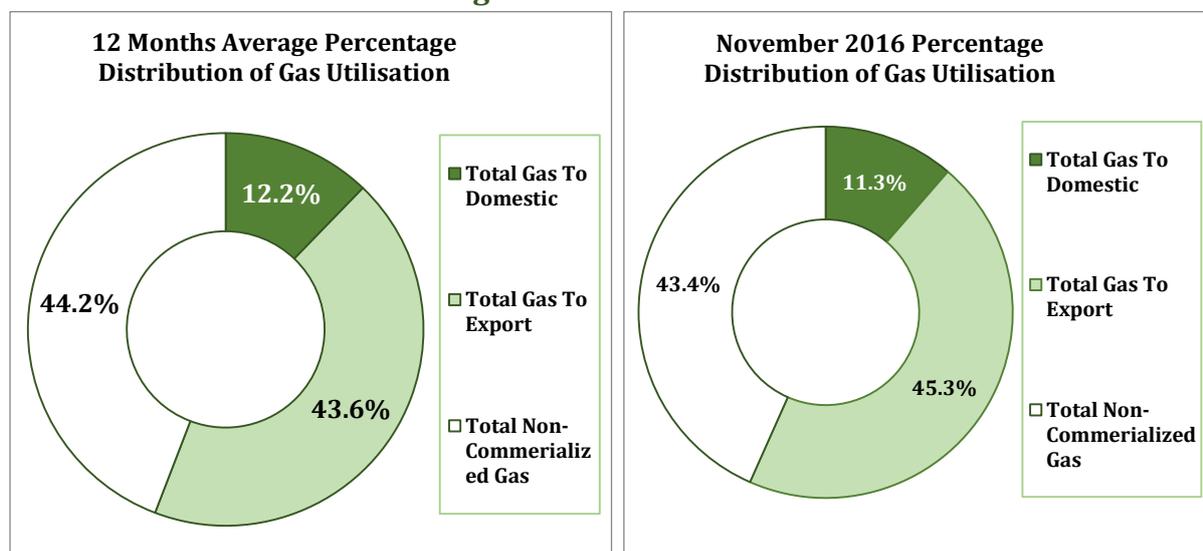
Table 2.5.1 Total Gas Commercialization and utilization

Total gas supply for the period December 2015 to November 2016 stands at 316.89 BCF and 1,131.61 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 December 2015 to November 2016.

Period	Gas Commercialisation								Non-Commercialized Gas				Grand Total
	Domestic Gas			Export Gas					Re-Injection	Fuel Gas	Flare	Total Non-Commercialized Gas	
	Domestic Gas To Power	Domestic Gas to Industry	Total Domestic Gas Supply	WAPG	EGTL	NGL/ LPG	NLNG	Total Export Gas					
BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	BCF	
Dec-15	22.38	11.79	34.17	1.23	4.86	8.64	77.32	92.05	68.14	11.60	22.59	102.32	228.55
Jan-16	22.74	12.43	35.17	1.04	7.55	19.60	79.66	107.85	72.36	12.11	22.32	106.79	249.81
Feb-16	19.26	10.58	29.84	0.66	7.73	11.06	74.92	94.37	63.85	11.48	20.38	95.71	219.92
Mar-16	16.53	11.27	27.80	0.57	4.37	8.30	71.94	85.19	73.46	12.63	20.11	106.21	219.20
Apr-16	16.42	10.34	26.76	0.55	5.80	8.06	82.44	96.85	71.80	11.90	18.70	102.40	226.01
May-16	13.81	7.66	21.47	0.38	6.40	7.99	93.47	108.24	67.70	11.70	15.80	95.20	224.91
Jun-16	9.80	6.70	16.50	0.06	6.36	9.34	83.62	99.38	70.50	11.40	14.80	96.70	212.58
Jul-16	12.57	7.73	20.30	0.01	1.43	6.48	86.64	94.56	58.81	10.44	21.79	91.04	205.90
Aug-16	14.55	9.58	24.13	0.05	0.27	3.74	61.36	65.42	47.76	10.17	21.14	79.07	168.63
Sep-16	15.58	10.39	25.97	0.11	0.13	4.74	88.43	93.41	48.60	10.20	21.50	80.30	199.68
Oct-16	17.42	11.87	29.29	0.00	0.21	6.33	85.80	92.34	60.00	11.20	22.60	93.80	215.43
Nov-16	15.84	9.65	25.49	0.07	0.25	4.29	97.33	101.94	61.50	11.60	24.50	97.60	225.03
Total	196.90	120.00	316.89	4.74	45.36	98.58	982.93	1,131.61	764.48	136.43	246.24	1,147.14	2,595.65

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

Chart 2.5.1 12 Months Percentage Distribution of Gas Utilization



From the 849.80mmscfd of gas supplied to the domestic market in November 2016, about 528.00mmscfd of gas representing 62.13% was used for Gas-Fired power plants while the balance of 321.80mmscfd or 37.87% was supplied to other industries. Similarly, for the period of December 2015 to November 2016 an average of 865.89mmscfd of gas was supplied to the domestic market comprising of an average of 538.04mmscfd or (62.14%) as gas supply to the power plants and 327.85mmscfd or (37.86%) as gas supply to industries.

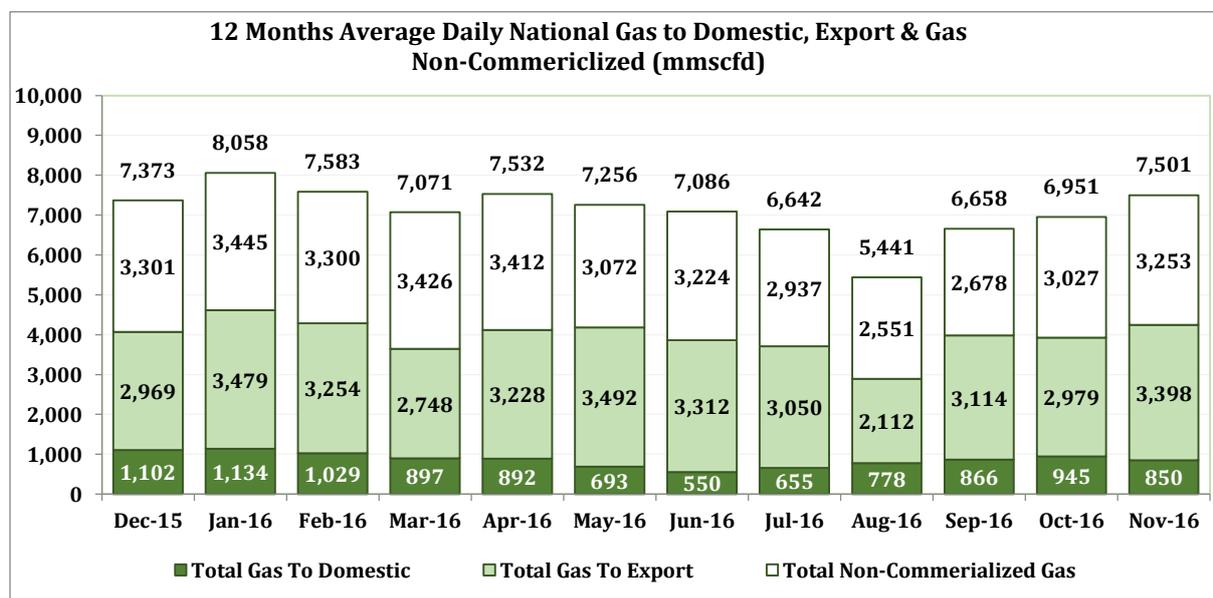


Table 2.5.2 Total Gas Commercialization and utilization

Period	Gas Commercialisation								Non-Commercialized Gas				Grand Total
	Domestic Gas			Export Gas					Re-Injection	Fuel Gas	Flare	Total Non-Commercialized Gas	
	Domestic Gas To Power	Domestic Gas to Industry	Total Gas To Domestic	WAPG	EGTL	NGL/LPG	NLNG	Total Gas To Export					
	mmscfd	mmscfd	mmscfd	mmscfd	mmscfd	mmscfd	mmscfd	mmscfd	mmscfd	mmscfd	mmscfd	mmscfd	
Dec-15	721.97	380.44	1,102.41	39.60	156.84	278.69	2,494.26	2,969.39	2,197.92	374.14	728.65	3,300.71	7,372.51
Jan-16	733.54	400.88	1,134.41	33.53	243.66	632.19	2,569.79	3,479.16	2,334.31	390.50	720.08	3,444.89	8,058.46
Feb-16	664.03	365.00	1,029.03	22.80	266.59	381.41	2,583.32	3,254.12	2,201.66	395.80	702.79	3,300.25	7,583.40
Mar-16	533.22	363.71	896.93	18.55	141.00	267.90	2,320.58	2,748.03	2,369.68	407.55	648.81	3,426.04	7,071.00
Apr-16	547.30	344.50	891.80	18.30	193.30	268.60	2,748.00	3,228.20	2,392.00	396.30	623.70	3,412.00	7,532.00
May-16	445.50	247.00	692.50	12.20	206.50	257.70	3,015.30	3,491.70	2,183.60	377.30	510.70	3,071.60	7,255.80
Jun-16	326.80	223.30	550.10	2.00	211.90	311.20	2,787.30	3,312.40	2,349.40	379.80	494.70	3,223.90	7,086.40
Jul-16	405.47	249.31	654.78	0.41	46.03	209.18	2,794.78	3,050.40	1,897.09	336.88	702.83	2,936.81	6,641.99
Aug-16	469.39	308.90	778.29	1.74	9.93	120.72	1,979.33	2,111.71	1,540.61	328.15	682.04	2,550.80	5,440.80
Sep-16	519.20	346.40	865.60	3.80	4.60	157.90	2,947.50	3,113.80	1,621.20	339.10	718.00	2,678.30	6,657.70
Oct-16	562.00	383.00	945.00	0.00	6.80	204.20	2,767.80	2,978.80	1,936.40	361.60	728.70	3,026.70	6,950.50
Nov-16	528.00	321.80	849.80	2.30	8.40	143.10	3,244.20	3,398.00	2,049.30	386.00	817.90	3,253.20	7,501.00
Average	538.04	327.85	865.89	12.94	124.63	269.40	2,687.68	3,094.64	2,089.43	372.76	673.24	3,135.43	7,095.96

About 3,244.20mmscfd or 95.47% of the export gas was sent to Nigerian Liquefied Natural Gas Company (NLNG) for November 2016 compared with an average of 2,687.68mmscfd for the period December 2015 to November 2016.

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





3 Refinery Operations

3.1 Capacity Utilization

Total Crude processed by the three local Refineries (KRPC, PHRC & WRPC) for the month of November 2016 was 232,768MT (1,706,655 bbls) which translates to a combined yield efficiency of 87.08% compared to crude processed in October 2016 was 442,693MT (3,245,825 bbls) which translates to a combined yield efficiency of 88.03%.

Table 3.1.1: Refineries Operations Consolidated (12 Months Performance)

Operational Parameters	Units	Consolidated Refineries Operations												
		Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Total
Opening Stock (A)	MT	475,784	369,069	128,707	274,154	243,195	325,666	244,493	296,354	459,550	516,329	581,127	431,036	4,345,464
Crude Received (B)	MT	118,024	16,391	178,354	322,480	569,113	303,988	382,108	432,903	509,814	460,246	366,376	551,838	4,211,635
Crude Transferred to KRPC (C)		-103,590	0	0	-26,062	-146,912	-94,275	-94,071	-153,819	-85,669	-140,170	-93,296	-180,203	-1,118,067
Total Crude Available (D=A+B-C)	MT	490,218	385,460	307,061	570,572	665,396	535,379	532,530	575,438	883,695	836,405	854,207	802,671	7,439,032
Closing Stock (E=D-F)	MT	369,069	128,707	274,154	243,195	317,025	231,361	296,354	454,110	516,329	581,127	411,514	569,903	4,392,848
Crude Processed (F)	MT	124,646	256,676	32,352	329,396	351,698	301,604	225,770	126,756	359,081	252,897	442,693	232,768	3,036,337
(i) Finished Products	MT	79,574	216,141	90,628	202,791	318,104	242,053	133,991	139,284	328,314	139,724	251,925	178,107	2,320,636
(ii) Intermediate Products	MT	32,226	1,064	74,167	110,057	2,624	9,708	47,495	-40,640	-16,305	74,885	137,776	24,599	301,946
(iii) Plant Consumption	MT	10,743	32,015	11,140	14,577	21,354	37,565	31,812	21,612	35,461	32,545	39,042	23,978	311,844
(iv) Losses	MT	2,103	9,584	4,751	1,971	14,864	12,278	12,473	6,500	11,612	5,744	13,950	6,084	101,914
Plant Capacity	kpd	445	445	445	445	445	445	445	445	445	445	445	445	445
Capacity Utilization	%	6.62%	13.64%	1.72%	18.71%	19.32%	16.03%	12.40%	6.74%	19.09%	13.89%	23.53%	12.78%	13.67%
Losses	%	1.69%	3.73%	14.69%	0.60%	4.23%	4.07%	5.52%	5.13%	3.23%	2.27%	3.15%	2.61%	3.36%
Plant Consumption	%	8.62%	12.47%	34.43%	4.43%	6.07%	12.46%	14.09%	17.05%	9.88%	12.87%	8.82%	10.30%	10.27%
Yields Efficiency based on CDU, CRU & FCC (%)	%	89.69%	83.79%	50.88%	94.98%	89.70%	83.47%	80.39%	77.82%	86.89%	84.86%	88.03%	87.08%	86.37%

For the month of November 2016, the three Refineries produced 178,107MT of finished Petroleum Products and 24,599MT of intermediate products out of 232,768MT of Crude processed at a combined capacity utilization of 12.78% compared to 23.53% combined capacity utilization achieved in the month of October 2016. The adverse performance was due to crude pipeline vandalism in the Niger Delta region coupled with on-going Refineries revamp; however the three Refineries continue to operate at minimal capacity, only PHRC processed crude during the month.

Chart 3.1.1: Refineries Consolidated Capacity Utilization

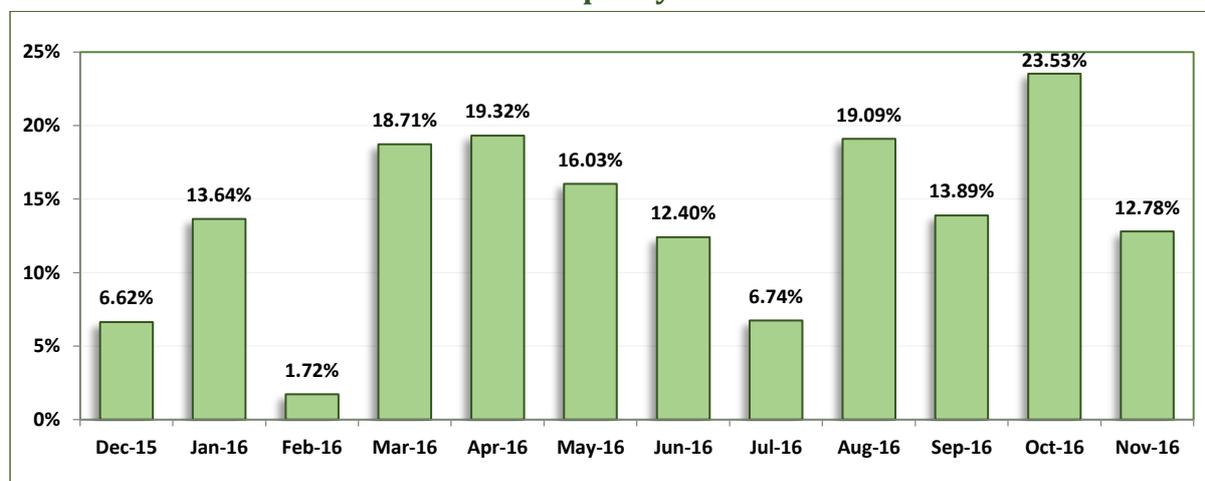




Table 3.1.2 Refineries Monthly Operations

Operational Parameters	Units	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Total
		WRPC												
Opening Stock (A)	MT	162,863	60,292	60,292	109,284	143,920	151,748	117,356	59,763	90,458	166,251	167,403	158,048	1,447,678
Crude Received (B)	MT	0	0	49,547	194,252	187,268	124,643	171,433	179,086	268,209	257,387	227,242	216,482	1,875,549
Crude Transferred to KRPC (C)		-103,590	0	0	-26,062	-146,912	-94,275	-94,071	-153,819	-85,669	-140,170	-93,296	-180,203	-1,118,067
Total Crude Available (D=A+B-C)	MT	59,273	60,292	109,839	277,474	184,276	182,116	194,718	85,030	272,998	283,468	301,349	194,327	2,205,160
Closing Stock (E=D-F)	MT	60,292	60,292	109,284	143,920	151,749	104,224	59,763	90,458	166,251	167,403	138,241	194,327	1,446,204
Crude Processed (F)	MT	0	0	0	135,573	32,527	75,297	124,549	0	98,462	114,110	163,108	0	743,626
(i) Finished Products	MT	0	44,810	2,243	50,066	51,813	61,207	66,051	45,037	90,852	69,331	109,542	45,754	636,706
(ii) Intermediate Products	MT	0	60,083	3,599	80,008	-36,071	957	53,138	-55,413	-10,112	39,176	35,670	-57,065	-13,394
(iii) Plant Consumption	MT	0	9,158	1,255	4,528	6,933	6,743	4,609	7,065	10,955	4,897	9,029	8,282	73,454
(iv) Losses	MT	0	6,115	101	971	9,852	6,390	752	3,311	6,768	707	8,867	3,029	46,863
Plant Capacity	kpd	125	125	125	125	125	125	125	125	125	125	125	125	125
Capacity Utilization	%	0.00%	0.00%	0.00%	27.42%	6.36%	14.25%	24.35%	0.00%	18.63%	22.31%	30.86%	0.00%	11.92%
Losses	%	0.00%	0.00%	0.00%	0.72%	30.29%	8.49%	0.60%	0.00%	6.87%	0.62%	5.44%	0.00%	6.30%
Plant Consumption	%	0.00%	0.00%	0.00%	3.34%	21.31%	8.96%	3.70%	0.00%	11.13%	4.29%	5.54%	0.00%	9.88%
Yields Efficiency based on CDU, CRU & FCC (%)	%	0.00%	0.00%	0.00%	95.94%	48.40%	82.56%	95.70%	0.00%	82.00%	95.09%	89.03%	0.00%	83.82%

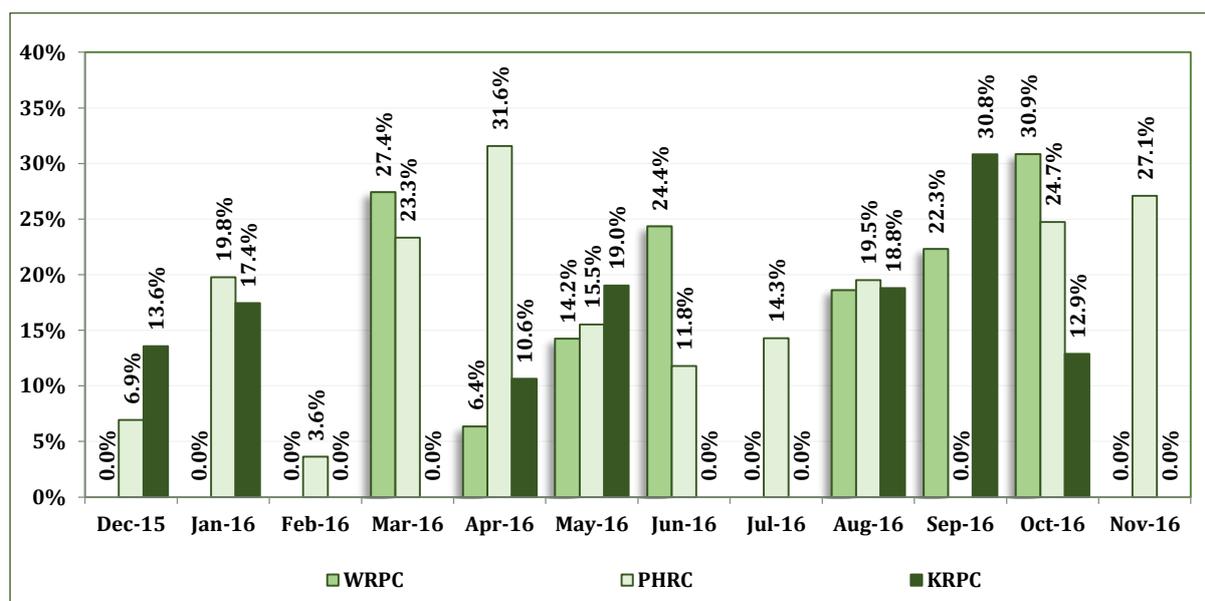
Operational Parameters	Units	PHRC												
		Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Total
Opening Stock (A)	MT	264,439	202,941	27,340	123,795	58,200	77,609	74,111	129,534	173,282	207,990	305,740	160,204	1,805,185
Crude Received (B)	MT	0	0	128,807	128,228	279,297	134,358	156,644	170,504	207,990	97,750	73,694	208,597	1,585,869
Total Crude Available (C=A+B)	MT	264,439	202,941	156,147	252,023	379,497	211,967	230,755	300,038	381,272	305,740	379,434	368,801	3,391,054
Closing Stock (D=C-E)	MT	202,941	27,340	123,795	58,200	69,569	74,111	129,534	173,282	207,990	305,740	159,733	136,033	1,668,268
Crude Processed (E)	MT	61,498	175,601	32,352	193,823	271,255	137,856	101,221	126,756	173,282	0	219,701	232,768	1,726,113
(i) Finished Products	MT	53,575	122,375	77,475	150,565	246,372	153,640	46,648	76,420	203,665	-5,678	100,835	121,267	1,347,159
(ii) Intermediate Products	MT	964	38,367	56,935	35,766	7,371	31,898	46,468	37,728	-46,476	-8,873	104,633	101,327	226,514
(iii) Plant Consumption	MT	7,587	12,334	7,162	6,492	12,832	11,346	4,945	9,608	12,393	11,443	9,929	7,131	113,202
(iv) Losses	MT	1,300	2,525	4,650	1,000	4,680	4,768	3,160	3,000	3,700	3,108	4,304	3,043	39,238
Plant Capacity	kpd	210	210	210	210	210	210	210	210	210	210	210	210	210
Capacity Utilization	%	6.93%	19.78%	3.64%	23.34%	31.57%	15.53%	11.78%	14.28%	19.52%	0.00%	24.74%	27.09%	16.47%
Losses	%	2.11%	1.44%	14.37%	0.52%	1.73%	3.46%	3.12%	2.37%	2.14%	0.00%	1.96%	1.31%	2.27%
Plant Consumption	%	12.34%	7.02%	22.14%	3.35%	4.73%	8.23%	4.89%	7.58%	7.15%	0.00%	4.52%	3.06%	6.56%
Yields Efficiency based on CDU, CRU & FCC (%)	%	85.55%	91.54%	63.49%	96.13%	93.54%	88.31%	91.99%	90.05%	90.71%	0.00%	93.52%	95.63%	91.17%

Operational Parameters	Units	KRPC												
		Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Total
Opening Stock (A)	MT	48,482	105,836	41,075	41,075	41,075	96,309	53,026	107,057	195,810	142,088	107,984	112,784	1,092,601
Crude Received (B)	MT	118,024	16,391	0	0	102,548	44,987	54,031	83,313	33,615	105,109	65,440	126,759	750,217
Total Crude Available (C=A+B)	MT	166,506	122,227	41,075	41,075	143,623	141,296	107,057	190,370	229,425	247,197	173,424	239,543	1,842,818
Closing Stock (D=C-E)	MT	105,836	41,075	41,075	41,075	95,707	53,026	107,057	190,370	142,088	107,984	113,540	239,543	1,278,376
Crude Processed (E)	MT	63,148	81,075	0	0	47,916	88,451	0	0	87,337	138,787	59,884	0	566,598
(i) Finished Products	MT	25,999	48,956	10,910	2,160	19,919	27,206	21,292	17,827	33,797	76,071	41,548	11,086	336,771
(ii) Intermediate Products	MT	33,190	20,652	13,633	5,717	26,076	40,649	52,111	22,955	40,283	44,582	2,527	19,663	88,826
(iii) Plant Consumption	MT	3,156	10,523	2,723	3,557	1,589	19,476	22,258	4,939	12,113	16,205	20,084	8,565	125,188
(iv) Losses	MT	803	944	0	0	332	1,120	8,561	189	1,144	1,929	779	12	15,813
Plant Capacity	kpd	110	110	110	110	110	110	110	110	110	110	110	110	110
Capacity Utilization	%	13.58%	17.43%	0.00%	0.00%	10.65%	19.02%	0.00%	0.00%	18.78%	30.84%	12.88%	0.00%	10.32%
Losses	%	1.27%	1.16%	0.00%	0.00%	0.69%	1.27%	0.00%	0.00%	1.31%	1.39%	1.30%	0.00%	2.79%
Plant Consumption	%	5.00%	12.98%	0.00%	0.00%	3.32%	22.02%	0.00%	0.00%	13.87%	11.68%	33.54%	0.00%	22.09%
Yields Efficiency based on CDU, CRU & FCC (%)	%	93.73%	85.86%	0.00%	0.00%	95.99%	76.71%	0.00%	0.00%	84.82%	86.93%	65.16%	0.00%	75.11%

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



Chart 3.1.2: Refineries Capacity Utilization



4 Petroleum Product Supply & Distribution

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

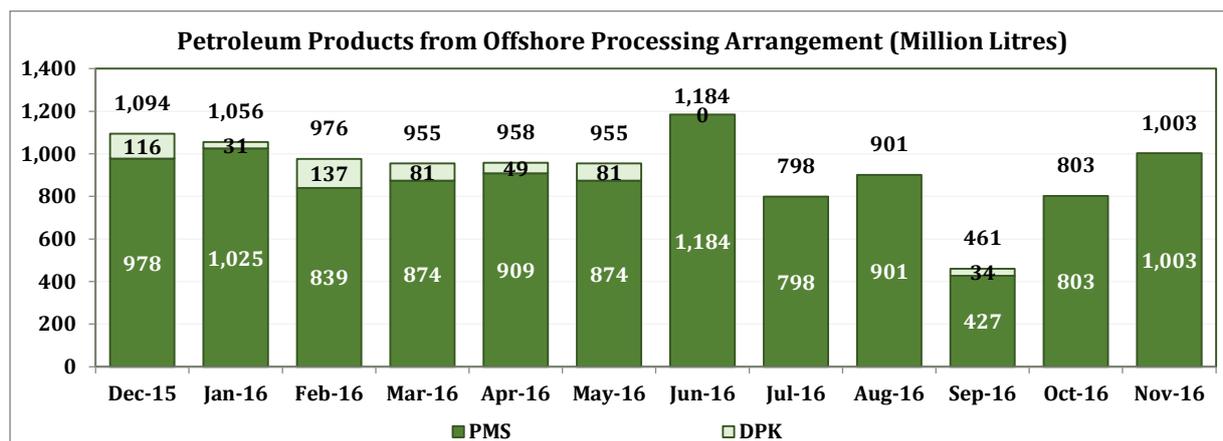
In November 2016, 1,003.28 million litres of white products was supplied into the country through the DSDP arrangements while 802.75 million litres was supplied in the month of October 2016; only PMS was supplied through DSDP in both October and November 2016. The table and chart below provide more details of the total petroleum product supply from DSDPs.

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

Period	PMS	DPK	TOTAL
	Litres	Litres	Litres
Dec-15	977,838,435.39	116,356,458.06	1,094,194,893.45
Jan-16	1,024,766,825.60	30,858,996.78	1,055,625,822.38
Feb-16	838,987,566.07	137,102,061.71	976,089,627.78
Mar-16	873,819,205.62	81,475,081.07	955,294,286.70
Apr-16	909,039,798.21	49,306,066.66	958,345,864.86
May-16	873,819,205.62	81,475,081.07	955,294,286.70
Jun-16	1,183,781,446.97	-	1,183,781,446.97
Jul-16	798,334,880.18	-	798,334,880.18
Aug-16	901,353,953.26	-	901,353,953.26
Sep-16	426,971,393.48	33,662,899.42	460,634,292.90
Oct-16	802,752,757.75	-	802,752,757.75
Nov-16	1,003,280,716.53	-	1,003,280,716.53
TOTAL	10,614,746,184.68	530,236,644.78	11,144,982,829.46



Chart 4.1.1: Petroleum Products Supply from OPA/DSDP



4.2 Petroleum Products Supply from Domestic Refineries

The petroleum products (PMS & DPK Only) production by the domestic refineries in November 2016 amounted to 191.75 million litres compared to 210.00 million litres in October 2016 as shown in Table 4.2.1.

Table 4.2.1: 12 Monthly Refined Petroleum Products from Local Refineries

Period	PMS	DPK	Total (PMS+DPK)
	Litres	Litres	Litres
Dec-15	25,197,390	14,435,344	39,632,734
Jan-16	133,272,603	28,747,488	162,020,091
Feb-16	82,378,971	18,142,432	100,521,403
Mar-16	54,236,640	56,277,891	110,514,531
Apr-16	170,779,032	62,764,240	233,543,272
May-16	126,060,705	38,874,528	164,935,233
Jun-16	211,562,865	119,582,848	331,145,713
Jul-16	43,743,273	22,953,014	66,696,287
Aug-16	156,137,832	63,469,000	219,606,832
Sep-16	67,903,173	39,690,112	107,593,285
Oct-16	125,845,811	84,153,826	209,999,637
Nov-16	149,434,866	42,313,316	191,748,182
Total	1,346,553,161	591,404,039	1,937,957,200

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

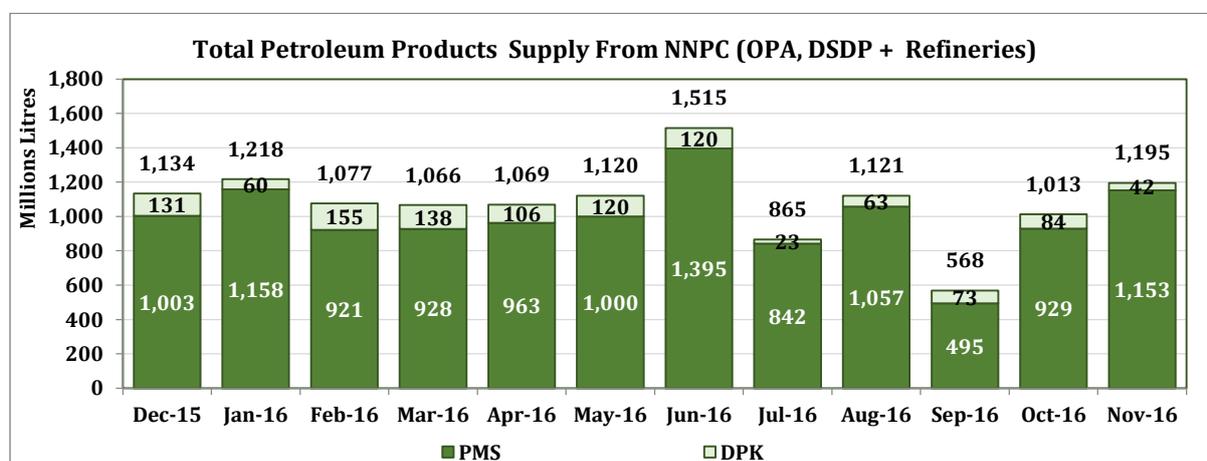
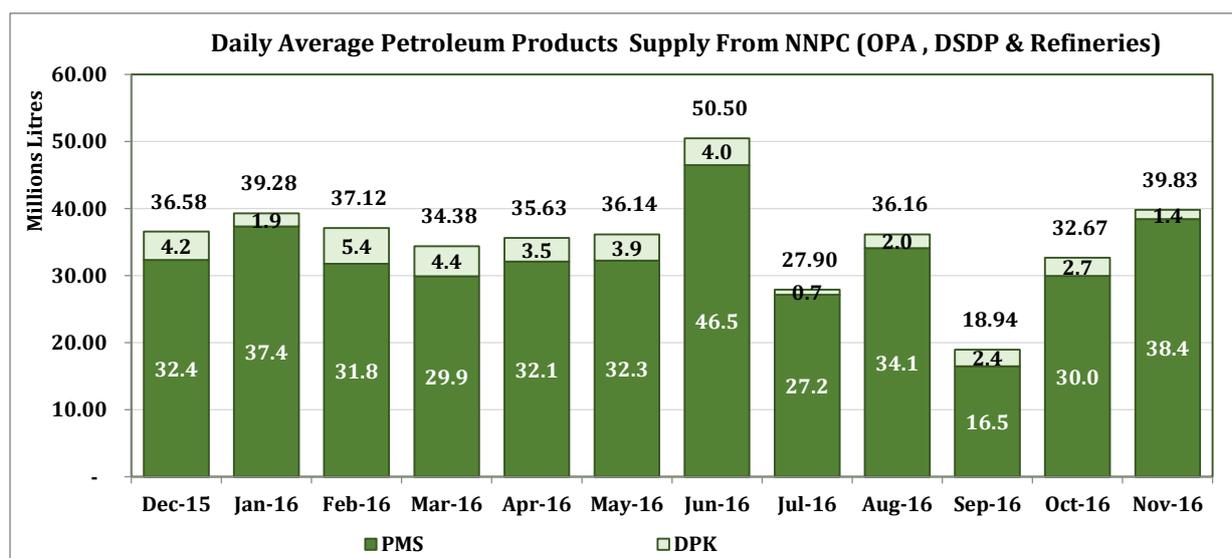




Table 4.2.2 Total White Petroleum Product Supply from NNPC (OPA, DSDP+ Refineries)

Period	Total Product Supply (OPA, DSDP+Refineries)			Average Daily Supply		
	PMS	DPK	Total	PMS	DPK	Total
	Litres	Litres	Litres	Litres/Day	Litres/Day	Litres/Day
Dec-15	1,003,035,825.39	130,791,802.06	1,133,827,627.45	32,355,994.37	4,219,090.39	36,575,084.76
Jan-16	1,158,039,428.60	59,606,484.78	1,217,645,913.38	37,356,110.60	1,922,789.83	39,278,900.43
Feb-16	921,366,537.07	155,244,493.71	1,076,611,030.78	31,771,259.90	5,353,258.40	37,124,518.30
Mar-16	928,055,845.62	137,752,972.07	1,065,808,817.70	29,937,285.34	4,443,644.26	34,380,929.60
Apr-16	963,276,438.21	105,583,957.66	1,068,860,395.86	32,109,214.61	3,519,465.26	35,628,679.86
May-16	999,879,910.62	120,349,609.07	1,120,229,519.70	32,254,190.67	3,882,245.45	36,136,436.12
Jun-16	1,395,344,311.97	119,582,848.00	1,514,927,159.97	46,511,477.07	3,986,094.93	50,497,572.00
Jul-16	842,078,153.18	22,953,014.00	865,031,167.18	27,163,811.39	740,419.81	27,904,231.20
Aug-16	1,057,491,785.26	63,469,000.00	1,120,960,785.26	34,112,638.23	2,047,387.10	36,160,025.33
Sep-16	494,874,566.48	73,353,011.42	568,227,577.90	16,495,818.88	2,445,100.38	18,940,919.26
Oct-16	928,598,568.75	84,153,826.00	1,012,752,394.75	29,954,792.54	2,714,639.55	32,669,432.09
Nov-16	1,152,715,582.53	42,313,316.00	1,195,028,898.53	38,423,852.75	1,410,443.87	39,834,296.62
Total	11,844,756,953.68	1,115,154,334.78	12,959,911,288.46	388,446,446.35	36,684,579.23	425,131,025.57

Chart 4.2.2 Average Daily Petroleum Product Supply from NNPC



4.3 Downstream Petroleum Product Distributions

A total of 1,248.83 million litres of white products were distributed and sold by PPMC in the month of November 2016 compared with 922.07 million litres in the month of October 2016. This comprised of 1,084.72 million litres of PMS, 66.84 million litres of Kerosene and 97.28 million litres of Diesel. Total sale of white products for the period December 2015 to November 2016 stands at 12.35 billion litres, PMS (10.88 billion litres) accounts for 88.05%. The Tables and Charts below provide more details of white products sold by NNPC/PPMC for the period December 2015 to November 2016. While total special products for the period under review was 15.10 million litres comprises of 14.25 million litres of LPFO and 0.84 million litres of other special products.



Table 4.3.1 Downstream Petroleum product sales by PPMC

Period	PMS	AGO	DPK	Total White Products	LPFO	Other Special Products	Total Special Products
	Litres	Litres	Litres	Litres	Litres	Litres	Litres
Dec-15	983,186,462	12,140,501	81,024,860	1,076,351,823	1,752,000	9,877,948	11,629,948
Jan-16	855,330,491	29,106,663	63,157,945	947,595,099	5,620,630	1,155,460	6,776,090
Feb-16	919,196,392	35,867,295	172,299,779	1,127,363,466	2,184,880	2,894,000	5,078,880
Mar-16	1,026,663,152	42,312,332	46,630,153	1,115,605,637	8,340,138	1,679,600	10,019,738
Apr-16	934,485,589	58,272,675	51,518,084	1,044,276,348	5,516,627	1,890,000	7,406,627
May-16	1,087,649,884	80,846,652	87,575,829	1,256,072,365	10,762,910	2,012,423	12,775,333
Jun-16	761,042,513	66,311,458	33,112,161	860,466,132	2,443,313	1,081,407	3,524,720
Jul-16	821,065,813	15,939,082	39,174,543	876,179,438	15,672,770	1,476,000	17,148,770
Aug-16	945,930,636	76,056,449	72,386,635	1,094,373,720	17,124,987	3,549,050	20,674,037
Sep-16	659,313,132	65,797,168	57,959,306	783,069,606	46,140,296	57,234,026	103,374,322
Oct-16	798,184,115	83,724,006	40,164,387	922,072,508	11,646,151	120,000	11,766,151
Nov-16	1,084,717,529	97,276,333	66,838,120	1,248,831,982	14,253,104	843,000	15,096,104
Total	10,876,765,707	663,650,614	811,841,802	12,352,258,123	141,457,806	83,812,914	225,270,720

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

Chart 4.3.1 Monthly White Product sales by PPMC

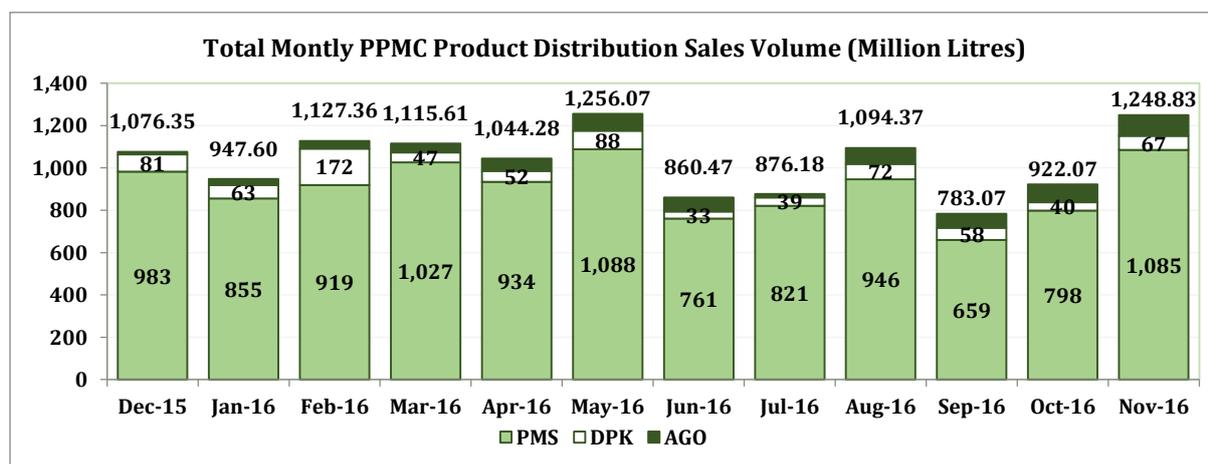


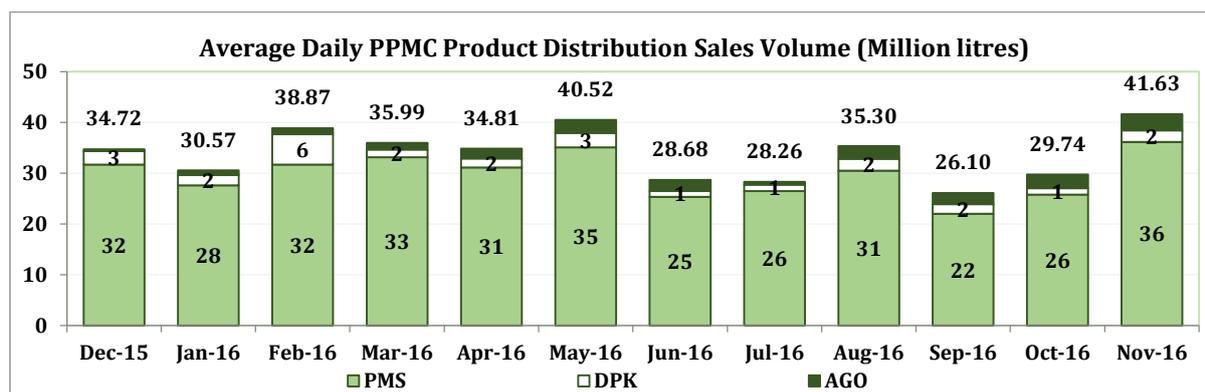
Table 4.3.2 Average Daily Petroleum Product Sales by PPMC

Period	PMS	AGO	DPK	Total White Products	LPFO	Other Special Products	Total Special Products
	Litres/Day	Litres/Day	Litres/Day	Litres/Day	Litres/Day	Litres/Day	Litres/Day
Dec-15	31,715,692	391,629	2,613,705	34,721,027	56,516	318,643	375,160
Jan-16	27,591,306	938,925	2,037,353	30,567,584	181,311	37,273	218,584
Feb-16	31,696,427	1,236,803	5,941,372	38,874,602	75,341	99,793	175,134
Mar-16	33,118,166	1,364,914	1,504,198	35,987,279	269,037	54,181	323,217
Apr-16	31,149,520	1,942,423	1,717,269	34,809,212	183,888	63,000	246,888
May-16	35,085,480	2,607,957	2,825,027	40,518,463	347,191	64,917	412,108
Jun-16	25,368,084	2,210,382	1,103,739	28,682,204	81,444	36,047	117,491
Jul-16	26,485,994	514,164	1,263,695	28,263,853	505,573	47,613	553,186
Aug-16	30,513,891	2,453,434	2,335,053	35,302,378	552,419	114,485	666,904
Sep-16	21,977,104	2,193,239	1,931,977	26,102,320	1,538,010	1,907,801	3,445,811
Oct-16	25,747,875	2,700,774	1,295,625	29,744,274	375,682	3,871	379,553
Nov-16	36,157,251	3,242,544	2,227,937	41,627,733	475,103	28,100	503,203
Average	29,717,939	1,813,253	2,218,147	33,749,339	386,497	228,997	615,494

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



Chart 4.3.2 Average Daily White Products Distribution by PPMC



A total value of ₦145.47 billion was collected as sales revenue for white products sold by PPMC in the month of November 2016 compared with ₦111.52 billion collected in the prior month of October 2016. Total revenues generated from the sales of white products for the period December 2015 to November 2016 stands at ₦1,207.15 billion where PMS contributed about 87.81% of the revenues collected with a value of ₦1,060.04 billion. Table and chart below provide details accordingly

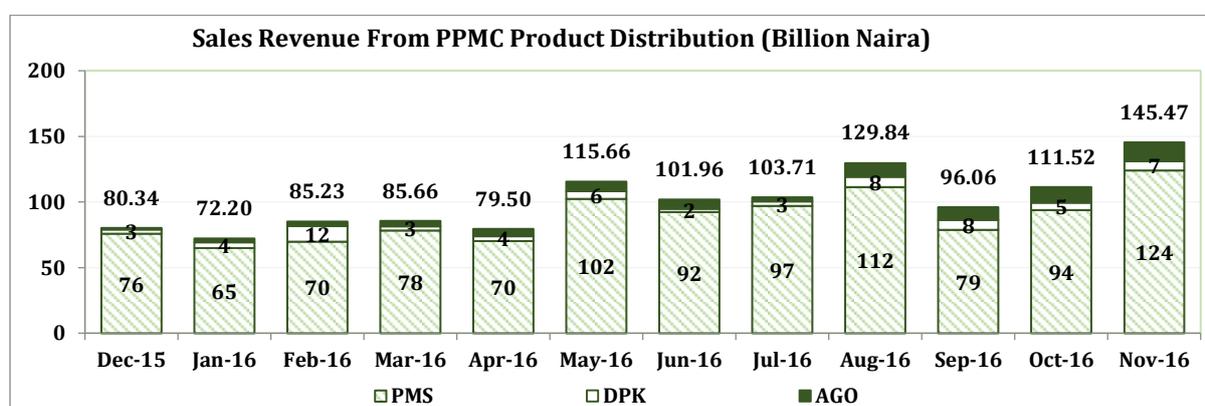
Table 4.3.3 Revenue from Sales of White Product

Period	PMS	AGO	DPK	Total White Products Revenue	LPFO	Other Special Products	Total Special Products Revenue
	Naira	Naira	Naira	Naira	Naira	Naira	Naira
Dec-15	75,861,273,984	1,163,059,996	3,313,916,774	80,338,250,754	507,528,968	97,551,360	605,080,328
Jan-16	65,042,846,723	2,788,418,315	4,364,284,005	72,195,549,043	295,271,509	125,300,710	420,572,220
Feb-16	69,951,542,913	3,436,086,861	11,842,847,137	85,230,476,911	112,259,134	161,137,920	273,397,054
Mar-16	78,356,352,199	4,053,521,406	3,251,184,486	85,661,058,090	428,516,290	93,520,128	522,036,418
Apr-16	70,396,954,576	5,406,073,935	3,699,849,897	79,502,878,409	284,311,535	105,235,200	389,546,735
May-16	102,431,624,423	7,200,709,202	6,028,065,485	115,660,399,110	552,998,316	346,825,583	899,823,898
Jun-16	92,416,814,771	7,126,910,489	2,417,187,753	101,960,913,013	125,537,422	216,202,811	341,740,233
Jul-16	97,038,812,467	3,260,762,595	3,413,927,018	103,713,502,080	773,640,828	117,607,680	891,248,508
Aug-16	111,551,883,881	10,527,563,779	7,761,204,481	129,840,652,141	1,248,411,552	282,788,304	1,531,199,856
Sep-16	78,788,023,845	9,507,786,865	7,762,074,909	96,057,885,620	3,088,137,487	6,813,104,419	9,901,241,906
Oct-16	94,060,844,488	12,037,566,582	5,422,192,245	111,520,603,315	849,004,408	9,561,600	858,566,008
Nov-16	124,145,954,267	14,228,867,427	7,093,912,695	145,468,734,388	1,039,051,281	67,170,240	1,106,221,521
Total	1,060,042,928,536	80,737,327,452	66,370,646,885	1,207,150,902,873	9,304,668,732	8,436,005,955	17,740,674,687

Note:

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

Chart 4.3.3 Monthly Sales Revenue from Petroleum Product Distribution





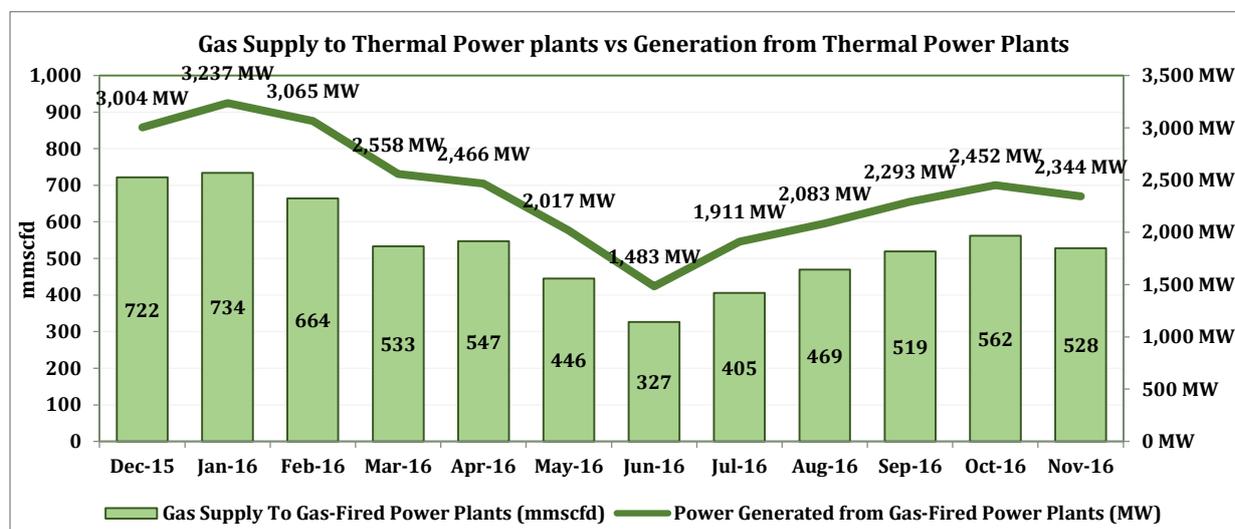
4.4 Domestic Gas Supply to the Power Sector

A total of 528 mmscfd was delivered to the gas fired power plants in the month of November 2016 to generate an average power of about 2,344 MW compared with December 2015 to November 2016 average gas supply of 538 mmscfd and power generation of 2,409 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	%
Dec-15	722	3,004 MW	77.3%
Jan-16	734	3,237 MW	78.6%
Feb-16	664	3,065 MW	77.5%
Mar-16	533	2,558 MW	73.6%
Apr-16	547	2,466 MW	78.1%
May-16	446	2,017 MW	76.8%
Jun-16	327	1,483 MW	67.6%
Jul-16	405	1,911 MW	67.3%
Aug-16	469	2,083 MW	63.9%
Sep-16	519	2,293 MW	67.3%
Oct-16	562	2,452 MW	69.9%
Nov-16	528	2,344 MW	68.6%
Average	538	2,409	72.2%

Chart 4.4.1 Domestic Gas Supply to the Power Sector & Generation



5.1 Summary of Group Operating Revenue and Expenditure for November 2016

Group operating revenue for the months of October and November 2016 were ₦157.50billion and ₦187.75billion respectively. This represents 66.30% and 79.04% respectively of monthly budget. Similarly, operating expenditure for the same periods were ₦174.35billion and ₦206.47billion respectively, which also represents 83.14% and 98.46% of budget for the months respectively.



NNPC has been operating in a challenging environment which limits its aspiration to profitability. Overall, a trading deficit of ₦18.72billion was recorded for the month under review as against the reported October, 2016 trading deficit of ₦16.85billion. The deficit in the month of November 2016 increased by ₦1.87billion or 11.06% due to upsurge in the Group operating cost despite an improved revenue generation and enhanced cost control across the group. In particular, IDSL Operating costs has increased as a result of the ongoing mobilization activities in both Benue Trough seismic data project located in Bauchi and Party 05 in Elele, Rivers state. Also, the strike action by Bristow Helicopters workers delayed the planned lay-time of Okono Blend resulting to nil NPDC offshore export sales for the month.

Table 5.1:0 Group Financial Performance

SBU/CSU	MONTHLY BUDGET (=N= MILLION)			2016 YEAR TO DATE (=N= MILLION)											
				OCTOBER, 2016			NOVEMBER, 2016			BUDGET			ACTUAL		
	Revenue	Expense	Surplus/ (Deficit)	Revenue	Expense	Profit/ (Loss)	Revenue	Expense	Surplus/ (Deficit)	Revenue	Expense	Surplus/ (Deficit)	Revenue	Expense	Surplus/ (Deficit)
NPDC	25,410	8,679	16,731	21,078	19,660	1,418	12,568	21,685	(9,117)	279,505	95,466	184,039	153,974	158,647	(4,673)
IDSL	1,084	866	218	84	627	(543)	895	1,807	(912)	11,923	9,528	2,395	4,231	8,002	(3,771)
NETCO	898	818	80	835	673	162	615	452	163	9,882	9,000	881	6,876	5,595	1,281
NGC	16,517	8,895	7,622	22,012	18,300	3,712	23,016	18,990	4,026	181,686	97,840	83,846	181,724	141,246	40,478
Sub-Total	43,909	19,258	24,651	44,010	39,261	4,749	37,094	42,934	(5,840)	482,995	211,834	271,161	346,805	313,490	33,315
KRPC	5,101	6,134	(1,033)	9.09	2,526	(2,517)	18.86	2,770	(2,751)	56,113	67,473	(11,360)	203	28,581	(28,378)
PHRC	21,452	16,045	5,407	152.86	2,141	(1,988)	33.69	3,316	(3,282)	235,973	176,495	59,478	777	25,683	(24,907)
WRPC	10,860	8,626	2,235	11.23	2,638	(2,627)	0.16	2,182	(2,181)	119,464	94,883	24,581	66	16,925	(16,859)
Sub-Total	37,414	30,805	6,609	173	7,305	(7,131)	53	8,268	(8,215)	411,551	338,851	72,700	1,045	71,189	(70,144)
RETAIL	23,037	18,710	4,327	1,289	925	365	1,424	865	558	253,407	205,812	47,595	18,440	11,683	6,757
PPMC	132,188	125,532	6,656	112,024	110,661	1,363	149,172	135,083	14,089	1,454,066	1,380,854	73,211	1,153,491	1,167,450	(13,958)
Sub-Total	155,225	144,242	10,982	113,313	111,586	1,727	150,596	135,948	14,648	1,707,473	1,586,666	120,807	1,171,931	1,179,133	(7,202)
CHQ	912	12,910	(11,997)	0.00	14,840	(14,840)	1.39	17,308	(17,306)	10,036	142,006	(131,970)	100	121,908	(121,808)
CSU	78	2,486	(2,408)	2.33	1,360	(1,358)	5.06	2,010	(2,005)	856	27,341	(26,485)	74	14,719	(14,645)
Sub-Total	990	15,395	(14,405)	2.3	16,201	(16,198)	6.4	19,318	(19,311)	10,892	169,347	(158,455)	174	136,627	(136,453)
Grand Total	237,537	209,700	27,837	157,498	174,351	(16,853)	187,749	206,467	(18,718)	2,612,911	2,306,699	306,212	1,519,955	1,700,439	(180,483)

Note:

- The marginal increase in the trading deficit during the month was due upsurge in the Group operating cost despite an improved revenue generation and enhanced cost control across the group.
- Refineries' revenue does not include petroleum product sales and the expenses exclude crude cost processed.
- SBUs/CSUs retained the excess revenue generated but share Head Office Cost through Corporate Overhead Cost Allocation.
- PPMC November, 2016 Crude Cost of N128.99bn was used.

Chart 5.1.1: NNPC Group Operating Revenue: December '15 - November '16

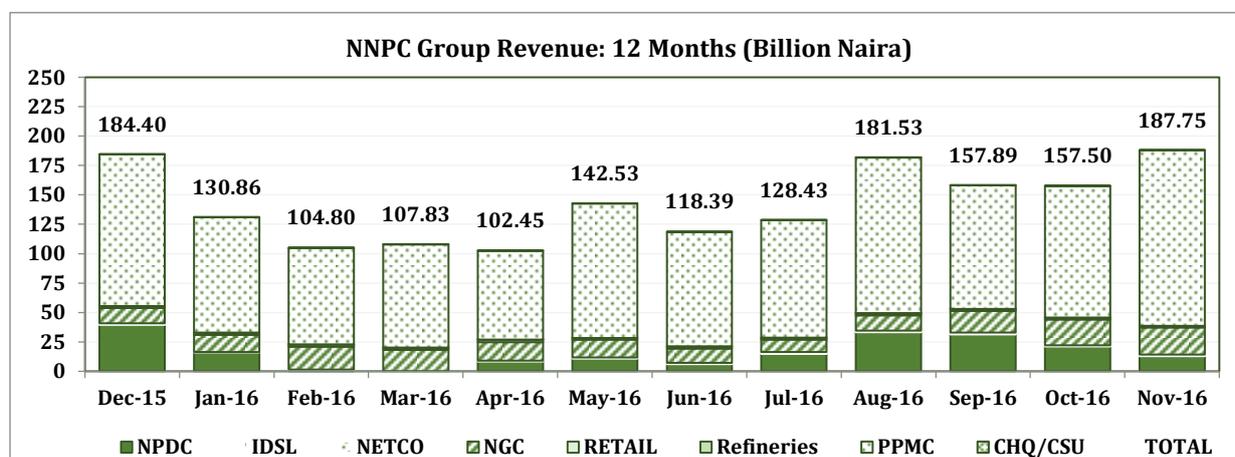




Chart 5.1.2: NNPC Group Operating Expenditure: December '15 - November '16

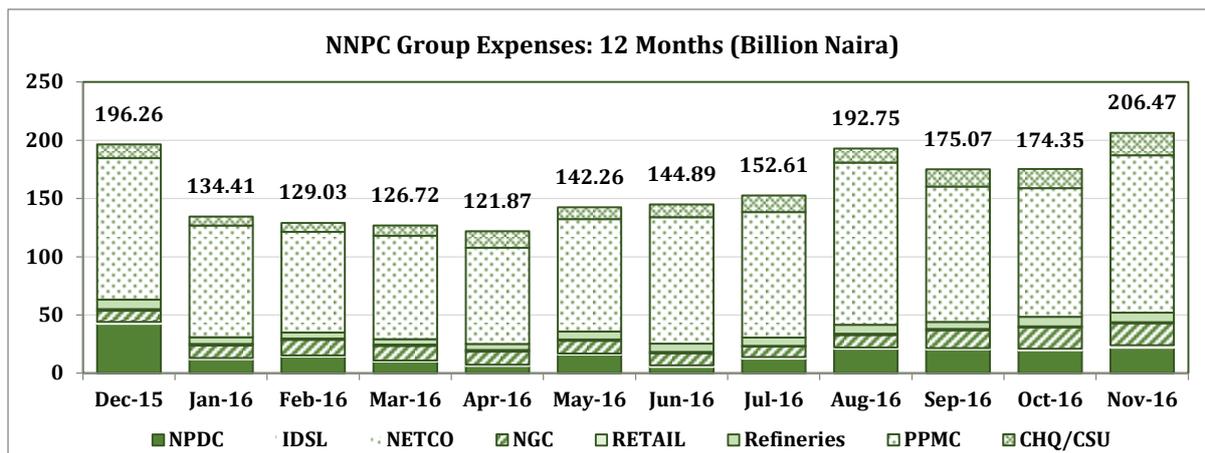
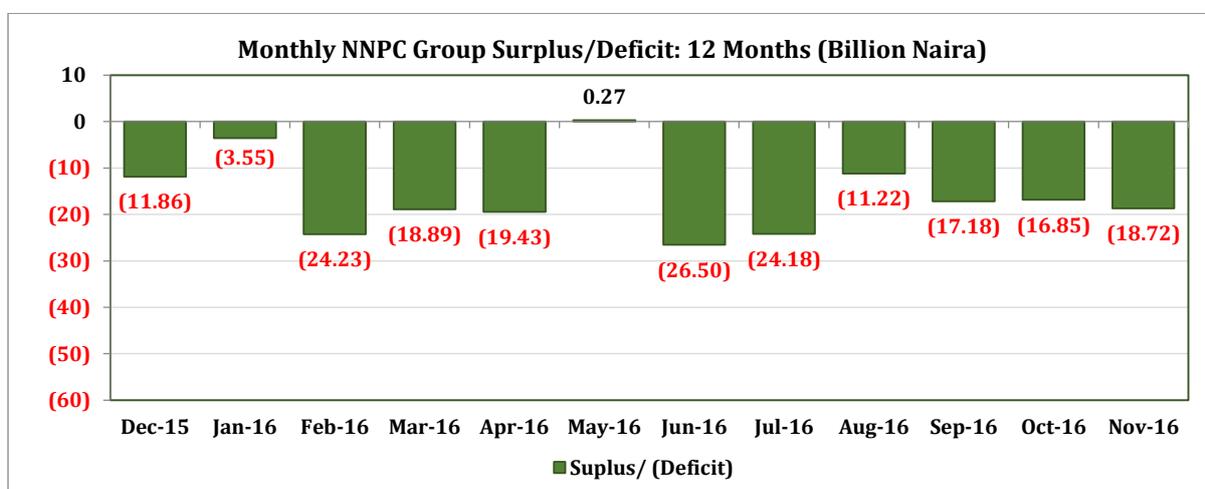


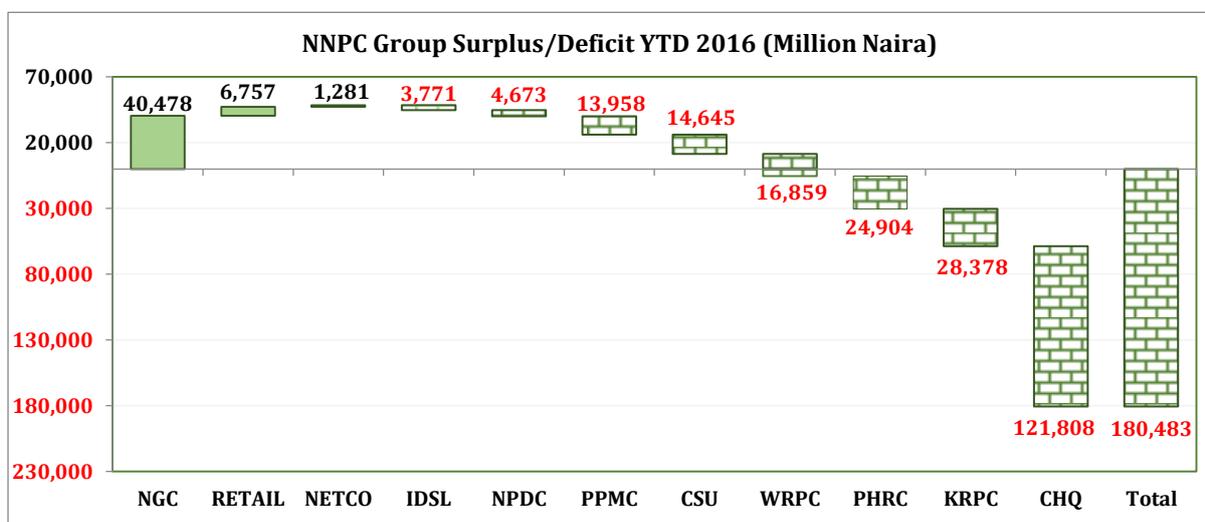
Chart 5.1.3: Monthly NNPC Group Surplus/Deficit December '15 - November '16



Note:

The marginal increase in the trading deficit during the month was due to an upsurge in the Group operating cost despite an improved revenue generation and enhanced cost control across the group.

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





6 Federation Crude Oil & Gas Revenue

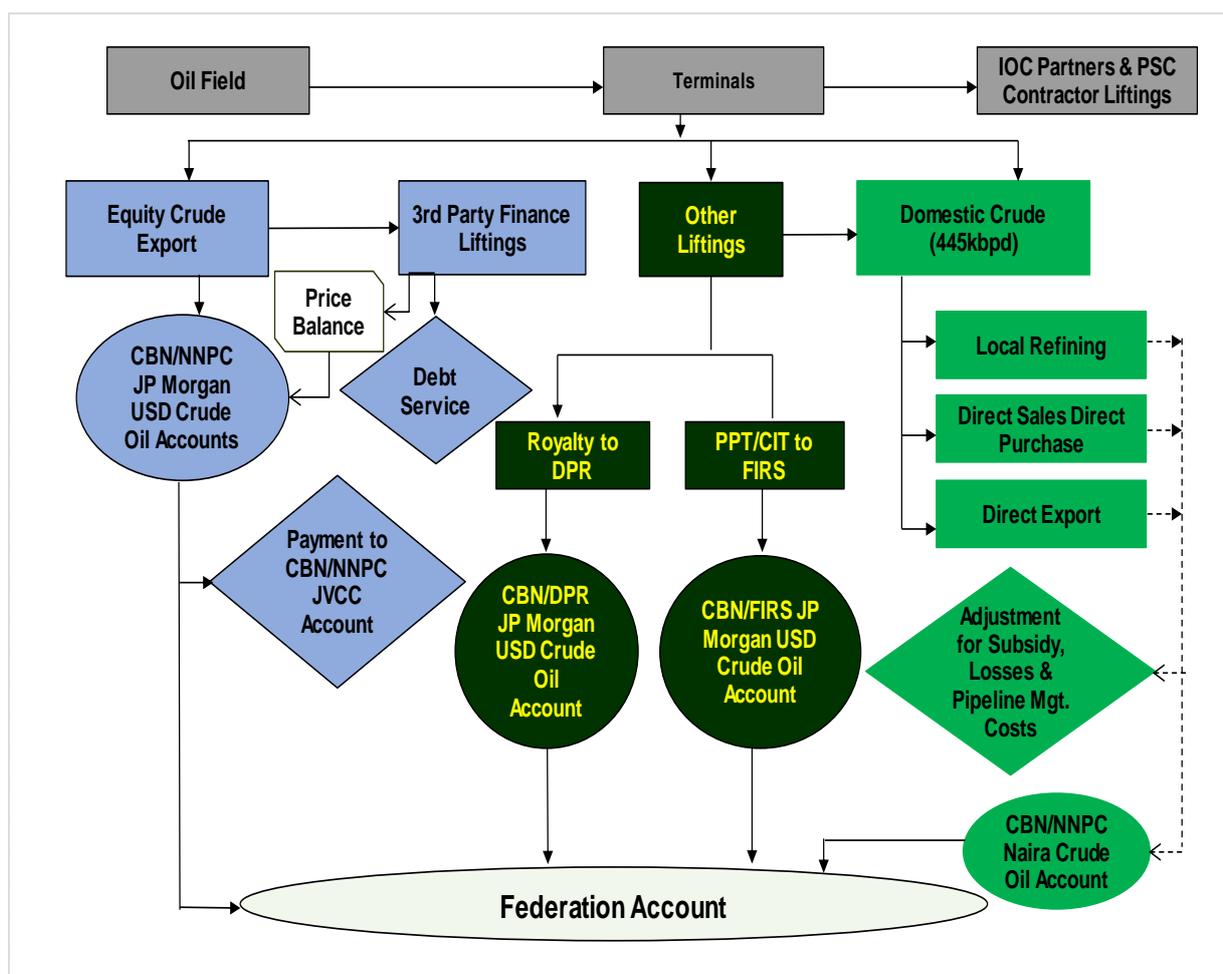
Federation Crude Oil and Gas lifting are broadly classified into Equity Export Crude and Domestic Crude. Both categories are lifted and marketed by NNPC and the proceeds remitted to the Federation Account.

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

6.1 Flow of Oil Revenue into Federation Account.

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

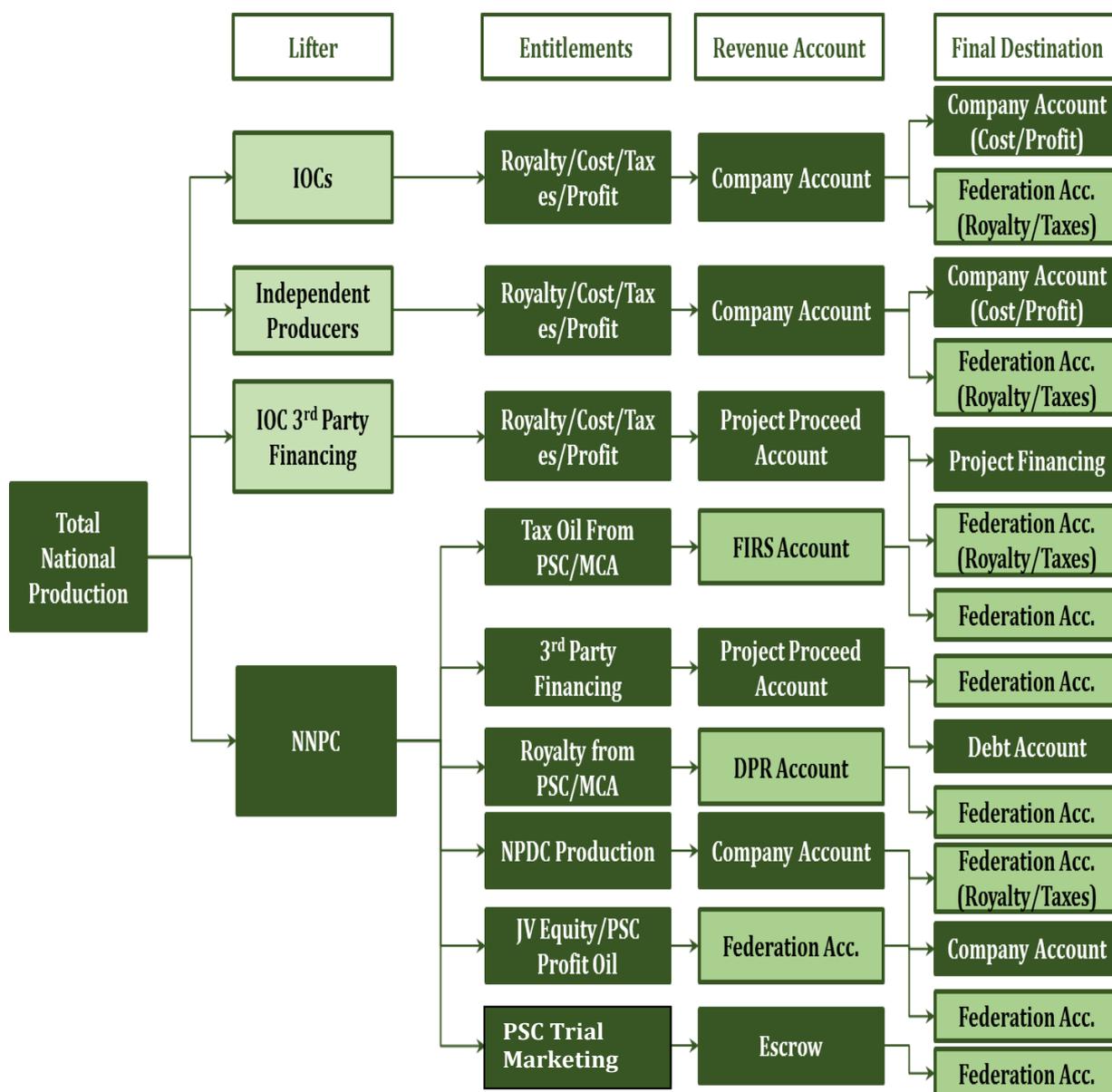
The Third Party finance lifting are Crude Oil and Gas from fields that are financed using alternative finance/loan facility which require the servicing of debt obligations before remitting the balance to Federation Account as Price Balance as shown below:





6.2 Accounting for Federation Crude Oil & Gas

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



6.3 Dollar Payments to Federation Account

A total export sale of \$166.18 million was recorded in November, 2016. This is \$60.44 million higher than the preceding month's performance. Crude oil export sales contributed \$96.31 million (or 57.95%) of the dollar transactions compared with \$21.40 contribution in the previous month. Also the export Gas sales amounted to \$69.87 million in the month. Twelve month Crude Oil and Gas transactions indicate that Crude Oil & Gas worth \$2,519.91Million was exported. See Table & Chart 6.3.1 for details.



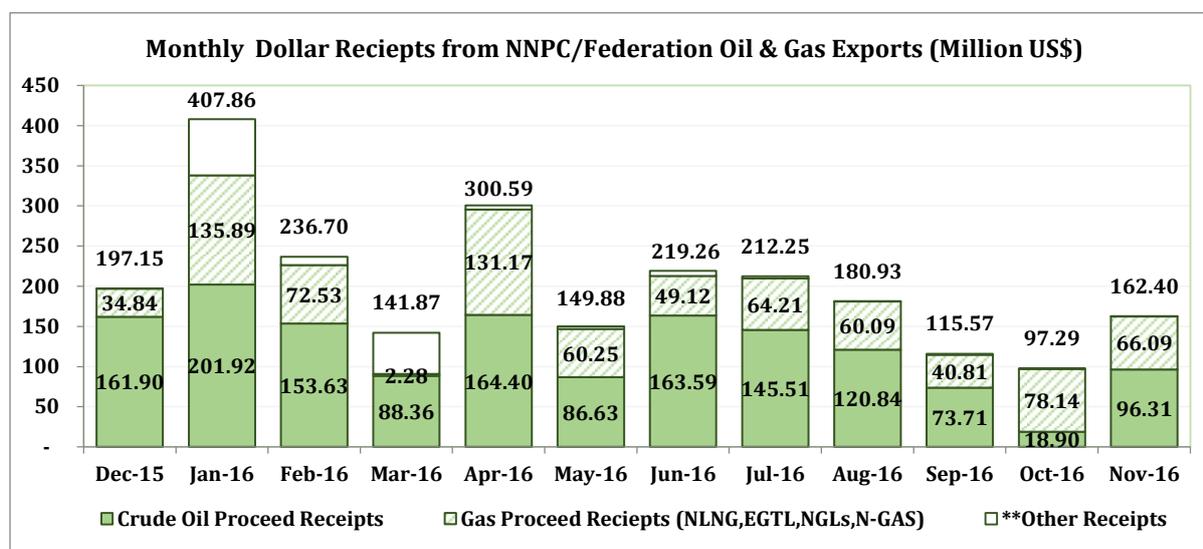
Table 6.3.1 NNPC/FGN Export Crude Oil & Gas Dollar Accruals, Receipts & Payments

Payment Month	NNPC/FGN Export Lifting Only								
	Export Sales Proceed Value Due			Export Sales Proceed Receipts				Allocation of Proceeds to Federation	
	Crude Oil Sales Proceed	Gas Sales Proceed	Total Oil & Gas Sales Proceed	Crude Oil Proceed Receipts	Gas Proceed Receipts (NLNG,EGTL,NGLs,N-GAS)	**Other Receipts	Total Sales Proceed Receipts	JV Cash Call Funding	Balance Remittance to FAAC
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Dec-15	161,895,261	107,962,918	269,858,179	161,895,261	34,840,505	419,082	197,154,848	197,154,848	0
Jan-16	202,093,977	80,740,055	282,834,032	201,916,074	135,891,015	70,050,482	407,857,571	407,857,571	0
Feb-16	156,189,386	91,263,968	247,453,354	153,630,938	72,525,245	10,544,130	236,700,314	236,700,314	0
Mar-16	98,305,490	72,571,896	170,877,386	88,363,958	2,275,746	51,228,943	141,868,647	141,868,647	0
Apr-16	191,302,792	98,062,195	289,364,987	164,398,704	131,174,922	5,016,650	300,590,276	300,590,276	0
May-16	89,128,951	66,558,537	155,687,488	86,628,833	60,245,532	3,002,440	149,876,805	149,876,805	0
Jun-16	198,526,555	89,644,254	288,170,809	163,589,045	49,124,829	6,551,005	219,264,879	214,398,900	4,865,979
Jul-16	153,011,486	73,459,665	226,471,151	145,511,441	64,212,838	2,529,900	212,254,179	168,129,620	44,124,559
Aug-16	101,542,839	84,220,874	185,763,713	120,841,617	60,088,669	935	180,931,221	157,046,660	23,884,561
Sep-16	86,800,375	44,700,250	131,500,625	73,714,609	40,813,107	1,040,067	115,567,783	115,567,783	0
Oct-16	21,401,359	84,339,597	105,740,956	18,901,409	78,137,458	251,548	97,290,416	97,290,416	0
Nov-16	96,311,189	69,873,068	166,184,257	96,311,162	66,086,347	708	162,398,217	162,398,217	0
Total	1,556,509,661	963,397,276	2,519,906,937	1,475,703,052	795,416,214	150,635,890	2,421,755,156	2,348,880,057	72,875,099

Note:

- Export Crude Oil Sales proceeds are received 30 days after bill of lading date.
- In November 2016 Naira portion of ₦75,298,978,610 equivalent to a functional Dollar of \$382,228,317.82 at a budgeted exchange rate of N197/\$ was transferred to JVCC from Domestic Crude Oil receipts in addition to the \$162,398,217

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



6.3.2 Dollar Payments to JV Cash Call & Federation Account

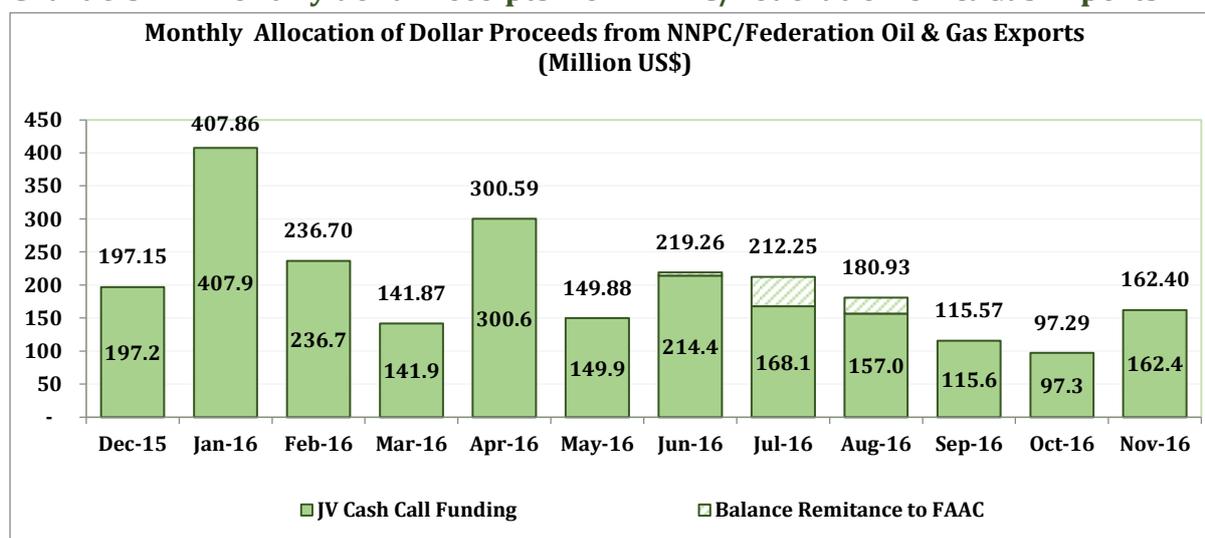
Total export proceeds of \$162.40 million were recorded in November 2016 as receipt against \$97.29 Million in October 2016. Contribution from Crude oil amounted to \$96.31 Million after adjusting for \$2.50 Million lifting deposit utilized earlier. Gas & Other proceeds was \$66.09 Million. The total receipt of \$162.40 Million remitted to fund the JV cash Call for the month of November 2016 to guarantee current and future production. The Poor performance is attributable to attack and sabotage of oil facilities in the Niger Delta.



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

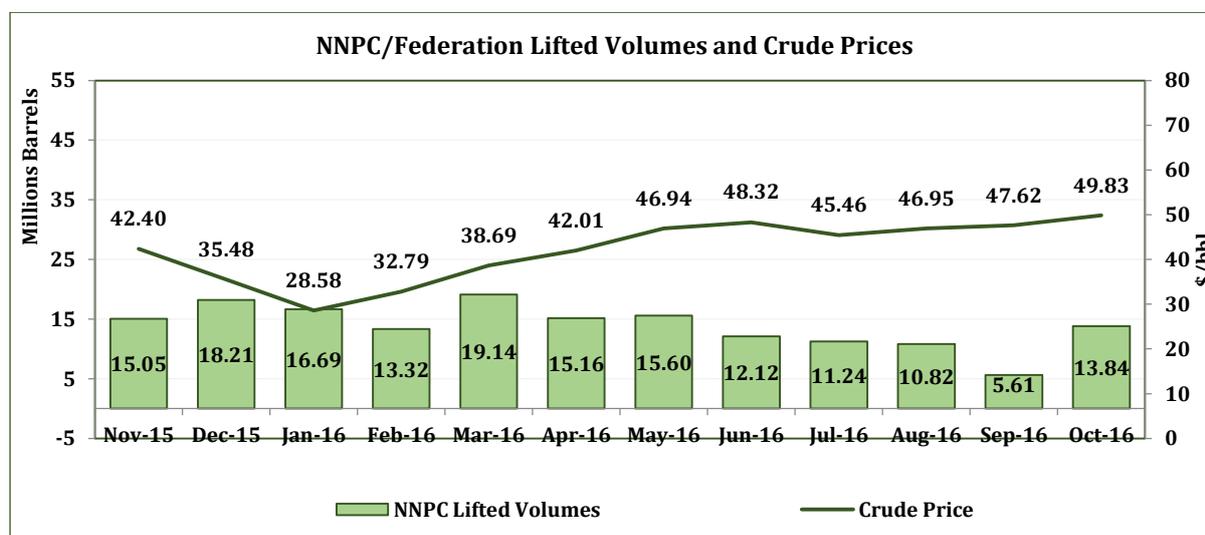
Total export crude Oil & Gas receipt for the period of December 2015 – November, 2016 stood at \$2.42 Billion. Out of which the sum of \$ 2.35 Billion was transferred to JV Cash Call in line with 2015/2016 Approved Budget (See Table & Chart 6.3.1) and the balance of \$0.073Billion was paid to Federation Account. However, this amount falls short of the calendarised appropriated amount of \$615.80Million and \$712.46Million for 2015 and 2016 respectively (See Table & Chart 6.3.1). This is due to worsening production and fall in Crude Oil price.

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



▪ In November 2016 Naira portion of ₦75,298,978,610 equivalent to a functional Dollar of \$382,228,317.82 at a budgeted exchange rate of N197/\$ was transferred to JVCC from Domestic Crude Oil receipts in addition to the \$162,398,217

Chart 6.3.2.2 NNPC Federation Lifted Volumes vs. Crude Oil Prices





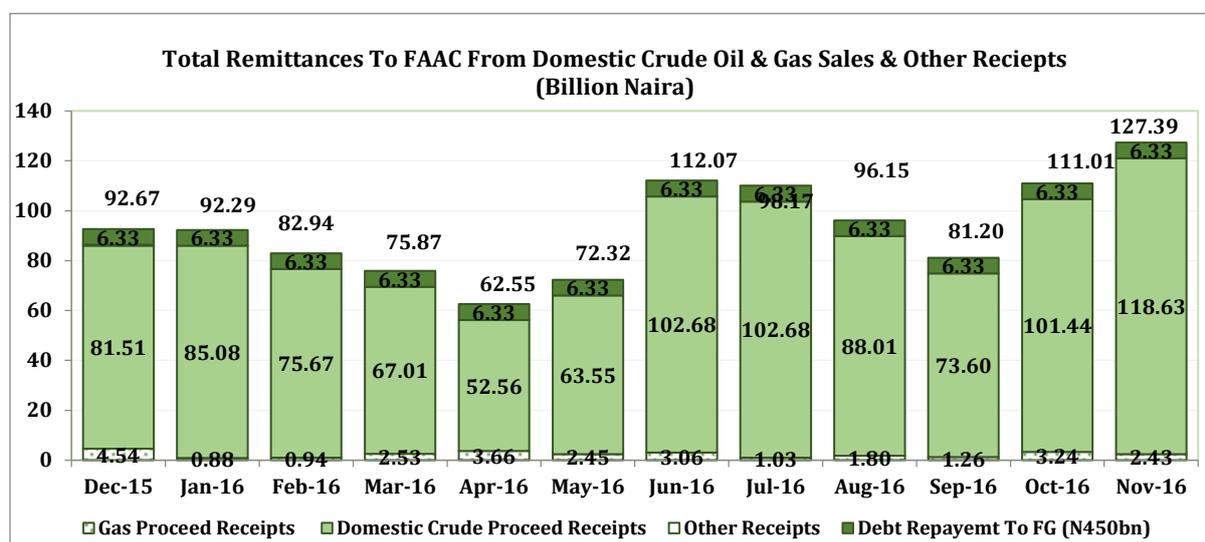
6.4 Naira Payments to Federation Account

The Domestic Crude Oil and Gas receipt during the month amounted to ₦121.06Billion, consisting of ₦2.43Billion from Domestic Gas and the sum of ₦118.63Billion from Domestic Crude Oil. Of the ₦118.63Billion receipt from Crude Oil, the sum of ₦75.30 Billion (FUS\$382.23Million) was transferred to Joint Venture Cash Call (JVCC) being a first line charge and to guarantee continuous flow of revenue stream to Federation Account.

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

Receipt/ Payment Month	Proceed Value Due		Domestic Sales Proceed Receipts		
	Total Domestic Sales Proceed due	Domestic Crude Proceed Receipts	Gas Proceed Receipts	Other Receipts	Total Sales Proceed Receipts
	NGN	NGN	NGN	NGN	NGN
Dec-15	126,329,013,388	81,507,573,994	4,541,979,742	291,415,657	86,340,969,392
Jan-16	112,278,942,793	85,077,843,432	880,313,926	0	85,958,157,358
Feb-16	93,341,700,093	75,669,493,242	944,399,579	0	76,613,892,821
Mar-16	87,043,513,817	67,009,042,386	2,534,736,166	0	69,543,778,552
Apr-16	62,861,752,684	52,557,101,459	3,657,505,286	0	56,214,606,745
May-16	66,313,927,244	63,547,266,205	2,446,509,598	0	65,993,775,802
Jun-16	107,622,651,186	102,677,588,055	3,064,092,344	0	105,741,680,399
Jul-16	107,369,013,059	102,677,588,055	1,025,243,409	0	103,702,831,464
Aug-16	104,637,752,246	88,011,699,935	1,804,203,024	0	89,815,902,959
Sep-16	84,783,506,206	73,603,750,476	1,262,684,823	0	74,866,435,299
Oct-16	114,173,876,975	101,440,041,481	3,236,910,288	0	104,676,951,769
Nov-16	131,382,706,172	118,628,215,639	2,433,087,039	0	121,061,302,678
TOTAL	1,198,138,355,862	1,012,407,204,359	27,831,665,224	291,415,657	1,040,530,285,240

Chart: 6.4.1 Monthly Naira Payments to FAAC



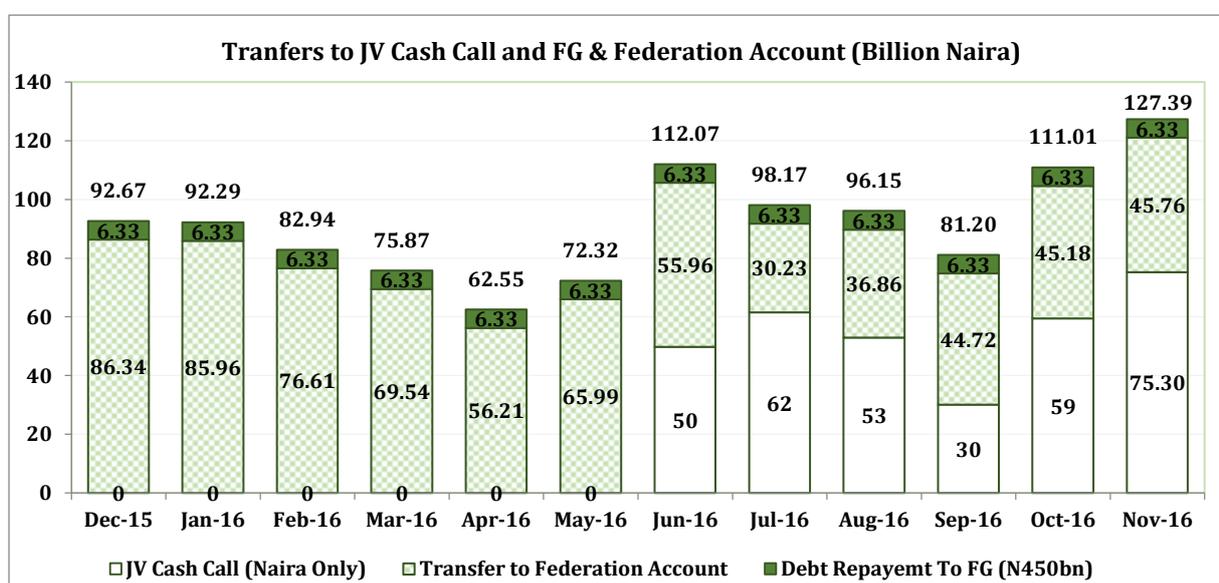
NNPC transferred the sum of ₦43.33Billion into Federation Account during the month under review from the net domestic crude oil receipt and ₦2.43Billion from Gas receipts. Also, the 28th installment of the refund to FG of ₦6.33Billion was remitted to Federation Account. The tables below show the Naira proceeds from the Sale of Domestic Crude Oil as well as Gas and the corresponding Naira remittances to Federation Account.



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

Receipt/ Payment Month	Proceed Value Due		Allocation of Domestic Sales Proceeds					Total Remittances	Transfers To JV Cash Call, FG & Federation Account			
	Domestic Crude Cost	Domestic Crude Payments	Subsidy	Crude Losses	Product Losses	Pipeline Repairs & Managemt Cost	Gas & Other Receipts		JV Cash Call (Naira Only)	Transfer to Federation Account	Debt Repayemt To FG (N450bn)	Total Payment To FAAC
	=N=	=N=	=N=	=N=	=N=	=N=	=N=		=N=	=N=	=N=	=N=
Dec-15	126,329,013,388	81,507,573,994	13,617,984,556	287,814,000	2,742,298,856	8,106,796,133	4,833,395,399	92,671,362,942	0	86,340,969,392	6,330,393,549	92,671,362,942
Jan-16	112,278,942,793	85,077,843,432	0	558,564,000	1,788,760,568	5,594,075,917	880,313,926	92,288,550,907	0	85,958,157,358	6,330,393,549	92,288,550,907
Feb-16	93,341,700,093	75,669,493,242	0	558,564,000	1,240,487,347	14,022,897,218	944,399,579	82,944,286,370	0	76,613,892,821	6,330,393,549	82,944,286,370
Mar-16	87,043,513,817	67,009,042,386	0	5,939,792,329	1,757,101,224	4,870,082,287	2,534,736,166	75,874,172,102	0	69,543,778,552	6,330,393,549	75,874,172,102
Apr-16	62,861,752,684	52,557,101,459	0	3,277,860,605	2,273,338,772	9,506,903,694	3,657,505,286	62,545,000,294	0	56,214,606,745	6,330,393,549	62,545,000,294
May-16	66,313,927,244	63,547,266,205	0	347,231,838	2,221,443,968	2,964,646,274	2,446,509,598	72,324,169,352	0	65,993,775,802	6,330,393,549	72,324,169,352
Jun-16	107,622,651,186	102,677,588,055	0	736,487,849	323,922,508	3,884,652,774	3,064,092,344	112,072,073,948	49,784,217,180	55,957,463,219	6,330,393,549	62,287,856,768
Jul-16	107,369,013,059	90,815,444,663	0	1,685,900,590	0	14,867,667,806	1,025,243,409	98,171,081,621	61,615,100,170	30,225,587,902	6,330,393,549	36,555,981,451
Aug-16	104,637,752,246	88,011,699,935	0	1,635,484,664	0	14,990,567,646	1,804,203,024	96,146,296,509	52,959,007,240	36,856,895,719	6,330,393,549	43,187,289,269
Sep-16	84,783,506,206	73,603,750,476	0	1,223,607,311	0	9,956,148,418	1,262,684,823	81,196,828,849	30,150,652,200	44,715,783,099	6,330,393,549	51,046,176,649
Oct-16	114,173,876,975	101,440,041,481	0	395,333,760	0	12,338,501,734	3,236,910,288	111,007,345,318	59,498,978,610	45,177,973,159	6,330,393,549	51,508,366,708
Nov-16	131,382,706,172	118,628,215,639	0	923,263,975	45,315,200	11,785,911,358	2,433,087,039	127,391,696,227	75,298,978,610	45,762,324,068	6,330,393,549	52,092,717,617
TOTAL	1,198,138,355,862	1,000,545,060,966	13,617,984,556	17,569,904,921	12,392,668,443	112,888,851,258	28,123,080,881	1,104,632,864,440	329,306,934,010	699,361,207,838	75,964,722,593	775,325,930,430

Chart: 6.4.2 Monthly Naira Payments to FAAC



Note:

- In November 2016 Naira portion of ₦75,298,978,610 equivalent to a functional Dollar of \$382,228,317.82 at a budgeted exchange rate of N197/\$ was transferred to JVCC from Domestic Crude Oil receipts in addition to the ₦162,398,217



7.0 Key Determinants for Change

7.1 Key events and activities during the period

▪ DSDP Crude Oil Allocation

- In October, 2016, NNPC allocated 72.2% of domestic crude oil to Direct Sale-Direct Purchase (DSDP) arrangement to ensure petroleum products availability, especially for the forthcoming yuletide period. So far the arrangement guarantees products stability and creates room for savings.
- The DSDP arrangement is constantly being reviewed to ensure value is delivered to the Corporation and Nigeria as envisaged/promised.

▪ Other Achievements

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

- As part of 12 Business Focus Areas, NNPC is exploring opportunities in other petroleum acreages in Nigeria and with particular interest in the Gulf of Guinea to boost NPDC reserves portfolio.
- 2016 Health, Safety and Environment (HSE) week with the theme: “HSE Best Practice - A Requirement for Business Profitability and Sustainability,” The GMD reiterated NNPC commitment to execute and encourage policies and programmes that enhance health, safety and preservation of the environment in alignment with the conventions of the United Nations Environment Programme (UNEP).
- NNPC is exploring alternative crude oil supply to KRPC through piping crude oil (over 1, 000 kilometers) from Agadem, Niger Republic. Nigeria is already engaging the Chinese company that is operating the field.
- NNPC is intensifying effort to drive the energy supply project to power industries by ensuring the completion of the Ajaokuta-Abuja-Kaduna-Kano (AKK) gas pipeline.
- NNPC is also collaborating with the Republic of Niger in the area of sharing of geological data to further boost the ongoing exploratory activities in the Chad Basin and Benue Trough
- NNPC is undertaking Kerosene Hydro treating Unit (KHU) rehabilitation with equipment overhaul and integrity checks. The objective is to ease shortage of kerosene and Aviation Turbine Kerosene (ATK).
- The Corporation is also exploring measures to deal with the intractable Cash Call challenges as the funding of Joint Venture (JV) Operations should be the first line charge to ensure sustainable oil production and reserve growth.
- Ongoing review of the existing PSC arrangements with a view to improve Government share of revenue from the arrangement.



7.2 Key challenges

The following are the key inhibiting factors that drag performance:

7.2.1 Vandalism of Oil and Gas Facilities

i. FORCADOS TERMINAL

A Force Majeure declared since 15th February, 2016 was still in place in October 2016 due to the damage on the 48" sub-sea export which triggered a disruption in cargo lifting. The Force Majeure is still in place pending repairs of the line and stable/uninterrupted crude oil production.

ii. QUA IBOE TERMINAL

Force Majeure declared on 14th July, 2016 was still in place until 11th October 2016 when the Operator lifted the Force Majeure. However some wells were still shut-in due to limited production capacity at the terminal. Production was ramped up from 17th to 31st October, 2016, to accelerate loading.

iii. BONNY TERMINAL

Production fell significantly due to a shutdown of two NCTL flow stations from 8th to 13th October, 2016 as a result of community agitation and pipeline leakages. Repair works is still on-going on the Trans Niger Pipeline (TNP) that was shut down on 25th September, 2016 as a result of sabotage and fire outbreak. In total 380,000bopd was shut in during October, 2016.

iv. BRASS TERMINAL

The Force Majeure declared on 22nd May, 2016 was still in place in October 2016 as a result of the sabotage on the Clough Creek – Tebidaba pipeline. Some wells were shut down from 1st to 31st October, 2016 for maintenance of critical equipment. A total of about 95,000bopd was shut in throughout the month of October 2016.

7.2.2 Funding of Projects

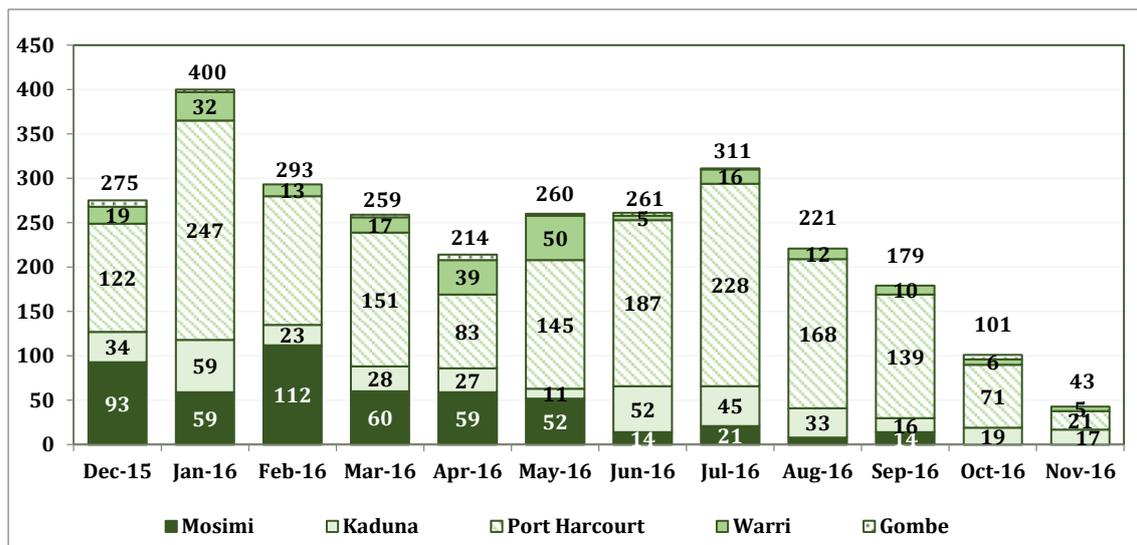
Federation funding has been inadequate over the years. This is as a result of the current wave of sabotage orchestrated by Militant and low oil prices further worsen the situation.

7.2.3 Products theft and Pipeline Security

Products theft and vandalism have continued to destroy value and put NNPC at disadvantaged competitive position. A total of 2,817 vandalized points have been recorded between December 2015 and November 2016. Therefore, crude and products losses have continued to cost NNPC and the Nation huge amount of money (see chart 7.1).



Chart 7.1 PPMC Pipeline Breaks December 2015 – November 2016



7.4 Compliments of the Season





8 Glossary and Definition of Terms

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



Explanatory Notes

• Federation Equity Crude Oil & Gas Export Sales

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

• Domestic Crude Oil Costs

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

• Remittances To FAAC

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

• FIRS PPT And DPR Royalty Remittances

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

