

NNPC



Monthly Report

Financial and Operations Report

October 2015



Disclaimer

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



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1 Introduction

This third publication of Nigerian National Petroleum Corporation (NNPC) monthly financial and operations report covers the activities for the period of January – October 2015. The report is one of the initiatives of the Corporation in its ongoing restructuring efforts to ensure probity, transparency and accountability in the conduct of its business. The Report is being published as part of NNPC’s commitment to keep our shareholders, and the general public informed about our activities across the oil and gas value chain (Upstream, Midstream & Downstream) as well as NNPC’s agency function on behalf of Government of the Federation.

As a result of informed public demand, we have accordingly expanded this report and added some links to more detailed information that could not be displayed on the face of this report on account of space.

Activity and Project Financing update

Financing has been one of the key threats to Nigeria’s position as the largest crude oil producer in Africa with estimated average production of about 2.34 million barrels per day (bopd). Key constraint to Nigerian upstream sector has been under-funding of the sector which prompted the use of debt to finance essential projects aimed at arresting production decline and grow producible reserves. Conventional Oil and gas fields typically have average decline rates of 10%-20% per year which requires a serious step-up in investment in infrastructure and production facilities to maintain production plateau or to grow production.

Over-time government JV cash call funding has essentially remained static at about \$5billion in an area generally regarded as the most profitable petroleum fiscal system to government. Notwithstanding NNPC creative/innovative initiatives, like external financing and Modified Carry Agreements (MCAs), the decline in Government take has not been averted completely.

Against this background, NNPC has had to enter into additional funding arrangements in order to mitigate production declines and meet production targets. These funding arrangements/ third party financing often results in the setting up of escrow accounts through which proceeds of incremental production is first deposited for debt service purposes before the Price Balance is remitted to Federation Account (See section 7 for details of key financing achievements).



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

2.1 National Crude Oil & Condensate Production

A total of 65.98 million barrels of crude oil & condensate was produced in the month of September 2015 representing an average daily production of 2.20 million barrels. This represents an increase of 4.16% relative to August, 2015 performance. Of the September, 2015 Production, Joint Ventures (JVs) and Production Sharing Contracts (PSC) contributed about 32.91% and 39.96% respectively. While AF, NPDC and Independent accounted for 15.74%, 5.30% and 6.10% respectively. The tables and charts below provide details of the National Crude Oil & Condensate Production for the period January to September, 2015.

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

Month	JVs	PSC	AF	NPDC	Independent / Marginal Fields	Total	Average Daily Production
	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
Jan-15	22,221,832	28,141,885	11,055,401	2,590,807	4,056,586	68,066,511	2,195,694
Feb-15	19,631,486	25,112,636	9,800,902	3,177,031	4,138,868	61,860,923	2,209,319
Mar-15	18,780,222	26,845,229	9,614,364	3,691,908	5,224,426	64,156,149	2,069,553
Apr-15	19,568,055	26,008,972	10,799,392	1,182,498	3,282,359	60,841,276	2,028,043
May-15	19,579,478	27,197,671	11,166,850	3,419,018	2,126,082	63,489,099	2,048,035
Jun-15	18,334,670	25,593,567	9,704,798	2,082,212	3,371,609	59,086,856	1,969,562
Jul-15	21,940,240	27,858,467	9,850,062	3,491,493	4,359,294	67,499,556	2,177,405
Aug-15	20,521,917	26,502,653	11,193,300	2,884,069	2,241,536	63,343,475	2,043,338
Sep-15	21,712,359	26,362,841	10,383,570	3,497,687	4,024,468	65,980,925	2,199,364
Total	182,290,259	239,623,921	93,568,639	26,016,723	32,825,228	574,324,770	2,103,754

Note:

- NPDC's Crude production was based on NPDC's wholly owned assets and percentage holding in JV assets.
- For more details on production by company, streams and well-head productions (Non-Fiscalised) click on these links: [company streams](#) and [well-head](#) respectively.

Chart 2.1.1: Monthly Crude Oil & Condensate Production

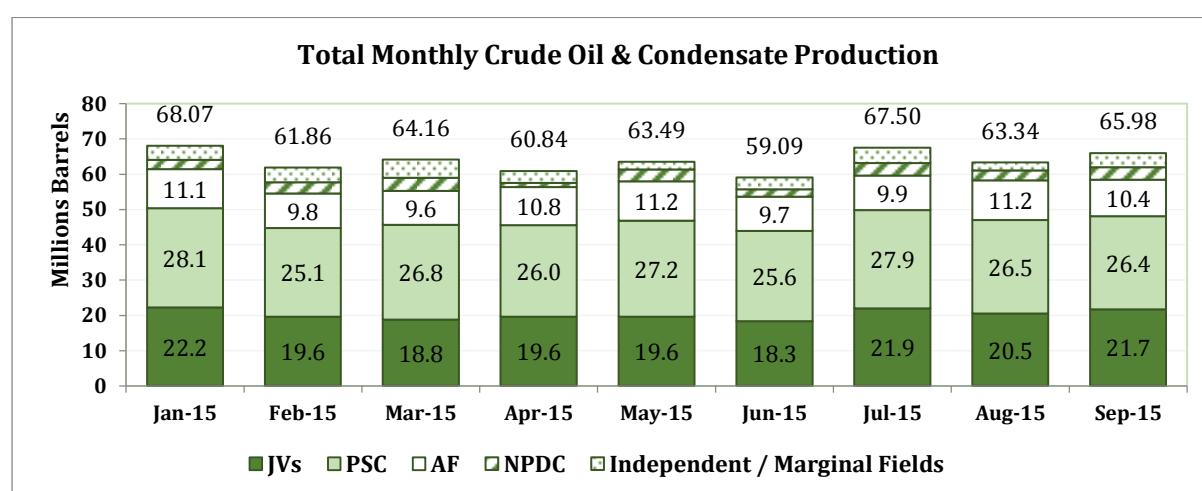




Chart 2.1.2: Average Daily Crude Oil & Condensate Production & Percentage distribution

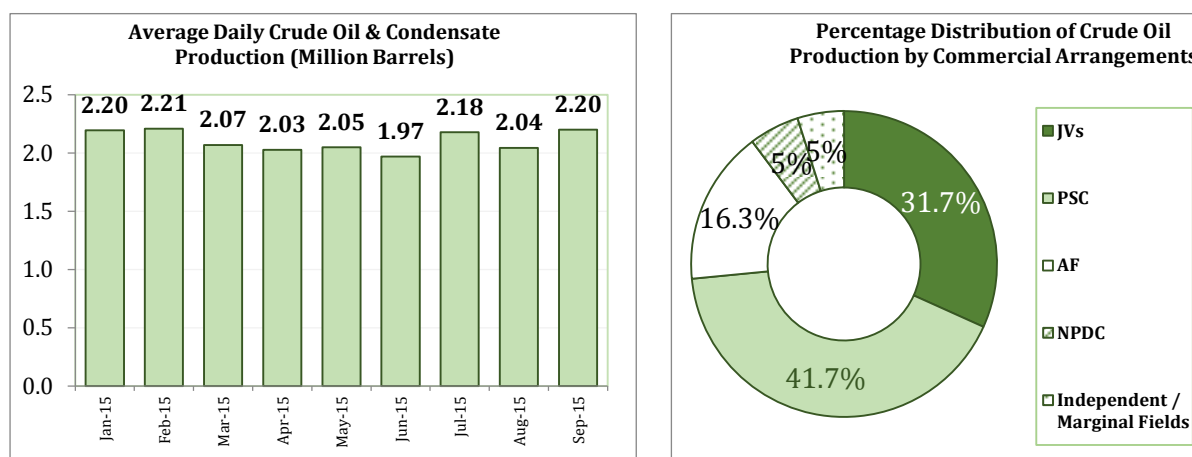


Table 2.1.2: NPDC monthly Crude oil & Condensate Production

Field/Company	Block	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	2015 YTD
NPDC Owned Direct Operated Assets											
Abura	OML 65	110,843	99,773	127,658	58,167	0	2,167	0	0	89,074	487,682
Oredo	OML 111	74,585	140,231	159,110	34,382	35,112	63,068	137,803	127,796	175,734	947,821
Oziengbe	OML 111	0	0	39,086	5,030	7,420	15,843	29,685	25,293	32,536	154,893
Okono_Okpoho	OML 119	900,295	809,733	757,583	567,076	592,383	705,329	682,491	665,826	583,879	6,264,595
SUB-TOTAL		1,085,723	1,049,737	1,083,437	664,655	634,915	786,407	849,979	818,915	881,223	7,854,991
NPDC JV Direct Operated Assets											
Ogini_Isoko/FHN	OML 26	32,427	72,484	74,209	4,973	209,347	27,791	42,309	978,556	99,026	1,541,122
Opuama/Elcrest	OML 40	37,392	50,317	52,724	49,254	27,213	32,773	34,784	148,710	45,837	479,004
Batan_Odidi/Netconde	OML 42	325,465	358,605	434,495	40,484	142,692	314,153	513,171	278,883	468,420	2,876,368
Afiesere_Kokori/Shoreline	OML 30	198,708	494,598	550,060	38,846	1,421,263	0	416,571	182,232	546,038	3,848,316
Utorogu_Ughelli/NDW	OML 34	277,131	271,514	316,736	216,558	154,132	121,914	253,075	204,753	242,352	2,058,165
SUB-TOTAL		871,123	1,247,518	1,428,224	350,115	1,954,647	496,631	1,259,910	1,793,134	1,401,673	10,802,975
NPDC JV Non-Operated Assets											
OBEN_Amukpe_Sapele/SEPLAT	OML 4,38&41	633,961	879,776	1,180,247	167,728	829,456	799,174	1,381,604	272,020	1,214,791	7,358,757
SUB-TOTAL		633,961	879,776	1,180,247	167,728	829,456	799,174	1,381,604	272,020	1,214,791	7,358,757
GRAND TOTAL		2,590,807	3,177,031	3,691,908	1,182,498	3,419,018	2,082,212	3,491,493	2,884,069	3,497,687	26,016,723
Average Daily Production		83,574	113,465	119,094	39,417	110,291	69,407	112,629	93,034	116,590	95,299

The NPDC YTD cumulative production from all fields amounted to 26,016,723 barrels of Crude oil which translated to an average daily production of 95,299 barrels. Comparing NPDC performance to National Production, the company production share amounted to 4.53%. NPDC production is expected to hit production level of 250,000p/d after the completion of the on-going NPDC re-kitting project.

Production from NPDC wholly operated assets amounted to 7,854,991 barrels (or 30% of the total production) with Okono Okpoho (OML 119) alone producing more than 79% of the NPDC operated Assets or 24.08% of the total NPDC production. Also on the NPDC operated JV assets, in which NPDC own 55% controlling interest, Crude Oil production amounted to 10,802,975 (or 42% of the NPDC total production). On the JV assets not operated by NPDC, production level stood at 7,358,757 barrels or 28% of the company production.



Chart 3.1 NPDC Monthly Crude Oil & Condensate Productions

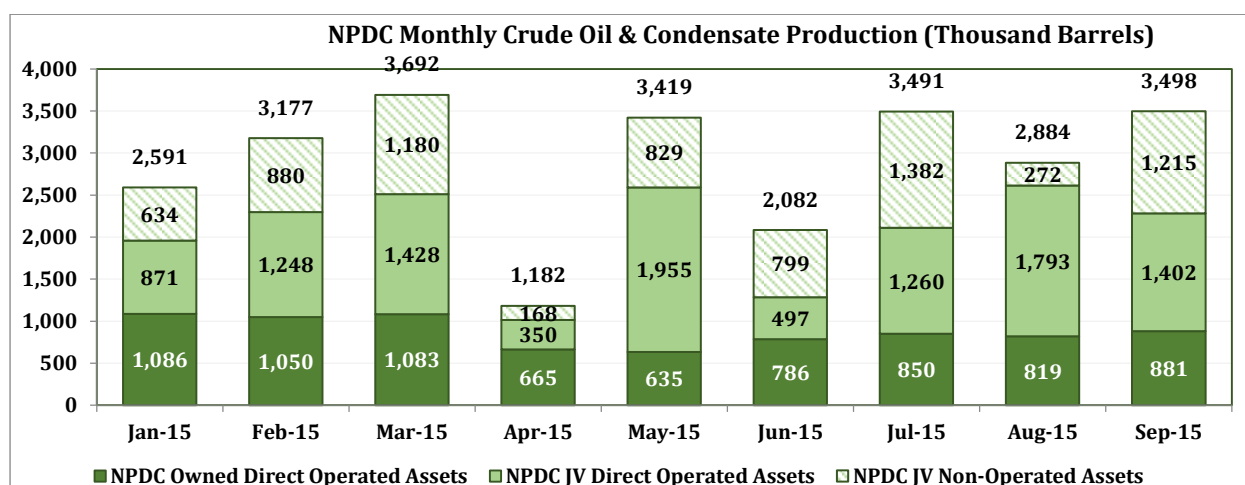
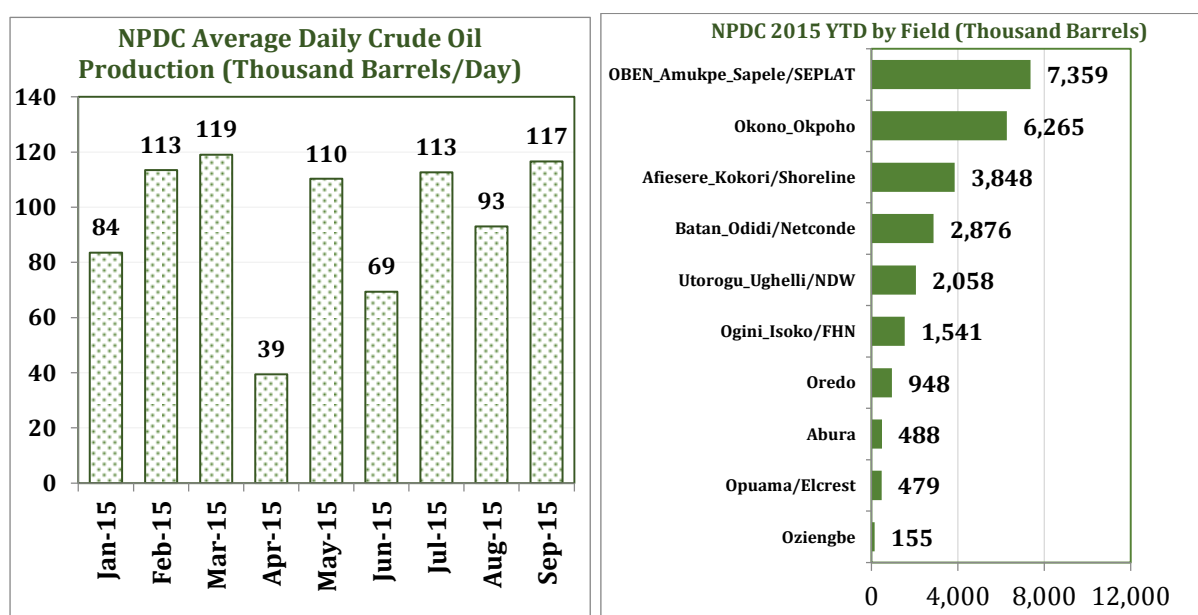


Chart 3.2 NPDC Average Daily Crude Production & 2015 YTD by Field



2.2. National Gas Production

A total of 246.02 billion standard cubic feet (BCF) of natural gas was produced in the month of October 2015 translating to an average daily production of 7.90 billion standard cubic feet per day (bscfd). For the period January to October 2015, a total of 2,408.9BCF of gas was produced representing an average daily production of 77.71 bscfd during the period. Production from Joint Ventures (JVs), Production Sharing Contracts (PSC) and NPDC contributed about 69.89%, 21.88% and 8.22% respectively to the total national gas production. The table and charts below provide details of the national gas production for the period January to October 2015.



Table 2.2.1: 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
Jan-15	179.03	57.94	17.68	254.65	Jan-15	5,775.01	1,869.04	570.45	8,214.50
Feb-15	146.23	51.98	17.17	215.38	Feb-15	5,222.47	1,856.54	613.26	7,692.28
Mar-15	157.47	53.43	20.54	231.44	Mar-15	5,079.63	1,723.52	662.70	7,465.86
Apr-15	167.97	54.32	16.75	239.03	Apr-15	5,598.86	1,810.56	558.30	7,967.72
May-15	175.10	53.59	16.46	245.14	May-15	5,648.28	1,728.64	530.88	7,907.81
Jun-15	164.30	52.98	19.05	236.33	Jun-15	5,476.72	1,766.09	634.90	7,877.72
Jul-15	177.61	54.71	22.91	255.23	Jul-15	5,729.20	1,764.83	739.15	8,233.18
Aug-15	169.45	48.85	22.72	241.02	Aug-15	5,466.26	1,575.78	732.91	7,774.95
Sep-15	172.71	48.79	24.11	245.61	Sep-15	5,757.01	1,626.37	803.52	8,186.91
Oct-15	173.75	50.56	20.71	245.02	Oct-15	5,604.94	1,630.96	668.00	7,903.90
YTD Total	1,683.61	527.15	198.10	2,408.86	Average	5,535.84	1,735.23	651.41	7,922.48

Chart 2.2.1: Average Daily National Gas Production

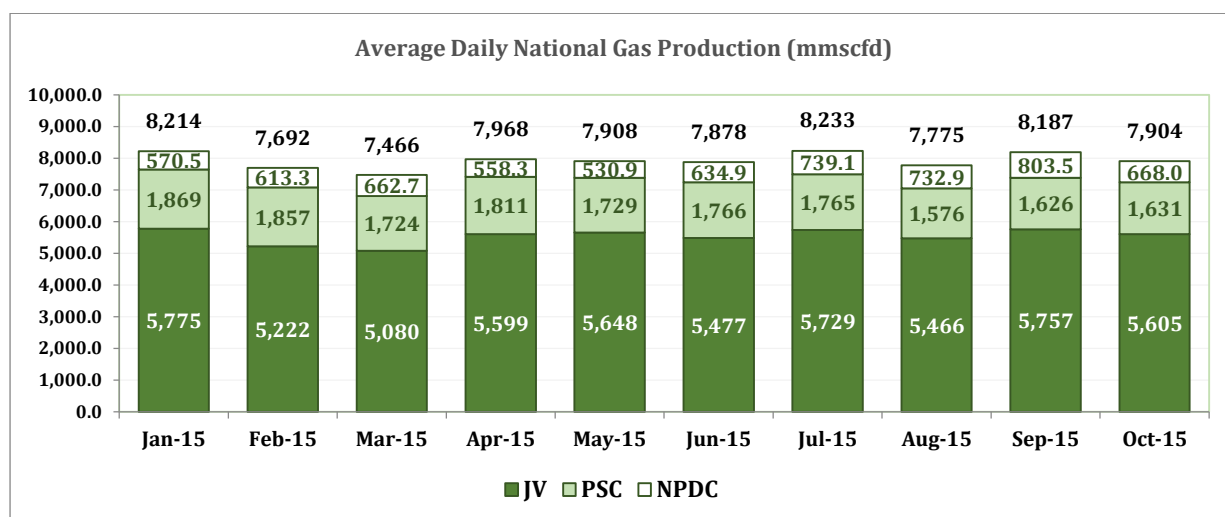
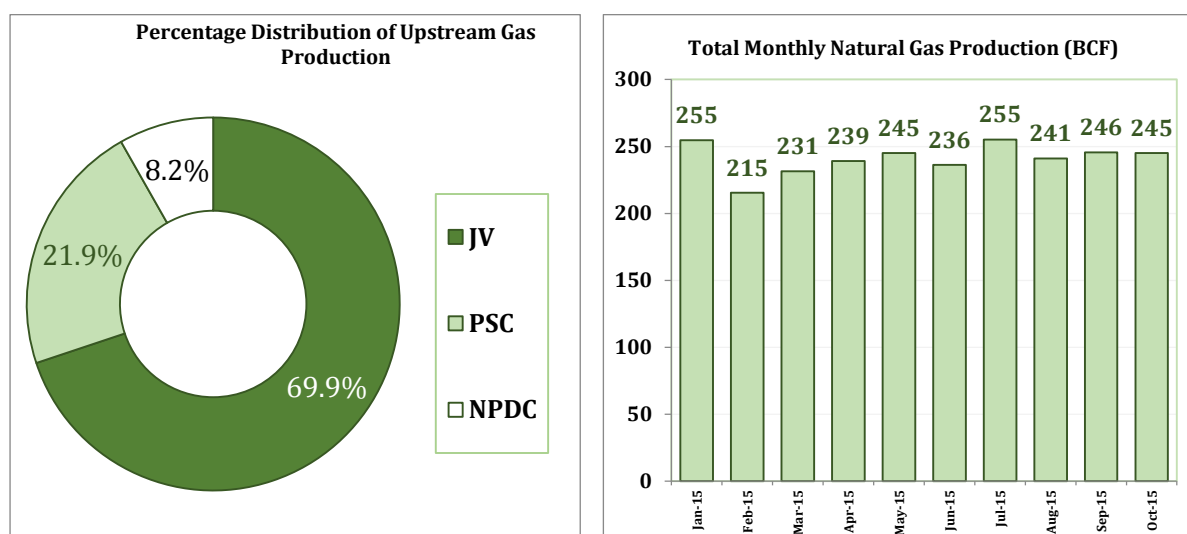


Chart 2.2.1: Monthly National Gas Production & Percentage Distribution





2.3 Crude Oil & Condensate Lifting & utilization

A total volume of 66.16 million barrels of crude oil and condensate was lifted in the month of September 2015 by all parties. Out of this volume, 22.95 million barrels was lifted by NNPC on behalf of the Federation. This comprises of 20.44 million barrels lifted on the account of NNPC while 2.50 million was superintended for FIRS.

Of the 20.44 million barrels lifted on the account of NNPC in September 2015, 13.52 million barrels and 6.93 million barrels were for domestic and export markets respectively. At an average oil price of \$47.68/bbl and exchange rate of ₦196/\$, the domestic crude oil lifted by NNPC is valued at \$644,535,782.59 or a Naira equivalent of ₦126,329,013,387.64 for the period. The remaining crude oil lifted for export was valued at \$325,281,541.77 at an average price of \$46.95/barrel. The total value of crude oil lifted on the account of NNPC in September was thus \$969,817,324.

From January to September 2015, a total volume of 570.44 million barrels of crude oil and condensate was lifted by all parties.

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

Table 2.3.1: Crude Oil & Condensate Lifting and utilization

LIFTING MONTH	NIGERIAN GOVERNMENT						IOCs & INDEPENDENTS (INC. NPDC)	AF	GRAND TOTAL
	FIRS (PSC)	DPR (PSC)	NNPC			SUB-TOTAL GOVERNMENT LIFTING			
			FEDERATION EXPORT	DOMESTIC	SUB-TOTAL (NNPC)				
Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	
Jan-15	6,599,431	410,000	6,647,330	13,564,197	20,211,527	27,220,958	38,250,075	1,291,873	66,762,906
Feb-15	4,995,452	260,000	6,539,228	14,608,257	21,147,485	26,402,937	36,991,819	1,054,215	64,448,971
Mar-15	2,295,064	1,296,138	6,071,583	14,062,453	20,134,036	23,725,238	35,552,081	1,210,000	60,487,319
Apr-15	4,754,914	51,400	5,119,906	11,173,963	16,293,869	21,100,183	40,410,853	2,297,199	63,808,235
May-15	4,862,603	1,447,689	3,940,965	12,287,020	16,227,985	22,538,277	36,123,485	2,388,624	61,050,386
Jun-15	3,268,292	550,300	5,022,429	11,193,080	16,215,509	20,034,101	37,004,226	1,775,030	58,813,357
Jul-15	7,809,563	0	1,918,716	15,493,685	17,412,401	25,221,964	37,243,405	1,263,140	63,728,509
Aug-15	6,690,638	484,972	3,393,903	10,902,373	14,296,276	21,471,886	41,440,073	2,274,562	65,186,521
Sep-15	2,504,514	0	6,927,580	13,516,762	20,444,342	22,948,856	41,128,651	2,080,328	66,157,835
TOTAL	43,780,471	4,500,499	45,581,640	116,801,790	162,383,430	210,664,400	344,144,668	15,634,971	570,444,039

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



Chart 2.3.1: Crude Oil & Condensate Monthly Lifting Entitlements

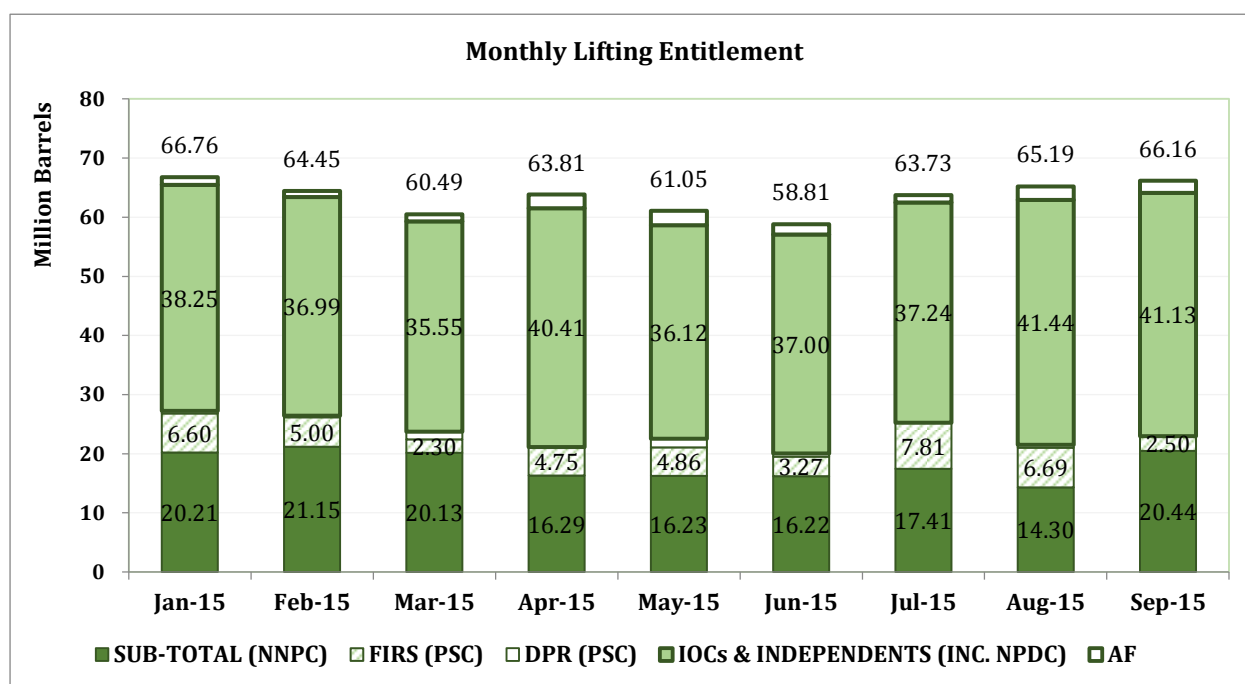


Table 2.3.2: Crude Oil Lifting Values

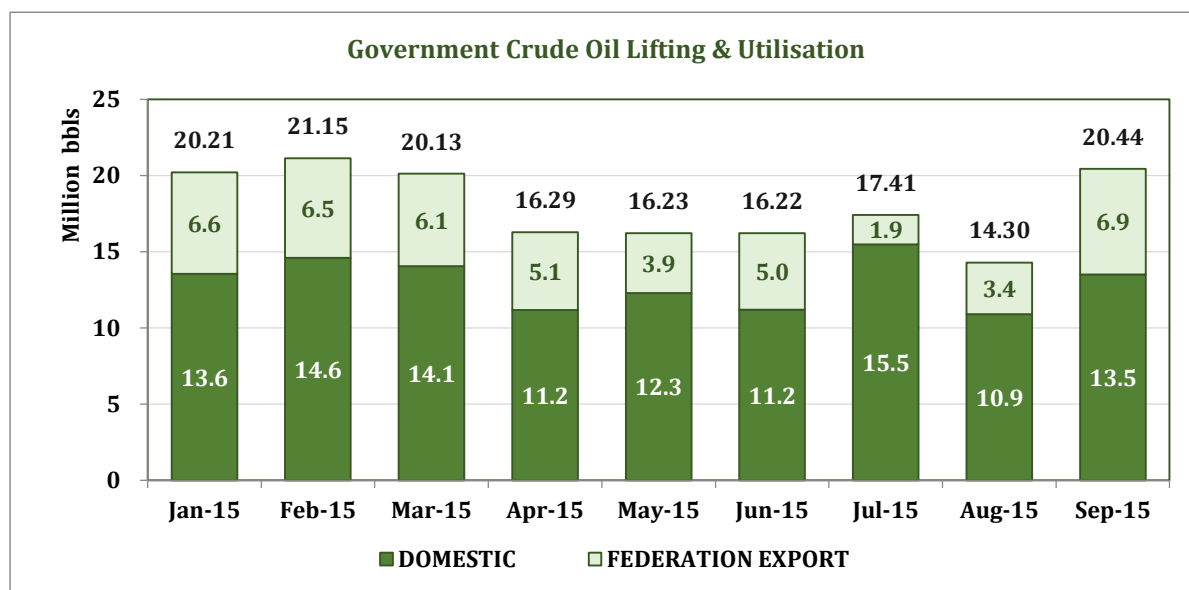
LIFTING MONTH	NIGERIAN GOVERNMENT						IOCs & INDEPENDENTS (INC. NPDC)	AF	GRAND TOTAL
	FIRS (PSC)	DPR (PSC)	NNPC			SUB-TOTAL GOVERNMENT LIFTING			
			FEDERATION EXPORT	DOMESTIC	SUB-TOTAL (NNPC)				
USD	USD	USD	USD	USD	USD	USD	USD	USD	
Jan-15	310,266,556	19,539,530	323,425,507	643,398,273	966,823,780	1,296,629,866	1,861,055,489	61,313,050	3,218,998,405
Feb-15	292,117,092	15,672,480	361,897,548	824,796,241	1,186,693,789	1,494,483,361	2,047,221,568	62,951,971	3,604,656,901
Mar-15	126,351,941	69,709,608	340,227,160	761,340,884	1,101,568,044	1,297,629,593	1,992,196,044	67,563,676	3,357,389,313
Apr-15	285,992,512	2,942,441	306,598,470	659,356,404	965,954,873	1,254,889,826	2,419,947,884	144,145,396	3,818,983,106
May-15	306,629,363	88,010,118	259,160,157	777,315,998	1,036,476,155	1,431,115,636	2,375,501,442	157,165,605	3,963,782,684
Jun-15	201,845,553	33,793,993	307,749,640	676,152,346	983,901,986	1,219,541,532	2,267,436,179	109,159,403	3,596,137,115
Jul-15	443,053,618	0	108,916,802	805,220,071	914,136,873	1,357,190,491	2,114,139,131	73,988,173	3,545,317,795
Aug-15	308,972,289	22,233,628	160,582,393	489,713,352	650,295,745	981,501,662	1,960,735,503	109,760,211	3,051,997,376
Sep-15	119,672,598	0	325,281,542	644,535,783	969,817,324	1,089,489,923	1,931,178,133	101,175,630	3,121,843,685
TOTAL	2,394,901,522	251,901,798	2,493,839,220	6,281,829,351	8,775,668,571	11,422,471,891	18,969,411,373	887,223,115	31,279,106,378

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



2.3.1 Utilization of Crude Oil for Domestic Product Supply

In September 2015, NNPC lifted 13,516,762 barrels of Crude Oil for domestic utilization translating to an average volume of 450,559 barrels of oil per day in terms of performance. In order to meet domestic product supply requirement for the month of September, 2015 about 7,597,207 barrels of crude oil was processed through Offshore Processing Agreements (OPA), 2,047,771 barrels was processed in the domestic refineries and the balance of 3,871,784 barrels was sold in the export market. Tables and charts below provide details of NNPC’s Utilization of Crude Oil for Domestic Product Supply for the period of January to September 2015.

Table 2.3.1.1 Domestic Crude Purchased By NNPC In 2015

Period	Volume	Ave. Price	Sales Value	Sales Value	Average Lifting
	Barrels	\$/bbl	USD	NGN	Barrels Per Day
Jan-15	13,564,207	47.43	643,398,273	107,447,511,536	437,555
Feb-15	14,608,257	56.46	824,796,241	161,316,709,514	521,723
Mar-15	14,062,453	54.14	761,340,884	149,222,813,261	453,628
Apr-15	11,173,963	59.01	659,356,404	129,233,855,135	372,465
May-15	12,287,020	63.26	777,315,998	152,353,935,610	396,355
Jun-15	11,193,080	60.41	676,152,346	132,525,859,854	373,103
Jul-15	15,493,685	51.97	805,220,071	157,782,872,917	499,796
Aug-15	10,902,373	44.92	489,713,352	95,983,816,906	351,689
Sep-15	13,516,762	47.68	644,535,783	116,071,631,432	450,559
Total/Ave	116,801,800	53.78	6,281,829,351	1,201,939,006,165	427,845



Chart 2.3.1.1: NNPC Crude Oil Utilization for Domestic Product Supply

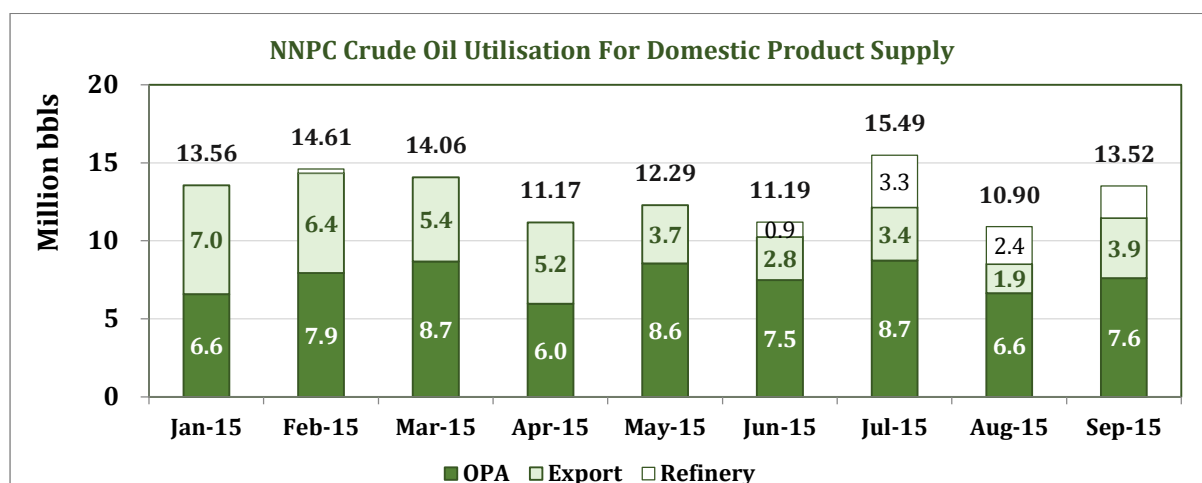
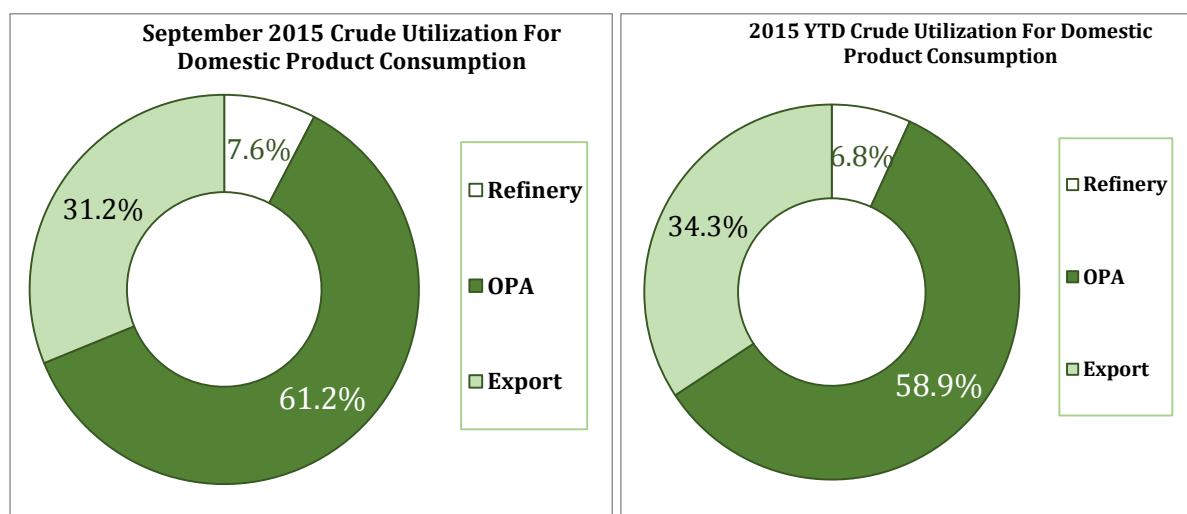


Table 2.3.1.2 Breakdown of NNPC Utilization of Crude oil for Domestic Product Supply

Month	EXPORT			OFFSHORE PROCESSING			DELIVERIES TO REFINERIES			TOTAL		
	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn	Qty ('000 Bbls)	Value in US\$Mn	Naira/Mn
Jan-15	6,993.53	330.91	55,261.96	6,570.68	312.49	52,185.55	-	-	-	13,564.21	643.40	107,447.51
Feb-15	6,408.80	356.01	70,134.06	7,934.01	441.15	86,906.62	265.45	27.64	4,276.03	14,608.26	824.80	161,316.71
Mar-15	5,388.98	293.84	57,591.71	8,673.47	467.51	91,631.10	-	-	-	14,062.45	761.34	149,222.81
Apr-15	5,219.86	306.00	59,975.10	5,954.11	353.36	69,258.76	-	-	-	11,173.96	659.36	129,233.86
May-15	3,735.48	239.32	46,907.38	8,551.54	537.99	105,446.56	-	-	-	12,287.02	777.32	152,353.94
Jun-15	2,761.38	166.51	32,636.06	7,483.12	451.83	88,558.40	948.58	57.81	11,331.40	11,193.08	676.15	132,525.86
Jul-15	3,415.78	189.56	37,144.82	8,731.92	441.17	86,448.16	3,345.99	174.48	34,189.90	15,493.69	805.22	157,782.87
Aug-15	1,861.37	83.09	16,285.35	6,643.33	298.90	58,584.02	2,397.68	107.73	21,114.45	10,902.37	489.71	95,983.82
Sep-15	3,871.78	185.57	36,372.16	7,597.21	362,868.61	71,122.25	2,047.77	96,094.94	18,834.61	13,516.76	459,149.12	126,329.01
Grand Total	39,656.95	2,150.81	412,308.59	68,139.37	366,173.01	710,141.40	9,005.48	96,462.60	89,746.39	116,801.80	464,786.41	1,212,196.39

Chart 2.3.1.2: Percentage Distribution for September 2015 Domestic Crude Utilization





2.4 Natural Gas Off take, Commercialization & Utilization

Out of the 244.16 BCF of gas produced in October 2015, a total of 140.39 BCF of gas was commercialized comprising of 32.53 BCF and 107.86 BCF for the domestic and export market respectively. This translates to an average daily supply of 1,049.44 mmscfd of gas to the domestic market and 3,453.31 mmscfd of gas supplied to the export market.

This implies that 57.36% of the total gas produced was commercialized while the balance of 42.64% was either re-injected, used as upstream fuel gas or flared. Gas flare rate was 8.96% for the month of October 2015 ie 703.53 mmscfd compared with the 2015 YTD average flare rate of 9.48% ie 743.38 mmscfd.

From the 1,049.44 mmscfd of gas supplied to the domestic market in October, about 727.81 mmscfd of gas representing 69.35% was used for Gas-Fired power plants while the balance of 321.62 mmscfd or 30.65% was supplied to other industries. Similarly, for the period of January – October an average of 1,029.91 mmscfd of gas was supplied to the domestic market comprising of an average of 690.45 mmscfd or (67.04%) as gas supply to the power plants and 339.46 mmscfd or (32.96%) as gas supply to industries.

About 2,866.66 mmscfd or 83.01% of the export gas was sent to Nigerian Liquefied Natural Gas Company (NLNG) for October 2015 compared with a 2015 YTD average of 2,952.99 mmscfd.

Total gas supply for the period January to October 2015 stands at 313.25 BCF and 1,041.08 BCF for the domestic and export market respectively. The tables and chart below provides more details of the gas utilization and commercialization for the period January to October 2015.

Table 2.4.1 Total Gas Commercialization and utilization

Period	Gas Commercialisation								Non-Commercialized Gas			
	Domestic Gas			Export Gas					Re-Injection	Fuel Gas	Flare	Total Non-Commercial 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	
Jan-15	20.82	9.50	30.32	1.63	4.68	8.35	97.84	112.51	69.14	12.21	26.68	108.03
Feb-15	18.08	9.32	27.40	1.42	3.35	6.05	76.37	87.20	59.79	11.49	26.20	97.48
Mar-15	20.82	11.21	32.03	1.85	4.94	5.65	86.19	98.64	57.59	11.62	28.49	97.69
Apr-15	18.15	10.10	28.25	1.72	5.39	7.40	89.59	104.10	67.56	13.52	22.66	103.75
May-15	16.52	9.91	26.44	1.78	6.40	7.60	92.99	108.78	74.60	13.51	19.07	107.19
Jun-15	20.37	10.00	30.37	1.35	4.07	7.76	89.55	102.73	70.35	12.32	18.66	101.33
Jul-15	24.37	11.01	35.38	2.10	3.99	7.25	96.77	110.11	76.33	12.36	18.80	107.50
Aug-15	25.16	11.27	36.43	2.44	4.99	7.49	86.38	101.30	69.68	11.31	21.28	102.27
Sep-15	23.19	10.90	34.10	2.82	4.99	6.46	93.59	107.86	68.06	11.93	21.89	101.88
Oct-15	22.56	9.97	32.53	2.01	8.22	7.96	88.87	107.86	69.50	12.45	21.81	103.76
Total	210.05	103.20	313.25	19.12	51.03	71.98	898.15	1,041.08	682.62	122.72	225.53	1,030.88

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



Chart 2. 4.1 Percentage Distribution of Gas Utilization

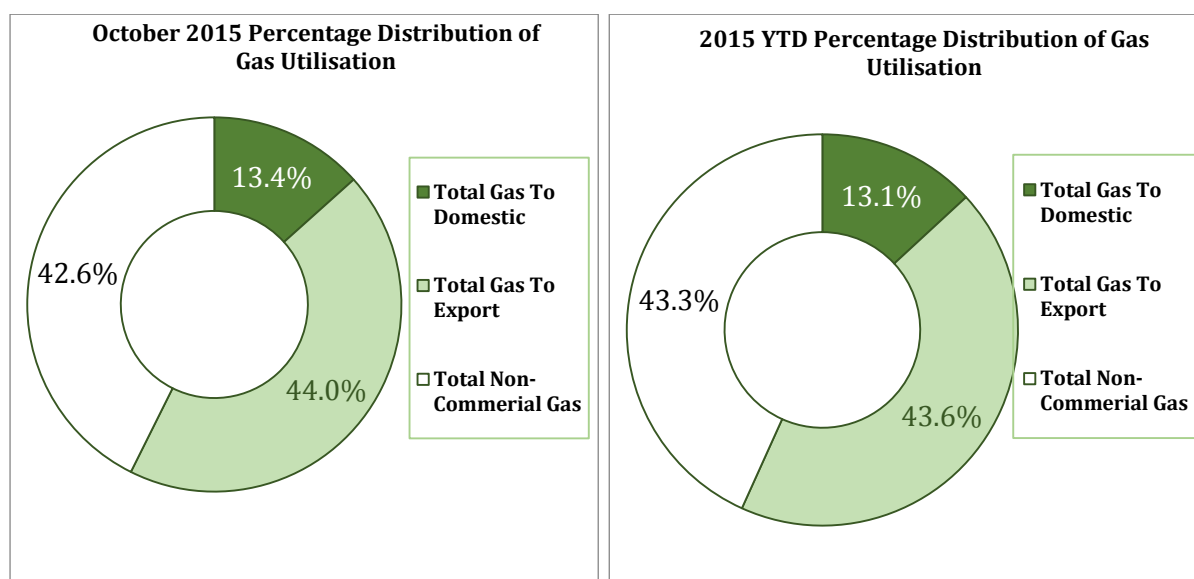


Table 2.4.2 Daily Average Gas Commercialization and utilization

Period	Gas Commercialisation								Non-Commercialized Gas			
	Domestic Gas			Export Gas					Re-Injection	Fuel Gas	Flare	Total Non-Commercial 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	mmscfd
Jan-15	671.76	306.38	978.14	52.68	151.00	269.33	3,156.24	3,629.25	2,230.44	393.79	860.65	3,484.88
Feb-15	645.58	332.84	978.42	50.80	119.71	216.18	2,727.51	3,114.20	2,135.46	410.42	935.57	3,481.45
Mar-15	671.61	361.75	1,033.36	59.80	159.45	182.21	2,780.45	3,181.92	1,857.61	374.72	918.97	3,151.30
Apr-15	605.05	336.63	941.68	57.32	179.80	246.50	2,986.40	3,470.03	2,252.14	450.76	755.28	3,458.18
May-15	533.06	319.72	852.78	61.31	206.55	245.31	2,999.79	3,512.97	2,406.57	435.96	615.11	3,457.64
Jun-15	678.89	333.46	1,012.35	45.00	135.70	258.52	2,985.01	3,424.23	2,344.95	410.56	622.08	3,377.60
Jul-15	786.14	355.20	1,141.34	67.68	128.61	233.99	3,121.61	3,551.89	2,462.41	398.71	606.55	3,467.66
Aug-15	811.51	363.53	1,175.03	84.18	160.94	241.70	2,786.41	3,273.22	2,247.69	364.97	686.46	3,299.12
Sep-15	773.12	363.44	1,136.56	93.84	166.38	215.35	3,119.81	3,595.38	2,268.82	397.63	729.56	3,396.01
Oct-15	727.81	321.62	1,049.44	64.69	265.10	256.87	2,866.66	3,453.31	2,242.04	401.64	703.53	3,347.20
Average	690.45	339.46	1,029.91	63.73	167.32	236.60	2,952.99	3,420.64	2,244.81	403.92	743.38	3,392.10

3 Refinery Operations

3.1 Capacity Utilization

Total Crude processed by the three Refineries, in the month of October 2015 was zero. However, 92,332 MT of unfinished product was processed which translates to a combined yield efficiency of 78.93%.



From January to October 2015, the three refineries produced 682,901 MT (5,007,030.13 bbls) of finished Petroleum Products out of 955,537 MT (7,005,997.28 bbls) of Crude processed at an average capacity utilization of 5.18% and yield efficiency of 78.93%. The table and chart below provide more details.

Table 3.1.1: Refineries Operations Consolidated

Operational Parameters	Units	Consolidated Refineries Operations										
		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	YTD
Opening Stock (A)	MT	311,096	152,580	156,522	157,379	155,960	165,188	242,463	285,216	299,744	491,540	2,417,688
Crude Received (B)	MT	43,732	2,509	0	27,665	12,521	77,006	296,784	462,218	220,850	50,777	1,194,062
Total Crude Available (C=A+B)	MT	354,828	155,089	156,522	185,044	168,481	242,194	539,247	747,434	520,594	542,317	3,611,750
Closing Stock (D=C-E)	MT	152,580	156,522	157,379	155,960	165,188	242,463	282,841	299,744	491,540	493,959	2,598,176
Crude Processed (E)	MT	210,420	0	0	0	0	0	256,317	453,152	35,648	0	955,537
(i) Finished Products	MT	113,514	32,370	2,778	19,830	2,463	15,469	100,543	232,171	100,269	68,420	682,901
(ii) Intermediate Products	MT	57,924	51,371	27,814	31,052	1,201	22,458	140,009	180,847	83,650	92,332	71,304
(iii) Plant Consumption	MT	35,432	17,107	23,048	7,617	1,262	3,082	13,117	32,574	15,922	18,749	167,910
(iv) Losses	MT	3,551	1,894	1,988	3,605	0	3,907	2,649	7,561	3,107	5,162	33,424
Plant Capacity	kpd	445	445	445	445	445	445	445	445	445	445	445
Capacity Utilization	%	11.18%	0.00%	0.00%	0.00%	0.00%	0.00%	13.62%	24.08%	1.96%	0.00%	5.18%
Losses	%	1.69%	0.00%	0.00%	0.00%	0.00%	0.00%	1.03%	1.67%	8.72%	0.00%	3.50%
Plant Consumption	%	16.84%	0.00%	0.00%	0.00%	0.00%	0.00%	5.12%	7.19%	44.66%	0.00%	17.57%
Yields Efficiency based on CDU, CRU & FCC (%)	%	53.95%	0.00%	0.00%	0.00%	0.00%	0.00%	39.23%	51.23%	281.28%	0.00%	78.93%

Chart 3.1.1: Refineries Consolidated Capacity Utilization

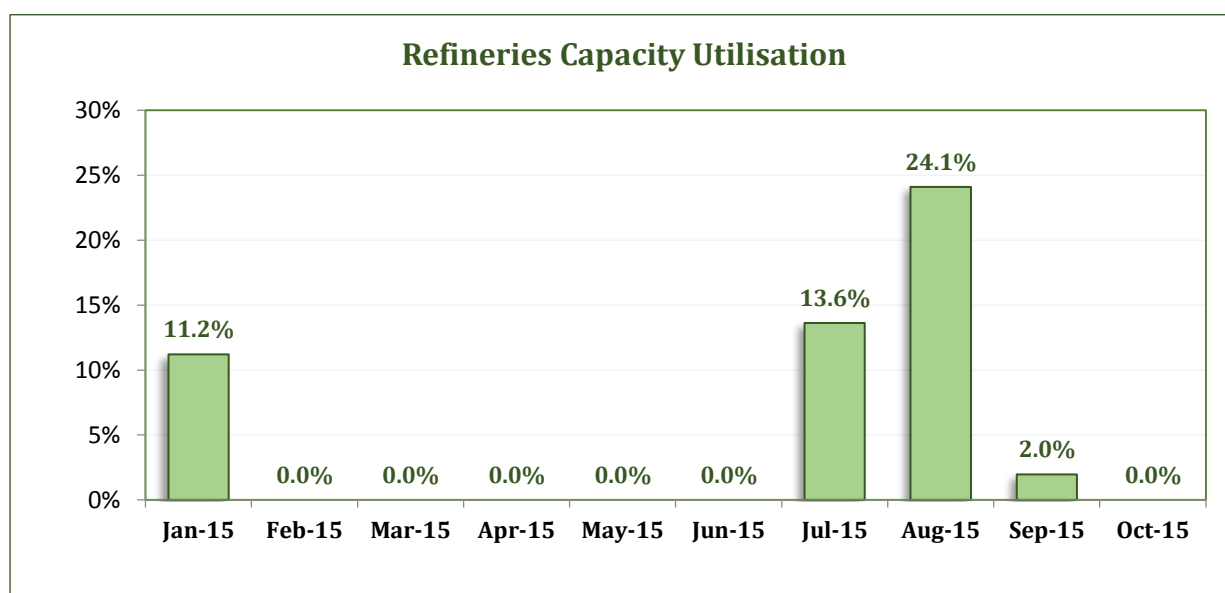




Table 3.1.2 Refineries Monthly Operations

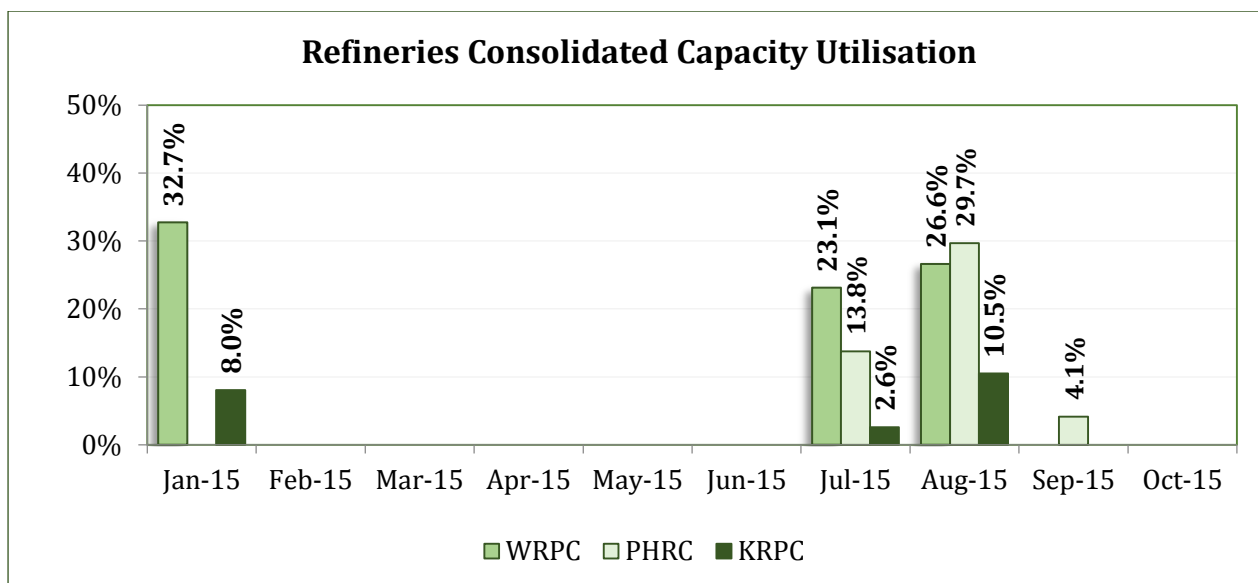
Operational Parameters	Units	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	YTD
		WRPC										
Opening Stock (A)	MT	210,939	73,978	73,978	73,978	53,232	57,627	131,894	130,940	145,977	194,865	1,147,408
Crude Received (B)	MT	30,419	0	0	10,261	7,303	74,267	118,859	153,826	42,294	44,841	482,070
Total Crude Available (C=A+B)	MT	241,358	73,978	73,978	84,239	60,535	131,894	250,753	284,766	188,271	239,706	1,629,478
Closing Stock (D=C-E)	MT	73,978	73,978	73,978	53,232	57,627	131,894	128,565	145,977	194,865	190,000	1,124,094
Crude Processed (E)	MT	173,017	0	0	0	0	0	122,118	140,778	0	0	435,913
(i) Finished Products	MT	110,958	29,294	901	3,405	4,384	14,703	46,106	111,055	12,293	4,259	328,746
(ii) Intermediate Products	MT	50,537	32,905	0	437	4,991	16,228	69,016	18,999	13,279	6,695	64,891
(iii) Plant Consumption	MT	8,897	3,017	901	1,997	607	838	6,005	8,552	986	2,435	34,235
(iv) Losses	MT	2,626	594	0	971	0	687	992	2,173	0	0	8,043
Plant Capacity	kpd	125	125	125	125	125	125	125	125	125	125	125
Capacity Utilization	%	32.74%	0.00%	0.00%	0.00%	0.00%	0.00%	23.11%	26.64%	0.00%	0.00%	8.41%
Losses	%	1.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.81%	1.54%	0.00%	0.00%	1.85%
Plant Consumption	%	5.14%	0.00%	0.00%	0.00%	0.00%	0.00%	4.92%	6.07%	0.00%	0.00%	7.85%
Yields Efficiency based on CDU, CRU & FCC (%)	%	93.34%	0.00%	0.00%	0.00%	0.00%	0.00%	94.27%	92.38%	0.00%	0.00%	90.30%

Operational Parameters	Units	PHRC										
		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	YTD
Opening Stock (A)	MT	31,636	34,171	35,620	36,477	38,400	38,015	38,315	69,740	114,595	257,503	694,472
Crude Received (B)	MT	0	0	0	0	0	0	153,566	308,392	178,556	5,936	646,450
Total Crude Available (C=A+B)	MT	31,636	34,171	35,620	36,477	38,400	38,015	191,881	378,132	293,151	263,439	1,340,922
Closing Stock (D=C-E)	MT	34,171	35,620	36,477	38,400	38,015	38,315	69,740	114,595	257,503	264,787	927,623
Crude Processed (E)	MT	0	0	0	0	0	0	122,141	263,537	35,648	0	421,326
(i) Finished Products	MT	808	3,076	3,679	23,235	6,847	1,847	54,437	105,780	63,764	57,786	302,255
(ii) Intermediate Products	MT	17,116	13,817	15,907	30,183	6,545	3,290	61,085	147,688	40,299	71,260	23,446
(iii) Plant Consumption	MT	17,414	9,441	10,240	4,314	302	1,917	5,118	7,933	9,076	8,312	74,067
(iv) Losses	MT	510	1,300	1,988	2,634	0	3,220	1,501	2,136	3,107	5,162	21,558
Plant Capacity	kpd	210	210	210	210	210	210	210	210	210	210	210
Capacity Utilization	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	13.76%	29.68%	4.15%	0.00%	4.84%
Losses	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.23%	0.81%	8.72%	0.00%	5.12%
Plant Consumption	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.19%	3.01%	25.46%	0.00%	17.58%
Yields Efficiency based on CDU, CRU & FCC (%)	%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	94.58%	96.18%	65.82%	0.00%	77.30%

Operational Parameters	Units	KRPC										
		Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	YTD
Opening Stock (A)	MT	68,521	44,431	46,924	46,924	64,328	69,546	72,254	84,536	39,172	39,172	575,808
Crude Received (B)	MT	13,313	2,509	0	17,404	5,218	2,739	24,359	0	0	0	65,542
Total Crude Available (C=A+B)	MT	81,834	46,940	46,924	64,328	69,546	72,285	96,613	84,536	39,172	39,172	641,350
Closing Stock (D=C-E)	MT	44,431	46,924	46,924	64,328	69,546	72,254	84,536	39,172	39,172	39,172	546,459
Crude Processed (E)	MT	37,403	0	0	0	0	0	12,058	48,837	0	0	98,298
(i) Finished Products	MT	3,364	0	0	0	0	2,613	0	15,336	24,212	6,375	51,900
(ii) Intermediate Products	MT	24,503	4,649	11,907	1,306	353	2,940	9,908	14,160	30,072	14,377	17,033
(iii) Plant Consumption	MT	9,121	4,649	11,907	1,306	353	327	1,994	16,089	5,860	8,002	59,608
(iv) Losses	MT	415	0	0	0	0	0	156	3,252	0	0	3,823
Plant Capacity	kpd	110	110	110	110	110	110	110	110	110	110	110
Capacity Utilization	%	8.04%	0.00%	0.00%	0.00%	0.00%	0.00%	2.59%	10.50%	0.00%	0.00%	2.16%
Losses	%	1.11%	0.00%	0.00%	0.00%	0.00%	0.00%	1.29%	6.66%	0.00%	0.00%	3.89%
Plant Consumption	%	24.39%	0.00%	0.00%	0.00%	0.00%	0.00%	16.54%	32.94%	0.00%	0.00%	60.64%
Yields Efficiency based on CDU, CRU & FCC (%)	%	74.50%	0.00%	0.00%	0.00%	0.00%	0.00%	82.17%	60.40%	0.00%	0.00%	35.47%

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

Chart 3.1.2: Refineries Monthly Capacity Utilization



3.2 Crude Processed and Production for October 2015

The combined value of output by the three refineries (at import parity price) for the month of October 2015 amounted to ₦5.49 billion while the associated Crude plus freight cost was zero, giving a loss of ₦1.45 billion after considering overhead of ₦6.94 billion as shown in Table 3.2.

Table 3.2.1: Refinery Financial Performance January – October 2015

Refinery Financial Performance 2015	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million	NGN Million
WRPC										
Revenue	18,367.58	11.61	25.73	12.40	13.75	19.36	13,217.78	12,836.46	11.47	0.95
Crude + Freight (COGS)	(12,079.52)	0.00	0.00	0.00	0.00	0.00	(11,463.76)	(11,708.82)	(883.41)	0.00
Opex	(1,620.06)	(1,401.46)	(1,364.04)	(1,765.82)	(1,302.02)	(1,551.36)	(1,675.36)	(2,322.26)	(6,651.94)	(1,463.34)
Operating Profit/Loss	4,668.00	(1,389.85)	(1,338.31)	(1,753.42)	(1,288.27)	(1,532.00)	78.66	(1,194.62)	(7,523.89)	(1,462.40)
KRPC										
Revenue	378.44	397.41	981.84	178.87	58.21	444.50	211.78	2,649.46	2,677.55	1,195.97
Crude + Freight (COGS)	(2,251.97)	0.00	0.00	0.00	0.00	0.00	(1,205.96)	(3,339.55)	(441.70)	0.00
Opex	(3,237.67)	(3,070.64)	(3,241.61)	(3,223.40)	(2,653.25)	(3,106.87)	(2,853.08)	(3,299.69)	(3,564.62)	(3,170.66)
Operating Profit/Loss	(5,111.20)	(2,673.23)	(2,259.77)	(3,044.53)	(2,595.04)	(2,662.37)	(3,847.26)	(3,989.78)	(1,328.78)	(1,974.70)
PHRC										
Revenue	432.45	27.18	2,479.57	455.29	27.15	37.36	13,661.78	29,708.02	7,221.79	4,293.04
Crude + Freight (COGS)	0.00	0.00	0.00	0.00	0.00	0.00	(11,346.83)	(22,757.26)	(5,026.04)	0.00
Opex	(1,929.37)	(1,732.50)	(1,775.05)	(1,891.93)	(1,739.99)	(1,742.33)	(1,757.69)	(1,905.48)	(2,184.72)	(2,301.00)
Net Cash Flow	(1,496.92)	(1,705.32)	704.52	(1,436.64)	(1,712.84)	(1,704.97)	557.26	5,045.28	11.03	1,992.04
Consolidated										
Revenue	19,178.47	436.20	3,487.14	646.56	99.11	501.22	27,091.34	45,193.94	9,910.80	5,489.95
Crude + Freight (COGS)	(14,331.49)	0.00	0.00	0.00	0.00	0.00	(24,016.55)	(37,805.62)	(6,351.15)	0.00
Opex	(6,787.10)	(6,204.60)	(6,380.70)	(6,881.15)	(5,695.26)	(6,400.56)	(6,286.13)	(7,527.44)	(12,401.28)	(6,935.01)
Operating Profit/Loss	(1,940.12)	(5,768.40)	(2,893.56)	(6,234.59)	(5,596.15)	(5,899.34)	(3,211.34)	(139.12)	(8,841.63)	(1,445.06)

Note: The combined factors of Low Crude Supply due to vandalized pipelines, Plant preservation cost to maintain plant integrity, Rehab/TAM work are key factors responsible for deficit in months prior to August 2015



4 Petroleum Product Supply & Distribution

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

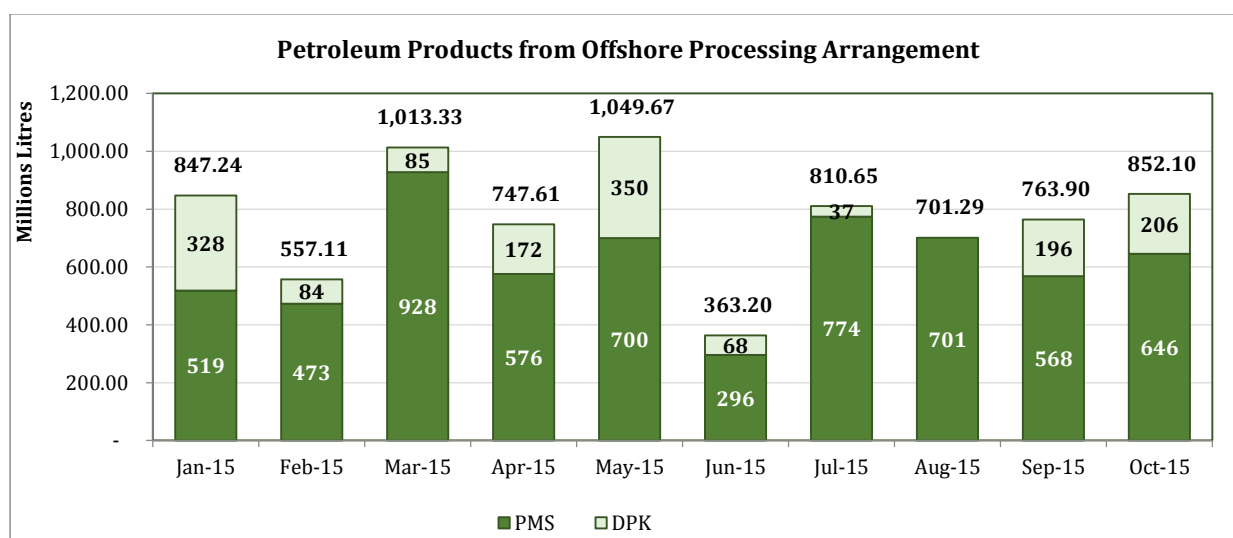
In October 2015, 852.10 million litres of white products was supplied into the country through the OPA arrangements compared with a volume of 763.90 million litres achieved in the prior month of September 2015. DPK receipt in October 2015 was 206.46 million litres compared with 196.30 million litres imported in the prior month of September. The tables and charts below provide more details of the total petroleum product supply from OPAs.

Table 4.1.1: Imported Petroleum Products from OPA in litres 2015

Period	PMS	DPK	TOTAL
	Litres	Litres	Litres
Jan-15	518,772,435.65	328,471,903.76	847,244,339.41
Feb-15	472,805,826.73	84,308,867.10	557,114,693.84
Mar-15	928,342,421.75	84,985,825.23	1,013,328,246.98
Apr-15	575,901,484.32	171,709,078.46	747,610,562.78
May-15	700,039,657.96	349,630,514.46	1,049,670,172.43
Jun-15	295,642,465.38	67,562,199.94	363,204,665.32
Jul-15	773,679,148.25	36,968,789.09	810,647,937.33
Aug-15	701,294,113.85	-	701,294,113.85
Sep-15	567,601,005.43	196,295,727.94	763,896,733.37
Oct-15	645,641,292.96	206,461,653.55	852,102,946.51
TOTAL	6,179,719,852	1,526,394,560	7,706,114,412

Similarly, the PMS supply in October 2015 was 645.64 million litres compared to September 2015 supply of 567.60 million litres.

Chart 4.1.1: Petroleum Products Supply from Offshore Processing Arrangement





4.2 Petroleum Products Supply from Domestic Refineries

The petroleum products (PMS & DPK Only) production by the domestic refineries in October 2015 amounted to 102.46 million litres compared to 75.79 million litres in August 2015 as shown in Table 4.2.1.

Table 4.2.1: Refined Petroleum Products in Litres

Period	PMS	DPK (Litres)	Total (PMS+DPK)
	Litres	Litres	Litres
Jan-15	180,510,669	63,937,104	244,447,773
Feb-15	60,764,733	0	60,764,733
Mar-15	55,103,031	0	55,103,031
Apr-15	58,084,074	0	58,084,074
May-15	28,980,351	0	28,980,351
Jun-15	57,822,579	0	57,822,579
Jul-15	53,394,597	29,859,984	83,254,581
Aug-15	116,464,509	83,780,928	200,245,437
Sep-15	72,011,700	3,774,848	75,786,548
Oct-15	102,469,833	0	102,469,833
Total	785,606,076	181,352,864	966,958,940

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

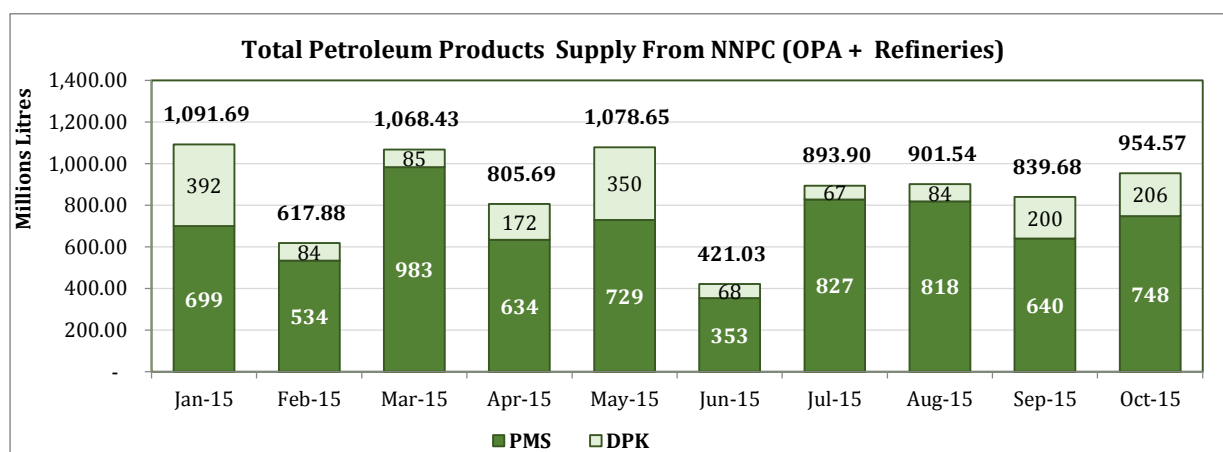
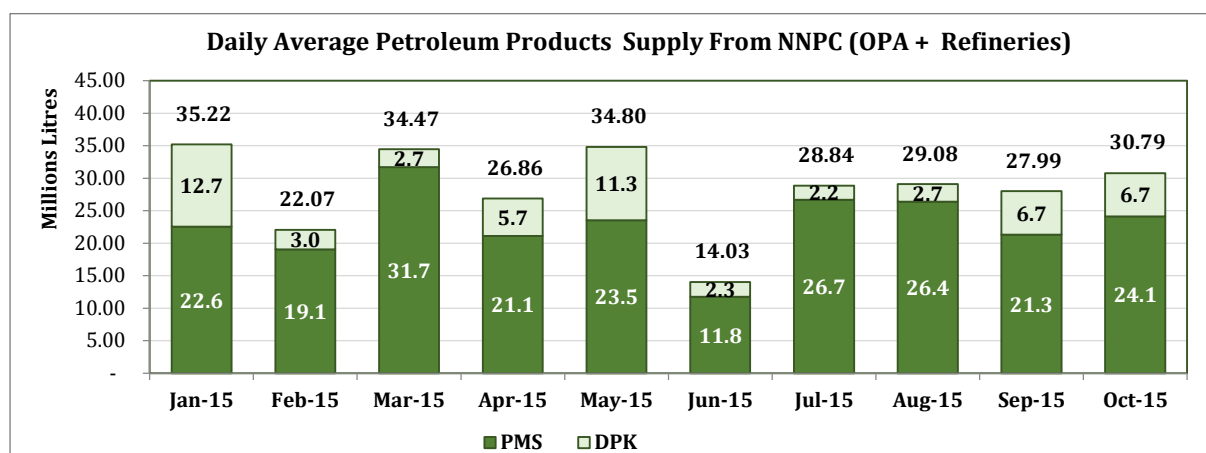


Table 4.2.2 Total Petroleum White Product Supply from NNPC (OPA+ Refineries)

Period	Total Product Supply (OPA+Refineries)			Average Daily Supply	
	PMS	DPK	Total	PMS	DPK
	Litres	Litres	Litres	Litres/Day	Litres/Day
Jan-15	699,283,104.65	392,409,007.76	1,091,692,112.41	22,557,519.50	12,658,355.09
Feb-15	533,570,559.73	84,308,867.10	617,879,426.84	19,056,091.42	3,011,030.97
Mar-15	983,445,452.75	84,985,825.23	1,068,431,277.98	31,724,046.86	2,741,478.23
Apr-15	633,985,558.32	171,709,078.46	805,694,636.78	21,132,851.94	5,723,635.95
May-15	729,020,008.96	349,630,514.46	1,078,650,523.43	23,516,774.48	11,278,403.69
Jun-15	353,465,044.38	67,562,199.94	421,027,244.32	11,782,168.15	2,252,073.33
Jul-15	827,073,745.25	66,828,773.09	893,902,518.33	26,679,798.23	2,155,766.87
Aug-15	817,758,622.85	83,780,928.00	901,539,550.85	26,379,310.41	2,702,610.58
Sep-15	639,612,705.43	200,070,575.94	839,683,281.37	21,320,423.51	6,669,019.20
Oct-15	748,111,125.96	206,461,653.55	954,572,779.51	24,132,616.97	6,660,053.34
Total	6,965,325,928.27	1,707,747,423.54	8,673,073,351.81	22,912,256.34	5,617,590.21



Table 4.2.3 Daily Average Petroleum Product Supply from NNPC (OPA+ Refineries)



4.3 Downstream Petroleum Product Distributions

A total of 676.70 million litres of white product was distributed and sold by PPMC in the month of October 2015 compared with 507.90 million litres in the prior month of September 2015. This is comprised of 645.79 million litres of PMS, 4.72 million litres of Kerosene and 26.16 million litres of Diesel. Total sale of white products for the period January to October 2015 stands at 7.08 billion litres, PMS (5.73 billion litres) accounts for 80.87%. The Tables and Charts below provide more details of white products sold by NNPC PPMC for the period January – October 2015. While total special products of 57.21million litres comprises 3.19 million litres of special products and 54.02 million litres of Bunker products. Sales of special products had dramatically increased by almost 204% relative to September, 2015 sale. The performance is attributable to ramp up in bunker distribution in October, 2015.

Table 4.3.1 Downstream Petroleum product sales by PPMC

Period	PMS	AGO	DPK	Total White Products	Special Products	Export/Bunker	Total Special Products
	Litres	Litres	Litres	Litres	Litres	Litres	Litres
Jan-15	512,396,097	20,966,547	303,183,934	836,546,578	2,070,000	0	2,070,000
Feb-15	499,945,695	19,004,650	93,309,212	612,259,557	8,319,643	0	8,319,643
Mar-15	795,149,204	31,644,056	124,187,347	950,980,607	8,499,145	0	8,499,145
Apr-15	582,586,368	17,227,372	191,077,678	790,891,418	750,000	0	750,000
May-15	566,290,963	13,988,465	271,031,091	851,310,519	936,000	0	936,000
Jun-15	582,416,290	11,601,322	42,022,793	636,040,405	132,082	0	132,082
Jul-15	570,023,134	3,292,716	40,506,046	613,821,896	4,422,048	0	4,422,048
Aug-15	516,699,923	6,562,586	83,581,196	606,843,705	9,834,225	8,351,455	18,185,680
Sep-15	456,814,949	19,676,371	31,412,691	507,904,011	2,428,900	15,720,816	18,149,716
Oct-15	645,791,079	26,159,353	4,752,112	676,702,544	3,192,679	54,024,019	57,216,698
Total	5,728,113,703	170,123,438	1,185,064,100	7,083,301,241	40,584,722	78,096,290	118,681,012



Chart 4.3.1 Monthly Petroleum White Product sales by PPMC

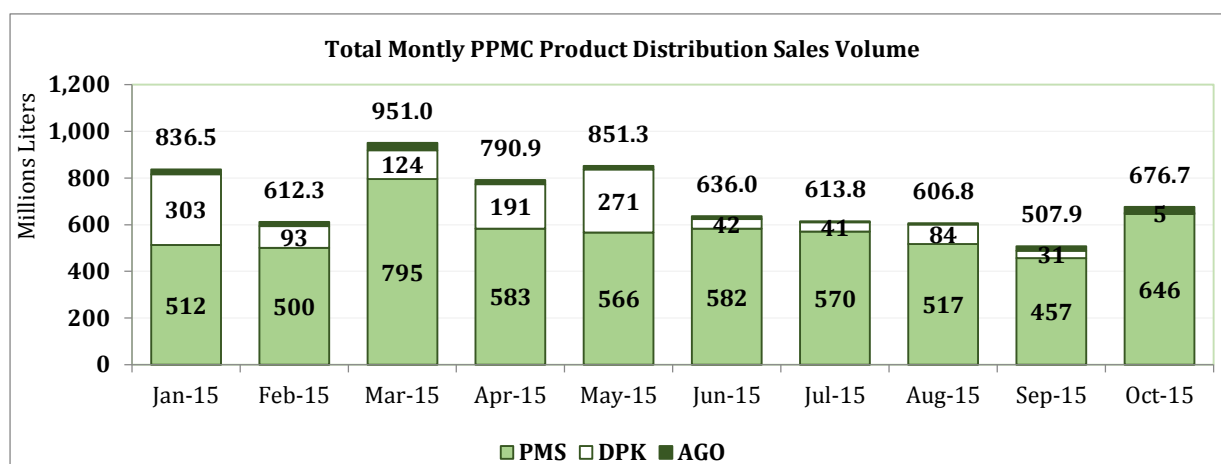
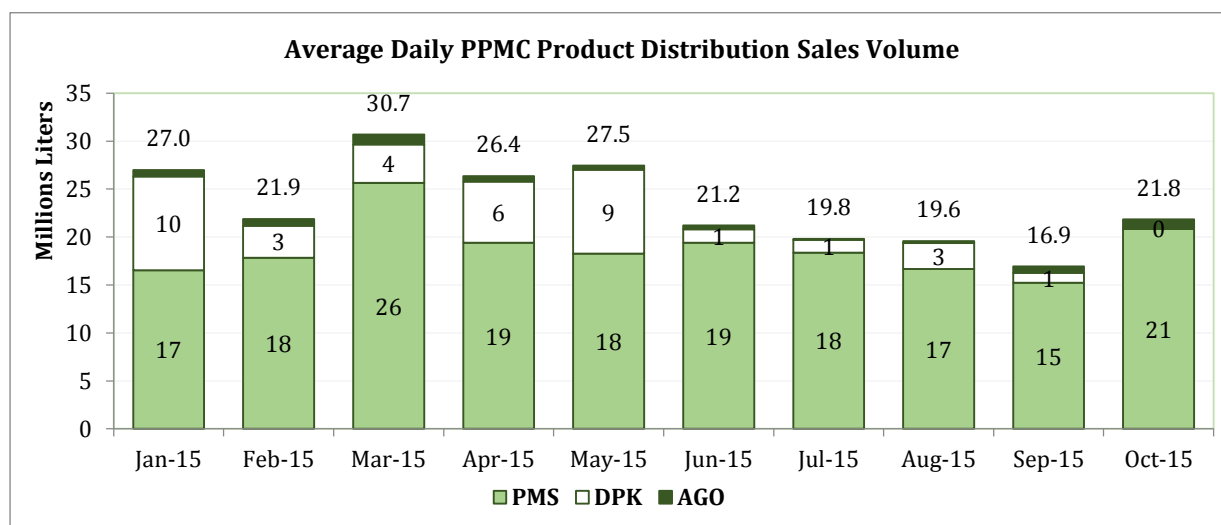


Table 4.3.2 Daily Average Petroleum White Product Sales by PPMC

Period	PMS	AGO	DPK	Total White Products	Special Products	Export/ Bunker	Total Special Products
	Liters/Day	Liters/Day	Liters/Day	Liters/Day	Liters/Day	Liters/Day	Liters/Day
Jan-15	16,528,906	676,340	9,780,127	26,985,373	66,774	0	66,774
Feb-15	17,855,203	678,738	3,332,472	21,866,413	297,130	0	297,130
Mar-15	25,649,974	1,020,776	4,006,043	30,676,794	274,166	0	274,166
Apr-15	19,419,546	574,246	6,369,256	26,363,047	25,000	0	25,000
May-15	18,267,450	451,241	8,742,938	27,461,630	30,194	0	30,194
Jun-15	19,413,876	386,711	1,400,760	21,201,347	4,403	0	4,403
Jul-15	18,387,843	106,217	1,306,647	19,800,706	142,647	0	142,647
Aug-15	16,667,739	211,696	2,696,168	19,575,603	317,233	269,402	586,635
Sep-15	15,227,165	655,879	1,047,090	16,930,134	80,963	524,027	604,991
Oct-15	20,831,970	843,850	153,294	21,829,114	102,990	1,742,710	1,845,700
Total	18,842,479	559,617	3,898,237	23,300,333	1,341,499	2,536,139	390,398

Chart 4.3.2 Average Daily White Products Distribution sales by NNPC PPMC



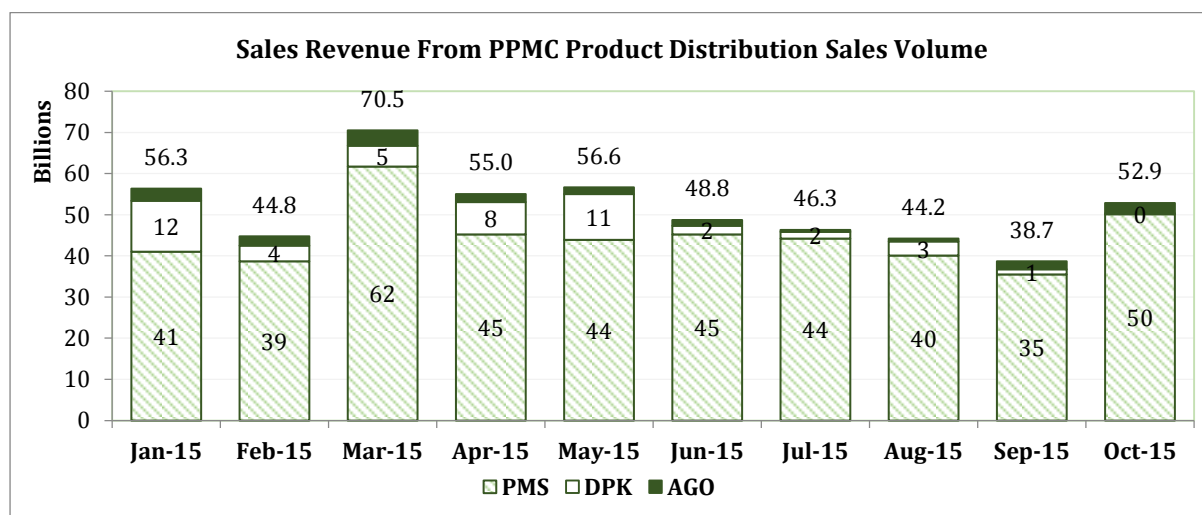


A total value of 52.85 billion naira was collected as sales revenue for white products sold by PPMC in the month of October 2015 compared with 38.66 billion naira collected in the prior month of September 2015. Total sales revenues for white products sold for the period January to October stands at 514.04 billion naira where PMS contributed about 86.72% of the revenues collected with a value of 445.84 billion naira. Table and chart below provide details accordingly.

Table 4.3.3 Sales Revenue for Petroleum White Product Distribution

Period	PMS	AGO	DPK	Total White Products Revenue	Special Products	Export/ Bunker	Total Special Products Revenue
	Naira	Naira	Naira	Naira	Naira	Naira	Naira
Jan-15	41,039,382,833	2,892,544,824	12,400,222,901	56,332,150,558	115,257,600	0	115,257,600
Feb-15	38,731,828,782	2,211,571,121	3,816,346,771	44,759,746,673	563,624,625	0	563,624,625
Mar-15	61,718,451,733	3,686,952,718	5,079,262,492	70,484,666,943	612,971,796	0	612,971,796
Apr-15	45,243,657,319	1,974,058,858	7,815,077,030	55,032,793,208	41,760,000	0	41,760,000
May-15	43,937,131,621	1,612,590,245	11,085,171,622	56,634,893,488	53,627,220	0	53,627,220
Jun-15	45,230,449,083	1,441,464,259	2,084,424,706	48,756,338,048	11,320,748	0	11,320,748
Jul-15	44,235,234,795	395,718,609	1,656,697,281	46,287,650,685	366,587,779	0	366,587,779
Aug-15	40,075,798,540	741,703,470	3,418,470,916	44,235,972,926	766,479,497	197,205,751	963,685,247
Sep-15	35,476,248,942	1,904,976,828	1,284,779,062	38,666,004,832	135,241,152	348,511,861	483,753,013
Oct-15	50,152,135,231	2,506,066,017	194,361,381	52,852,562,629	172,036,342	349,989,115	522,025,457
Total	445,840,318,879	19,367,646,949	48,834,814,162	514,042,779,990	2,838,906,759	895,706,727	3,734,613,486

Chart 4.3.3 Monthly Sales Revenue for Petroleum White Product Distribution



4.4 Domestic Gas Supply to the Power Sector

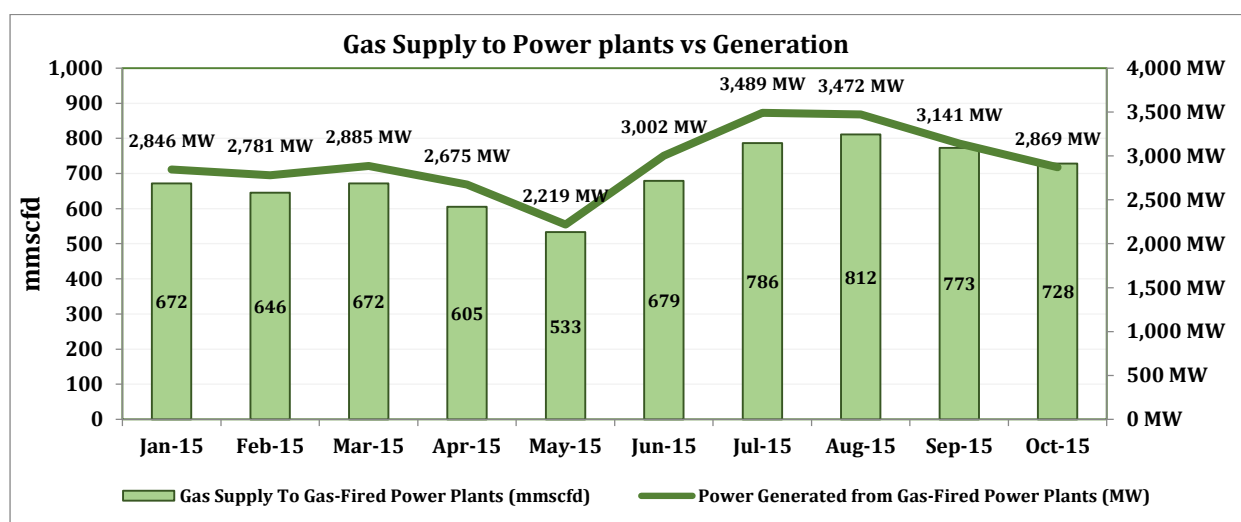
A total of 778 mmscfd was delivered to the gas fired power plants in the month of October 2015 to generate an average power of about 2,869 MW compared with a 2015 YTD average gas supply 690mmscfd and power generation of 2,938 MW. The table 4.4.1 and chart 4.4.1 provide more details.



Table 4.4.1 Domestic Gas Supply to the Power Sector & Generation

Period	Gas Supply To Gas-Fired Power Plants (mmscfd)	Power Generated from Gas-Fired Power Plants (MW)	% of Total Generation including Hyrdo
	mmscfd	MW	%
Jan-15	672	2,846 MW	80.2%
Feb-15	646	2,781 MW	80.0%
Mar-15	672	2,885 MW	84.6%
Apr-15	605	2,675 MW	84.1%
May-15	533	2,219 MW	86.2%
Jun-15	679	3,002 MW	87.3%
Jul-15	786	3,489 MW	91.1%
Aug-15	812	3,472 MW	87.2%
Sep-15	773	3,141 MW	78.4%
Oct-15	728	2,869 MW	74.6%
Average	690	2,938 MW	83.4%

Chart 4.4.1 Domestic Gas Supply to the Power Sector & Generation



5 Budget Performance Report

5.1 Summary of Group Operating Expenditure and Revenue for October 2015

Group operating revenue after subsidy for the months of September and October 2015 were ₦130.62billion and ₦173.56billion respectively. This represents 42.69% and 56.72% respectively of monthly budget.

Similarly, operating expenditure for the same periods were ₦177.12billion and ₦185.78billion respectively, which also represents 66.31% and 69.55% respectively of budget for the months.

Operating deficits of ₦46.49billion and ₦12.21billion for September and October 2015 respectively was attained as against monthly budgeted surplus of ₦38.91billion. The table 5.1.1 and charts 5.1.1 provide more details.



Table 5.1.1: Group Financial Performance

SBU/CSU	MONTHLY BUDGET (=N= MILLION)			ACTUAL (=N= MILLION)						YEAR TO DATE (=N= MILLION)					
				SEPTEMBER			OCTOBER			2015 BUDGET			2015 ACTUAL		
	Revenue	Expense	Profit/ (Loss)	Revenue	Expense	Profit/ (Loss)	Revenue	Expense	Profit/ (Loss)	Revenue	Expense	Profit/ (Loss)	Revenue	Expense	Profit/ (Loss)
NPDC	54,969	17,308	37,660	42,533	21,129	21,404	19,949	28,885	(8,936)	549,686	173,082	376,603	236,610	207,974	28,636
IDSL	1,970	1,279	692	803	1,019	(216)	318	595	(278)	19,705	12,785	6,919	10,043	7,603	2,440
NETCO	604	460	143	505	439	66	512	597	(85)	6,038	4,604	1,435	6,897	6,372	525
NGC	8,574	5,158	3,416	14,445	10,063	4,382	13,740	9,425	4,315	85,742	51,583	34,160	117,319	89,384	27,936
Sub-Total	66,117	24,205	41,912	58,286	32,650	25,636	34,518	39,502	(4,984)	661,171	242,054	419,117	370,870	311,333	59,537
KRPC	22,142	22,478	(336)	4	2,981	(2,977)	6	3,717	(3,710)	221,415	224,776	(3,361)	66	27,944	(27,877)
PHRC	35,345	36,296	(952)	30	1,951	(1,922)	35	1,858	(1,823)	353,448	362,964	(9,516)	436	19,284	(18,848)
WRPC	41,469	37,673	3,796	11	6,494	(6,483)	0	1,527	(1,527)	414,687	376,731	37,956	119	20,753	(20,634)
Sub-Total	98,955	96,447	2,508	45	11,426	(11,381)	41	7,101	(7,060)	989,551	964,472	25,079	621	67,981	(67,359)
RETAIL	2,878	1,787	1,091	1,120	808	312	1,459	992	466	28,781	17,871	10,910	14,601	10,144	4,457
PPMC After Subsidy	136,737	125,389	11,348	71,029	110,909	(39,879)	137,338	130,528	6,809	1,367,374	1,253,894	113,480	1,318,689	1,399,558	*** (80,869)
Sub-Total	139,616	127,177	12,439	72,149	111,716	(39,567)	138,796	131,521	7,276	1,396,155	1,271,766	124,389	1,333,290	1,409,702	(76,412)
CHQ	1,187	16,525	(15,338)	124	20,088	(19,964)	188	6,875	(6,687)	11,874	165,252	(153,378)	1,625	142,983	(141,358)
CSU	143	2,752	(2,609)	21	1,236	(1,215)	20	779	(760)	1,429	27,518	(26,089)	207	15,602	(15,395)
Sub-Total	1,330	19,277	(17,947)	145	21,324	(21,179)	208	7,655	(7,447)	13,303	192,770	(179,467)	1,831	158,584	(156,753)
Grand Total	306,018	267,106	38,912	130,625	177,117	(46,492)	173,563	185,779	(12,216)	3,060,180	2,671,061	389,118	1,706,612	1,947,599	** (240,987)

Note:

- *NPDC Expenses now includes royalty obligations.
- **58.19% of YTD NNPC deficit of ₦240.99Bn is mainly accounted for by claimable Pipeline repairs/management cost of ₦86.69Bn and Crude & Product losses of ₦53.55Bn due to vandalized pipelines.
- *** The ₦80.87Bn deficit attributable to PPMC was arrived at after adjusting for an estimated claimable subsidy of ₦276.81Bn from the petroleum products sales.
- ****Refineries' revenue does not include Petroleum Product sales similarly the expenses excludes Crude cost processed.
- For details on the following NNPC subsidiaries refer to [quarterly Consolidated Management Account](#); NIKOMA, NIDAS, HYSON/CALSON, Wheel Insurance, NAPOIL and Duke Oil Group.
- SBUs/CSUs retained the excess revenue generated but share Head Office Cost through Corporate Overhead Cost Allocation.

Chart 5.1.1: NNPC Group Operating Revenue January – October 2015

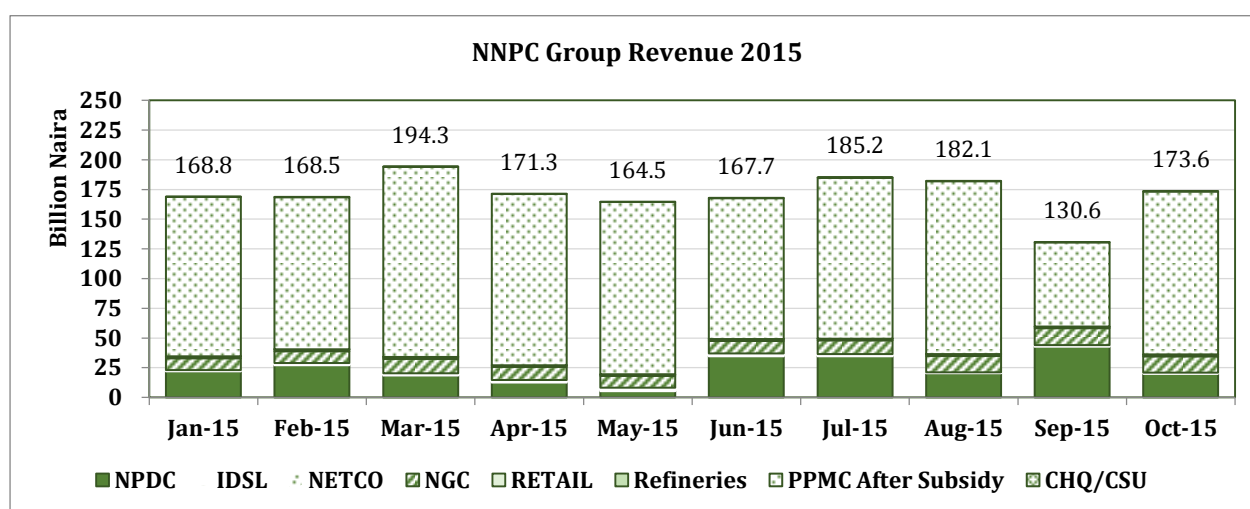


Chart 5.1.2: NNPC Group Operating Expenditure January – October 2015

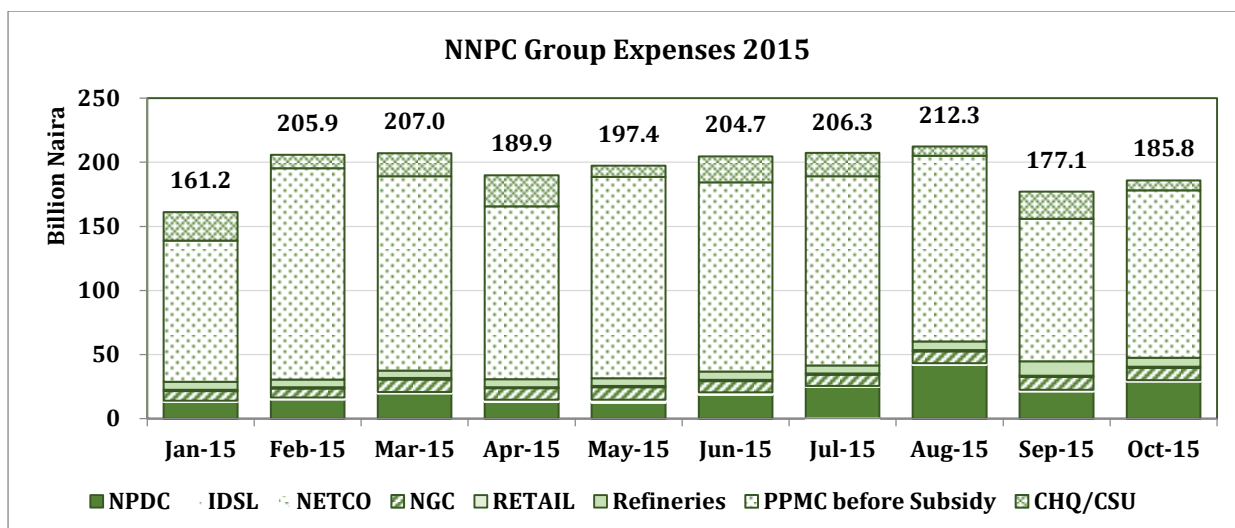
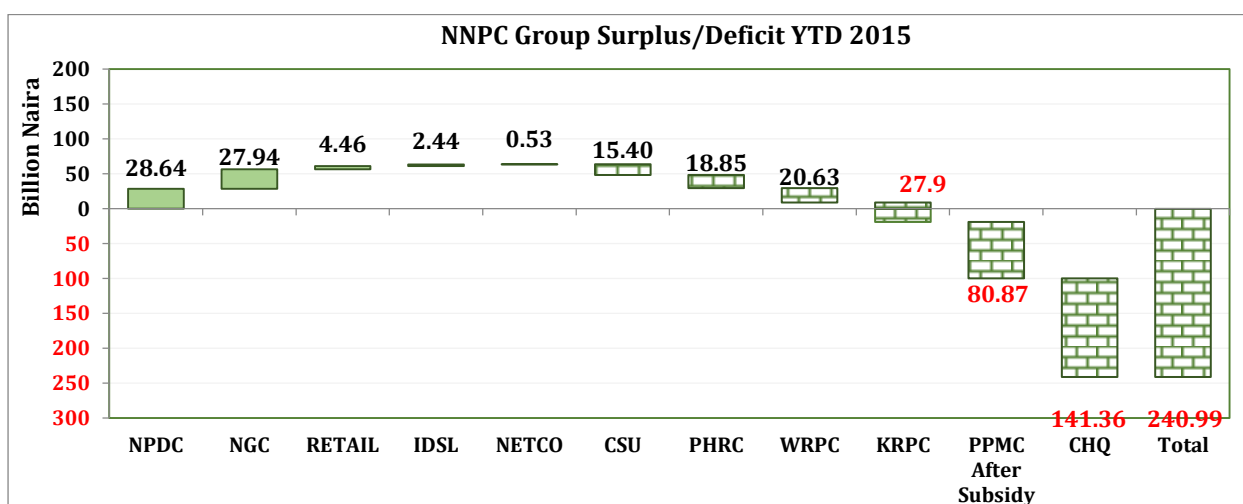


Chart 5.1.3: NNPC Group Surplus/Deficit January – October 2015



Note:

58.19% of YTD NNPC deficit of ₦240.99Bn is accounted for by claimable Pipeline repairs/management cost of ₦86.69Bn and Crude & Product losses of ₦53.55Bn due to vandalized pipelines. Group Expense, Surplus/Deficits now included for NPDC Royalty.

6 Federation Crude Oil & Gas Revenue

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

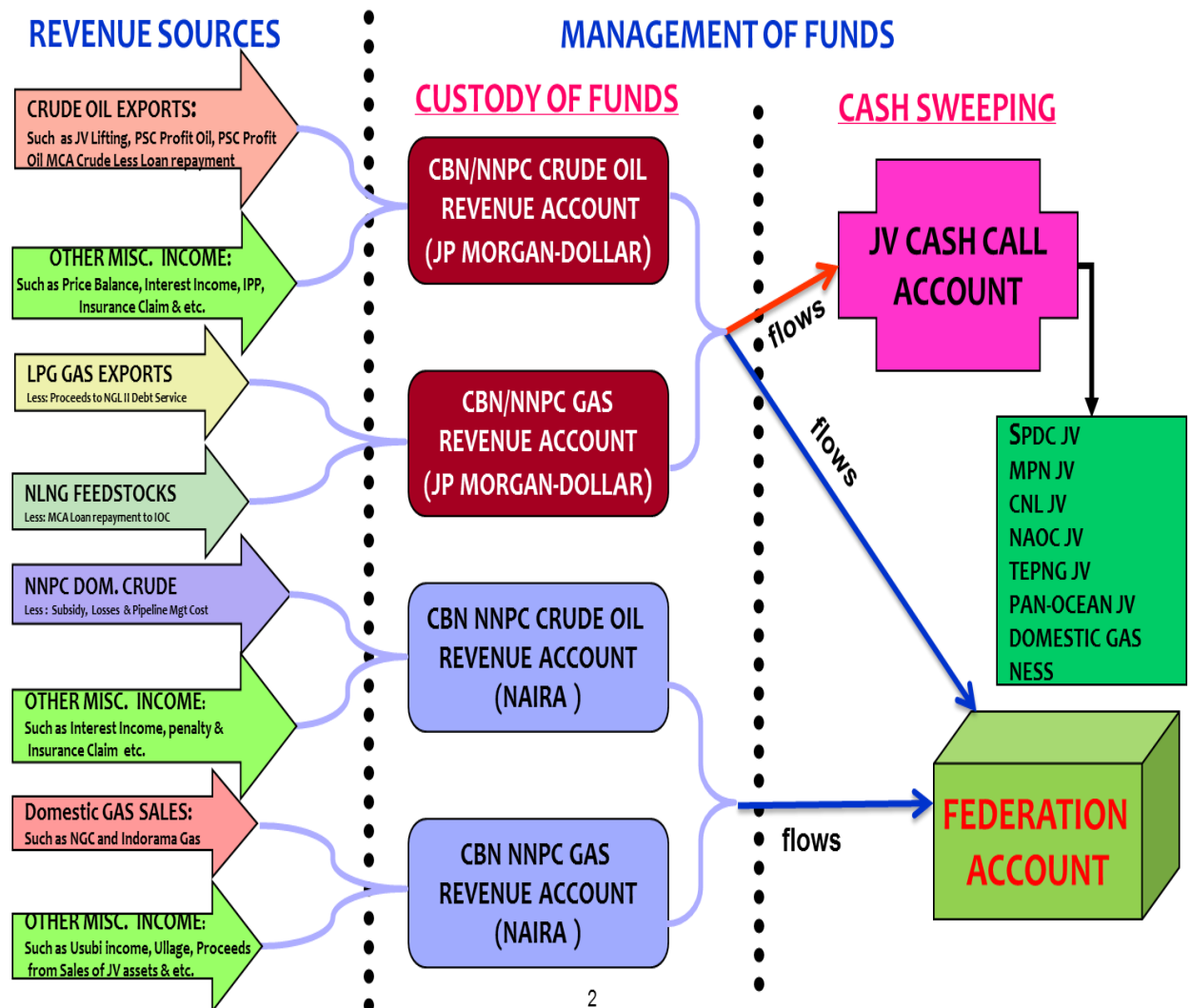
Domestic Crude Oil of 445,000bopd is allocated for Refining to meet domestic products supply. This volume is utilized through various arrangements such as domestic refining,



offshore refining (Offshore Processing Arrangement: OPA), Crude for Product Exchange and Direct Export. The net proceeds after adjusting for Fuel Subsidy, Crude & Product Losses and Pipeline Repairs & Management Cost are remitted to the Federation Account.

6.1 Main Sources of Federation Revenue

Figure 6.1: Sources of Oil & Gas Revenue

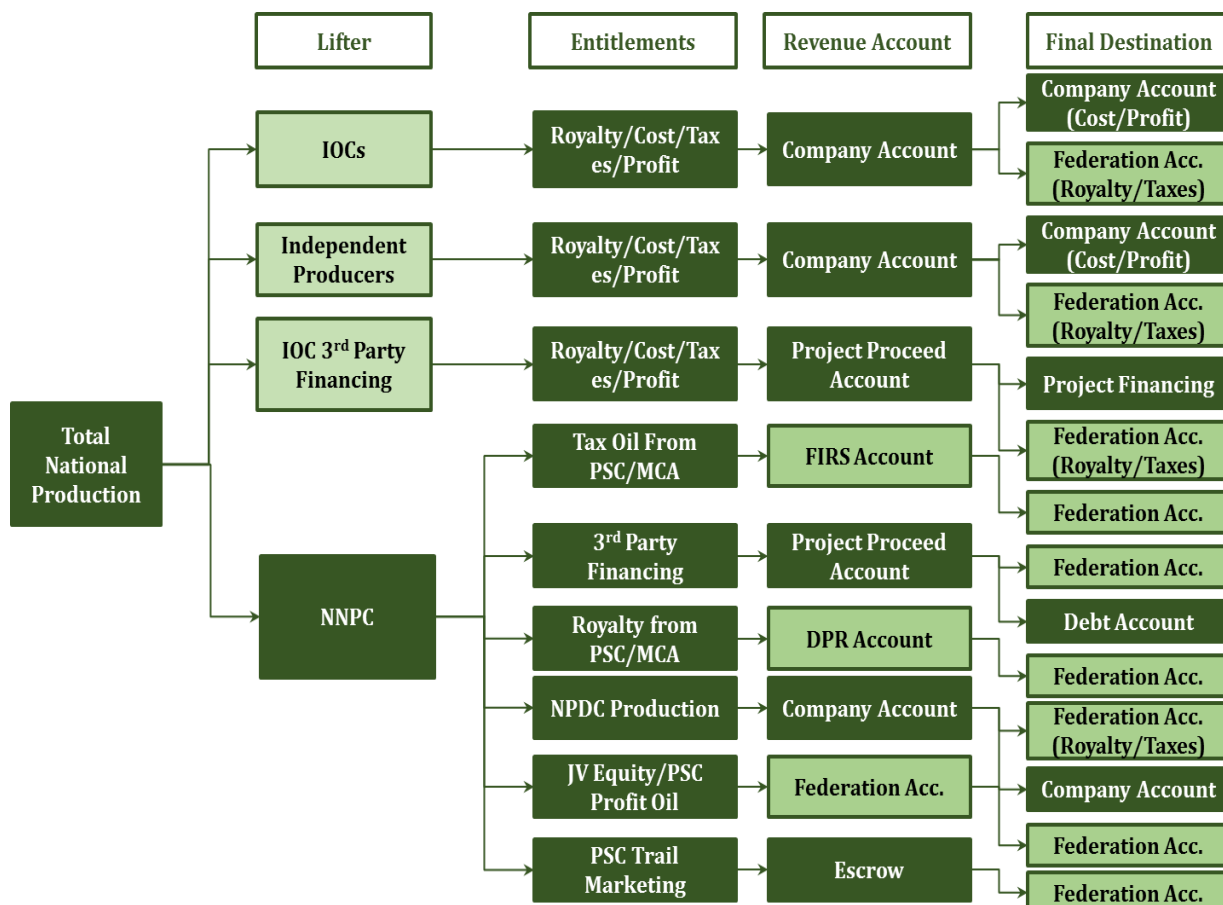




6.2 Accounting for Federation Crude Oil & Gas

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

Figure 6.1 Accounting for Federation Crude Oil & Gas



6.3 Dollar Payments to Federation Account

Total export proceeds of \$445.79million was recorded in October, 2015 with proceeds from Crude oil export sales amounting to \$325.28 million or 72.97% of the dollar payment compared with 58.55% contribution in previous month of September, 2015 while export Gas sales and NLNG feedstock accounted for \$84.57million i.e. 18.97% contribution compared with 31.21% contribution in the prior month of September 2015. The remaining \$35.93million was attributable to other dollar denominated receipts by the Corporation. A total of \$607.8 million has been paid so far to FAAC in the year 2015 from sales of export Oil and Gas. Table & Chart 6.3.1 provides the details of the dollar payments due, receipt of proceeds and allocation of proceeds.



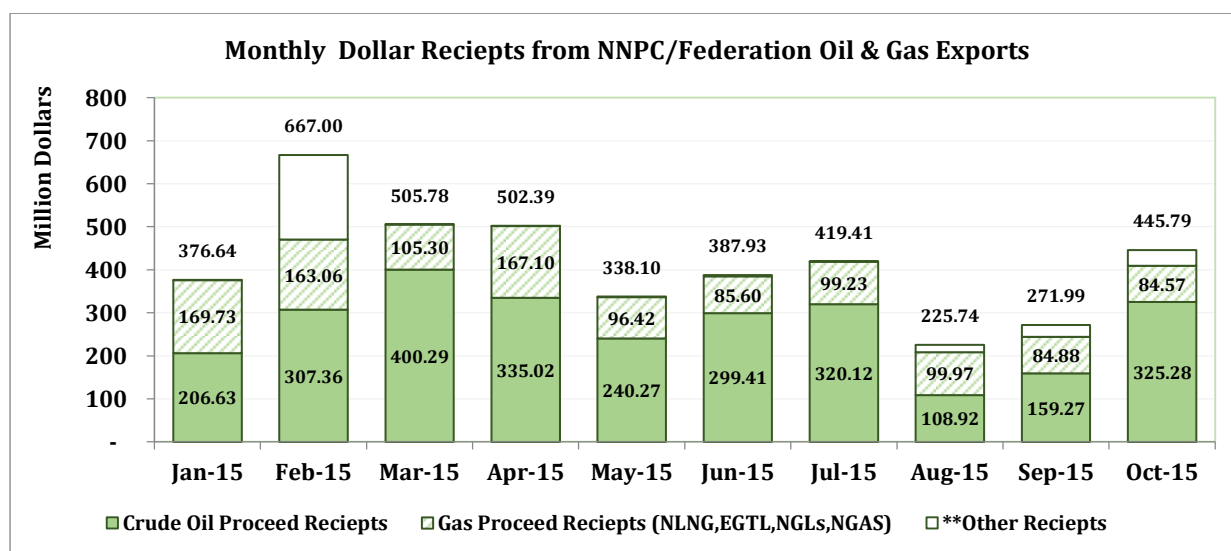
Table 6.3.1 NNPC/FGN Export Crude Oil & Gas Dollar Accruals, Receipts & Payments

Payment Month	NNPC/FGN Export Lifting Only								
	Export Sales Proceed Value Due			Export Sales Proceed Receipts			Allocation of Proceeds		
	Crude Oil Sales Proceed	Gas Sales Proceed	Total Oil & Gas Sales Proceed	Crude Oil Proceed Receipts	Gas Proceed Receipts (NLNG,EGTL,NGLs,NGAS)	**Other Receipts	Total Sales Proceed Receipts	JV Cash Call Funding	Balance Remittance to FAAC
	USD	USD	USD	USD	USD	USD	USD	USD	USD
Jan-15	212,838,844	173,184,756	386,023,600	206,629,106	169,728,467	284,105	376,641,677	300,000,000	76,641,677
Feb-15	323,425,507	151,597,792	475,023,299	307,360,109	163,060,514	196,582,834	667,003,457	320,796,841	346,206,616
Mar-15	361,897,548	113,344,504	475,242,053	400,294,202	105,295,932	185,061	505,775,195	320,796,841	184,978,354
Apr-15	340,227,160	123,190,134	463,417,295	335,023,929	167,104,408	257,969	502,386,306	502,386,306	0
May-15	306,598,470	110,115,836	416,714,305	240,269,115	96,422,239	1,411,600	338,102,954	338,102,954	0
Jun-15	259,160,157	101,347,202	360,507,359	299,413,261	85,599,747	2,912,709	387,925,718	387,925,718	0
Jul-15	307,749,640	126,633,631	434,383,271	320,122,055	99,230,169	58,921	419,411,144	419,411,144	0
Aug-15	108,916,802	124,338,562	233,255,365	108,916,734	99,965,193	16,860,637	225,742,564	225,742,564	0
Sep-15	160,582,393	94,135,081	254,717,475	159,265,231	84,883,512	27,844,818	271,993,561	271,993,561	0
Oct-15	325,281,542	94,981,051	420,262,593	325,281,473	84,574,667	35,930,138	445,786,278	445,786,278	0
Total	2,706,678,064	1,212,868,550	3,919,546,614	2,702,575,216	1,155,864,848	282,328,791	4,140,768,855	3,532,942,207	607,826,648

Note:

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

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



6.3.2 Dollar Payments to JV Cash Call & Federation Account

Total export proceeds of \$445.79million was recorded in October, 2015 with proceeds from Crude oil sales, LPG & NLNG Feedstock, and Miscellaneous receipt amounting to \$325.28 million (72.97%), \$84.57million i.e. 18.97% and \$35.93(8.06%)million respectively. The current total export receipts outperform the previous receipt by \$173.79 million (63.90%). The positive outlook is attributable to NNPC initiated third party project-Reserve Development-which contributed \$35.67million or 20.52% other factors include improvement in the export crude lifted by 104% and received from N-Gas.



A total of \$607.8 million has been paid so far to FAAC in the year 2015 from sales of export Oil and Gas. Table & Chart 6.3.1 provides the details of the dollar payments due, receipt of proceeds and allocation of proceeds. The total export crude Oil & Gas receipt for the period of January – October 2015 is **\$4.14** billion. Of the total receipts, the sum of \$0.61billion was remitted to Federation Account while the balance of **\$3.53** billion was used to fund the JV Cash Call for the period. The dwindling oil price has negatively affected the NNPC Dollar contribution to the Federation Account. The continued decline in oil price led to insufficient cash availability to meet JV Cash Calls obligations of about \$615.8m monthly as appropriated by the National Assembly. To mitigate this effect, NNPC was compelled to sweep all the export receipt to JV Cash Call funding implying a zero remittance to Federation Account since the month of April 2015 indicated in the chart 6.3.2.1 below:

Chart 6.3.2.1 Allocation of Dollar proceed from NNPC/FGN export oil and Gas: JV Cash Call

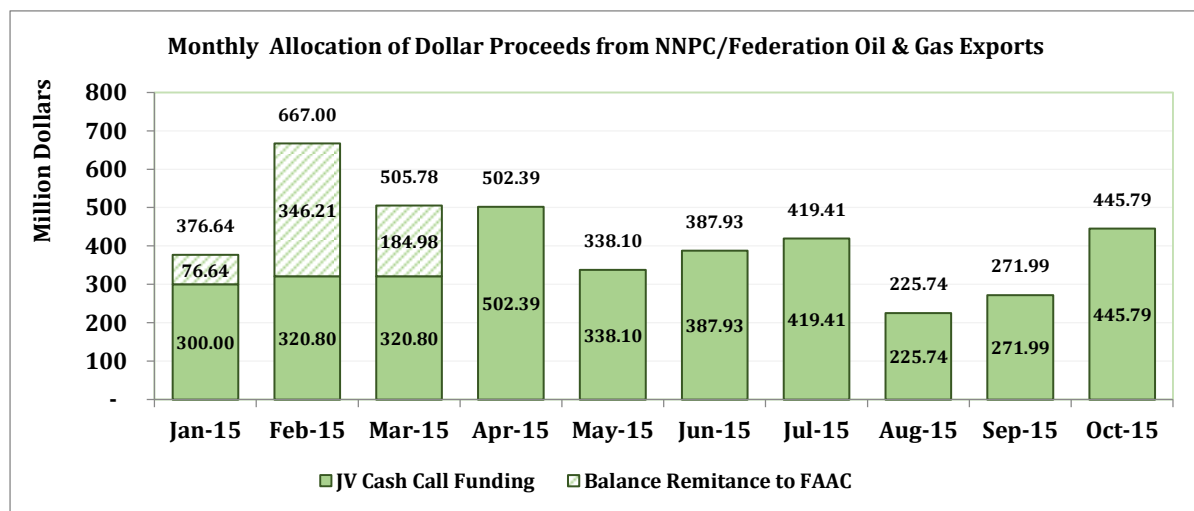
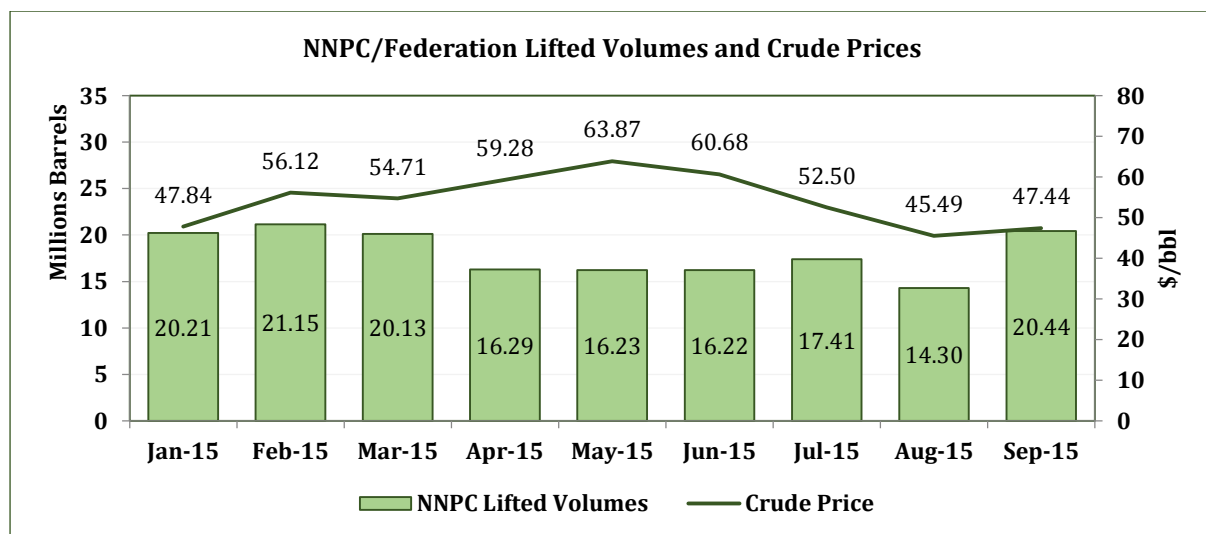


Chart 6.3.2.2 NNPC Federation Lifted Volumes vs. Crude Oil Prices





6.4 Naira Payments to Federation Account

The sum of **N872.90billion** for Domestic Crude Oil & Gas and other receipts have been paid to the Federation Account from January to October 2015. The tables below show the Naira proceeds from the Sale of Domestic Crude Oil as well as Gas and the corresponding Naira remittances to Federation Account.

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

Receipt/ Payment Month	Proceed Value Due		Domestic Sales Proceed Receipts		
	Total Domestic Sales Proceed due	Oil Proceed Receipts (M)	Gas Proceed Receipts (M)	Other Receipts	Total Sales Proceed Receipts (m)
	NGN	NGN	NGN	NGN	NGN
Jan-15	193,396,589,831	130,258,254,777	1,199,275,878	410,190	131,457,940,845
Feb-15	140,359,919,841	72,127,787,317	5,068,536,722	967,206,524	78,163,530,562
Mar-15	130,786,721,631	94,109,331,892	3,121,971,726	0	97,231,303,617
Apr-15	107,447,511,536	81,021,606,452	2,741,653,924	0	83,763,260,375
May-15	161,316,709,514	95,693,106,452	962,282,254	6,020,506	96,661,409,211
Jun-15	149,222,813,261	93,539,606,452	2,091,998,862	0	95,631,605,314
Jul-15	129,233,855,135	68,983,606,452	2,083,680,988	0	71,067,287,439
Aug-15	152,353,935,610	67,339,606,452	138,157,794	2,370,034,843	69,847,799,089
Sep-15	132,525,859,854	64,521,911,666	2,410,024,022	0	66,931,935,687
Oct-15	157,782,872,917	78,418,991,743	3,725,995,638	0	82,144,987,381
TOTAL	1,454,426,789,130	846,013,809,652	23,543,577,806	3,343,672,063	872,901,059,522

Chart: 6.4.1 Monthly Naira Payments to FAAC

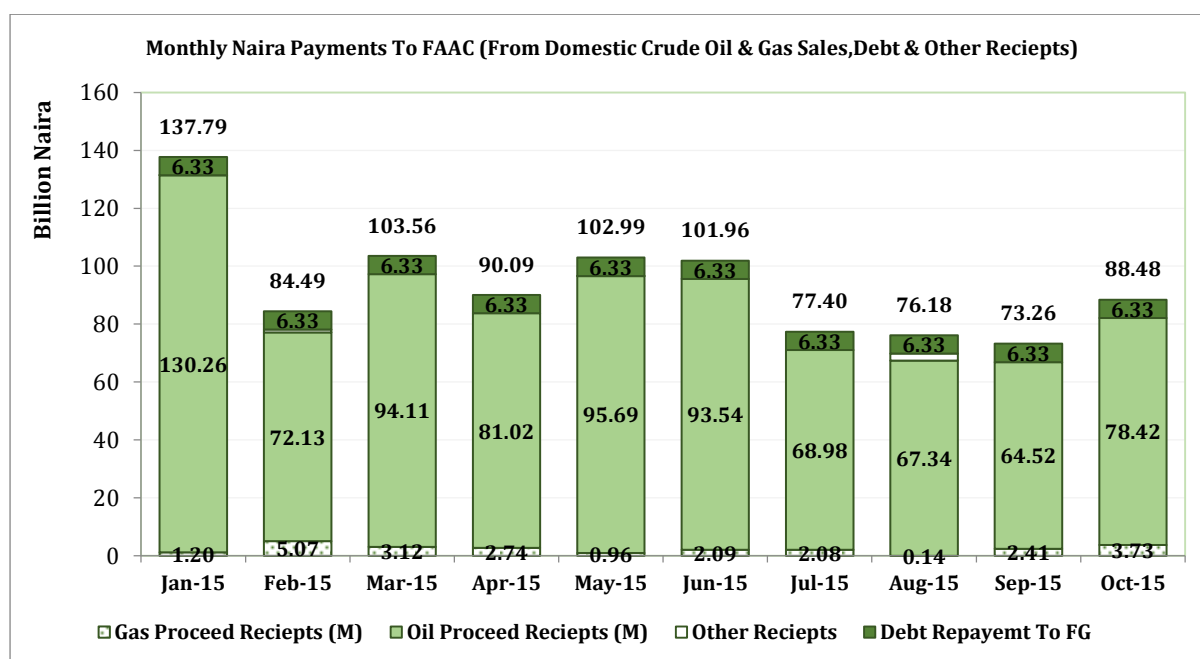
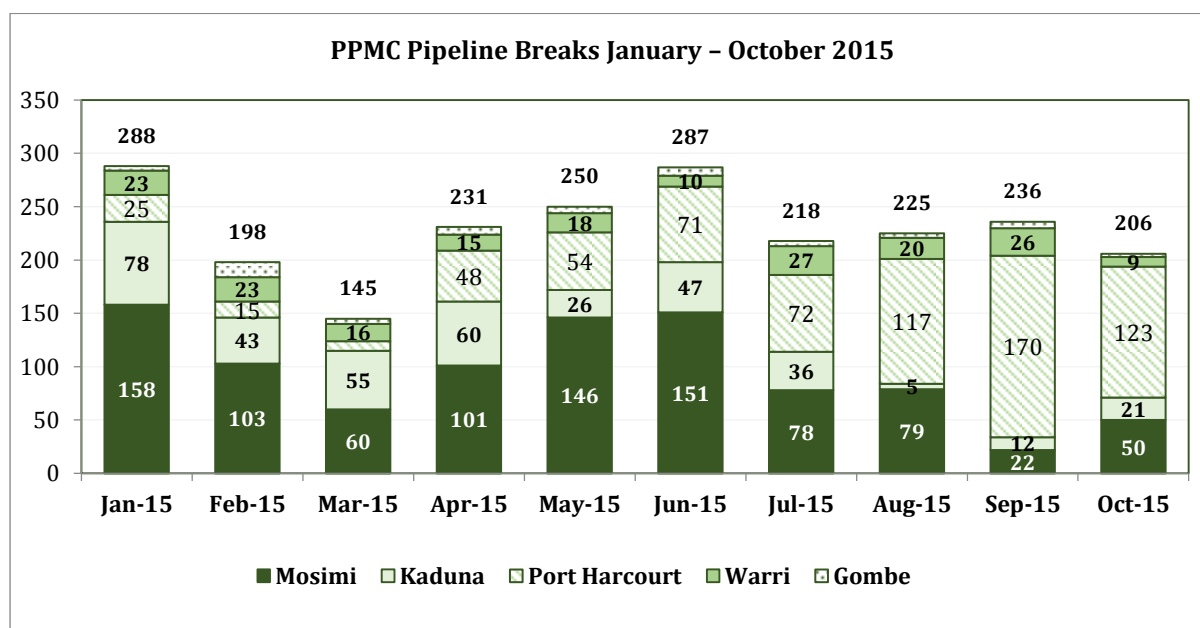




Table 6.4.2: Allocation of Naira Proceeds from Sale of Domestic Crude Oil & Gas: Payment to FAAC

Receipt/ Payment Month	Proceed Value Due	Receipts	Allocation of Domestic Sales Proceeds					Total Naira Payment To FAAC
	Total Domestic Sales Proceed due	Oil Proceed Receipts (M)	Subsidy	Crude Losses	Product Losses	Repairs & Managmet Cost	Debt Repayem To FG	
	NGN	NGN	NGN	NGN	NGN	NGN	NGN	
Jan-15	193,396,589,831	130,258,254,777	15,351,177,597	0	4,179,073,288	7,797,441,420	6,330,393,548	137,788,334,393
Feb-15	140,359,919,841	72,127,787,317	11,175,067,731	0	3,610,801,700	7,863,634,588	6,330,393,548	84,493,924,111
Mar-15	130,786,721,631	94,109,331,892	31,062,399,328		5,378,809,260	17,188,809,171	6,330,393,548	103,561,697,166
Apr-15	107,447,511,536	81,021,606,452	30,008,360,677	1,807,936,000	6,060,119,430	10,976,056,674	6,330,393,548	90,093,653,924
May-15	161,316,709,514	95,693,106,452	53,049,002,640	364,989,456	6,338,126,300	6,804,615,602	6,330,393,548	102,991,802,760
Jun-15	149,222,813,261	93,539,606,452	18,928,215,273	189,483,278	6,024,148,888	5,697,988,516	6,330,393,548	101,961,998,862
Jul-15	129,233,855,135	68,983,606,452	35,954,234,278	1,807,943,717	4,886,682,912	9,202,611,479	6,330,393,548	77,397,680,988
Aug-15	152,353,935,610	67,339,606,452	35,510,220,672		5,176,627,751	3,874,456,877	6,330,393,548	76,178,192,637
Sep-15	132,525,859,854	64,521,911,666	18,110,312,747	0	2,995,337,445	7,305,257,803	6,330,393,548	73,262,329,236
Oct-15	157,782,872,917	78,418,991,743	27,656,470,791	3,646,740,300	1,083,290,638	9,975,967,372	6,330,393,549	88,475,380,931
TOTAL	1,454,426,789,130	846,013,809,652	276,805,461,731	7,817,092,751	45,733,017,612	86,686,839,500	63,303,935,485	936,204,995,007

Chart 6.4.2 PPMC Pipeline Breaks January –September 2015





7 Key Determinants for Change

7.1 Key events and activities during the period.

- ✓ **NNPC/CNL JV:** NNPC/CNL initiated and achieved financial close to secure a \$1.2bn multi-year drilling package for the development of 36 offshore/onshore oil wells under the NNPC/Chevron Nigeria Limited Joint Venture. The project will develop 23 onshore and 13 offshore wells on OML 49, 90 and 95 in two stages over 2015- 2018.
 - I. It is envisaged that the project would generate circa **\$5 billion** of incremental revenue to the Federation account over the period.
 - II. Boost the Federal Government's domestic gas aspirations with expectant positive effect on power supply. The Projected peak incremental gas production is **127mmscf/d**, which is the electricity equivalent of **400 megawatts**.

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

Sequel to artificially induced fuel queues prevailing in some major cities across the country, PPMC has increased the volume of petrol being trucked out to fuel stations across major cities in the country and provided a projected volume of 1.4 billion litres of petrol for distribution all through the month of November. Also all NNPC Mega stations were ordered to commence 24-Hour Service.

- ✓ **NNPC Replaces Offshore Processing Arrangement**

In a major steer designed to enshrine transparency and stem the trend of value lost to Federation, NNPC had replaced Offshore Processing Arrangement, OPA option in preference for the more efficient Direct Sale-Direct Purchase alternative.

The new option allows for the direct sale of crude oil by NNPC as well as direct purchase of petroleum products from credible international Refineries thereby eliminating the activities of middlemen, in the crude oil exchange for product matrix. Thus only bona fide owners of Refineries identified in the ongoing OPA Tender Evaluation process will be further engaged.

- ✓ **278 Firms Bid for Nigerian Crude Oil Grades**

In pursuance to NNPC policy of openness and transparency, the Corporation had harvested 278 bids seeking to secure contract for the sale and purchase of the 26 Nigerian Oil Grades on offer. The exercise, covered live by all the major Nigerian television, aimed at selecting companies that are credible, capable with track record



7.2 Key challenges

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

- **Refinery Reform:** Need to carry out a holistic reform of the refineries in order to put the assets back on the track of profitability. A 90 day program is currently ongoing to reassess/resuscitate the refineries.
- **Product Price Management:** Including subsidy management which accounts for unrealized revenues of ₦276.81 or 16.22% of Group revenue being estimated subsidy claims by the corporation year to date 2015.
- **Pipeline Security Reform:** A comprehensive reform of the pipeline security situation will unlock several industry upsides including improved upstream oil production due to reduced pipeline disruptions, improved refinery utilization due to increased crude oil feed from restored pipelines, and reduction of crude/product losses which accounts for about ₦53.55bn out of the losses recorded by the Corporation in 2015 alone.

Consequently, NNPC has embarked on a Change agenda termed the “20 Fixes” which identifies 20 critical issues that need to be addressed in order to re-position the Corporation on the path of profitability. The figure below indicates some of the key interventions so far based on the 20 Fixes.

Fig 7.3 Way Forward - “20 Fixes” – Key interventions So Far

Objective	Initiatives (The 20 Fixes)	Key Interventions As at Oct ' 15
Stop the bleeding <i>Reduce waste and stop leakages</i>	1. Reduce and audit costs 2. Restructure corporate centre and staffing 3. Renegotiate existing contracts, including PSCs 4. Streamline subsidy management 5. Boost pipeline security	<ul style="list-style-type: none"> • OPA contracts cancelled; \$207m saving to be realised in 6 months. • *COTMV contracts cancelled saving about \$17m monthly. • Engagement of key security agencies to boost pipeline security on-going
Shine the light <i>Ensure end-to-end transparency</i>	6. Enhance transparency and accountability 7. Achieve zero tolerance for corruption 8. Rebrand NNPC's image	<ul style="list-style-type: none"> • Commenced monthly publishing of NNPC Financial and operations report to the public. • Carried out the first ever public advertisement & opening of bids for the lifting of Nigerian crude
Increase efficiency <i>Push for best practice in operations</i>	9. Unbundle PPMC 10. Unbundle NGC 11. Reduce contracting cycle 12. Restructure refineries 13. Centralize and reform information technology	<ul style="list-style-type: none"> • Development of Strategy to unbundle PPMC & NGC on-going • 90 day plan to resuscitate refineries in progress. • Plan on-going to reduce contracting cycle from 18 months to 6 months.
Manage performance <i>Drive delivery and execution</i>	14. Embed staff and business performance management	<ul style="list-style-type: none"> • Carried out Top level management re-organisation for improved performance; middle level management re-organisation in progress
Push profitability <i>Maximize profitability</i>	15. Facilitate JV funding & reduce cash call issues 16. Improve retail profitability 17. Deploy and attract focused investments 18. Re-kit NPDC 19. Expand crude marketing 20. Generate power profitably	<ul style="list-style-type: none"> • Commenced discussions with JV partners on incorporating JVs to address funding challenges. • Secured approval for new business model to consolidate and grow NNPC power business.



8 Glossary and Definition of Terms

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



Explanatory Notes

• Federation Equity Crude Oil & Gas Export Sales

- Export sales proceeds are receivable 30 days after B/L date.
- About 70% of Gas sales are for NGL funded projects, which are utilized for financing. The balance is transferred into the Federation Account after servicing debt obligation.
- NLNG feedstock: Gas supplied by IOC operators to NLNG.

• Domestic Crude Oil Costs

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

• Remittances To FAAC

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

• FIRS PPT And DPR Royalty Remittances

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