



FINAL REPORT

OIL AND GAS INDUSTRY AUDIT 2022

AN INDEPENDENT REPORT ASSESSING AND RECONCILING PHYSICAL, PROCESS AND FINANCIAL FLOWS WITHIN NIGERIA'S OIL AND GAS INDUSTRY

*Funded
by
Federal Government of Nigeria in Furtherance of the Country's
Commitment to EITI*

Prepared

By



ADESHILE ADEDEJI & CO.
(CHARTERED ACCOUNTANTS)

September 2024

Table of Contents

Abbreviations and Acronyms.....	5
List of Crude Type and Abbreviation.....	7
List of Appendix	8
List of Tables.....	9
List of Figures.....	11
CHAPTER 1	12
Introduction	12
1.1. Background Information.....	12
1.2. Objective of the Report.....	12
1.3. Scope of Work.....	14
1.4. Data Collection, Sources and Basis of Reporting.....	15
1.4.1. Data Collection and Sources.....	15
1.4.2. Basis of Reporting.....	15
1.5. Data Completeness, Accuracy, Quality and Assurance	17
1.5.1. Assessment of Data Quality and Assurance.....	17
1.6. Materiality of the Report.....	19
1.6.1. Revenue Streams.....	20
1.6.2. Covered Companies	21
1.6.3. Government Entities	25
1.6.4. Quantitative Assessment of Data Quality	26
1.6.5. Interpretation of IA’s Impact Rating on the Observations	26
CHAPTER 2	27
Contracts, Licences, Leases and Beneficial Ownership	27
2.1. Contracts, License and Leases Allocation	27
2.2. Register of Licenses.....	28
2.3. Disclosure of Contracts and Licenses	28
2.4. Beneficial Ownership.....	29
2.5. Anti-Corruption Policies in the Oil and Gas Industry	29
CHAPTER 3	30
Exploration, Production and Export	30
3.1. Exploration and Reserves	30
3.1.1. Exploration.....	30
3.1.2. Proven and Unproven Reserves	31
3.1.3. Joint Development Zone	32
3.2. Production.....	33
3.2.1. Crude Oil Production	33
3.2.1.1. Federation Entitlement to JV Crude Oil Production.....	39
3.2.1.2. Crude Oil Losses and Deferment.....	41
3.2.2. Gas Production.....	46
3.2.2.1. Gas Flare, Un-Accounted, Shrinkage and Lift Gas	51
3.3. Crude Lifting and Sales	52
3.3.1. Crude Oil Lifting.....	52
3.3.2. Sales of Crude Oil.....	54

3.3.2.1.	Tendering for Crude Oil Sales	54
3.3.2.2.	NNPC Limited Pricing of Crude Oil	56
3.3.2.3.	Crude Oil Sales and Proceeds	57
3.3.2.4.	Federation Export and Domestic Sales of Crude Oil	58
3.3.2.5.	Non-Financial Flows.....	59
3.3.2.5.1.	NNPC In-Kind Lifting from MCA, PSC and SC	59
3.3.2.5.2.	Cash Call Liability and Related Statutory Payments	60
3.4.	Gas Utilisation and Sales	60
3.4.1.	Gas Utilisation	61
3.4.2.	Federation Entitlement from Gas Sales	62
3.4.3.	Federation Gas and Feedstock Sales.....	62
CHAPTER 4	.....	64
Climate Change, Energy Transition and NEITI 2022-2023 Industry Reporting	.....	64
4.1.	Climate Change and Energy Transition Efforts by Oil and Gas Companies in Nigeria ...	64
4.2.	Companies' Greenhouse Gas Emissions.....	66
CHAPTER 5	.....	67
Revenue Collection and Reconciliation	.....	67
5.1.	Total Revenue from the Sector	67
5.2.	Distribution of Revenue from the Sector	67
5.3.	Ten-Year Trend of Total Financial Flows	68
5.4.	Disaggregation of Revenue Flows	69
5.4.1.	Reconciliation of Revenue Flows	71
5.5.	Outstanding Liabilities.....	73
CHAPTER 6	.....	74
Project Cost	.....	74
6.1.	Joint Venture Cost: Cash Call	74
6.1.1.	JV Partners	74
6.1.2.	Cash Call Budget	76
6.1.3.	Cash Call Funding Account	76
6.1.4.	Cash Call to JV Operators.....	78
CHAPTER 7	.....	80
Midstream and Downstream Operations	.....	80
7.1.	Midstream Operations.....	80
7.1.1.	Refinery Operations	80
7.1.2.	Domestic Crude Supply Obligations	81
7.1.3.	Associated and Non-Associated Gas and Crude Pipeline Infrastructure.....	81
7.1.4.	NNPC Refineries' Balance	82
7.2.	Downstream Operations.....	83
7.2.1.	Domestic Crude Allocation and Utilisation	83
7.2.2.	Product Import Valuation	84
7.2.3.	PMS Price Differentials	84
7.2.4.	Products Imported.....	85
7.2.4.1.	Products Supplied (Imported).....	85
CHAPTER 8	.....	87
Social and Economic Spending	.....	87

8.1.	Infrastructure Provisions and Barter Arrangement	87
8.1.1.	NNPC Limited Fiscal Commitment: Loan, Guarantee and Contingent	87
8.1.2.	Tax Credit and Waiver for Investment Promotion in the Sector	92
8.2.	Social Expenditures	92
8.3.	Quasi-Fiscal Expenditures	94
8.4.	Contribution of the Industry to the Economy	94
8.4.1.	Contribution to the Economy	94
8.4.2.	Contribution to Exports.....	95
8.4.3.	Contribution to Government Revenue	95
8.4.4.	Employment and Gender	96
8.5.	Environmental Impact of the Industry Activities.....	97
CHAPTER 9		98
Outcomes and Impact		98
9.1.	Updates on Past Recommendations from NEITI 2021 Oil and Gas Report.....	98
9.2.	Observations, Finding and Recommendations	115

Abbreviations and Acronyms

Abbreviation	Description
ABEX	Abandonment Expenditure
BBL	Barrels
BCPD	Barrel of Condensate Per Day
BMS	Biological Monitoring Studies
BOPD	Barrel of Oil Per Day
BPE	Bureau of Public Enterprises
BSCF	Billion Standard Cubic Feet
BTU	British Thermal Unit
CAPEX	Capital Expenditure
CBN	Central Bank of Nigeria
CIT	Company Income Tax
DCSO	Domestic Crude Supply Obligations
EBS	Environment Baseline Study
ECM	Environmental Compliance Monitoring
EES	Environmental Evaluation Studies
EIA	Environmental Impact Assessment
EITI	Extractive Industries Transparency Initiative
EMP	Environmental Management Plans
ESR	Environmental Screening Report
EWDP	Effluent Waste Discharge Permits
FDP	Field Development Plan
FEC	Federal Executive Council
FIRS	Federal Inland Revenue Service
FMEv	Federal Ministry of Environment
FMFB&NP	Federal Ministry of Finance, Budget and National Planning
FTSA	Financial / Funding/ Financing and Technical Service Agreement
GHG	Greenhouse Gas
GHGEMP	Greenhouse Gas Emission Management Reports
HCDT	Host Community Development Trust
HYPREP	Hydrocarbon Pollution Remediation Project
IA	Independent Administrator
ICRC	Infrastructure Concessions Regulatory Commission
IFRS	International Financial Reporting Standard
IPSAS	International Public Sector Accounting Standard
JDA	Joint Development Authority
JV	Joint Venture
KRPC	Kaduna Refining and Petrochemical Company Limited
LDAR	Leak Detection and Repair
LTC	License to Construct
LTE	License to Establish
LTO	License to Operate

Abbreviation	Description
MBBL	Thousand Barrels
MBTU	Thousand British Thermal Unit
MF	Marginal Field
MMBBL	Million Barrels
MMSCF/D	Million Standard Cubic Feet Per Day
MMSTB	Million Stock Tank Barrel
MT	Metric Tons
NCD	Nigeria Content Development
NCDMB	Nigerian Content Development and Monitoring Board
NCDMB	Nigerian Content Development and Monitoring Board
NDDC	Niger Delta Development Commission
NDDC	Niger Delta Development Commission
NEITI	Nigeria Extractive Industries Transparency Initiative
NESREA	National Environmental Standards and Regulations Enforcement Agency
NESS	Nigerian Export Supervision Scheme
NMDPRA	Nigerian Midstream and Downstream Petroleum Regulatory Authority
NNPCL	Nigerian National Petroleum Company Limited
NOSDRA	National Oil Spill Detection and Response Agency
NUPRC	Nigerian Upstream Petroleum Regulatory Commission
OAGF	Office of the Accountant-General of the Federation
OPEX	Operating Expenditure
PHRC	Port Harcourt Refinery Company
PIA	Petroleum Industry Act
PIAR	Preliminary Impact assessment Report
PMS	Premium Motor Spirit
PPT	Petroleum Profit Tax
PSC	Production Sharing Contract
RSP	Radiation Safety Permit
SC	Service Contract
SCF	Standard Cubic Feet
SETC	Safety and Emergency Training Centers
SIRS	State Internal Revenue Service
SOW	Scope of Work
SR	Sole Risk
STB	Stock Tank Barrel
TOR	Terms of Reference
UOM	Unit of Measurement
VIP	Very Important Person
WRPC	Warri Refining and Petrochemical Company Limited

List of Crude Type and Abbreviation

Crude	Acronym
Abo Crude	Abo
Agbami Condensate	Agbami
Ajapa Blend	Aja
Aje Condensate	Aje
Akpo Condensate	Akpo
Amenam	Amenam
Antan Crude	Antan
Anyala Madu	Anya
Anyala Madu	Anwa
Bonga Crude	Bonga
Bonny Light	BL
Brass Blend	BB
EA	EA
Ebok Crude	Ebok
Egina Crude	Egina
Erha Crude	Erha
Escravos Light	EL
Forcados Blend	FB
Ima	Ima
Jones Creek	Jones
Nembe Crude	Nembe
Nuway	Nuway
Okono Crude	Okono
Okwori Crude	Okwo
Okwuibome Blend	Okwui
Otakikpo Crude	Otaki
Oyo Crude	Oyo
Pennington Crude	Pen
Qua Iboe	QIB
Usan Crude	Usan
Yoho Crude	Yoho

List of Appendix

1. Terms of Reference
2. NEITI NSWG Materiality Decision
3. Inception Report
4. Context Report
5. Total Crude Oil Production and Lifting Volumetrics
6. Total Gas Production and Utilisation Volumetrics
7. NNPC Limited Lifting and Sales Per Bill of Lading and Vessel (Federation, NNPC Ltd, FIRS, NUPRC)
8. Payments Project Level Reporting
9. Cash Call Report
10. NNPC Limited Petroleum Products Importation and Vessel Movement
11. Financial Liabilities
12. Schedule of GHG Emission
13. Schedule of NNPC Limited Approved Road Infrastructure under the Tax Waiver Scheme
14. NNPC Limited Imported PMS Valuation: Quantity, Cost of Supply, Revenue and Under Recovery
15. Employment in the Sector

List of Tables

Table 1: Objectives of the NEITI Oil and Gas Audit.....	12
Table 2: Data Collection Instrument and Methodology.....	15
Table 3: CBN Average Exchange Rate for the 2022-2023 Oil and Gas Industry EITI Reporting	16
Table 4: NNPC/FAAC Monthly Exchange Rate.....	16
Table 5: Assessment of Data Quality	17
Table 6: Materiality Threshold and Assessment: Company and Revenue Streams Levels	19
Table 7: Revenue Streams: January to June 2021- Pre-PIA, 2021 Implementation.....	20
Table 8: Reconciled and Unilateral Disclosed Revenue	21
Table 9: Reconciled and Un-Reconciled Companies.....	21
Table 10: Reconciled Companies.....	22
Table 11: Unreconciled Companies	24
Table 12: Government Entities Covered in the Report	25
Table 13: Other Related Entities Covered in the Report.....	26
Table 14: Quantitative Assessment of Data Quality	26
Table 15: Interpretation of IA’s Impact Rating of the Observations	26
Table 16: Contracts, Licenses and Leases Allocated as of Start of the Year and End-Year.....	27
Table 17: Comparison of Register of Licenses and Actual License Document.....	28
Table 18: Comparison of Register of Licenses and Publicly Available Document	28
Table 19: Company’s Responses on Beneficial Ownership Information	29
Table 20: Company’s Responses on Anti-Corruption Polices and Implementation	29
Table 21: Approved Field Development Plans	30
Table 22: Company Responses on Proven and Unproven Reserves.....	31
Table 23: Reserves: NUPRC.....	31
Table 24: Activities of the Joint Development Zones	32
Table 25: Disparity in Crude Oil Production	33
Table 26: Crude Oil Production by Producing Companies.....	35
Table 27: Federation Entitlement to JV Production.....	40
Table 28: Disparity in Crude Oil Losses.....	41
Table 29: Crude Losses to Metered Production at Flow Station Based on Crude Type and Respective Producer.....	41
Table 30: Disparity in Crude Oil Production Deferment	44
Table 31: Crude Oil Production Deferment (Scheduled and Unscheduled).....	44
Table 32: Gas Production by Companies on Asset Basis	47
Table 33: Total Crude Lifting.....	52
Table 34: Export and DSDP Sales Tendering in 2022	54
Table 35: Successful bidders for Direct Sales Direct Purchases (DSDP) in 2022.....	55
Table 36: Crude Oil- Total Sales Value.....	58
Table 37: Crude Oil- Total Sales Quantity.....	58
Table 38: Sales of Federation Crude Oil.....	58
Table 39: 2022 Federation Export and Domestic Crude Sales Quantity and Value	59
Table 40: In-Kind Payment on Crude Oil, Gas and Feedstock.....	59
Table 41: Federation Entitlement from Gas Sales	62
Table 42: NNPC Ltd and NUPRC Gas Sales.....	62

Table 43: Gas Sales Quantity and Value	63
Table 44: Gas Sales Proceeds	63
Table 45: Key Efforts of Companies in the Oil and Gas Sector in Nigeria	64
Table 46: NEITI 2022-2023 Industry Report on Climate Change.....	65
Table 47: 2022 Companies Responses to Climate Change Polices and Implementation Status ..	65
Table 48: 2022 Company Responses Greenhouse Gas Emission.....	66
Table 49: Total Revenue from the Sector.....	67
Table 50: Disaggregation of Revenue Flows	69
Table 51: Reconciliation of Revenue Flows	72
Table 52: JV Partners And Equity Holding.....	75
Table 53: 2022 OPCOM Approved Cash-Call Budget.....	76
Table 54: Summary of Inflow and Outflow into Joint Venture Cash Call Bank Accounts.....	77
Table 55: Analysis of Total Inflow to JVCC Accounts.....	77
Table 56: Analysis of Total payments from JVCC Accounts	77
Table 57: Summary of NUIMS Overheads performance and 2022 Funding	78
Table 58: Details of Outflow from Joint Venture Cash Call Bank Account	78
Table 59: Refinery Licenses and Approvals Issued in 2022	80
Table 60: Significant Pipeline Infrastructure Investment and Projects in the Midstream	81
Table 61: PHRC Refinery Balance (Crude Material Balance)	82
Table 62: PHRC Refinery Balance (Products Material Balance)	82
Table 63: WRPC Refinery Balance (Crude Material Balance).....	82
Table 64: WRPC Refinery Balance (Products Material Balance)	83
Table 65: NNPC Limited Imported PMS Cost, Revenue and Under Recovery	84
Table 66: Product Supplied (Imported).....	85
Table 67: Status of NNPC Limited Commitments and Contingencies as of 31st July 2024.....	88
Table 68: Status Update of NNPC Limited Tax Credit Under the Scheme: 30 April 2024.....	92
Table 69: Host Community Development Remittance	92
Table 70: Voluntary Social Expenditure by Company	93
Table 71: Voluntary Social Expenditure by Utilisation	93
Table 72: Quasi-Fiscal Expenditures	94
Table 73: Trend of Contribution of the Sector to Nigeria’s Total GDP (2019 – 2022).....	95
Table 74: Contribution of the Sector to Total Export.....	95
Table 75: Contribution of the Sector to Government Revenue.....	95
Table 76: Company Responses on Gender Policies in the Sector.....	96
Table 77: Total Employment in the Sector.....	96
Table 78: Employment Distribution Based on Nationality and Gender	97
Table 79: Environmental Incidence Management	97
Table 80: Observations and Recommendations for 2022-2023 Extractive Reporting	116

List of Figures

Figure 1: EITI Process	14
Figure 2: Data Quality Lifecycle	17
Figure 3: Ten-Year Trend of Fiscalised Crude Oil Production in Nigeria Million Barrels.....	34
Figure 4: Ten-Year Trend of Crude Oil Losses in Nigeria Million Barrels	43
Figure 5: Five-Year Trend of Deferred Crude Oil Production (Million Barrels).....	45
Figure 6: Gas Production - Million SCF (MMSCF).....	46
Figure 7: Ten (10) Year Trend of Flare Gas (Billion SCF)	51
Figure 8: Ten (10) Year Trend of Un-Accounted, Shrinkage and Lift Gas (Billion SCF).....	52
Figure 9: Five-Year Trend of Crude Oil Lifting - mbbls- 2018-2022.....	54
Figure 10: 2022 NNPC Limited Monthly Trend of Crude Oil Selling Prices	56
Figure 11: Monthly Global Comparison of NNPC Ltd Crude Oil Selling Prices (US\$/ Bbl).....	57
Figure 12: Five-Year Trend of Gas Utilisation- Million SCF	61
Figure 13: Revenue Distribution Chart (Billion Dollars)	68
Figure 14: Ten-Year Trend of Total Financial Flows	68
Figure 15: Seventh (17) Year Trend of Petroleum Products Price Differentials- 2006 – 2022	84
Figure 16: PMS Importation Ten-Year Trend (2013-2022) (Billion Litres)	85
Figure 17: 2022 Monthly Product Importation (Billion Litres).....	86

CHAPTER 1

Introduction

The Extractive Industries Transparency Initiative (EITI) aims to enhance government and company systems, facilitate informed public discourse, and foster a better understanding of the operations of the extractive sector. Nigeria Extractive Industries Transparency Initiative (NEITI) drives the implementation of the EITI Standards. The 2022 NEITI report retrospectively adhere to the provisions outlined in the 2023 EITI Standard and the NEITI Act of 2007. It leverages the advancements made in the NEITI 2021 Oil and Gas Industry Report and addressed gaps identified in the 2021 Report.

1.1. Background Information

The Extractive Industries Transparency Initiative (EITI) is a global standard for improving transparency and accountability in the oil, gas, and mining sectors. The EITI implementation has two core components: Transparency and Accountability. See Contextual Report for details.

1.2. Objective of the Report

The assignment was conducted leveraging the most recent NEITI reports for the oil and gas sector - 2021, the latest NEITI Fiscal Allocation and Statutory Disbursement Report as well as the NSWG strategy for the implementation of the EITI in Nigeria detailed in the NEITI Strategic Plan for 2022 - 2026.

See Appendix 1 for the detailed objectives of the Report are outlined in Section 2 of the Terms of Reference for the Reports. The requirements of the Reports and the tasks carried out by the IA to achieve the specific objectives are outlined below.

Table 1: Objectives of the NEITI Oil and Gas Audit

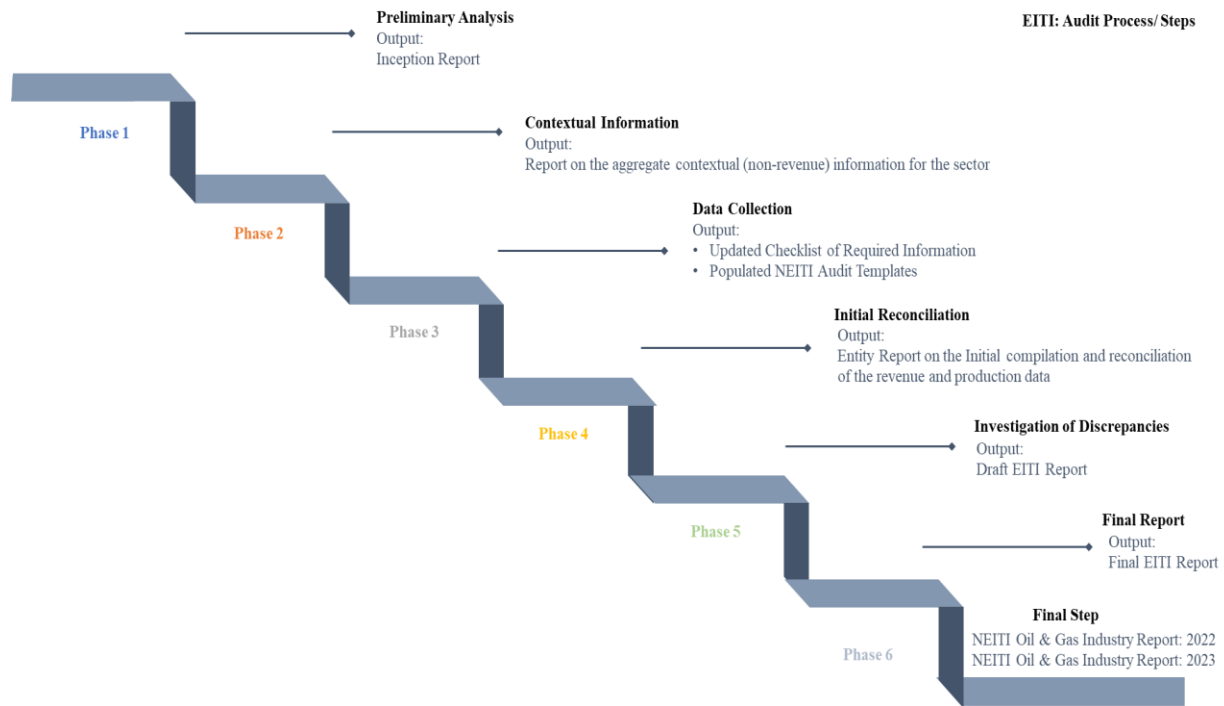
Key Requirement	Description
Regulatory Framework and Procedures	<ul style="list-style-type: none"> Report on all aspects of the regulatory framework for the oil and gas industry: including the legal framework, fiscal regime, roles of government entities and reforms, and laws and regulations relating to addressing corruption risks in the oil and gas sector. Provide an overview of the statutory procedures for awards and transfers of licences and assess if these procedures are followed in practice. Disclose comprehensive information on property rights to oil and gas licences and leases, including beneficial owner information and public accessibility of contracts and licences.

Key Requirement	Description
	<ul style="list-style-type: none"> • Disclose comprehensive information about state-owned enterprise participation in the oil and gas sector.
Exploration and Production Information	<ul style="list-style-type: none"> • Disclose an overview of the exploration activities in the oil and gas sector highlighting its potential, recent, ongoing, and planned significant exploration activities. • Disclose information about oil and gas production levels and a valuation of extractive output.
Export And Domestic Information	<ul style="list-style-type: none"> • Disclose information on oil and gas export volumes and a valuation of exports.
Revenue and Payment Management and Distribution	<ul style="list-style-type: none"> • Disclose all company payments and government revenues from the oil and gas sector together with associated amounts lifted (oil) or sold (natural gas) to the required level of disaggregation while adhering to approved data quality assurance procedures. • Disclose the revenues ultimately transferred to the Federation Account. • Disclose information on revenue management and distribution, highlighting subnational transfers and revenue sustainability. • Report on the revenue flows amongst the Covered Entities and any investment by the Federation in the oil and gas industry. • Report on balances payable/receivable at the end of the audit period for certain types of financial flows as described by the National Stakeholder's Working Group (NSWG) contained in the Material Decision Information Memorandum. • Reconcile the physical/financial transactions reported by payers and recipients as appropriate, as per the scope set out in the Terms of Reference alongside the NSWG Material Decision Information Memorandum.
Climate Change and Energy Transition Plan	<ul style="list-style-type: none"> • Provide information on government and companies' energy transition plans and policies including energy transition and climate risk considerations in revenue forecasting. • Review and present greenhouse gas (GHG) emissions data from the oil and gas sector. • Evaluate and present information on companies' social and environmental contributions including assessing their compliance with legal and contractual obligations to undertake social and environmental expenditures.
Contribution to Gross Domestic Product (GDP)	<ul style="list-style-type: none"> • Obtain, assess and include information on the contribution of the oil and gas sector to the economy.
Outcomes and Impacts	<ul style="list-style-type: none"> • Make observations and recommendations that will support policymaking.

1.3. Scope of Work

The period covered in the Report is from 1st January 2022 to 31st December 2022. The EITI process complements, assesses, and improves existing reporting and auditing systems. The process has six (6) conceptual phases as shown below.

Figure 1: EITI Process



1.4. Data Collection, Sources and Basis of Reporting

Data collection is an integral part of the audit process, and this section discusses data collection methodology and sources, and the basis of reporting.

1.4.1. Data Collection and Sources

The data are from both primary data and secondary data sources. The table below shows the data collection methodology.

Table 2: Data Collection Instrument and Methodology

Covered Entities	Primary Data	Secondary Data
Companies	<ul style="list-style-type: none"> NEITI Audit Template Template Checklist Audit Information Request Checklist NEITI Audit Management System IA Electronic Data Collection- Google Drive, Microsoft SharePoint and One drive. 	<ul style="list-style-type: none"> Audited Financial Statements Systematic Disclosed Information on official website
Government	<ul style="list-style-type: none"> Template Workshop with all Covered Entities. Interviews and Continuously Interaction for Clarifications Sustained Visits/ Meetings and Engagement with Covered Entities Systems Walkthrough Sessions Company Data Verification/ Revalidation Workshop 	<ul style="list-style-type: none"> Systematic Disclosed Information on official website Annual Reports

Source: NEITI 2022-2023 OGA, 2024

1.4.2. Basis of Reporting

The NEITI reporting is based on related international standards including but not limited to ISA 530 (Audit Sampling), ISA 500 (Audit Evidence), ISRS 4400 (Engagement to Perform Agreed-Upon Procedures), and ISRS 4410 (Compilation Engagements). These standards complemented the Data Quality, Assessment, and Documentation Procedure described in this report. Additionally, the IA utilized its professional judgment on case-by-case basis.

The 2022 aggregated revenue flow in the sector is stated in United States of America Dollars (US\$), which is the reporting currency for the 2022- 2023 NEITI Oil and Gas Industry Audit except otherwise stated in the Report. The Central Bank of Nigeria (CBN) average exchange rates¹ applied is shown in the table below.

¹CBN Exchange Rate: <https://www.cbn.gov.ng/rates/ExchRateByCurrency.asp>

Table 3: CBN Average Exchange Rate for the 2022-2023 Oil and Gas Industry EITI Reporting

Year	Naira/ US\$	Euro/USD	GBP/USD
2022	423.30	1.05	1.24
2021	399.68	0.85	0.73

Source: NEITI 2022-2023 OGA, 2024

Furthermore, the average monthly rate advised by the Federation Accounts Allocation Committee (FAAC) (as shown in the table below) were used for the NNPC-related transactions and other designated cases.

Table 4: NNPC/FAAC Monthly Exchange Rate

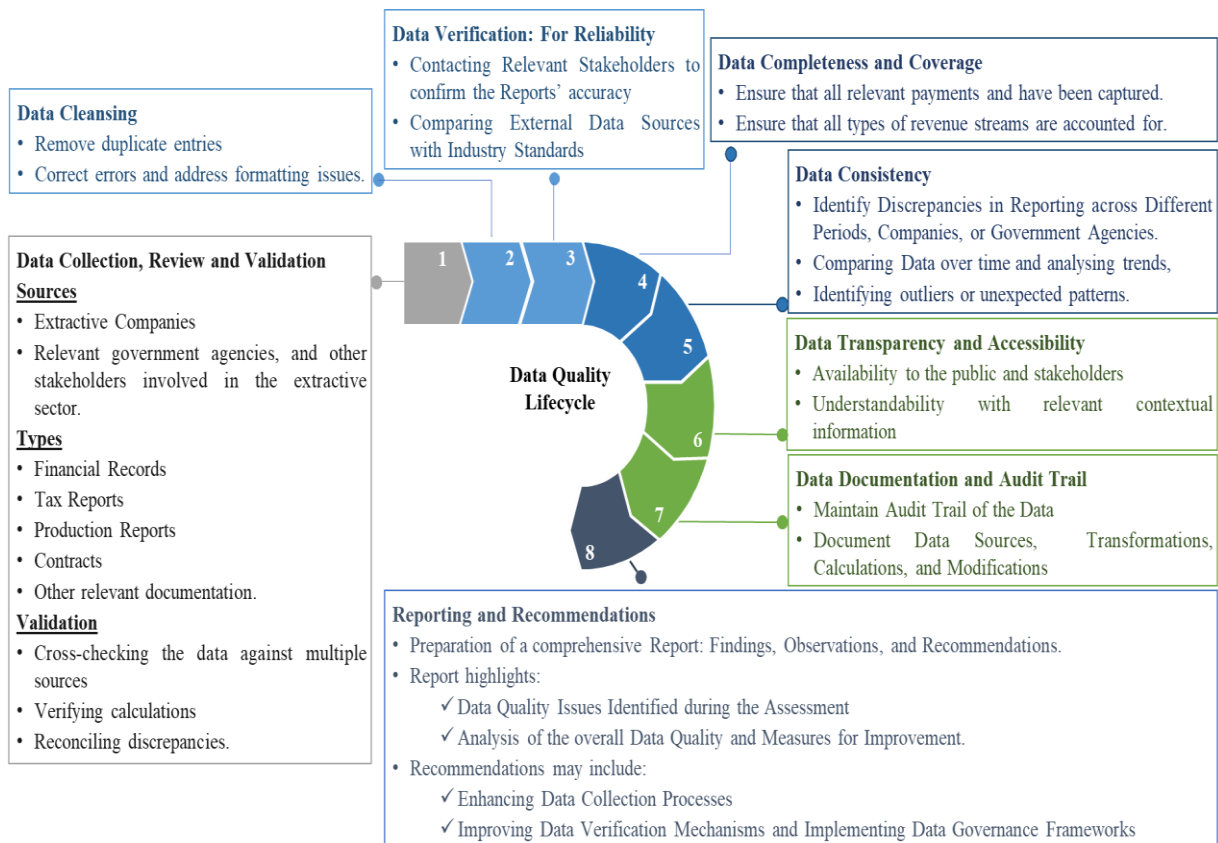
Month	2022	2021
	Naira/ US\$	Naira/ US\$
January	389.00	379.00
February	389.17	382.54
March	389.30	378.88
April	389.66	382.54
May	392.35	383.47
June	394.80	382.80
July	401.30	384.27
August	403.87	384.27
September	409.50	384.35
October	418.18	387.01
November	417.42	386.30
December	432.78	388.68
Annual Average	402.28	383.68

Source: NEITI 2022-2023 OGA, 2024

1.5. Data Completeness, Accuracy, Quality and Assurance

The Independent Administrator (IA) team adopted a data quality assessment methodology that ensures the transparency and accountability of the Reporting process. The strategy adopted for data quality is shown in Figure below.

Figure 2: Data Quality Lifecycle



Source: NEITI 2022-2023 OGA, 2024

1.5.1. Assessment of Data Quality and Assurance

Table below shows the assessment of data quality based on the defined Data Quality Lifecycle.

Table 5: Assessment of Data Quality

#	Steps	Actions	IA Assurance
1	Data Collection, Review and Validation	<ul style="list-style-type: none"> Distributed the following to the covered entities: <ul style="list-style-type: none"> ✓ Audit data collection templates ✓ Template Checklist 	

#	Steps	Actions	IA Assurance
		<ul style="list-style-type: none"> ✓ Information Request Checklist • Reviewed the populated and returned the NEITI Audit data collection templates of sixty-two (62) companies. • Reviewed the filled template checklist as well as the Audit Information Request Checklist 	<p>Returned Templates, subsequent explanation and additional information/clarification are relevant and sufficient, except otherwise stated in this report.</p>
2	Data Cleaning	Performed data cleaning of returned template	
3	Data Verification	<ul style="list-style-type: none"> • Obtained and reviewed the source document as contained in the Audit Information Request Checklist to verify and validate populated data in the returned template. • Requested additional supporting documentation where necessary. • Reviewed audited financial reports and management accounts (where the audited financial statements are not available). • Obtained and reconciled production and lifting volumetrics with tripartite signed off report among the NUPRC, Companies and NNPC. 	
4	Data Completeness and Coverage	<ul style="list-style-type: none"> • Aggregated government revenue from the Revenue Generating Agencies and as populated by covered entities. • Obtained and reviewed RGA bank statements. • Reconciled the aggregated revenue with the corresponding bank statements. • Identified any additional revenue in the bank statements that not covered I the audit and disclosed under unreconciled revenue. E.g. miscellaneous oil revenue, bank interest etc. 	
5	Data Consistency	Reconciled the company record with RGA records and investigated discrepancies.	
6	Data Transparency and Accessibility	<ul style="list-style-type: none"> • Correspondences with covered entities are done with the designated email address for the exercise, copying the central email of NEITI Energy and Mining Department. • Accessibility of the Contextual Report prepared and referenced in this report. 	
7	Data Documentation and Audit Trail	<ul style="list-style-type: none"> • Obtained signed-off report post reconciliation workshop from the covered and participating companies. 	

#	Steps	Actions	IA Assurance
		<ul style="list-style-type: none"> Reconfirmed the final outcomes with RGAs—e.g. production and lifting volumetrics, and generated revenue. 	
8	Reporting and Recommendation	Made recommendation in subsequent sessions of this report.	

Source: NEITI 2022-2023 OGA, 2024

1.6. Materiality of the Report

Materiality of the Report is considered at the levels of the company and the revenue streams. Materiality at the company level examined the aggregate contribution of each company to the total payments covered in the Report. While materiality at the revenue streams level examined the percentage of contribution of each revenue stream to the total revenue from all the streams.

Table below shows the materiality threshold and assessment at company and revenue streams levels.

Table 6: Materiality Threshold and Assessment: Company and Revenue Streams Levels

Level	Parameters	Description	Outcomes Reconciliation Status		
			No	Amount (US\$ Billion)	% of Total Revenue
Company	0.5% to the total payment	Reconciled Companies	62	16.24	96.51%
		Un-Reconciled Companies (In Production)	1	0.59	3.49%
		Un-Reconciled Companies (Not in Production)	15	-	0.00%
		Total	78	16.83	100.00%
Revenue Stream	NSWG Decision	Reconciled Revenue	24	32.53	90.93%
		Unilateral Disclosed Revenue	10	3.25	9.07%
		Total	34	35.77	100.00%

Source: NEITI 2022-2023 OGA, 2024

See subsection 1.6.2 for details of company payment and percentages contribution of each covered companies to the total payment. Also, see chapter 5 for the details of revenue stream and percentage contribution of each revenue streams to the total revenue from the sector.

1.6.1. Revenue Streams

Table below shows the revenue streams attributed to the government prior to the implementation of the PIA, 2021.

Table 7: Revenue Streams: January to June 2021- Pre-PIA, 2021 Implementation

#	Revenue Streams	Responsible/ Oversight Entities
Reconciled		
1	Proceeds from the sale of Federation export crude oil	NNPC Ltd
2	Proceeds from the sale of profit oil	
3	Proceeds from the sale of domestic crude	
4	Proceeds from the sale of Federation gas	
5	Proceeds from the sale of feedstock	
6	Dividends from NLNG	
7	Royalty (oil)	NUPRC
8	Royalty (gas)	
9	Signature bonus	
10	Gas flare penalty	
11	Concession rentals	NDDC
12	NDDC 3% levy	
13	NCD 1% levy	NCDMB
14	Petroleum Profit Tax (PPT)	FIRS
15	Company Income Tax	
16	Education Tax	
17	Value-added Tax	
18	Withholding Tax	
19	Pay As You Earn	
20	Capital Gains Tax	
Unilaterally Disclosed		
1	Miscellaneous income (<i>Transportation fees inclusive</i>)	NNPC Ltd
2	Stamp Duties	FIRS
3	Police Trust Funds	
4	National Agency for Science and Engineering Infrastructure (NASeni)	
5	Withholding Tax	SIRS
6	Pay As You Earn	FMF
7	NESS fee	
8	Environmental Payments	FMEv/ SMEv

Source: NEITI 2022-2023 OGA, 2024

See Contextual Report for details on description and basis of revenue collection. Table below shows the reconciled and unilateral disclosed revenue covered in the Report.

Table 8: Reconciled and Unilateral Disclosed Revenue

Description	US\$ Billion	%
Total Revenue Streams	16.831	100.00%
Reconciled Streams	16.245	96.51%
Unilateral Disclosure	0.587	3.49%

Source: NEITI 2022-2023 OGA, 2024

1.6.2. Covered Companies

A total of seventy-eight were identified at the beginning of the audit exercise, comprising of sixty-three (63) companies with crude production status while fifteen (15) companies were not in production. From the sixty-three (63) companies with production status, sixty-two (62) companies were reconciled because they participated in the exercise by providing the required records. One (1) company did not participate as it did not respond to the audit request as shown in the table below.

Table 9: Reconciled and Un-Reconciled Companies

Description	#	%
Total Companies at the Start of the Audit	78	100.00%
Reconciled Companies	62	79.49%
Un-Reconciled Companies (In Production)	1	1.28%
Un-Reconciled Companies (Not in Production)	15	19.23%

Source: NEITI 2022-2023 OGA, 2024

Despite reconciling sixty-two (62) companies, only twenty-eight (28) were deemed material following a revision by the IA of the materiality threshold from 1.5% to 0.5%. These material companies contributed significantly, accounting for US\$ 15.549 billion, representing 96% of the total payments. In contrast, the non-material companies collectively accounted for US\$695.604 million, which represents only 4% of the total payments.

In 2022, total payments in the oil and gas sector amounted to US\$16.831 billion, a significant increase compared to the US\$11.848 billion recorded in 2021. This US\$4.98 billion increase, representing a 42% rise, was primarily driven by higher crude oil prices, which boosted the value of liftings, as well as an intensified revenue collection effort by the Revenue Generating Agencies (RGA). This highlights the sector's sensitivity to global market fluctuations and the effectiveness of domestic revenue mobilization strategies.

The table below provides a breakdown of the covered companies, detailing their respective payments, percentage (%) contribution to the total payment, and relevant remarks, indicating whether the payments were reconciled or disclosed unilaterally

Table 10: Reconciled Companies

S/N	Description	Payment US\$	% of Contribution	Material US\$	Non-Material US\$
1	Aiteo Eastern E&P Co Ltd	2,902,801	0.02%	-	2,902,801
2	All Grace Energy Limited	1,428,035	0.01%	-	1,428,035
3	Amni International Petroleum Ltd	33,591,159	0.21%	-	33,591,159
4	Antan Producing Limited	167,345,014	1.03%	167,345,014	-
5	Aradel Holdings	276,190,049	1.70%	276,190,049	-
6	Belema Oil	245,333	0.00%	-	245,333
7	Brittania U-Nigeria	30,928,613	0.19%	-	30,928,613
8	Chevron Nigeria Ltd	901,635,314	5.55%	901,635,314	-
9	China Exploration & Production	36,466,630	0.22%	-	36,466,630
10	Chorus Energy Limited	5,841,470	0.04%	-	5,841,470
11	Conoil Producing Ltd	20,945,589	0.13%	-	20,945,589
12	Continental Oil and Gas Company	136,533,134	0.84%	136,533,134	-
13	Dubri Oil Company Limited	90,795,720	0.56%	90,795,720	-
14	Elcrest Exploration and Production Nigeria Ltd (Eland)	658,840,361	4.06%	658,840,361	-
15	Energia Limited	11,556,828	0.07%	-	11,556,828
16	Equinor Nigeria Energy Company Limited (now Chappal Energies)	675,235,776	4.16%	675,235,776	-
17	Esso E&P (Offshore East) Nigeria Ltd	253,272,295	1.56%	253,272,295	-
18	Esso E&P Nigeria Ltd	371,364,278	2.29%	371,364,278	-
19	Excel Exploration & Production Limited	5,071,169	0.03%	-	5,071,169
20	Famfa Oil Limited	323,046,182	1.99%	323,046,182	-
21	First Exploration and Production	208,518,237	1.28%	208,518,237	-
22	First Hydrocarbon Nigeria	11,806,513	0.07%	-	11,806,513
23	Frontier Oil Limited	12,085,851	0.07%	-	12,085,851

S/N	Description	Payment US\$	% of Contribution	Material US\$	Non-Material US\$
24	Green Energy International Limited	108,674,422	0.67%	108,674,422	-
25	Heirs Energies Ltd	18,205,009	0.11%	-	18,205,009
26	Lekoil Limited	16,731,444	0.10%	-	16,731,444
27	Midwestern Oil and Gas	47,238,582	0.29%	-	47,238,582
28	Millennium Oil & Gas Limited	72,407	0.00%	-	72,407
29	Mobil Producing Nigeria Unlimited	2,000,899,204	12.32%	2,000,899,204	-
30	Moni Pulo Ltd	4,294,148	0.03%	-	4,294,148
31	NAOC (NOW Oando PLC)	243,551,790	1.50%	243,551,790	-
32	Nd Western Limited	117,049,748	0.72%	117,049,748	-
33	Neconde Energy Limited	260,863,286	1.61%	260,863,286	-
34	NE&PL	947,723,560	5.83%	947,723,560	-
35	Network Exploration & Production Ltd	30,367,560	0.19%	-	30,367,560
36	Newcross E&P Ltd	16,897,590	0.10%	-	16,897,590
37	Newcross Petroleum Limited	15,799,626	0.10%	-	15,799,626
38	Nexen Petroleum Nigeria Limited	141,157,668	0.87%	141,157,668	-
39	Nigerian Agip Exploration (NAE)	55,000,132	0.34%	-	55,000,132
40	OANDO Oil Ltd	14,936,575	0.09%	-	14,936,575
41	OANDO PDC	-	0.00%	-	-
42	OANDO Qua Iboe Ltd	-	0.00%	-	-
43	Oriental Energy Resources Ltd	52,234,083	0.32%	-	52,234,083
44	Pillar Oil Limited	167,020,139	1.03%	167,020,139	-
45	Platform Petroleum Limited	336,992,111	2.07%	336,992,111	-
46	Prime 127 Nigeria Limited (FMR Petrobras Oil & Gas)	10,586,315	0.07%	-	10,586,315
47	Prime 130 Nigeria Limited	57,447,486	0.35%	-	57,447,486
48	Seplat Energies Ltd	192,621,917	1.19%	192,621,917	-
49	Shell Nig. Exploration & Production Co Ltd	1,926,836,272	11.86%	1,926,836,272	-
50	SPDC	1,251,996,767	7.71%	1,251,996,767	-
51	Shoreline Natural Resources Ltd	76,660,918	0.47%	-	76,660,918

S/N	Description	Payment US\$	% of Contribution	Material US\$	Non-Material US\$
52	SINOPEC	1,692,980	0.01%	-	1,692,980
53	South Atlantic Pet. Ltd	509,981,677	3.14%	509,981,677	-
54	Star Deepwater Petroleum Limited	1,350,324,211	8.31%	1,350,324,211	-
55	Sterling Global Oil Resources Limited	71,761,878	0.44%	-	71,761,878
56	Sterling Oil E&P Production Co Ltd	249,011,000	1.53%	249,011,000	-
57	Texaco Nigeria Outer Shelf Limited	19,303,924	0.12%	-	19,303,924
58	Total Exploration & Production Nigeria Ltd	661,837,600	4.07%	661,837,600	-
59	Total Upstream	1,019,719,357	6.28%	1,019,719,357	-
60	Universal Energy Ltd	5,032,035	0.03%	-	5,032,035
61	Waltersmith Petroman Oil Ltd.	4,292,999	0.03%	-	4,292,999
62	Yinka Folawiyo Petroleum Company	4,178,640	0.03%	-	4,178,640
	Total	16,244,641,413	100.00%	15,549,037,090	695,604,323

Source: NEITI 2022-2023 OGA, 2024

Furthermore, sixteen (16) companies did not participate in the audit process due to reasons such as non-production, license revocation, and contract termination. However, three (3) of these companies made a combined total payment of US\$7.105 million to the government, which has been duly recognized.

These non-participating companies were excluded from the reconciliation process, but their payments to the government have been accounted for accordingly.

Table below shows the non-participating companies.

Table 11: Unreconciled Companies

#	Covered Companies	Payment (US\$)	Rationale for non-participation
1	Consolidated Oil & Gas	-	No production and Payment
2	Consolidated Oil	-	
3	Halkin Exploration and Production Limited	-	Non-Responsive
4	Allied Energy	-	License Revoked
5	Summit Oil	-	No production and Payment
6	AENR	-	Contract Terminated

#	Covered Companies	Payment (US\$)	Rationale for non-participation
7	Suntrust Oil Company Nigeria Limited	-	No production and Payment
8	Eroton	-	License Revoked (Now NNPC 18 Ltd)
9	Sterling Exploration Ltd	-	No production and Payment
10	Esso E & P Nigeria (Deep Ventures) Limited	-	
11	Sahara Field Production Limited (Asharami Energy Ltd)	-	
12	Wester Ord	41,537	Below Materiality Threshold
13	Pan Ocean	-	No production and Payment
14	Petralon Energy Nigeria	-	
15	Tenoil Petroleum and Energy Services	6,438,069	Payment for VAT & WHT
16	Enageed	625,642	Non-Responsive
	Total	7,105,248	

Source: NEITI 2022-2023 OGA, 2024

The total payment of US\$7.379 million made to the government by the unreconciled companies in 2022 reflects a slight decrease when compared to the US\$7.808 million recorded in 2021.

1.6.3. Government Entities

Table below shows the government entities covered in the audit process.

Table 12: Government Entities Covered in the Report

Category	Description
Revenue Generating Agencies (RGA)	<ol style="list-style-type: none"> 1. Federal Inland Revenue Service (FIRS) 2. Nigerian Upstream Petroleum Regulatory Commission (NUPRC) 3. Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) 4. Niger Delta Development Commission (NDDC) 5. Federal Ministry of Finance, Budget and National Planning 6. Nigerian Content Development and Monitoring Board (NCDMB)
Other Government Entities	<ol style="list-style-type: none"> 1. Central Bank of Nigeria (CBN) 2. Office of the Accountant-General of the Federation (OAGF) 3. Federal Ministry of Environment (FMEv) 4. National Oil Spill Detection and Response Agency (NOSDRA) 5. Hydrocarbon Pollution Remediation Project (HYPREP) 6. National Environmental Standards and Regulations Enforcement Agency (NESREA)
Bilateral Authorities	<ol style="list-style-type: none"> 1. Nigeria Sao-Tome Joint Development Authority

Source: NEITI 2022-2023 OGA, 2024

Table 13: Other Related Entities Covered in the Report

Category	Description
State-Owned Enterprise (SOE)	Nigerian National Petroleum Company Limited
Midstream Gas Company	Nigeria Liquefied Natural Gas (NLNG) Limited

Source: NEITI 2022-2023 OGA, 2024

See Contextual Report for details of government entities covered in the audit process, revenue types and fiscal regimes.

1.6.4. Quantitative Assessment of Data Quality

The table below shows assessment of data quality based on quantitative parameters.

Table 14: Quantitative Assessment of Data Quality

Parameters	#	Response		Rating
		#	%	
Covered Companies	63	62	98.4%	High
Audited Financial Statement/ Attested Management Accounts	28	27	96.4%	High
NUPRC Production Signed-off	52	45	86.54%	High
NUPRC Lifting Signed-off	72	60	83.33%	High
Covered Entities Signed-off Report	63	52	82.54%	High

Source: NEITI 2022-2023 OGA, 2024

Level of Assurance Grading

- High: Above 79%
- Medium: Between 50% and 79%
- Low: Below 50%

1.6.5. Interpretation of IA’s Impact Rating on the Observations

The rating of the observed implications and impacts under the related sections in this Report is in the table below.

Table 15: Interpretation of IA’s Impact Rating of the Observations

#	Impact Rating	Risk Index	Interpretation
A	Full Compliance	5	Favourable: The system demonstrates high effectiveness.
B	Partial Compliance	3	Tolerance: The system demonstrates average effectiveness but requires prompt improvements.
C	Non-Compliance	0	Not Favourable: The system exhibits critically weak controls.

CHAPTER 2

Contracts, Licences, Leases and Beneficial Ownership

This section discusses legal framework and fiscal regime in the oil and gas sector. Furthermore, it discusses contract, licenses, leases and beneficial ownership.

The Petroleum Industry Act, 2021 is the principal law in the oil and gas sector. See the Contextual Report for description of the laws, regulations and fiscal regimes in the sector.

2.1. Contracts, License and Leases Allocation

Disclosure on the processes of Contracts, Licence and Lease allocation is one of the key indicators demonstrating transparency and accountability in the oil and gas sector. See the Contextual Report for description, laws and regulations on the process of contract, licenses and leases allocation in Nigeria coordinated by the NUPRC.

At total of fifty-one (51) Petroleum Prospecting Licenses (PPL) were issued in 2022 by the NUPRC under the PIA, 2021 as shown in the table below.

Table 16: Contracts, Licenses and Leases Allocated as of Start of the Year and End-Year

License/ Lease Type	Description	#
PEL	Existing as of start of the year	-
	Add: Issued during the year	-
	Less: Revoked during the year	-
	Existing as of end-year	-
PPL	Existing as of start of the year	-
	Add: Issued during the year	51
	Less: Revoked during the year	-
	Existing as of end-year	51
PML	Existing as of start of the year	-
	Add: Issued during the year	-
	Less: Revoked during the year	-
	Existing as of end-year	-

Source: NEITI 2022-2023 OGA, 2024 (NUPRC Responses)

2.2. Register of Licenses

A functional Register of licenses as coordinated by the NUPRC indicates the true owners and identity of oil and gas assets. Furthermore, it summarised the key contract terms demonstrating transparency and accountability in the industry. See the Contextual Report for description, laws and regulations on the Register of Licenses in Nigeria coordinated by the NUPRC. The table below shows the analysis and comparison of Register of Licenses and actual license document.

Table 17: Comparison of Register of Licenses and Actual License Document

Parameter	Register of Licenses	License Document	Variance	Entity Remarks
	#	#	#	
PEL	-	-	-	No PEL was issued in 2022
PPL/OPL	51	51	-	No OPL was issued in 2022
PML/OML	-	-	-	No PML/OML was issued in 2022

Source: NEITI 2022-2023 OGA, 2024

2.3. Disclosure of Contracts and Licenses

Contract and Licenses publicly available compared with the Register of Licenses is shown in the table below. See the Contextual Report for description, laws and regulations on the disclosure of Contract and Licenses.

Table 18: Comparison of Register of Licenses and Publicly Available Document

Parameter	Register of Licenses	Publicly Available	Variance	Entity Remarks
	#	#	#	
PEL	-	-	-	
PPL	51	51	-	https://www.nuprc.gov.ng/
PML	-	-	-	https://www.nuprc.gov.ng/

Source: NEITI 2022-2023 OGA, 2024

2.4. Beneficial Ownership

There has been progress in the disclosure of the Beneficial Owner (BO). See the Contextual Report for description, laws and regulations on the disclosure of BO. Beneficial Ownership information was expected from sixty-two (62) reconciled companies. Table below shows the responses from reconciled companies.

Table 19: Company's Responses on Beneficial Ownership Information

Parameters		Response	
		#	%
Responsive	Available	41	66%
	Not Available	21	34%
	Work-In-Progress	-	0%
Non-Responsive	None	-	0%
Total		62	100%

Source: NEITI 2022-2023 OGA, 2024

2.5. Anti-Corruption Policies in the Oil and Gas Industry

There are legislations and Government Agencies on anti-corruption in Nigeria. See the Contextual Report for description, laws and regulations on the anti-corruption in Nigeria. Anti-Corruption policies and implementation status were expected from sixty-two (62) reconciled companies. Table below shows the responses from reconciled companies.

Table 20: Company's Responses on Anti-Corruption Polices and Implementation

Parameters		Response	
		#	%
Responsive	Available	16	26%
	Not Available	46	74%
	Work-In-Progress	-	0%
Non-Responsive	None	-	0%
Total		62	100%

Source: NEITI 2022-2023 OGA, 2024

CHAPTER 3

Exploration, Production and Export

3.1. Exploration and Reserves

This section discusses the exploration activities and reserves (proven and unproven) in the oil and gas sector. See the Contextual Report for description, laws, regulations and actions on Exploration and Reserves in Nigeria.

3.1.1. Exploration

Field Development Plans are plans approved for E&P companies for the development of Oil and Gas fields. According to the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), approved FDPs have an estimated oil reserve of 758 million Stock Tank Barrels (MMSTB) and gas reserves of 2,885 billion Standard Cubic Feet (BSCF). The projected Capital Expenditure (CAPEX) for these plans is valued at US\$ 5.859 billion, while the Operating Expenditure (OPEX) is estimated at US\$ 13.410 billion, as illustrated in the table below. These figures represent significant investments in the exploration and development of Nigeria's oil and gas resources.

Table 21: Approved Field Development Plans

Parameter	UoM	Deep Offshore	Land	Terrain Offshore	Onshore	Swam p	Total
Number of Approval	Document	-	-	6	14	-	20
Estimated Reserves Oil	MMSTB	-	-	362	396	-	758
Estimated Reserves Gas	BSCF	-	-	635	2,250	-	2,885
Estimated Condensate Reserves	MMSTB	-	-	-	-	-	-
Expected Oil Rate	BOPD	-	-	54,500	107,6834	-	162,184
Expected Gas Rate	MMScf/D	-	-	42	807	-	849
Expected Condensate Rate	BCPD	-	-	-	-	-	-
CAPEX	US\$' M	-	-	3,311	2,548	-	5,859
OPEX	US\$' M	-	-	6,282	7,128	-	13,410

Source: NEITI 2022-2023 OGA, 2024 (NUPRC Responses)

3.1.2. Proven and Unproven Reserves

Proven and unproven reserves data was expected from sixty-two (62) reconciled companies. Table below shows the responses from reconciled companies.

Table 22: Company Responses on Proven and Unproven Reserves

Parameters		Response	
		#	%
Responsive	Available	14	23%
	Not Available	-	0%
	Work-In-Progress	-	0%
Non-Responsive	None	48	77%
Total		62	100%

Source: NEITI 2022-2023 OGA, 2024

Proven reserves are economic indicators for future investment and revenue from the sector. Crude oil reserve was 31.06 billion barrels in 2022, comparing 37.05 billion barrels in 2021A decline of 6 billion barrels in oil reserves indicates a depletion of resources with minimal or no significant reserve additions over the period. This underscores the need for enhanced exploration activities and reserve replacement strategies to maintain production levels and ensure long-term sustainability of the sector, as shown in the table below.

Table 23: Reserves: NUPRC

Description	UOM	2022	2021	Change	
				QTY	%
Crude Oil	Billion Barrels	31.1	37.1	-6.0	-16.2%
Condensate	Billion Barrels	5.9	5.8	0.1	1.0%
Associated Gas	Trillion SCF	102.3	102.6	-0.3	-0.2%
Non-Associated Gas	Trillion SCF	106.5	106.1	0.5	0.4%

Source: NEITI 2022-2023 OGA, 2024

3.1.3. Joint Development Zone

The Joint Development Zone is a bilateral agreement between the governments of Nigeria and the Sao Tome and Principe. See the Contextual Report for description, laws, regulations and mandates of the JDZ. No activities were recorded in the Joint Development Zone (JDZ) during the period under review, as the expected operational parameters were not met, as outlined in the table below.

Table 24: Activities of the Joint Development Zones

Parameters	Description	UOM	2022	2021	IA Remarks
Capital Raised	Nigerian Government	US\$	-	-	JDZ could not provide responses
	Sao-Tome Government	US\$	-	-	
	Domestic Investment	US\$	-	-	
	Foreign Direct Investment	US\$	-	-	
Exploration Activities	Developed FDP	#	-	-	
	Submitted FDP	#	-	-	
	Approved FDP	#	-	-	
	Implemented FDP	#	-	-	
	Developed Rigs	#	-	-	
	Developed Wells	#	-	-	
Production Activities	Crude Oil	Barrels	-	-	
	Gas	SCF	-	-	
Lifting and Sales	Crude Oil	Barrels	-	-	
	Gas	SCF	-	-	
Returns on Investment	Nigerian Government	US\$	-	-	
	Sao-Tome Government	US\$	-	-	
	Domestic Investors	US\$	-	-	
	Foreign Direct Investors	US\$	-	-	

Source: NEITI 2022-2023 OGA, 2024

3.2. Production

Crude oil and gas production volumes are measured at various stages, including the wellheads, production platforms, and terminals, where fiscalisation of production takes place. These stages ensure accurate recording of production data, which is discussed in detail in the following subsections.

3.2.1. Crude Oil Production

The crude oil production was reviewed using various sources- NUPRC systematic disclosure on the official website, NUPRC submission during the NEITI OGA and the NUPRC signed-off reports with companies including the NNPC Limited. Table below shows disparity in the crude oil production in Nigeria.

Table 25: Disparity in Crude Oil Production

Description	2022
	mmbbls
NUPRC Systematic Disclosure	502.99
NUPRC Submission to NEITI	485.23
NUPRC Signed-off Report	490.94

Source: NEITI 2022-2023 OGA, 2024

The 2022-2023 NEITI extractive reporting has adopted the NUPRC signed-off report generated by NUPRC, Companies and the NNPC Limited at curtailment meetings.

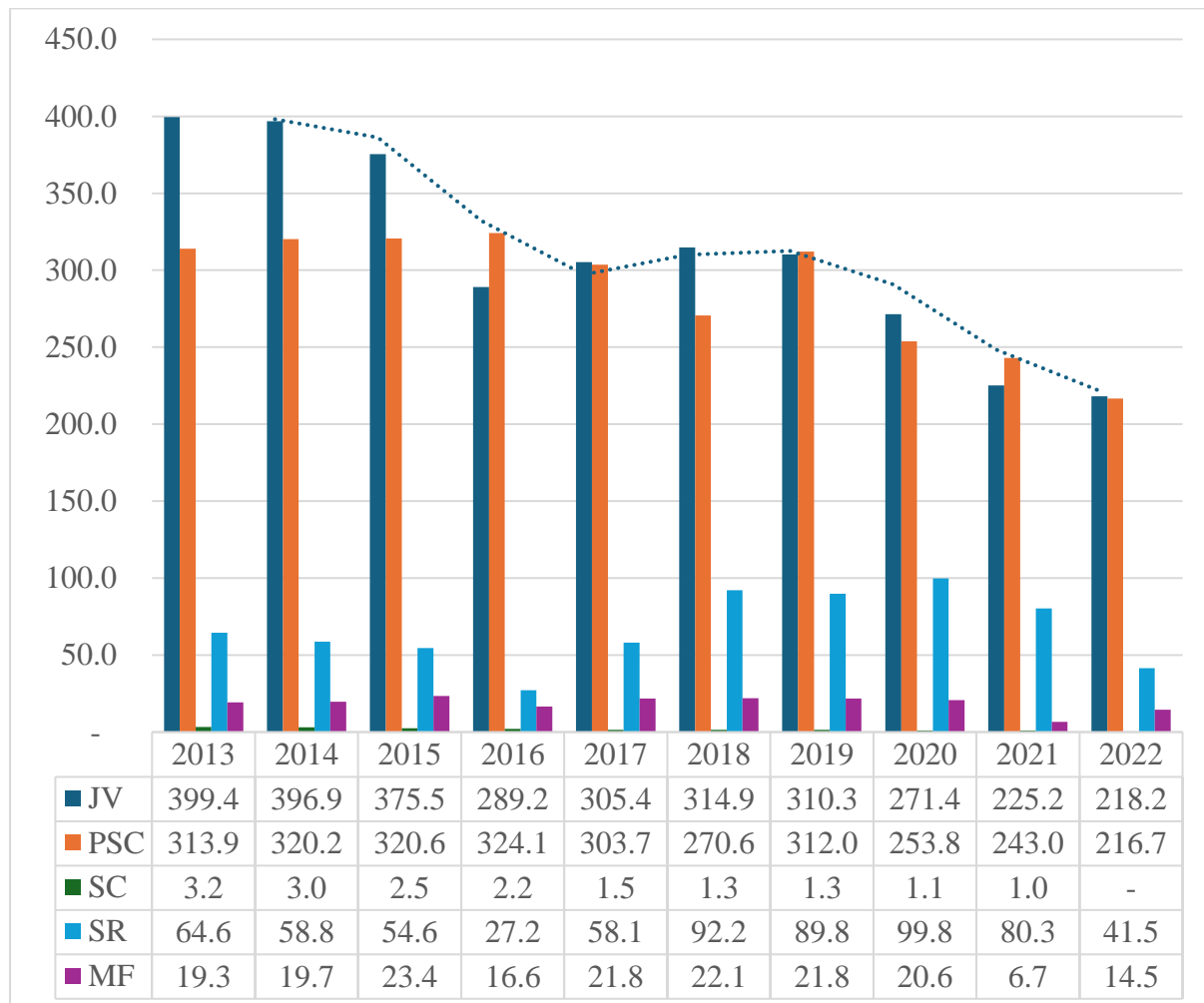
Total fiscalised crude oil production was 490.945 million barrels in 2022, comparing 556.130 million barrels in 2021. Fiscalised production decreased by 11.7% from 2021 to 2022 due to increase in production deferment in 2022.

A ten (10) year trend (2013 - 2022) of fiscalised crude oil production in Nigeria shows that the highest production volumes of 800.488 million barrels was in 2013 and lowest of 490.945 million barrels was in 2022. This indicates that the country's production capacity in 2022 was at 61.3% efficiency based on the 2013 production volume.

The 38.7% inefficiency indicates lower operating capacities of the production platforms, possible crude loss from unmetered Wellheads, increase in un-producing oil Wells due to abandonment, amongst other possible reasons.

The figure below shows the ten (10) years trend of fiscalised crude oil production.

Figure 3: Ten-Year Trend of Fiscalised Crude Oil Production in Nigeria Million Barrels



Source: 2013 – 2021 NEITI OGA Reports; 2022-2023 NEITI OGA, 2024

Metered production dropped by 16.86% from 634.603 million barrels in 2021 to 527.637 million barrels in 2022.

Total metered production at flow station was 527.637 million barrels in 2022, comprising 490.945 million barrels (93.05%) fiscalised production, 11.246 million barrels (2.13%) measurement error, 3.587 million barrels (0.68%) production adjustment, 21.145 million barrels (4.01%) theft/sabotage and 714.644 thousand barrels (0.14%) as terminal adjustment. This is shown in the table below.

Table 26: Crude Oil Production by Producing Companies

Producers	Crude Type	Asset Number	Metered Production at Flow Station bbls	Measurement Error bbls	Refund/ Production Adjustment bbls	Theft/ Sabotage bbls	Terminal Adjustment bbls	Fiscalized Production bbls
All Grace Energy	Ima	17	161,913	-	(2)	-	-	161,915
Aradel Holdings PLC	BL	54	1,441,143	-	-	464,445	-	976,698
AITEO Eastern E&P Company Ltd	BL	29	1,797,763	1,331,613	1,588	208,407	-	256,155
AMNI International Petroleum Development Co.	Okoro	112	2,898,910	-	-	-	-	2,898,910
Antan Producing Limited	Okwori	126	661,815	-	-	-	-	661,815
	Antan	123	5,135,375	-	-	-	-	5,135,375
	BB	124	407,541	-	-	74,173	612	332,756
Belema Oil Company Ltd	BL	55	1,403,117	57,791	402	1,180,105	-	164,819
BRITANNIA U	Ajapa	6	227,436	-	-	-	1,038	226,398
Chevron Nigeria Limited	EL	49/86/90/95/8 8/91	52,529,456	-	-	-	-	52,529,456
Consolidated Oil and Gas Company Limited	EL	103	228,945	-	-	-	-	228,945
Chorus Energy Limited	BB	56	3,390	-	-	716	3	2,671
	FB	56	302,328	-	3,481	26,210	-	272,637
Continental Oil and Gas	Pen	59	4,630,226	-	(22,644)	-	-	4,652,870
Dubri Oil Limited	EL	96	75,045	1,492	-	-	-	73,553
Enageed Resource Limited	FB	111	452,546	-	6,675	56,670	-	389,201
Energia Limited	FB	56	837,878	-	9,827	74,759	-	753,292
	BB	56	59,751	-	-	13,554	60	46,137
NNPC 18 (formerly Eroton)	BL	18	3,286,744	1,481,543	722	1,599,400	-	205,079



Producers	Crude Type	Asset Number	Metered Production at Flow Station bbls	Measurement Error bbls	Refund/ Production Adjustment bbls	Theft/ Sabotage bbls	Termnal Adjustment bbls	Fiscalized Production bbls
EXCEL E & P	FB	46	631,949	12,638	-	74,458	-	544,853
Esso Exploration and Production Nigeria Limited_ERHA	Erha	133	21,972,422	-	6	-	-	21,972,416
Esso Exploration and Production Nigeria Limited_USAN	Usan	138	16,437,652	-	-	-	-	16,437,652
Frontier Oil Limited	QIB	13	350,632	-	-	-	-	350,632
First Exploration & Petroleum Development Company Limited	Anya	83/85	15,416,627	-	-	-	-	15,416,627
Green Energy	Otaki	11	2,164,514	-	4,189	-	-	2,160,325
Halkin Exploration and Production Limited	Ajapa	46	139,758	-	-	-	-	139,758
Heirs Energy	BL	17	4,300,295	741,907	189	1,910,478	-	1,647,721
Midwestern Oil and Gas Limited	FB	56	2,293,644	-	26,631	206,077	-	2,060,936
	BB	56	77,887	-	-	17,794	78	60,015
Mobil Producing Nigeria Unlimited	Yoho	67/68/70/104	10,282,752	-	80	-	-	10,282,672
	QIB		55,010,076	-	-	-	-	55,010,076
Millenium Oil	FB	11	10,556	-	-	2,919	-	7,637
Monipulo Limited	Antan	114	564,519	-	-	-	-	564,519
Nigerian Agip Exploration	Abo	125	4,977,042	-	(7,787)	-	-	4,984,829
Nigerian Agip Oil Company	BB	60/61/62/63	7,807,944	-	(738,045)	2,332,327	357,759	5,855,903
Network E&P limited	QIB	13	531,414	-	-	-	-	531,414
Newcross E&P Limited	BL	24	2,419,633	2,737	9,336	1,104,711	-	1,302,849

Producers	Crude Type	Asset Number	Metered Production at Flow Station bbls	Measurement Error bbls	Refund/ Production Adjustment bbls	Theft/ Sabotage bbls	Terminal Adjustment bbls	Fiscalized Production bbls
NNPC E&P Limited	BL	11	1,608,670	442,751	5,160	269,226	-	891,533
NEPL/NECONDE	Pen	42	1,437,091	-	(5,425)	-	-	1,442,516
NEPL/NECONDE	Jones	42	6,248,089	-	-	-	-	6,248,089
NNPC E&P Limited	Okono	111/98/147	3,598,740	-	(23,640)	-	-	3,622,380
NNPC E&P Limited	BB	116	902,610	-	-	290,639	1,352	610,619
NEPL /ELCREST	FB	40	5,294,697	165,356	219	492,923	-	4,636,199
NEPL/NECONDE	FB	42	480,569	9,514	4,803	30,192	-	436,060
NEPL /SHORELINE	FB	30	10,789,373	136,778	1,446,696	962,721	-	8,243,178
NEPL /ND WESTERN	FB	34	3,654,067	12,454	43,033	320,571	-	3,278,009
NEPL /FHN	FB	26	1,338,742	21,147	14,754	120,515	-	1,182,326
NNPC E&P Limited	FB	65	920,404	3,713	5,620	76,688	-	834,383
NNPC E&P Limited	FB	98	446,359	105	6,121	55,129	-	385,004
NNPC E&P Limited	FB	111	1,636,872	910	19,297	185,244	-	1,431,421
NNPC E&P Limited	EL	98	115,024	-	-	9,731	-	105,293
Oriental Energy Resources Ltd	Ebok	67	3,610,959	-	-	-	-	3,610,959
Pan Ocean Oil Corporation	FB	147	555,668	-	-	65,306	-	490,362
	EL	147	104,388	-	-	423	-	103,965
Pillar Oil Limited	FB	56	909,584	-	9,980	78,811	-	820,793
	BB	56	89,530	-	-	22,112	91	67,327
Platform Petroleum Limited	FB	38	668,775	-	7,648	59,247	-	601,880
	BB	38	79,014	-	-	18,165	79	60,770
Sterling Oil Exploration and Energy Production Co. Ltd	Okwui	143	17,357,545	-	-	-	-	17,357,545

Producers	Crude Type	Asset Number	Metered Production at Flow Station bbls	Measurement Error bbls	Refund/ Production Adjustment bbls	Theft/ Sabotage bbls	Terminal Adjustment bbls	Fiscalized Production bbls
Sterling Global Oil Resource Limited	Okwui	146	2,618,236	-	-	-	-	2,618,236
Seplat Energy	FB	4/38/41/49/53	9,616,120	185	118,164	1,079,781	-	8,417,990
	EL		3,518,037	4	8,823	329,561	-	3,179,649
	BL		1,502,521	6,510	2,393	443,144	-	1,050,474
Shell Nigeria Exploration Production Company	Bonga	118	33,921,498	-	-	-	-	33,921,498
Shell Production Development Company	FB	11/20/21/22/2	27,253,901	856,201	2,612,598	2,428,601	-	21,356,501
	EA	3/27/28/32/35/	8,737,001	-	-	-	-	8,737,001
	BL	43/45/46/55/7	11,204,470	5,926,923	1,189	3,261,023	-	2,015,335
	BB	9	1,467,034	-	-	1,472	353,572	1,111,990
Stardeep Water Limited	Agbami	127/128	37,056,871	-	-	-	-	37,056,871
TotalEnergies E&P Limited	BL	58/99	1,791,229	30,434	1,839	993,716	-	765,240
	Amenam	100/102	28,884,862	-	-	-	-	28,884,862
TotalEnergies Upstream	Egina	130	47,072,576	-	-	-	-	47,072,576
	Akpo	130	27,959,740	-	-	-	-	27,959,740
Universal / Savannah Energy	QIB	14	819,553	-	-	-	-	819,553
Waltersmith Petroman Ltd	BL	157	433,427	2,984	13,254	202,954	-	214,235
Yinka Folawiyo	Aje	113	2,968	-	-	-	-	2,968
Total			527,637,451	11,245,690	3,587,173	21,145,098	714,644	490,944,846

Source: NEITI 2022- 2023 OGA, 2024 (Companies' Hydrocarbon Flows Template and NUPRC Reconciled Sign-Off Document)

3.2.1.1. Federation Entitlement to JV Crude Oil Production

Federation entitlement to JV crude oil production in the year was distorted by the PIA transitioning considering the subrogation of JV assets to NNPC Limited.

The JV production was 218.190 million barrels in 2022 compared to 225.23 million barrels in 2021. This was a decrease of 7.040 million barrels (3.13%). Table below shows the share of JV production.

Table 27: Federation Entitlement to JV Production

Descriptions	Total JV Production				Federation Share			Company Share		
	2022	2021	Change		Equity Interest	2022	2021	Equity Interest	2022	2021
	mbbls	mbbls	mbbls	%	%	mbbls	mbbls	%	mbbls	mbbls
Aiteo	256	2,810	(2,554)	-91%	55%	141	1,546	45%	115	1,265
Belema	165	916	(751)	-82%	60%	99	549	40%	66	366
Chevron	52,529	60,668	(8,138)	-13%	60%	31,518	36,401	40%	21,012	24,267
Eroton	205	1,557	(1,352)	-87%	55%	113	856	45%	92	700
First E & P	15,417	10,785	4,631	43%	60%	9,250	6,471	40%	6,167	4,314
Heirs Holding	1,648	3,691	(2,043)	-55%	55%	906	2,030	45%	741	1,661
Mobil	65,293	64,789	504	1%	60%	39,176	38,873	40%	26,117	25,916
NAOC	5,856	-	5,856	100%	60%	3,514	-	40%	2,342	-
Seplat	12,648	1,741	10,907	626%	60%	7,589	1,045	40%	5,059	696
SPDC	33,221	49,768	(16,548)	-33%	55%	18,271	27,373	45%	14,949	22,396
TEPNG	29,650	28,505	1,145	4%	60%	17,790	17,103	40%	11,860	11,402
Newcross E & P	1,303		1,303	100%	55%	717	-	45%	586	-
Total	218,190	225,230	(7,040)	-3%		129,083	132,247		89,108	92,983

Source: NEITI 2022- 2023 OGA, 2024 (Companies' Hydrocarbon Flows Template and NUPRC Reconciled Sign-Off Document)

3.2.1.2. Crude Oil Losses and Deferment

The crude oil losses were reviewed using various sources- NUPRC submission during the NEITI OGA and the NUPRC signed-off reports with companies including the NNPC Limited. Table below shows disparity in the crude oil losses in Nigeria.

Table 28: Disparity in Crude Oil Losses

Description	Measurement Error	Refund/ Production Adjustment	Theft/ Sabotage	Total
	mmbbls	mmbbls	mmbbls	mmbbls
NUPRC NEITI Submission	-	11.79	20.87	32.67
NUPRC Signed-off Report	11.25	4.30	21.15	36.69

Source: NEITI 2022-2023 OGA, 2024

The 2022-2023 NEITI extractive reporting adopted the NUPRC signed-off report generated by NUPRC, Companies and the NNPC Limited at curtailment meetings.

Crude oil loss was 36.693 million barrels which was 22.46% of the total metered production at the flow station (163.384 million barrels) for the affected companies and crude type. The losses result from 11.246 million barrels measurement error (6.9%), 21.145 million barrels theft and sabotage (12.9%) and 4.302 million barrels production/ terminal adjustment (2.6%). Table below shows the percentage of crude losses arising from measurement error and theft/sabotage to metered production at flow station based on crude type and respective producers.

Table 29: Crude Losses to Metered Production at Flow Station Based on Crude Type and Respective Producer

Producers	Crude Type	Metered Production at Flow Station Bbls	Measurement Error		Refund/ Production/ Terminal Adjustment		Theft/ Sabotage	
			Bbls	%	Bbls	%	Bbls	%
All Grace Energy	Ima	161,913	-	0%	(2)	0%	-	0%
Aradel Holdings Plc	BL	1,441,143	-	0%	-	0%	464,445	32%
Aiteo Eastern E&P Co. Ltd	BL	1,797,763	1,331,613	74%	1,588	0%	208,407	12%
Antan Producing Ltd	BB	407,541	-	-	612	0%	74,173	18%
Belema Oil Company Ltd	BL	1,403,117	57,791	-	402	0%	1,180,105	84%
Britannia U	Ajapa	227,436	-	-	1,038	0%	-	0%
Chorus Energy Ltd	BB	3,390	-	-	3	0%	716	21%
	FB	302,328	-	-	3,481	1%	26,210	9%
Continental Oil and Gas	Pen	4,630,226	-	-	(22,644)	0%	-	0%

Producers	Crude Type	Metered Production at Flow Station Bbls	Measurement Error		Refund/ Production/ Terminal Adjustment		Theft/ Sabotage	
			Bbls	%	Bbls	%	Bbls	%
Dubri Oil Ltd	EL	75,045	1,492	-	-	0%	-	0%
Enageed Resource Ltd	FB	452,546	-	-	6,675	1%	56,670	13%
Energia Limited	FB	837,878	-	-	9,827	1%	74,759	9%
	BB	59,751	-	-	60	0%	13,554	23%
NNPC 18 (Formerly Eroton)	BL	3,286,744	1,481,543	-	722	0%	1,599,400	49%
Excel E & P	FB	631,949	12,638	-	-	0%	74,458	12%
Esso E&P Nig. Ltd_ ERHA	Erha	21,972,422	-	-	6	0%	-	0%
Green Energy	Otaki	2,164,514	-	-	4,189	0%	-	0%
Heirs Energy	BL	4,300,295	741,907	-	189	0%	1,910,478	44%
Midwestern Oil and Gas Limited	FB	2,293,644	-	-	26,631	1%	206,077	9%
	BB	77,887	-	-	78	0%	17,794	23%
Mobil Producing Nigeria Unltd	Yoho	10,282,752	-	-	80	0%	-	0%
Millennium Oil	FB	10,556	-	-	-	0%	2,919	28%
Nigerian Agip Exploration	Abo	4,977,042	-	-	(7,787)	0%	-	0%
Nigerian Agip Oil Company	BB	7,807,944	-	-	(380,286)	-5%	2,332,327	30%
Newcross E&P Limited	BL	2,419,633	2,737	-	9,336	0%	1,104,711	46%
NEPL	BL	1,608,670	442,751	-	5,160	0%	269,226	17%
NEPL/ Neconde	Pen	1,437,091	-	-	(5,425)	0%	-	0%
NNPC E&P Limited	Okono	3,598,740	-	-	(23,640)	-1%	-	0%
	BB	902,610	-	-	1,352	0%	290,639	32%
NEPL /Elcrest	FB	5,294,697	165,356	-	219	0%	492,923	9%
NEPL/ Neconde	FB	480,569	9,514	-	4,803	1%	30,192	6%
NEPL/ Shoreline	FB	10,789,373	136,778	-	1,446,696	13%	962,721	9%
NEPL / ND Western	FB	3,654,067	12,454	-	43,033	1%	320,571	9%
Nepl /FHN	FB	1,338,742	21,147	2%	14,754	1%	120,515	9%
NNPC E&P Limited	FB	2,860,630	4,728	0%	31,038	1%	302,023	11%
	EL	258,029	-	0%	-	0%	24,769	10%
Pan Ocean Oil Corporation	FB	555,668	-	0%	-	0%	65,306	12%
	EL	104,388	-	0%	-	0%	423	0%
Pillar Oil Limited	FB	851,164	-	0%	9,980	1%	78,811	9%
	BB	89,530	-	0%	91	0%	22,112	25%

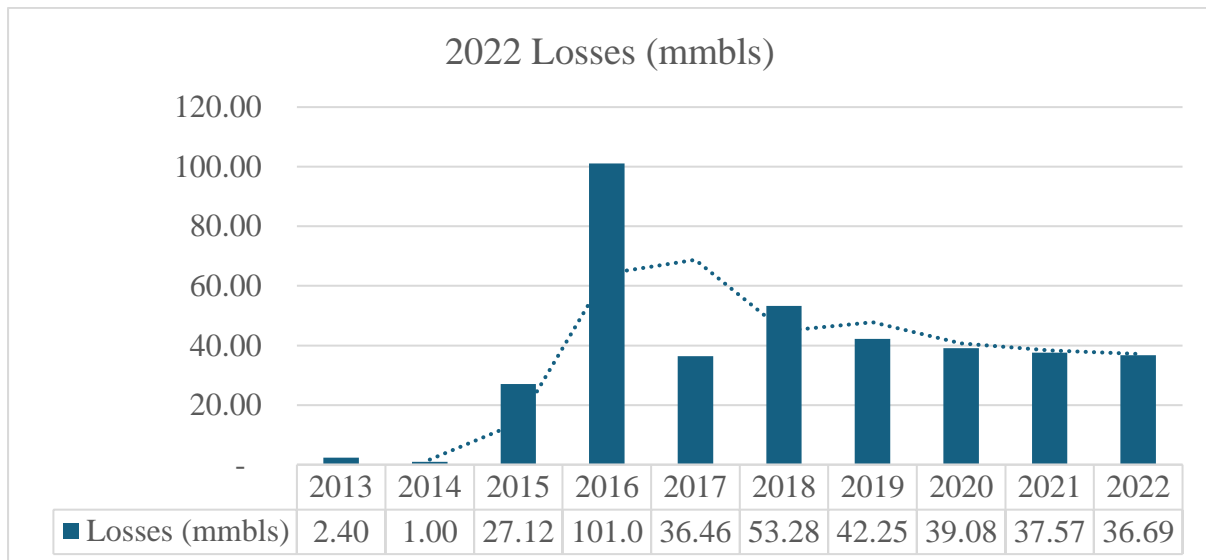
Producers	Crude Type	Metered Production at Flow Station	Measurement Error		Refund/ Production/ Terminal Adjustment		Theft/ Sabotage	
		Bbls	Bbls	%	Bbls	%	Bbls	%
Platform Petroleum Ltd	FB	668,775	-	0%	7,648	1%	59,247	9%
	BB	79,014	-	0%	79	0%	18,165	23%
Seplat Energy	FB	9,616,120	185	0%	118,164	1%	1,079,781	11%
	EL	3,518,037	4	0%	8,823	0%	329,561	9%
	BL	1,502,521	6,510	0%	2,393	0%	443,144	29%
Shell Production Development Company	FB	27,253,901	856,201	3%	2,612,598	10%	2,428,601	9%
	BL	11,204,470	5,926,923	53%	1,189	0%	3,261,023	29%
	BB	1,467,034	-	0%	353,572	24%	1,472	0%
Totalenergies E&P Limited	BL	1,791,229	30,434	2%	1,839	0%	993,716	55%
Waltersmith Petroman Ltf	BL	433,427	2,984	1%	13,254	3%	202,954	47%
Total		163,383,955	11,245,690	7%	4,301,817	3%	21,145,098	13%

Source: NEITI 2022- 2023 OGA, 2024 (Companies' Hydrocarbon Flows Template and NUPRC Reconciled Sign-Off Document)

Crude oil losses were 36.69 million barrels in 2022, compared to 37.57 million barrels in 2021. This dropped by 2% (0.88 million barrels). This means that government efforts on curbing crude losses is yielding some positive results. However, there is need for more intensity to drive efficiency in the sector.

A ten (10) year trend (2013 - 2022) of crude losses in Nigeria shows that the highest loss of 101 million barrels was in 2016 and the lowest of 1 million barrels was in 2014. The figure below shows the ten (10) years trend of crude oil losses.

Figure 4: Ten-Year Trend of Crude Oil Losses in Nigeria Million Barrels



Source: 2013 – 2021 NEITI OGA Reports; 2022-2023 NEITI OGA, 2024

Production deferments were reviewed using various sources- NUPRC submission and the Companies submission. Table below shows disparity in the crude oil production deferments in Nigeria.

Table 30: Disparity in Crude Oil Production Deferment

Description	Schedule	Unscheduled	Total
	mmbbls	mmbbls	mmbbls
NUPRC NEITI Submission	110.25	-	110.25
Companies NEITI Submission	102.23	51.21	153.44

Source: NEITI 2022- 2023 OGA, 2024 (Crude Oil Production Deferment Templates)

Based on companies' submission, the total crude oil production deferment was 153.44 million barrels, comprising 102.23 million barrels (66.63%) scheduled, and 51.21 million barrels (33.37%) unscheduled based on companies' submission to the 2022-2023 NEITI extractive reporting. Table below shows the total crude oil production deferment.

Table 31: Crude Oil Production Deferment (Scheduled and Unscheduled)

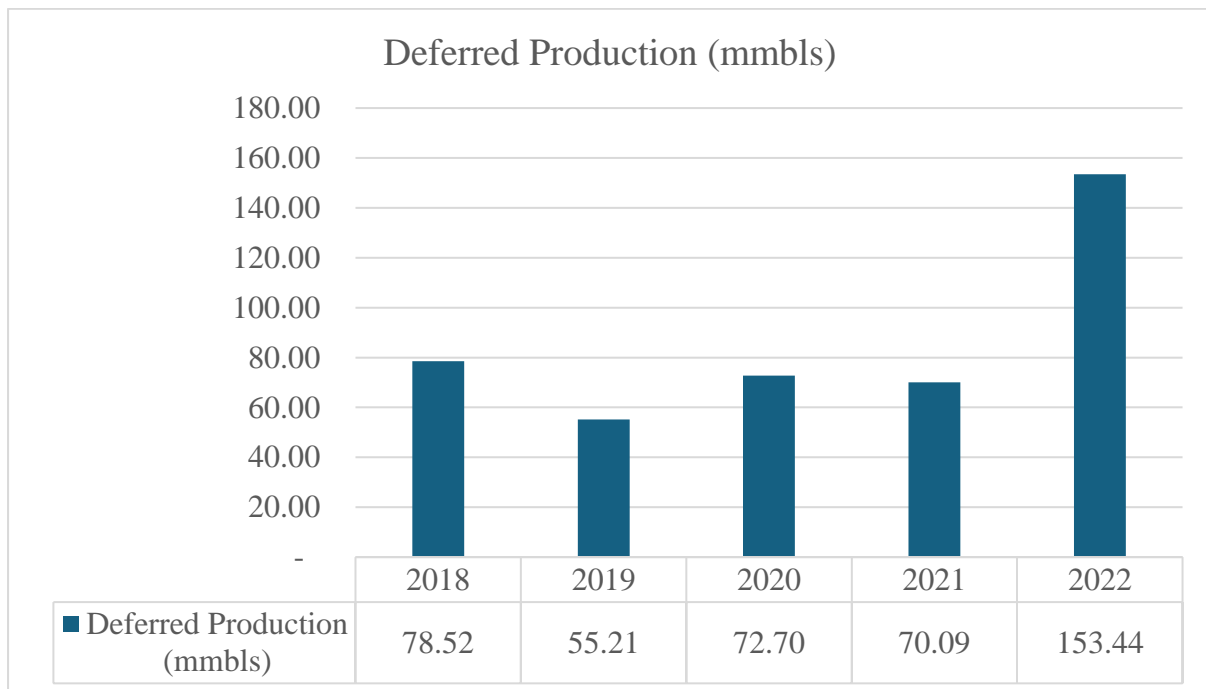
Producers	Scheduled Deferred Barrels	Unscheduled Deferred Barrels	Total Barrels
ALL GRACE	1,821	28,130	29,951
AITEO	19,746,852	-	19,746,852
ADDAX_ANTAN	3,690,236	-	3,690,236
CHEVRON	5,408,101	-	5,408,101
FIRST E&P	590,808	-	590,808
HEIRS	87,624	-	87,624
MONIPULO	539,492	-	539,492
NAOC	12,169,674	-	12,169,674
NEWCROSS E & P	10,093,631	-	10,093,631
NEPL 119	-	2,132,682	2,132,682
NEPL 49/51	-	231,519	231,519
NEPL SEPLAT JV	931,211	4,526,939	5,458,151
NEPL 42	-	4,728,401	4,728,401
NEPL- (OML 38/49)	-	773,600	773,600
NEPL 65	-	3,321,110	3,321,110
NEPL 98	-	201,700	201,700
NEPL 34	-	2,902,638	2,902,638
NEPL 26	-	704,643	704,643
NEPL 111	-	7,723,815	7,723,815
ORIENTAL ENERGY	192,831	55,583	248,414
PILLAR	45,560	763,738	809,298
PLATFORM	-	851,134	851,134
SEEPCO	6,233,828	-	6,233,828
SEPLAT	6,233,828	-	6,233,828

Producers	Scheduled Deferred Barrels	Unscheduled Deferred Barrels	Total Barrels
SNEPCO	9,828,029	-	9,828,029
SPDC	17,788,519	21,343,803	39,132,323
TEPNG	5,149,852	920,300	6,070,152
TUPNI	3,501,102	-	3,501,102
TOTAL	102,232,999	51,209,736	153,442,735

Source: NEITI 2022- 2023 OGA, 2024 (Companies' Hydrocarbon Flows Templates)

Deferred Crude oil production was 153.44 million barrels in 2022, compared to 70.09 million barrels in 2021. This increased by 119% (83.35 million barrels). This implies significant delay in production due to avoidable interruption, repairs and maintenance. The Figure below shows the five-year trend of deferred production.

Figure 5: Five-Year Trend of Deferred Crude Oil Production (Million Barrels)



Source: 2013 – 2021 NEITI OGA Reports; 2022-2023 NEITI OGA, 2024

3.2.2. Gas Production

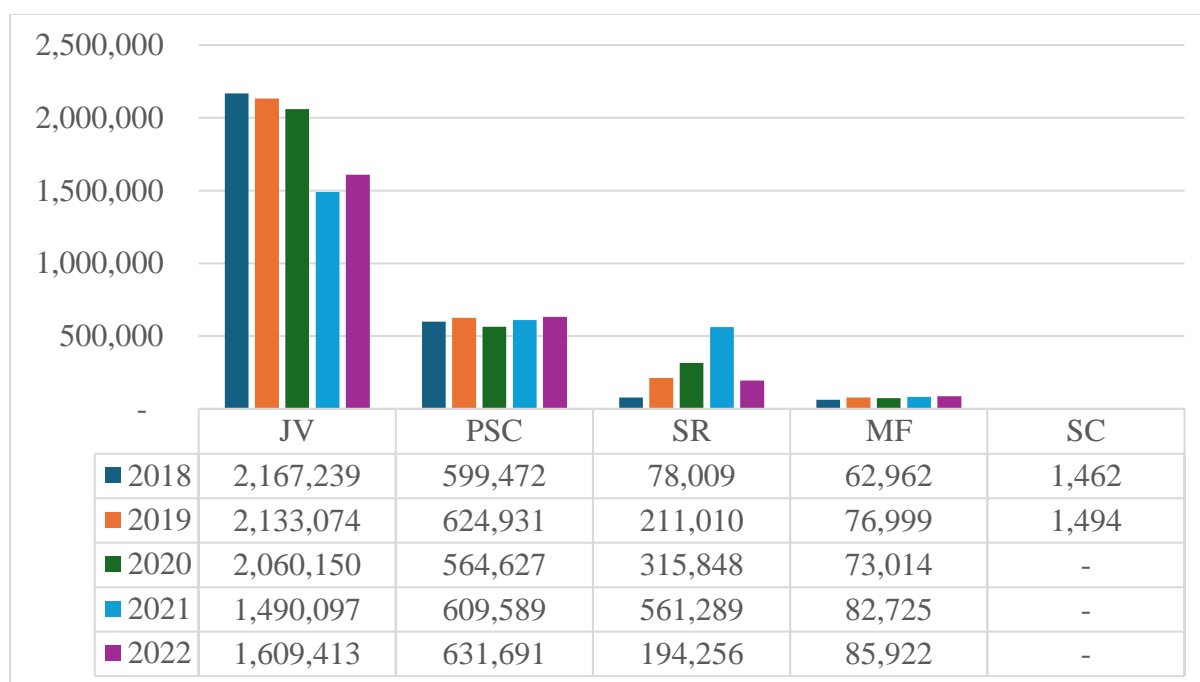
Total gas production was 2.521 trillion SCF in 2022, comparing 2.744 trillion SCF in 2021. Gas production dropped by 222.417 billion SCF (8%) from 2021 to 2022.

A five (5) year trend (2018 - 2022) of gas production in Nigeria shows that the highest production volumes of 3.048 trillion SCF was in 2019 and the lowest of 2.521 trillion SCF was in 2022. This implied that the country’s production capacity in 2022 was at 82.73% efficiency based on the 2019 gas production volume.

The 17.27% inefficiency indicates lower operating capacities of the production platforms, possible gas loss from unmetered Wellheads, increase in un-producing oil Wells due to abandonment, amongst other possible reasons.

The figure below shows the five (5) years trend of gas production.

Figure 6: Gas Production - Million SCF (MMSCF)



Source: 2013 – 2021 NEITI OGA Reports; 2022-2023 NEITI OGA, 2024

Metered gas production dropped by 8.1% from 2.744 trillion SCF in 2021 to 2.521 trillion SCF in 2022.

Total metered gas production at flow stations in 2022 amounted to 2.521 trillion Standard Cubic Feet (SCF). Of this, 137.361 billion SCF (5.4%) was used as fuel, 129.696 billion SCF (5.1%) for gas lift, 487.735 billion SCF (19.3%) for gas re-injection, 1.569 trillion SCF as sales, 9.428 billion SCF (0.4%) as shrinkage and 188.483 million SCF (7.5%) as gas flare. The detailed breakdown is presented in the table below.

Table 32: Gas Production by Companies on Asset Basis

PRODUCERS	Assets	Metered Production (Mmscf)	Fuel Gas (Mmscf)	Gas Lift (Mmscf)	Gas Re-Injection (Mmscf)	Sales Gas (Mmscf)	Shrinkage (Mmscf)	Gas Flared (Mmscf)
Antan Producing Limited	123	15,132	797	3,870	-	-	-	10,465
	124	2,157	76	1,189	98	-	-	794
	126	2,145	311	517	130	-	-	1,187
Aiteo Eastern E&P Company Ltd	29	2,023	15	-	-	1,733	-	275
All Grace Energy	17	280	-	-	-	-	-	280
Amni International Petroleum Development	112	1,968	95	-	1,390	-	-	483
Belema Oil Company Limited	55	2,369	126	-	-	-	-	2,243
Britania-U	90	217	181	-	-	-	-	35
Chevron Nigeria Limited	49	63,151	3,768	13,074	-	-	-	3,777
	51	-	-	-	-	-	-	-
	86	1,359	69	28	-	-	-	1,261
	88	-	-	-	-	-	-	-
	90	113,048	3,034	1,364	-	-	-	2,732
	91	72,878	65	-	-	-	-	0
	95	37,457	3,383	21,869	-	-	-	236
	EGP	-	11,564	-	-	125,657	-	1,652
	EGTL	-	-	-	-	94,121	-	237
Chorus Energy Limited	56	2,211	40	-	-	-	-	2,170
Consolidated Oil and Gas Company Limited	103	135	91	-	-	-	-	44
Continental Oil and Gas	59	5,767	353	-	-	-	-	5,413
Dubri Oil Limited	96	1,233	15	-	-	-	-	1,218
Enageed Resource Ltd	111	584	97	-	-	-	-	487
Energia Limited	56	6,317	74	-	-	1,645	-	4,598



THE PRESIDENCY

NEITI Nigeria
Extractive
Industries
Transparency
Initiative

PRODUCERS	Assets	Metered Production (Mmscf)	Fuel Gas (Mmscf)	Gas Lift (Mmscf)	Gas Re-Injection (Mmscf)	Sales Gas (Mmscf)	Shrinkage (Mmscf)	Gas Flared (Mmscf)
EROTON	18	14,782	442	-	-	11,705	-	2,635
Esso Exploration and Prod. Nig Ltd Erha	133	72,166	5,993	4,953	48,879	5,740	-	6,600
Esso Exploration and Prod. Nig Ltd Usan	138	60,634	4,425	21,875	27,038	3,226	-	4,070
Excel E&P Limited	46	32	16	-	-	-	-	16
First Exploration & Petroleum Dev Co. Ltd	83&85	9,455	552	-	-	-	-	8,903
Frontier Oil Limited	13	53,000	403	-	-	52,141	-	457
Green Energy	11	1,918	-	-	-	-	-	1,918
Heirs Energy	17	13,773	514	-	-	11,920	-	1,339
Millenium Oil and Gas	56	1,129	513	-	-	-	-	616
	11	-	-	-	-	-	-	-
Mobil Producing Nigeria Unlimited	67	131,135	1,281	8,609	99,312	-	-	4,675
	68	14,094	32	2,679	8,304	-	-	67
	70	84,485	10,071	14,750	7,215	7,166	-	5,887
	104	53,057	2,414	-	46,309	-	-	4,335
	QIT	5,025	1,314	-	-	-	-	3,712
	BRT	-	1,138	-	-	38,645	-	424
	EAP	-	8,514	-	-	7,247	-	3,698
Monipulo Limited	114	158	5	-	-	-	-	153
Nigeria Agip Energy	125	15,673	1,540	-	11,301	-	-	2,833
Network E&P Limited	13	781	22	-	-	-	-	759
New Cross E&P	24	1,978	71	-	-	1,116	-	791
Newcross Petroleum Limited	152	3,302	125	-	-	3,177	-	-
Aradel Holding PLc	54	6,506	387	-	-	6,042	-	77
Nigerian Agip Oil Company	60	14,702	3,477	-	-	18,343	1,390	3,440
	61	150,989	13,956	-	574	147,237	5,109	7,155
	63	41,590	2,987	-	-	37	-	3,577



THE PRESIDENCY

NEITI Nigeria
Extractive
Industries
Transparency
Initiative

PRODUCERS	Assets	Metered Production (Mmscf)	Fuel Gas (Mmscf)	Gas Lift (Mmscf)	Gas Re-Injection (Mmscf)	Sales Gas (Mmscf)	Shrinkage (Mmscf)	Gas Flared (Mmscf)
NEPL- FHN	26	3,722	113	724	-	-	-	2,885
NEPL- SHORELINE	30	12,309	2,721	6,546	-	-	-	3,041
NEPL- ND WESTERN	34	118,655	201	-	-	116,511	-	1,943
NEPL- ELCREST	40	2,232	16	-	-	-	-	2,216
NEPL- NECONDE	42	8,784	331	-	-	710	-	7,744
NNPC E&P Limited (Oghareki)	49	93	9	-	-	-	-	84
NNPC E&P Limited	65	413	-	-	-	-	-	413
	98	4,009	-	-	-	3,968	-	41
	111	26,610	1,863	-	-	20,224	-	4,523
	116	2,702	110	-	-	-	-	2,592
	119	5,601	739	-	-	-	-	4,862
Oriental Energy Resource Limited	67	5,101	918	3,309	-	-	-	875
Pan Ocean Oil Corp	147	10,195	657	-	-	8,744	-	794
Pillar Oil Limited	56	450	67	-	-	-	-	382
Platform Petroleum Ltd	38	7,130	133	-	-	6,122	-	875
Sterling Oil Exploration and Energy Production Company Limited	143	48,711	1,276	432	-	46,996	-	7
Seplat Energy	4	78,428	447	-	-	76,180	-	1,801
	38	16,541	287	-	-	14,972	-	1,282
	41	2,525	53	-	-	-	-	2,472
Seplat Energy (Oghareki)	49	1,322	25	-	-	-	-	1,296
Seplat Energy	53	892	0	-	-	-	-	892
Sterling Global Oil Resource Limited	146	129	98	28	-	-	-	3
Shell Petroleum Development Company	11	25,278	417	-	-	24,217	-	644
	20	280	14	-	-	-	-	266
	21	8	0	-	-	-	-	8



PRODUCERS	Assets	Metered Production (Mmscf)	Fuel Gas (Mmscf)	Gas Lift (Mmscf)	Gas Re-Injection (Mmscf)	Sales Gas (Mmscf)	Shrinkage (Mmscf)	Gas Flared (Mmscf)
	22	67	2	-	-	-	-	65
	23	43,566	356	-	-	42,220	-	989
	27	48	2	-	-	25	-	21
	28	317,290	3,257	-	-	311,225	-	2,808
	32	405	4	-	-	-	-	401
	35	1,591	71	-	-	1,027	-	493
	43	3,814	259	2,121	-	950	-	484
	45	9,629	1,270	432	-	3,733	-	4,194
	46	21,563	354	-	-	18,809	-	2,400
	79	15,316	2,915	6,002	-	4,469	-	1,931
Shell Nigeria Exploration & Production Co	118	39,963	3,329	15,137	-	17,153	-	4,343
Stardeep Water Petroleum Limited	127	153,060	7,814	-	135,647	-	-	9,599
Total Energies E&P Nigeria Limited	58	87,620	1,704	-	-	84,733	-	1,182
	99	124,738	5,040	-	32,018	84,601	-	1,220
	100	4,478	1,463	-	-	-	-	4,874
	102	26,666	3,267	-	-	19,992	2,930	477
Total Energies Upstream Nigeria Limited	130	207,704	11,407	-	69,519	124,074	-	2,704
Universal Energy Resource Ltd/ Savannah	14	662	5	-	-	28	-	629
Waltersmith Petroman Ltd	157	187	0	187	-	-	-	0
Grand Total		2,521,283	137,361	129,696	487,735	1,568,580	9,428	188,483

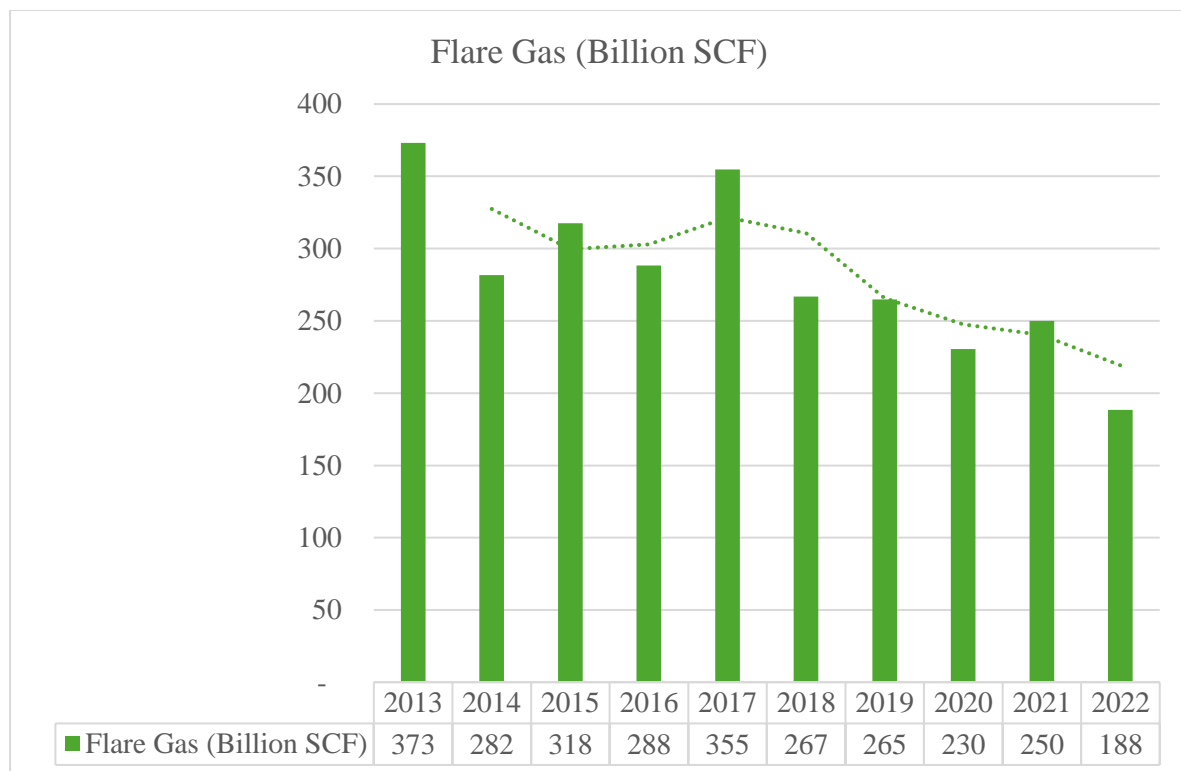
Source: NEITI 2022- 2023 OGA, 2024 (Companies' Gas Production and Utilisation Templates and NURPC Gas Production Templates)

3.2.2.1. Gas Flare, Un-Accounted, Shrinkage and Lift Gas

Gas Flare

In 2022, total gas flaring amounted to 188.483 billion Standard Cubic Feet (SCF), a decrease from 249.934 billion SCF in 2021. This reduction of 61.451 billion SCF (24.6%) is a positive development, reflecting significant government efforts aimed at reducing gas flaring. A ten-year trend indicates that the peak gas flare occurred in 2013, reaching 373 billion SCF, while 2022 recorded the lowest level of flaring at 208 billion SCF, as illustrated in the figure below.

Figure 7: Ten (10) Year Trend of Flare Gas (Billion SCF)



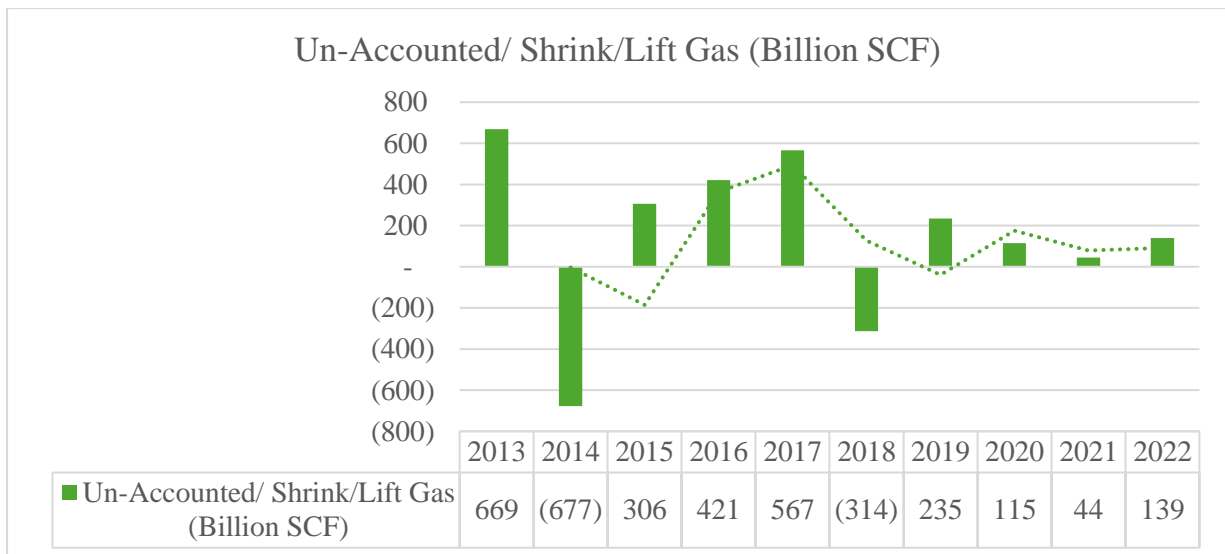
Source: 2013- 2021 NEITI OGA Reports, and NEITI 2022- 2023 OGA, 2024 (Companies' Gas Production and Utilisation Templates and NURPC Gas Production Templates)

Shrinkage and Lift Gas

Conversely, shrinkage, and lift gas volumes surged in 2022, reaching 139.123 billion SCF, up from 43.968 billion SCF in 2021—an increase of 95.156 billion SCF (216.4%). This significant rise undermines the positive effects of government initiatives aimed at reducing gas flaring, as the shrinkage/lift gas could have been flared instead. This troubling increase highlights the need for further scrutiny and enhanced measures to effectively manage gas production and minimize losses in the sector.

A ten-year trend indicates that the peak of shrinkage/ lift gas occurred in 2013, with a total of 669 billion SCF, as illustrated in the figure below.

Figure 8: Ten (10) Year Trend of Un-Accounted, Shrinkage and Lift Gas (Billion SCF)



Source: 2014- 2022 NEITI OGA Reports, and NEITI 2022- 2023 OGA, 2024 (Companies' Gas Production and Utilisation Templates and NURPC Gas Production Templates)

3.3. Crude Lifting and Sales

This section discusses government crude oil lifting from total production, the sales and proceeds management.

3.3.1. Crude Oil Lifting

Total crude lifting was 482.074 million barrels in 2022, comparing 551.006 million barrels in 2021. The 68.932 million barrels (12.51%) decrease in total crude lifting can be attributed to the reduction in fiscalised crude production. This decline in production is primarily a result of increased crude production deferment throughout the year. The table below illustrates the total crude lifting for the period under review, highlighting the impacts of deferment on overall production levels.

Table 33: Total Crude Lifting

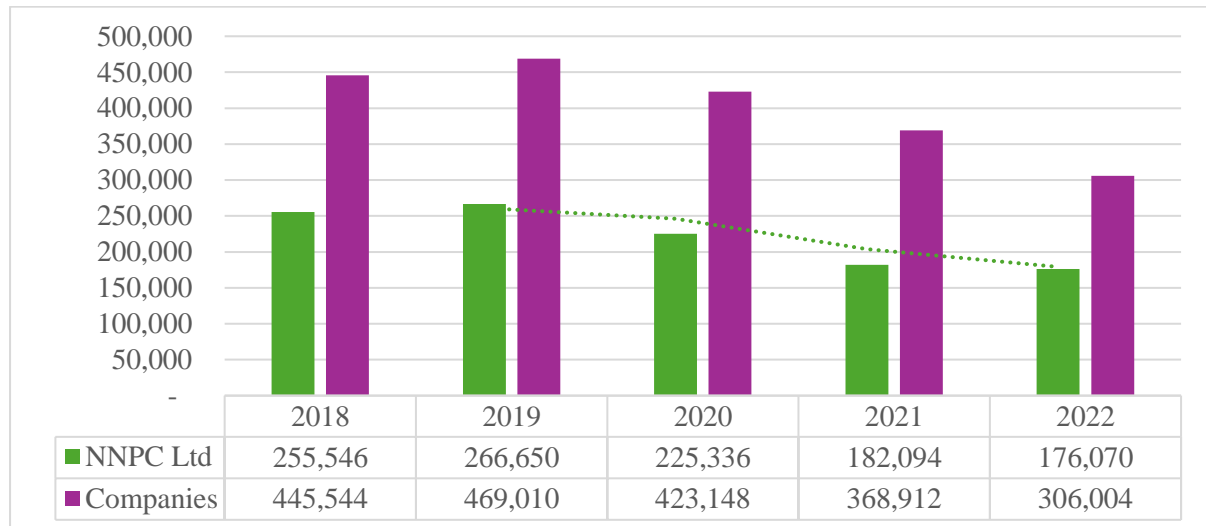
Description	#	2022 mbbls	2021 mbbls	Changes mbbls	%
Opening Stock		27,712	12,588	15,124	120%
Total Fiscalised Production for the year		490,945	566,130	(75,185)	-13%
Total Stock available for Lifting	A	518,656.95	578,718	(60,061)	-10%

Description	#	2022 mbbls	2021 mbbls	Changes mbbls	%
<u>NNPC Lifting</u>					
<u>Export Lifting:</u>					
Joint Venture		8,140	30,113	(21,973)	-73%
Production Sharing Contract			51,278	(51,278)	-100%
Marginal Fields			207	(207)	-100%
Service Contract			1,548	(1,548)	-100%
Subtotal- Export	B	8,140	83,146	(75,006)	-90%
<u>Domestic Lifting (Refinery & DSDP)</u>					
Joint Venture		106,096	98,768	7,328	7%
Production Sharing Contract		61,505	-	61,505	100%
Marginal Field		270	180	90	50%
Subtotal- Domestic	C	167,872	98,948	68,924	70%
Total NNPC Lifting	D= B+C	176,012	182,094	(6,082)	-3%
<u>Company Lifting</u>					
Joint Venture		97,260	88,240	9,020	10%
Production Sharing Contract		147,027	191,593	(44,566)	-23%
Sole Risk		47,147	71,427	(24,280)	-34%
Marginal Fields		14,628	17,652	(3,023)	-17%
Total Company Lifting	E	306,063	368,912	(62,850)	-17%
Total Crude Oil Lifting	F= D + E	482,074	551,006	(68,932)	-13%
Closing Stock	G= A- F	36,583	27,712	8,871	32%

Source: 2021 NEITI OGA Reports; 2022-2023 NEITI OGA, 2024 (NUPRC Lifting Record, NNPC Lifting and Sales Record)

Figure below shows the five (5) year trend of crude oil lifting.

Figure 9: Five-Year Trend of Crude Oil Lifting - mbbls- 2018-2022



Source: 2018- 2021 NEITI OGA Reports; 2022-2023 NEITI OGA, 2024 (NUPRC Lifting Record, NNPC Lifting and Sales Record)

3.3.2. Sales of Crude Oil

Sales of crude oil are the transactions carried out by the NNPC Limited for and on behalf of the Federation and other Revenue generating agencies in the sector.

3.3.2.1. Tendering for Crude Oil Sales

Tendering activities for crude oil sales are carried out by the NNPC Limited. The table below shows the DSDP and Export sales tendering activities.

Table 34: Export and DSDP Sales Tendering in 2022

Summary of Bidding data	DSDP
Date of Advertisement	7-Dec-2020
Number of Applicants	213
Number of Successful bidders	17
Date of Bid Opening	21-Jan-2021
Date of Bid Evaluation	22-Jan-2021
Start Date of Signing Contract	1-Jul-2021
End Date of Signing Contract	31-Jul-2021

Source: NEITI 2022-2023 OGA, 2024

The table below outlines the key contract terms for the successful bidders under the Direct Sale of Crude Oil and Direct Purchase of Petroleum Products (DSDP) arrangement, based on the outcomes of the tendering process.

Table 35: Successful bidders for Direct Sales Direct Purchases (DSDP) in 2022

#	Names Successful Bidders	Volumes Allocated (Bpd)	Term Contract Duration		
			Effective Date	Expiry Date	Years
1	DUKE OIL INCORPORATED	12,087,627	1-Aug-21	30-Apr-23	3
2	BP/AYM SHAFI	14,611,604	1-Aug-21	30-Apr-23	3
3	TOTSA/TOTAL	4,411,385	1-Aug-21	30-Apr-23	3
4	VITOL/ASHGROVE/JAK ENERGY SOLUTIONS	9,968,968	1-Aug-21	30-Apr-23	3
5	BONO ENERGY/CENTURY ENERGY/ AMAZON/CORDERO	13,739,535	1-Aug-21	30-Apr-23	3
6	MATRIX ENERGY/PETRA ATLANTIC/UTM OFFSHORE LTD./PRUDENT	10,483,180	1-Aug-21	30-Apr-23	3
7	SAHARA ENERGY RESOURCES	6,344,294	1-Aug-21	30-Apr-23	3
8	ASIAN OIL & GAS/ MASTERS ENERGY/CASIVA LTD./ CIMARON	10,189,676	1-Aug-21	30-Apr-23	3
9	EYRIE ENERGY/ LEVENE/BOVAS/DK GLOBAL	12,095,265	1-Aug-21	30-Apr-23	3
10	MOCOH SA/MOCOH NIG. LTD./ PENERO ENERGY LTD/ MAINLAND OIL & GAS	11,319,707	1-Aug-21	30-Apr-23	3
11	MRS OIL & GAS	10,437,592	1-Aug-21	30-Apr-23	3
12	OANDO PLC.	6,144,147	1-Aug-21	30-Apr-23	3
13	TRAFIGURA/AA RANO/EAST CROSS	949,349	1-Aug-21	30-Apr-23	3
14	MERCURIA/ BARBEDOS/RAIN OIL LTD./ PETROGAS ENERGY	4,094,884	1-Aug-21	30-Apr-23	3
15	EMADEB/AY MAIKIFI/HYDE/BRITANNIA-U	5,742,574	1-Aug-21	30-Apr-23	3
16	LITASCO/PV OIL/OVERBROOKE RESOURCES/NORTHWEST PETROLEUM	4,569,289	1-Aug-21	30-Apr-23	3
17	COOLSPRING/AIDA ENERGY LTD/HEYDEN	9,188,737	1-Aug-21	30-Apr-23	3

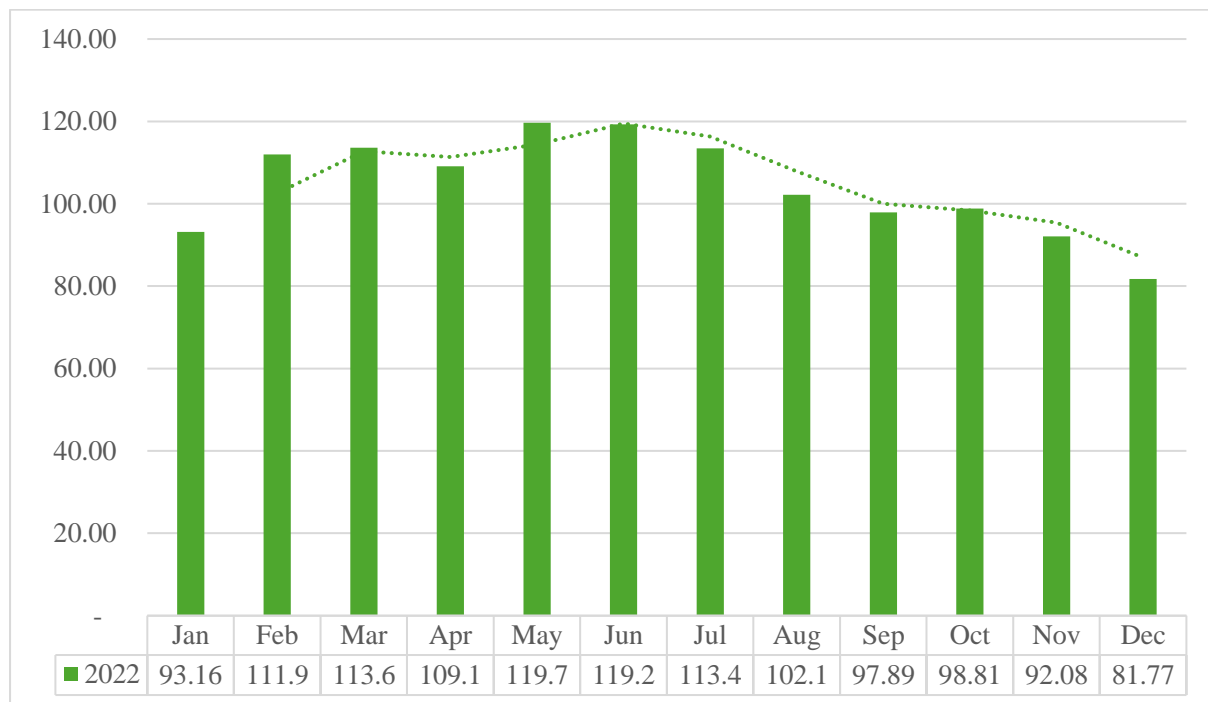
Source: NEITI 2022-2023 OGA, 2024

3.3.2.2. NNPC Limited Pricing of Crude Oil

The crude oil sold by NNPC Limited is jointly owned by stakeholders, including the Federation, NNPC Limited, FIRS, and NUPRC. The sales process follows a competitive bidding procedure, where selected buyers acquire the crude. The selling price is determined by the buyer's selected pricing option—prompt, deferred, or advance. This pricing is calculated using the Official Selling Price (OSP) and an average of the five (5) days' dated Brent crude oil quotations around the Bill of Lading (B/L) date, ensuring alignment with prevailing market dynamics.

The derived annual average selling price of crude oil by NNPC Ltd in 2022 was US\$ 103.63/ barrel. The monthly average selling price was highest at US\$ 119.71/ barrel in May and lowest at US\$81.77/ barrel in December as shown in the Figure below.

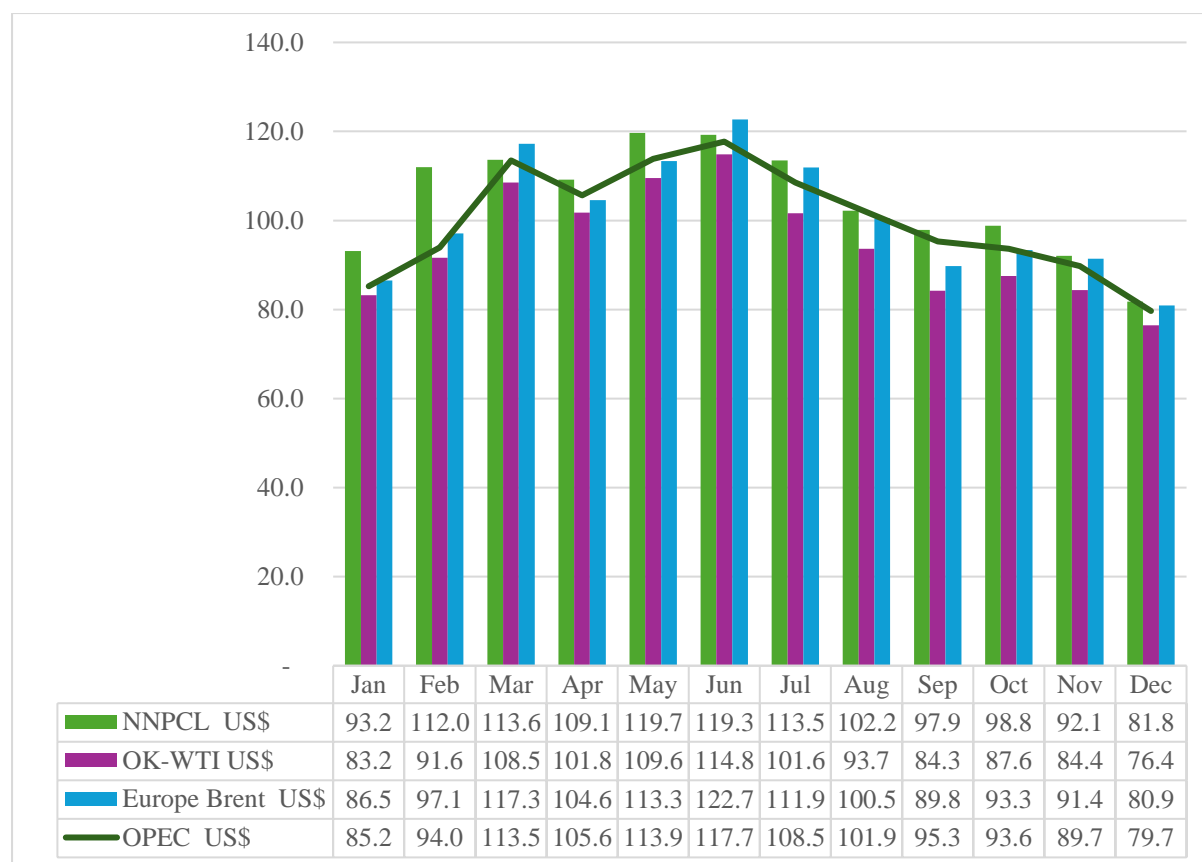
Figure 10: 2022 NNPC Limited Monthly Trend of Crude Oil Selling Prices



Source: NEITI 2022-2023 OGA, 2024 (NNPC Limited Lifting and Sales Records)

A global comparison of NNPC Limited monthly average crude oil selling prices in 2022 shows that the crude prices are higher than other international institutional pricing frameworks for all the months except for March and June. For the months of March and June 2022, NNPC Limited pricing was still higher than the West Texas Intermediate (WTI) - Cushing, Oklahoma Spot Prices as shown in the Figure below. This suggests that NNPC Limited's pricing methodology aligns with global benchmarks, indicating that its performance is on par with international standards. This outcome lends credence to the efficacy and efficiency of NNPC's efforts in domestic resource mobilization, further supporting the organization's contribution to optimizing national revenue from crude oil sales.

Figure 11: Monthly Global Comparison of NNPC Ltd Crude Oil Selling Prices (US\$/ Bbl)



Source: NEITI 2022-2023 OGA, 2024 (NNPC Limited Lifting and Sales Records, WTI + Europe Brent², OPEC Basket Price³)

NB:

- NNPC L: NNPC Limited Official Selling Price +/- Crude Type Differentials (US\$/Barrel)
- OK-WTI: West Texas Intermediate (WTI) - Cushing, Oklahoma Spot Price FOB (US\$/Barrel)
- Europe Brent: Europe Brent Spot Price FOB (US\$/Barrel)
- OPEC: OPEC Crude Oil Prices (US\$/Barrel)

3.3.2.3. Crude Oil Sales and Proceeds

A total crude oil sold by NNPC Limited was US\$18.106 billion in 2022, comparing US\$15.192 billion in 2021. The US\$2.914 billion is the impact of the increase in lifting because of increased fiscalised production as well as increase in the annual average crude price. The table below shows the value of the total crude sales.

² WTI _ Europe Brent: US Energy Information Administration:
https://www.eia.gov/dnav/pet/pet_pri_spt_s1_m.htm

³ OPEC Basket Price for Crude Oil: <https://www.opec.org/basket/basketDayArchives.xml>

Table 36: Crude Oil- Total Sales Value

Beneficiary	2022 US\$'000	2021 US\$'000	Changes US\$'000	%
Federation	11,198,692	11,308,166	(109,474)	-1%
NNPC Limited	1,401,760	-	1,401,760	100%
NUPRC	2,480,271	2,224,989	255,282	11%
FIRS	3,025,287	1,659,028	1,366,259	82%
Total	18,106,011	15,192,183	2,913,828	19%

Source: NEITI 2022-2023 OGA, 2024

A total of 176.012 million barrels of crude oil was sold by NNPC Ltd for itself (considering the PIA implementation), the Federation, NUPRC and the FIRS. Table below shows the quantity of crude oil sold.

Table 37: Crude Oil- Total Sales Quantity

Beneficiary	2022
	Quantity mbbls
Federation	109,313
NNPC Limited	13,432
NUPRC	23,472
FIRS	29,795
Total	176,012

Source: NEITI 2022-2023 OGA, 2024

3.3.2.4. Federation Export and Domestic Sales of Crude Oil

A total of US\$11.199 billion was aggregated in 2022 as proceeds due to the Federation, comparing US\$11.308 billion in 2021. Though this dropped marginally by US\$109.474 million (1%) despite the impact of the subrogation of JV assets to the NNPC Limited in July 2022 due to PIA, 2021 implementation. The effect of increase of annual average crude prices eroded the negative impact on the revenue to the Federation. Table below shows the sales of Federation crude oil.

Table 38: Sales of Federation Crude Oil

Description	2022 US\$'000	2021 US\$'000	Changes US\$'000	%
Proceeds from the Sales of Federation JV Crude Oil- Export	168,379	5,365,982	(5,197,603)	-97%

Description	2022	2021	Changes	
	US\$'000	US\$'000	US\$'000	%
Proceeds from the Sales of Federation JV Crude Oil- Domestic	10,133,003	5,851,714	4,281,289	73%
Proceeds from the Sales of Profit Oil (PSC, SC & MF)- Export	97,027	90,470	6,557	7%
Proceeds from the Sales of Profit Oil (PSC, SC & MF)- Domestic	800,284	-	800,284	100%
Total	11,198,692	11,308,166	(109,474)	-1%

Source: NEITI 2022-2023 OGA, 2024

Federation crude oil sales quantities was 109.313 million barrels in 2022. Table below shows the total Federation Export and Domestic crude sales quantity and value.

Table 39: 2022 Federation Export and Domestic Crude Sales Quantity and Value

Description	QTY	Value
	mbbls	US\$'000
Export	1,963	189,282
DSDP	104,646	10,757,436
DSA	1,749	175,851
Project Yield	955	76,124
Total	109,313	11,198,692

Source: NEITI 2022-2023 OGA, 2024

3.3.2.5. Non-Financial Flows

Non-financial flows are in-kind lifting from Modified Carried Agreement (MCA), PSC and SC as discussed in the subsequent subsections.

3.3.2.5.1. NNPC In-Kind Lifting from MCA, PSC and SC

A total of US\$5.506 billion was the sales proceeds from In-kind payment on crude oil, gas and feedstock for NUPRC and FIRS in 2022, comparing US\$3.895 billion in 2021. The increase of US\$1.610 billion (41%) means that there was an increase in the use of crude oil and gas to pay for royalty, concession rent and tax in 2022.

Table below shows the disaggregated in-kind payment on crude oil and gas.

Table 40: In-Kind Payment on Crude Oil, Gas and Feedstock

Beneficiary	2022	2021	Changes	
	US\$'000	US\$'000	US\$'000	%
<u>NUPRC</u>				
Concession Rent	3,463	2,224,989	(2,221,526)	-100%
Royalty Oil	2,476,808	-	2,476,808	100%

Beneficiary	2022 US\$'000	2021 US\$'000	Changes US\$'000	%
Royalty Gas	-	2,255	(2,255)	-100%
Subtotal	2,480,271	2,227,244	253,027	11%
FIRS				
Tax Oil	3,025,287	1,659,028	1,366,259	82%
Tax Gas	-	8,989	(8,989)	-100%
Subtotal	3,025,287	1,668,017	1,357,270	81%
Total	5,505,558	3,895,261	1,610,297	41%

Source: NEITI 2022-2023 OGA, 2024

3.3.2.5.2. Cash Call Liability and Related Statutory Payments

A total of US\$1.301 billion in cash liabilities was reported for 2022. However, a more thorough review is required, as NNPC Limited was unable to provide the necessary information within the reporting period.

Furthermore, NNPC Limited claimed that there were no liabilities due to the NUPRC in 2022; however, NUPRC was unable to verify this position. Additionally, US\$587.120 million in taxes, arising from Company Income Tax, was reported as due to the Federal Inland Revenue Service (FIRS). NNPC Limited indicated that it had applied to use the Tax Waivers Scheme to offset these taxes, but FIRS has yet to confirm this claim as of the time of publishing this report.

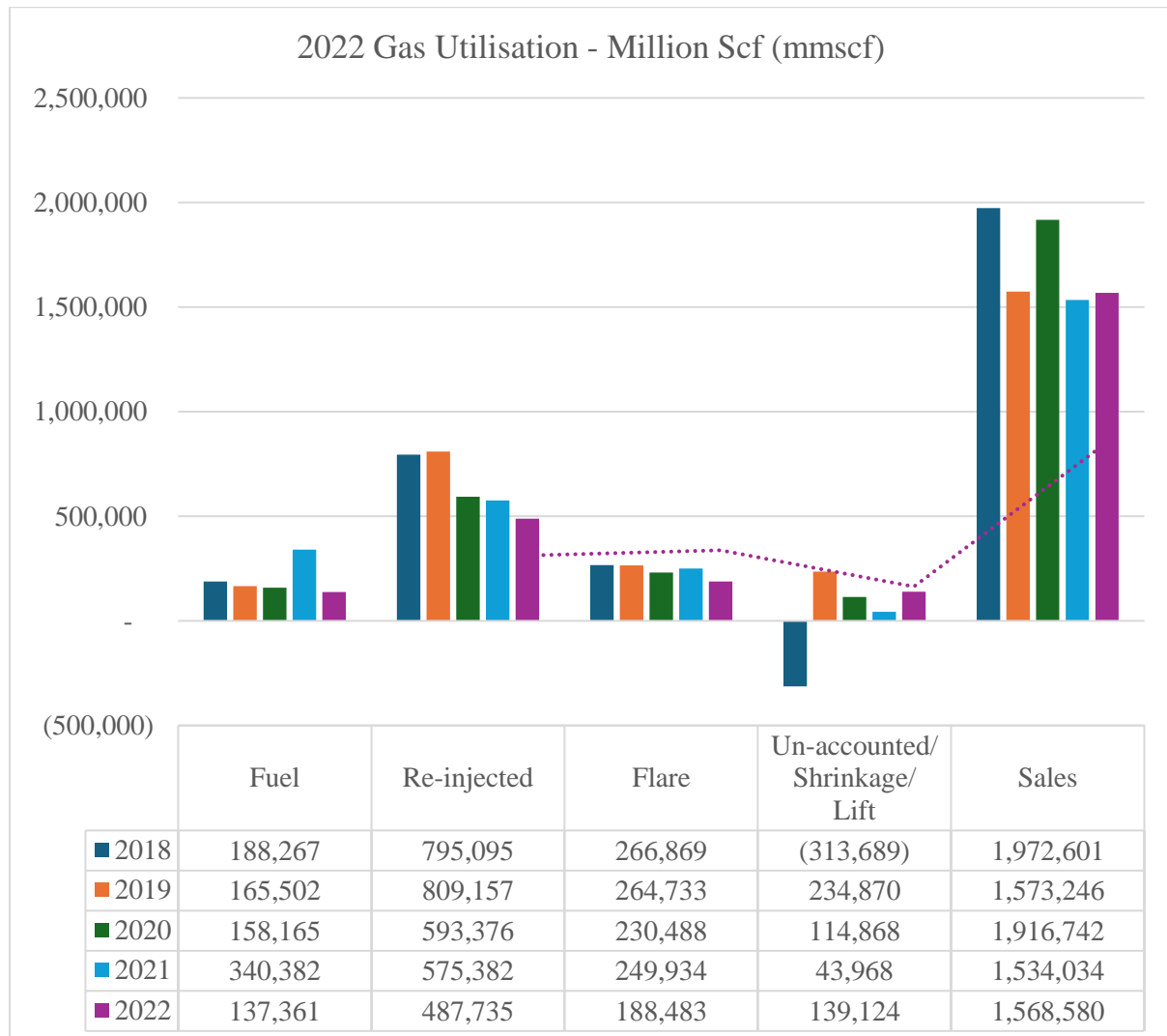
3.4. Gas Utilisation and Sales

The gas produced was utilized in various ways, including fuelling production operations and reinjecting it into the production facilities flaring.

3.4.1. Gas Utilisation

A total of 137.361 billion SCF of gas was used as fuel in 2022, comparing 340.382 billion SCF in 2021. Also, Gas sold was 1.569 trillion SCF in 2022, comparing 1.534 trillion SCF in 2021. The Figure below shows a five-year trend of the full utilisation of produced gas.

Figure 12: Five-Year Trend of Gas Utilisation- Million SCF



Source: 2018- 2021 NEITI OGA Reports, and NEITI 2022- 2023 OGA, 2024 (NURPC Gas Production and Utilisation Templates)

3.4.2. Federation Entitlement from Gas Sales

A total of 1.152 trillion SCF was the gas sales in 2022 from JV production arrangement, comprising of 669.590 billion SCF (58.12%) to Federation and 482.489 billion SCF (41.88%) to JV partners as shown in the table below.

Table 41: Federation Entitlement from Gas Sales

Company	Total JV mmscf	Interest		Interest	
		NNPC %	JV Partners %	NNPC mmscf	JV Partners mmscf
SPDC	406,674	55%	45%	223,671	183,003
AITEO	1,733	55%	45%	953	780
EROTON (NNPC 18 Ltd)	11,705	55%	45%	6,438	5,267
NEWCROSS E&P	1,116	55%	45%	614	502
CHEVRON (CNL)	219,778	60%	40%	131,867	87,911
NAOC	165,617	60%	40%	99,370	66,247
MPNU	53,058	60%	40%	31,835	21,223
TEPNG	189,326	60%	40%	113,596	75,731
BELEMA OIL	-	60%	40%	-	-
SEPLAT	91,151	60%	40%	54,691	36,461
FIRST E&P	-	60%	40%	-	-
HEIRS	11,920	55%	45%	6,556	5,364
Total	1,152,078			669,590	482,489

Source: NEITI 2022- 2023 OGA, 2024 (NURPC Gas Production Templates)

3.4.3. Federation Gas and Feedstock Sales

Federation gas entitlement from JV production arrangement is 669.590 billion SCF of natural gas liquids (\approx 10.611 million metric tons) per NUPRC record. However, NNPC Limited only accounted for 1.548 million metric tons natural gas (\approx 9.764 billion standard cubic feet) as shown in the table below.

Table 42: NNPC Ltd and NUPRC Gas Sales

Description	NUPRC	NNPC Ltd	Variance	
	Million MT	Million MT	Million MT	%
Gas Sales	10.611	1.55	9.06	85.4%

Source: NEITI 2022- 2023 OGA, 2024 (NURPC Gas Production Templates and NNPC Ltd Sales Records)

The table below shows the disaggregation of sales of gas by the NNPC Limited.

Table 43: Gas Sales Quantity and Value

Description	Quantity	Sales Value
	MT'000	US\$'000
Export Gas	1,492	1,086,671
Domestic Gas	56	36,859
Total	1,548	1,123,530

Source: NEITI 2022-2023 OGA, 2024

Table below shows that gas sales proceeds was US\$1.124 billion in 2022, comparing US\$1.252 billion in 2021. The 10% decline was due to decrease in gas production.

Table 44: Gas Sales Proceeds

Description	2022	2021	Changes	
	US\$'000	US\$'000	US\$'000	%
Proceeds from the Sales of Federation JV Equity Gas	1,123,530	648,441	475,089	73%
Proceeds from the Sales of JV Feedstock		603,661	(603,661)	-100%
Total	1,123,530	1,252,102	(128,572)	-10%

Source: NEITI 2022-2023 OGA, 2024

CHAPTER 4

Climate Change, Energy Transition and NEITI 2022-2023 Industry Reporting

The global response to climate change and the shift towards a sustainable energy future have significant implications for resource-rich nations like Nigeria. As part of the country's efforts to transition to cleaner energy and mitigate the impacts of climate change, the Nigeria Extractive Industries Transparency Initiative (NEITI) plays a crucial role through its 2022/2023 Extractive Industry Reporting. These reports provide a transparent and comprehensive account of the nation's extractive activities, offering insights into how Nigeria is navigating the challenges of climate change, aligning with global energy transition goals, and ensuring the responsible management of its natural resources. By disclosing critical data, NEITI supports informed policymaking, fosters accountability, and drives reforms in the oil, gas, and solid minerals sectors—key areas affected by climate change and the global energy transition.

4.1. Climate Change and Energy Transition Efforts by Oil and Gas Companies in Nigeria

In response to global climate change concerns, oil and gas companies operating in Nigeria are increasingly aligning their activities with energy transition goals aimed at reducing greenhouse gas emissions and promoting sustainability. These companies are taking steps to support Nigeria's commitments under international agreements like the Paris Agreement, as well as the country's broader energy transition agenda. The table below shows the key efforts.

Table 45: Key Efforts of Companies in the Oil and Gas Sector in Nigeria

Key Efforts	Descriptions
Reduction of Carbon Emissions	Companies are investing in technologies that lower carbon emissions, such as flare reduction programs, improved energy efficiency, and carbon capture and storage (CCS) initiatives.
Shift to Renewable Energy	Some firms are diversifying their energy portfolios by investing in renewable sources like solar and wind power, contributing to the long-term goal of transitioning from fossil fuels to sustainable energy production.
Natural Gas as a Transition Fuel	Oil and gas companies are promoting the use of natural gas as a cleaner alternative to oil, expanding gas infrastructure for domestic use, power generation, and exports.
Research and Innovation	Companies are boosting research into green technologies, exploring alternatives like hydrogen energy and biofuels to support a future low-carbon economy.
Environmental and Social Governance (ESG) Compliance	Firms are strengthening their ESG frameworks, integrating sustainability into business models and transparently reporting on their climate actions to stakeholders.

Source: NEITI 2022-2023 OGA, 2024

Furthermore, the Nigeria Extractive Industries Transparency Initiative (NEITI) 2022/2023 industry reports aim to enhance the comprehensive understanding of the oil and gas sector's progress in addressing climate change, energy transition, and resource management as shown in the table below.

Table 46: NEITI 2022-2023 Industry Report on Climate Change

Key Efforts		Descriptions
Assess Industry Compliance		Evaluate the extent to which oil and gas companies are complying with national and international climate goals, particularly in reducing carbon emissions and transitioning towards cleaner energy.
Highlight Financial and Environmental Impact		Disclose financial flows, including revenues, subsidies, and investments related to sustainability efforts, while also assessing the environmental impact of extractive activities.
Support Policy Development		Provide data-driven insights to guide policymakers in shaping Nigeria's energy transition strategy and addressing climate challenges, particularly in the oil and gas sectors.
Promote Transparency and Accountability		Ensure that the activities of oil and gas companies, as well as government agencies, are transparently reported to foster public trust and encourage accountability in the industry's efforts to combat climate change.

Source: NEITI 2022-2023 OGA, 2024

By disclosing critical data and evaluating the sector's contributions to the energy transition, the 2022/2023 NEITI reports will play a vital role in shaping Nigeria's future energy policies and supporting its journey toward a sustainable and low-carbon economy. Table below shows the companies responses to climate change policies and implementation status in the oil and gas sector in Nigeria.

Table 47: 2022 Companies Responses to Climate Change Polices and Implementation Status

Parameters		Response	
		#	%
Responsive	Available	20	32%
	Not Available	42	68%
	Work-In-Progress	-	0%
Non-Responsive	None	-	0%
Total		62	100%

Source: NEITI 2022-2023 OGA, 2024

4.2. Companies' Greenhouse Gas Emissions

The table below presents the responses of companies regarding Greenhouse Gas (GHG) emissions disclosure in Nigeria's oil and gas sector. For further details on GHG emissions from operating companies during the review period, for details, refer to Appendix 12: Schedule of GHG Emission.

Table 48: 2022 Company Responses Greenhouse Gas Emission

Parameters		Response	
		#	%
Responsive	Available	15	24%
	Not Available	47	76%
	Work-In-Progress	-	0%
Non-Responsive	None	-	0%
Total		62	100%

Source: NEITI 2022-2023 OGA, 2024

CHAPTER 5

Revenue Collection and Reconciliation

This section contains revenue collected from companies operating in the upstream sector of the oil and gas industry. A total of thirty-four (34) revenue streams as stated in Chapter One were reported. These revenue streams were further disaggregated to sector-specific revenue streams, non-financial transactions, dividends and revenue received from the sale of Federation equity crude oil, gas, feedstock and profit oil.

5.1. Total Revenue from the Sector

The total revenue received was US\$37,772 billion representing an increase of 55.2% from US\$23.046 billion received in 2021 as shown in the table below.

Table 49: Total Revenue from the Sector

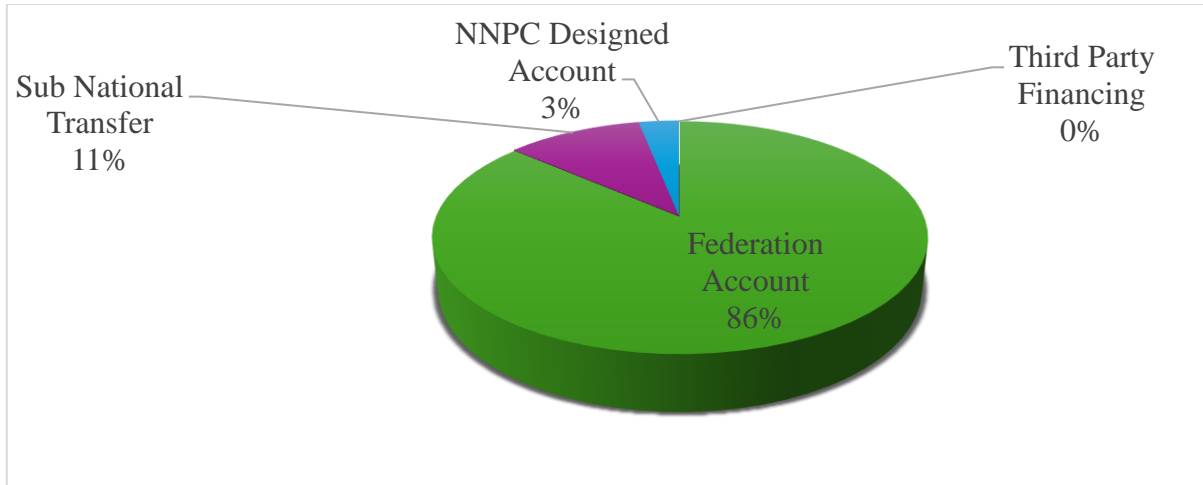
Description	2022	2021	Change	
	US\$ 000	US\$ 000	US\$ 000	%
Dividend Payments and Sales of Federation Crude oil and Gas	13,435,228	4,925,177	8,510,051	172.8%
PSCs / MCAs In-Kind Payments	5,505,558	3,895,261	1,610,297	41.3%
Other Specific Financial Flows to the Government (NUPRC)	5,893,903	7,691,033	- 1,797,130	-23.4%
Revenue Flows to Government Agency (FIRS)	7,171,009	5,525,640	1,645,369	29.8%
Sub-National Flows	3,766,514	1,008,976	2,757,538	273.3%
Total	35,772,211	23,046,087	12,726,124	55.2%

Source: 2021 NEITI OGA Report and NEITI 2022-2023 OGA, 2024

5.2. Distribution of Revenue from the Sector

The analysis of the revenue distribution of the US\$35.772 billion received in 2022, shows that US\$30.890 billion (86.35%) was transferred into the Federation and the NNPC Ltd Accounts, US\$1.11 billion (3.11%) being NLNG dividend received on behalf of the Federation by NNPC and paid into NNPC designated account. Furthermore, US\$2.309 million (0.01%) was transferred into third parties' project financing accounts while US\$5.2 billion (10.53%) were subnational transfers as shown in the Figure below.

Figure 13: Revenue Distribution Chart (Billion Dollars)

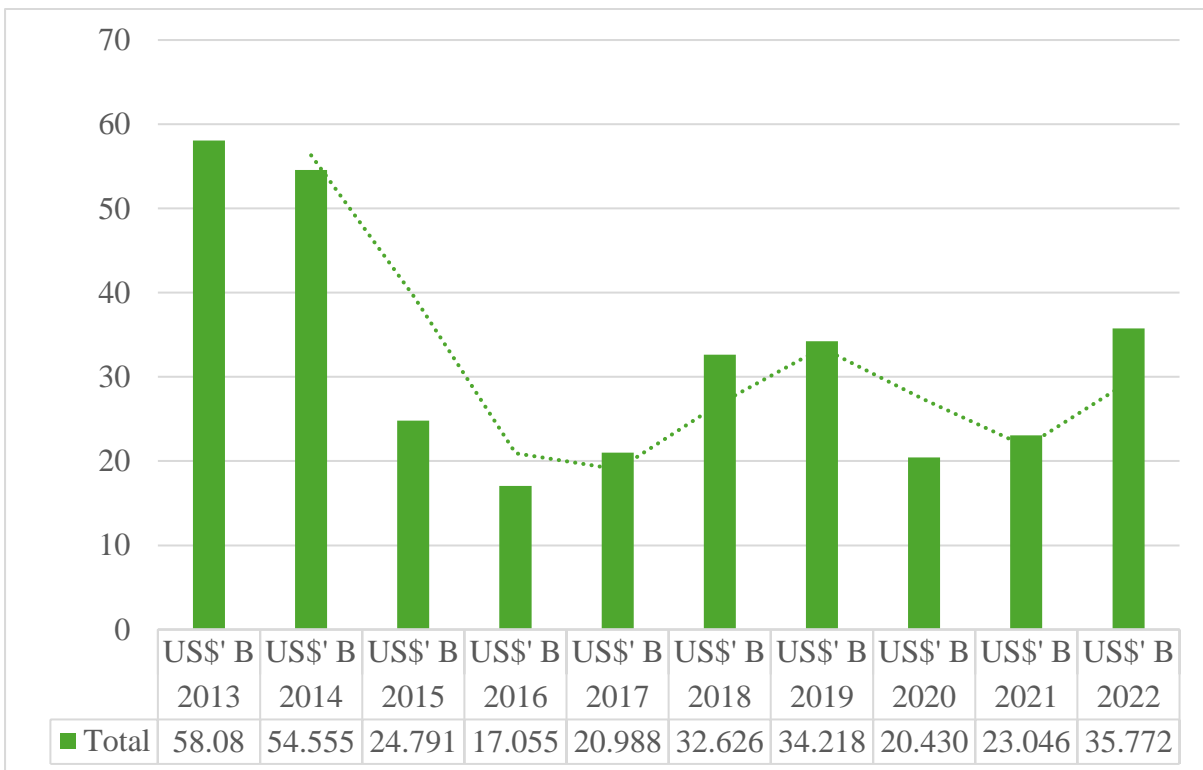


Source: NEITI 2022-2023 OGA, 2024

5.3. Ten-Year Trend of Total Financial Flows

A ten-year aggregate revenue accruing to the government from the sector was US\$321.56 billion as presented in the Figure below.

Figure 14: Ten-Year Trend of Total Financial Flows



Source: 2013- 2021 NEITI OGA Reports and NEITI 2022-2023 OGA, 2024

5.4. Disaggregation of Revenue Flows

The total financial receipt of US\$ 35.772 billion received from companies operating in the upstream oil and gas sector in Nigeria is disaggregated in the table below.

Table 50: Disaggregation of Revenue Flows

Description	2022	2021	Change	
	US\$ 000	US\$ 000	US\$ 000	%
<u>Dividend Payments and Sales of Federation Crude oil and Gas</u>				
Proceeds from the sales of Federation equity crude oil	168,379	4,798,817	(4,630,438)	-96.49%
Proceeds from the sales of domestic crude oil	10,133,003	5,851,714	4,281,289	73.16%
Proceeds from the sales of profit oil	897,311	90,470	806,841	891.83%
Proceeds from the sales of Federation equity gas	1,123,530	648,441	475,089	73.27%
Proceeds from the sales of Feedstock	-	603,661	(603,661)	-100.00%
NNPCLTD Dividend	-	-	-	
NLNG Dividend	1,113,006	722,596	390,410	54.03%
Total Sales of Federation Crude Oil and Gas (i)	13,435,228	12,715,699	719,529	5.66%
<u>PSCs / MCAs In-Kind Payments</u>				
Petroleum Profit Tax - MCAs	-	115,574	(115,574)	-100.00%
Petroleum Profit Tax - PSCs	3,025,287	1,515,287	1,510,000	99.65%
Petroleum Profit Tax - SC	-	20,913	(20,913)	-100.00%
Company Income Tax (CIT)	-	8,989	(8,989)	-100.00%
Feedstock - MCAs				
Royalty (Oil) - MCAs & RA	-	262,536	(262,536)	-100.00%
Royalty (Oil) - PSCs	2,476,808	1,946,728	530,080	27.23%
Royalty (Oil) - SC	-	13,119	(13,119)	-100.00%
Royalty Feedstock - MCA	-	2,255	(2,255)	-100.00%
EDT Gas - MCA	-	-	-	
EDT Oil - MCA	-	7,254	(7,254)	-100.00%
Concession rentals- PSCs	3,463	2,606	857	32.88%

Description	2022	2021	Change	
	US\$ 000	US\$ 000	US\$ 000	%
Total PSCs / MCAs/ Other financial flows in-Kind Payments (ii)	5,505,558	3,895,261	1,610,297	41.34%
Subtotal (A)=(i)-(ii)	18,940,786	8,820,438	10,120,348	114.74%
<u>Other Specific Financial Flows to the Government (NUPRC)</u>				
Royalty (Oil)	4,292,109	4,841,760	(549,651)	-11.35%
Royalty (Gas)	659,974	636,430	23,544	3.70%
Gas Flare Penalty (GFP)	164,809	249,159	(84,350)	-33.85%
Concession Rentals	19,431	8,935	10,496	117.48%
Miscellaneous Income	4,279	1,244,952	(1,240,673)	-99.66%
Transportation Revenue	51,822	219,181	(167,359)	-76.36%
Signature Bonus & License Renewal	701,478	490,616	210,862	42.98%
Total Other Specific Financial Flows to Government (iii)	5,893,903	7,691,033	(1,797,130)	-23.37%
<u>Revenue Flows to Government Agency (FIRS)</u>				
Petroleum Profit Tax	4,900,253	3,394,061	1,506,192	44.38%
Company Income Tax	565,385	612,593	(47,208)	-7.71%
Value Added Tax	570,611	565,487	5,124	0.91%
Hydrocarbon Tax	12,600	-	12,600	100%
Pay as You Earn (FIRS)	88,339	-	88,339	100%
Capital Gain Tax	24,597	26,562	(1,965)	-7.40%
Withholding Tax	684,407	701,201	(16,794)	-2.40%
Education Tax	322,989	225,736	97,253	43.08%
Stamp Duties	1,829	-	1,829	100%
Total Other Flows to Government (iv)	7,171,009	5,525,640	1,645,369	29.78%
Subtotal (B)=(iii)+(iv)	13,064,911	13,216,673	(151,762)	-1.15%
Sub-National Flows				

Description	2022	2021	Change	
	US\$ 000	US\$ 000	US\$ 000	%
Niger Delta Development Commission Levy	685,262	797,019	(111,757)	-14.02%
Nigerian Content Development and Monitoring Board Levy	613,115	66,683	546,432	819.45%
Withholding Tax to State	28,083	-	28,083	100%
NESS Fee	1,153,594	16,689	1,136,905	6812.30%
Pay as You Earn to State	1,286,418	128,585	1,157,833	900.44%
Environmental Monitoring & Evaluation Payment	19	-	19	100%
Environmental Impact Assessment Payment	23	-	23	100%
Subtotal (C)	3,766,514	1,008,976	2,757,538	273.30%
Total (A)+(B)+ (C)	35,772,211	23,046,087	12,726,124	55.22%

Source: 2021 NEITI OGA Report and NEITI 2022-2023 OGA, 2024

5.4.1. Reconciliation of Revenue Flows

In accordance with the NSWG resolution on the reconciliation of records, the IA conducted a thorough reconciliation of the records provided by companies and government agencies. This reconciliation was carried out at both the company level and by revenue stream. All initial templates populated by the companies were validated against source documents, reconciled with corresponding government records, and adjusted as necessary to ensure accuracy and completeness. The table below provides the breakdown of reconciled revenues. A total of thirty-four (34) revenue streams were identified out of which twenty-two (22) were fully reconciled, and ten (10) revenue streams were unilaterally disclosed and two has no transaction.

The unilaterally disclosed revenues include Nigerian Export Supervision Scheme (NESS) Fee, Environmental Impact Assessment Payment, Environmental Disaster Management Payment, Environmental Monitoring & Evaluation Payment, Withholding Tax (State & FIRS), Pay-As-You-Earn (PAYE: State & FIRS), Transportation revenue and Miscellaneous Income. Notably, two revenue streams, Domestic Gas Delivery Penalty and Environmental Remediation Fund did not record any payments during the review period. See Appendix 8 Payments Project Level Reporting

Table 51: Reconciliation of Revenue Flows

Description	Initial Reconciliation			Adjustment		Final Reconciliation		
	Company US\$	Government US\$	Difference US\$	Company US\$	Government US\$	Company US\$	Government US\$	Difference US\$
Royalty (Oil)	3,991,170,704	3,530,661,075	460,509,629	300,938,548	761,448,198	4,292,109,253	4,292,109,273	- 20
Royalty (Gas)	493,196,712	624,124,860	- 130,928,148	166,776,924	35,848,776	659,973,637	659,973,637	-
Signature Bonus	72,072,195	-	72,072,195	-	72,072,195	72,072,195	72,072,195	-
Gas Flare Penalty	144,953,435	155,766,655	- 10,813,220	19,855,532	9,042,263	164,808,967	164,808,918	50
Concession Rental	6,412,946	6,308,650	104,296	877,569	981,864	7,290,514	7,290,514	-
License Fees & Acreage Rental	59,667,591	59,667,591	-	-	-	59,667,591	59,667,591	-
Transportation Fees	51,822,427	45,227,503	6,594,923	-	6,594,923	51,822,427	51,822,427	-
Petroleum Profit Tax	5,207,216,080	3,792,841,612	1,414,374,467	- 306,963,367	1,107,411,100	4,900,252,712	4,900,252,712	1
Company Income Tax	802,721,326	305,498,551	497,222,775	- 237,336,600	259,886,175	565,384,726	565,384,726	0
Education Tax	559,533,743	329,482,011	230,051,732	- 236,544,911	- 6,493,177	322,988,833	322,988,834	- 1
Capital Gain Tax	24,597,155	24,597,155	-	-	-	24,597,155	24,597,155	-
Niger Delta Development Levy	787,503,168	571,800,468	215,702,700	- 104,015,004	113,461,286	683,488,165	685,261,754	- 1,773,589
Nigerian Content Development & Monitoring Board (1%)	571,955,672	582,166,769	- 10,211,097	41,087,733	30,948,563	613,043,404	613,115,332	- 71,927
Value Added Tax	494,874,203	608,256,561	- 113,382,358	75,313,872	- 37,646,002	570,188,076	570,610,558	- 422,483
NESS	1,146,859,663	1,087,504,487	59,355,175	6,734,453	66,089,628	1,153,594,116	1,153,594,116	- 0
Withholding Tax- FIRS	2,448,185,677	632,316,168	1,815,869,509	- 1,763,981,932	52,090,686	684,203,744	684,406,854	- 203,110
Withholding Tax- State	28,083,173	8,962,110	19,121,063	-	19,121,063	28,083,173	28,083,173	-
Pay as You Earn (PAYE)- FIRS	89,034,429	88,338,809	695,619	- 695,620	-	88,338,809	88,338,809	- 0
Pay as You Earn (PAYE)- State	2,286,980,956	1,429,591,358	857,389,598	- 1,000,499,180	-143,173,680	1,286,481,776	1,286,417,678	64,098
EIA Payment	22,548	-	22,548	-	22,548	22,548	22,548	-
Environmental Monitoring & Evaluation Payment	19,316	14,758	4,558	-	4,558	19,316	19,316	-
Hydrocarbon Tax	-	12,600,200	- 12,600,200	12,600,200	-	12,600,200	12,600,200	-
Stamp Duty	31,436	1,828,569	- 1,797,133	1,788,723	168	1,820,160	1,828,737	- 8,578
TOTAL	19,266,914,554	13,897,555,922	5,369,358,632	- 3,024,063,059	2,347,711,133	16,242,851,495	16,245,267,055	- 2,415,560

Source: NEITI 2022-2023 OGA, 2024

5.5. Outstanding Liabilities

Total liabilities from the sector are US\$ 6.175 billion comprising US\$6.072 billion and N66.378 billion (equivalent of US\$ 102.765 million) owed to the NUPRC and the FIRS. The liabilities for the 2021 NEITI extractive reporting was US\$ 8.264 billion.

Description		
	As at 31st August 2024	
	US \$	N
<u>NURPC</u>		
Royalty Oil	5,017,779,729	-
Royalty Gas	153,211,170	-
Royalty Gas (Naira)	-	65,885,079,249
Gas Flare	861,947,470	-
Rent	17,015,605	-
Subtotal	6,049,953,974	65,885,079,249
	As at 30th June 2024	
<u>FIRS</u>		
PPT	13,211,754	-
CIT	1,553,648	65,992,860
EDT	482,190	-
VAT	2,511,107	194,395,225
WHT	4,168,183	229,039,364
LRP	-	3,345,000
Subtotal	21,926,882	492,772,449
Total	6,071,880,856	66,377,851,698

CHAPTER 6

Project Cost

6.1. Joint Venture Cost: Cash Call

Cash calls are payments made by the National Petroleum Investment Management Service (NUIMS) to JV partners as the government's equity contribution for exploration and production activities. These payments are treated as first-line deductions by the NNPC from the sales proceeds of crude oil and gas. The Joint Venture Cash Call Account (JVCC) warehouses Cash call funding inflows from the JV proceeds accounts and subsequently transfers these to the respective JV partners

6.1.1. JV Partners

The NNPC has Joint Venture Agreements (JVAs) with thirteen (13) JV partners which NUIMS manages on behalf of the Federal Government. NUIMS also supervises the mechanism of funding of the JV operations through the cash-call process.

The governance requirements of the Joint Operating Agreement (JOA) which guides JV operations specify the need for a review of the joint operations budget and performance relating to such equity holding(s). Table below shows JV partners and equity holding in 2022.

Table 52: JV Partners And Equity Holding

		Equity Participatory Interest																	JV ASSETS
#	J V Partner	NNPC	SHELL	MOBIL	CHEVRON	TEPNG	NAOC	PANOCEAN	NEWCROSS	FIRST E&P	EROTON	AITEO	BELEMA	SEPLAT	WAEP	AMNI	SAHARA	HHOG	
		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	
																			OML
1	SHELL	55	30			10	5												20, 21, 22, 23, 25, 27, 28, 31, 32, 33, 35, 36, 43, 45, 46, 74, 77, 79
2	MOBIL	60		40															104, 67, 68, 70
3	CHEVRON	60			40														49, 51, 89, 91, 86, 88, 90, 95
4	TEPNG	60				40													99,100, 102, 58
5	NEWCROSS	55							45										24 (Transferred to NPDC)
6	FEPDCL	60								40									83, 85
7	EROTON/ OML 18	55									28.8						16.2		18
8	AITEO	55										45							29
9	BELEMA	60											40						55
10	SEPLAT	60												40					53
11	WAEP	55													45				71, 72
12	AMNI	60														40			52
13	HHOG	55																45	17

Source: NEITI 2022-2023 OGA, 2024

6.1.2. Cash Call Budget

The OPCOM meets annually to draw-up and approve the Cash call budget based on work programmes for each JV operation. There are fourteen (14) JV operators for the thirteen (13) JVs, NEPL is the 14th operator managing some of the assets belonging to NNPC/SPDC and NNPC/CNL JVs.

The total approved OPCOM budget for 2022 was US\$ 7.523billion, comprising US\$4.366 billion (58%) for NNPC's and US\$ 3.16 billion (42%) for JV partners as shown in table below.

Table 53: 2022 OPCOM Approved Cash-Call Budget

Company	Total Approved Budget			Approved Budget NNPC Share		
	Source Naira	Source Dollar	Equivalent Dollar	Source Naira	Source Dollar	Equivalent Dollar
	N' Billion	US\$' Billion	EQUUS\$' Billion	N' Billion	US\$' Billion	EQUUS\$' Billion
Shell	426.99	0.93	1.94	234.84	0.51	1.07
Mobil	265.03	0.72	1.34	159.02	0.43	0.81
Chevron	338.80	0.59	1.39	203.28	0.36	0.84
TEPNG	240.61	0.53	1.10	144.36	0.32	0.66
Newcross	38.72	0.12	0.21	21.30	0.07	0.12
FEPDCL	71.90	0.19	0.36	43.14	0.11	0.21
EROTON / OML 18	25.54	0.03	0.09	14.04	0.02	0.05
Aiteo	180.71	0.33	0.76	99.39	0.18	0.42
Belema	-	-	-	-	-	-
Seplat	27.19	0.07	0.13	16.31	0.04	0.08
WAEP	3.52	0.00	0.01	1.94	0.00	0.01
AMNI	1.36	0.00	0.00	0.82	0.00	0.00
HHOG	37.71	0.07	0.16	20.74	0.04	0.09
Subtotal	1,658.07	3.58	7.50	959.18	2.07	4.34
NEPL	0.76	0.02	0.03	0.76	0.02	0.03
Total	1,658.83	3.60	7.52	959.95	2.10	4.37

Source: NNPC-NUIMS OPCOM Budget and NEITI 2022 template

6.1.3. Cash Call Funding Account

The total inflow into the JVCC accounts in 2022 was US\$4.628billion (N1.051Trillion and US\$2.146billion). In addition, US\$27.818million (N11.775billion) was carried forward arising from undistributed balances in 2022. This brought the total amount of distributable funding in 2022 to US\$4.656billion. Table below shows the summary of JV Cash Call accounts inflow and outflow.

Table 54: Summary of Inflow and Outflow into Joint Venture Cash Call Bank Accounts

Description	N' Billion	US\$' Billion	EQ\$' Billion
Opening Balance	11.78	0.00	0.03
Inflow	1,050.79	2.15	4.63
Outflow	1,058.58	2.08	4.58
Closing Balance	3.98	0.07	0.08

Source: January - December 2022 Bank Statement (CBN/NNPC JVCC Naira Account and Standard Chartered Bank JVCC Dollar Account), NUIMS Records

Table below shows the disaggregated analysis of inflow into the JVCC Accounts

Table 55: Analysis of Total Inflow to JVCC Accounts

Description	N Million	US\$ Million	EQUS\$' Million
2020 Cash Call Funding			
2021 Cash Call	35,612.87	611.95	696.08
2022 Cash Call	683,904.69	1,204.66	2,820.31
2021 cash Call Monetization	-	-	-
2022 Cash Call Monetization	255,414.79	-	603.39
Interest Received	-	0.01	0.01
Funding Repayment	-	49.99	49.99
Reversal Of Cash Call Payment	75,852.94	279.39	458.58
Total	1,050,785.29	2,145.99	4,628.35

Source: January - December 2022 Bank Statement (CBN/NNPC JVCC Naira Account and Standard Chartered Bank JVCC Dollar Account), NUIMS Records

Table 56: Analysis of Total payments from JVCC Accounts

Description	N' Million	US\$' Million	EQ US\$' Million
2020 Cash Call	4,088.99	-	9.66
2021 Cash Call	85,253.99	547.12	748.52
2022 Cash Call	782,131.17	377.38	2,225.08
Bank Charges	1.23	-	0.00
Reversal of Cash Call Payment	75,852.94	279.39	458.58
NESS	5,838.51	-	13.79
VAT	365.16	1.78	2.64
WHT	266.56	1.26	1.89

Description	N' Million	US\$' Million	EQ US\$' Million
Gas Development Infrastructure	2,427.02	5.62	11.35
Renewable Energy Development	395.52	-	0.93
Frontier Exploration Services	22,009.56	3.05	55.04
FIRS	54.66	-	0.13
Field Offshore Design	20,953.02	20.00	69.50
NAPIMS Operation	58,945.74	100.96	240.47
Monetization	-	739.80	739.80
Total	1,058,584.07	2,076.35	4,577.40

Source: January - December 2022 Bank Statement (CBN/NNPC JVCC Naira Account and Standard Chartered Bank JVCC Dollar Account), NUIMS Records

US\$190.375million was spent in 2022 while funding provided was US\$240.473million representing 1.26% of total expenditure and 60.95% of approved budget.

Table 57: Summary of NUIMS Overheads performance and 2022 Funding

Description	2022 Budget		2022 Actual		2022 Overheads Funding		
	N' Million	EQ US\$' Million	N' Million	EQ US\$' Million	N' Million	US\$' Million	EQ US\$' Million
		@423.3		@423.3			@423.3
Total CAPEX	12,475.01	29.47	4,980.61	11.77	58,945.74	100.96	240.47
Total PEX	71,023.15	167.78	75,605.30	178.61	-	-	-
Total CAPEX and OPEX	83,498.16	197.26	80,585.91	190.38	58,945.74	100.96	240.47

Source: NUIMS 2022 budget performance report, 2022 Standard Chartered Bank JVCC Dollar Account, NUIMS records

6.1.4. Cash Call to JV Operators

Total outflow from the JVCC account was US\$ 4.577 billion (N1.059 trillion and US\$2.076 billion) in 2022, comprising cash calls of US\$ 2.983 billion (65.17%) including arrears for 2020 and 2021. While non-cash call related payments were US\$ 1.594 billion (34.83%).

US\$ 2.983 billion comprising US\$ 2.225 billion (74.59%) for 2022 cash calls, while US\$ 9.660million (0.32%) and US\$ 748.522 million (25.09%%) are for 2020 and 2021 cash call arrears. The table below shows the details of the cash call payments to operators in 2022.

Table 58: Details of Outflow from Joint Venture Cash Call Bank Account

S/N	Partners	N' Million	US\$' Million	EQ US\$' Million
1	SPDC	216,458.45	152.33	663.69
2	MPN	148,280.01	214.40	564.69
3	CNL	133,335.50	157.77	472.76
4	TEPNG	82,319.42	86.54	281.01

S/N	Partners	N' Million	US\$' Million	EQ US\$' Million
5	NPDC	6,447.75	3.76	18.99
6	SEPLAT	15,195.15	19.43	55.32
7	NEWCROSS	19,385.94	17.35	63.15
8	FIRST (E&P)	25,325.81	34.60	94.43
9	NNPC/EROTON	13,639.69	14.21	46.43
10	NNPC/AITEO	103,159.23	107.56	351.27
11	NNPC/BELEMA	9,331.87	7.28	29.32
12	NNPC/HHOG	96,463.68	90.95	318.83
13	NNPC/WAEP	1,383.43	2.49	5.76
14	NNPC/AMNI	748.21	0.79	2.56
15	Others	-	15.03	15.03
	Total	871,474.15	924.50	2,983.26

Source: January - December 2022 Bank Statement (CBN/NNPC JVCC Naira Account and Standard Chartered Bank JVCC Dollar Account), NUIMS Records

CHAPTER 7

Midstream and Downstream Operations

The Midstream and Downstream operations are overseen by the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA), while the Domestic Crude Supply Obligation (DCSO) falls under the coordination of the Nigerian Upstream Petroleum Regulatory Commission (NUPRC). See the Contextual Report for detailed description of laws, regulations, policies on Midstream and Downstream Operations in Nigeria.

7.1. Midstream Operations

This section discusses the refinery operations, the domestic crude supply obligations (DCSO), infrastructure in the midstream and NNPC refineries balances.

7.1.1. Refinery Operations

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) issues three types of refinery licenses: License to Establish (LTE), License to Construct (LTC), and License to Operate (LTO).

A total of seven (7) refineries licenses/ approvals were issued in 2022 by the NMDPRA, comprising five (5) LTE and two (2) LTC with a combined refinery capacity of 856,500 barrels per day as shown in the table below.

Table 59: Refinery Licenses and Approvals Issued in 2022

#	Company	Location	Types of Facility / Plant	Capacity (BPD)	Licene Type	Date of issue	Validity period
1	Docerad Consulting Services Ltd	Bayelsa State	Topping plant (Modular Plant)	1,000	LTE	12/12/2022	Two (2) years
2	Rhemadok Refinery and petro chemical company Ltd	Delta State	Hydroskimming plant	63,000	LTE	11/07/2022	
3	MoreBarrels petrochemical Ltd	Delta state	Topping plant (Modular Plant)	25,000	LTE	18/8/2022	
4	Conex Monserrado JV	Bayelsa State	Topping plant (Modular)	10,000	LTE	17/8/2022	
5	Murphy Akpieyi Company Nigeria Ltd	Delta State	Hydroskimming plant (modular)	105,000	LTE	17/8/2022	
6	Duport Midstream Company Ltd	Edo State	Topping plant (Modular)	2,500	LTC	18/10/2022	Presently given

#	Company	Location	Types of Facility / Plant	Capacity (BPD)	Licene Type	Date of issue	Validity period
7	Dangote Petroleum Refinery and petrochemical FZE	Lagos State	Hydroskimming plant (conventional)	650,000	LTC	18/10/2022	approval to introduce hydrocarbon
	Total			856,500			

Source: NEITI 2022-2023 OGA, 2024 (NMDPRA Responses)

7.1.2. Domestic Crude Supply Obligations

The Domestic Crude Supply Obligation (DCSO) is designed to guarantee the supply of crude oil to local refineries under specified conditions. For a comprehensive understanding of the relevant laws and regulations governing the DCSO, please refer to the Contextual Report.

In 2022, the NUPRC reported that no endorsed or processed Export Permits were issued by the Federal Government for DCSO operations. Additionally, there were no DCSO applications received, nor were any approvals granted, resulting in no actual DCSO deliveries to the refineries during the year.

7.1.3. Associated and Non-Associated Gas and Crude Pipeline Infrastructure

The Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) plays a crucial role in coordinating pipeline infrastructure within the midstream sector of Nigeria's oil and gas industry. The NMDPRA is tasked with ensuring compliance with regulations governing midstream operations, including technical, operational, and commercial activities related to pipeline infrastructure.

Table 60: Significant Pipeline Infrastructure Investment and Projects in the Midstream

Project Title
Akk Gas Pipeline & Stations Project
Anoh-OB3-Ctms Feeder Lines
New Egbin Metering Station (NEMS)
Nigeria-Morocco Gas Pipeline
OB3 Gas Pipeline Project
Obob-OB3 Ctms & Anoh-Ob3 Ctms Feeder Lines
Pre-Fid Studies for New Gas Processing Plant
Rehab and Expansion of Onne Metering Station
Rehabilitation of Sapele-Oben-Delta Iv-Ajaokuta Metering Stations
Trans Nigeria Gas Pipeline (TNGP)

Source: NEITI 2022- 2023 OGA, 2024

7.1.4. NNPC Refineries' Balance

The refineries owned by NNPC include the Port Harcourt Refinery Company (PHRC), Warri Refining and Petrochemical Company Limited (WRPC), and Kaduna Refining and Petrochemical Company Limited (KRPC). No balances were reported for KRPC in 2022. The tables below provide detailed balances for PHRC and WRPC.

Table 61: PHRC Refinery Balance (Crude Material Balance)

Crude Blend	Opening Stock	Receipt	Processed	Closing Stock	Audit Closing Stock	Variance
	Bbls	bbls	bbls	bbls	bbls	bbls
Bonny Light	133,666	-	-	156,288	133,666	(22,622)

Source: NEITI 2022 – 2023 OGA, 2024

Table 62: PHRC Refinery Balance (Products Material Balance)

Products	Opening Stock	Production	Evacuation	Losses	Closing Stock	Calculated Closing Stock	Variance
	MT	MT	MT	MT	MT	MT	MT
Off Gas	-	-	-	-	-	-	-
LPG	-	-	-	-	-	-	-
PMS	11	(1)	13		8	(4)	11
DPK	9	(6)	-		3	3	-
AGO	12	(4)	0		8	8	-
LPFO	72	30	67		35	35	-
LPG Flared	-	-	-	-	-	-	-
Intermediate Product	-	-	-	-	-	-	-
Losses	-	-	-	-	-	-	-
Total	104	19	81	-	54	43	11

Source: NEITI 2022 – 2023 OGA, 2024

Table 63: WRPC Refinery Balance (Crude Material Balance)

Crude Blend	Opening Stock	Receipt	Processed	Closing Stock	Audit Closing Stock	Variance
	Bbls	bbls	bbls	bbls	bbls	bbls
Bonny	-	-		-		
ND Western	-	325,911	-	298,494	325,911	27,417
Escravos	58,290	-	-	86,158	58,290	(27,868)
Forcados	234,713	-	-	258,164	234,713	(23,451)
Slop	34,869	-	-	23,414	34,869	11,455
Seplat	70,611	(180,076)	-	70,004	(109,465)	(179,469)

Crude Blend	Opening Stock	Receipt	Processed	Closing Stock	Audit Closing Stock	Variance
	Bbls	bbls	bbls	bbls	bbls	bbls
Total	398,483	145,835	-	736,233	544,317	(191,916)

Source: NEITI 2022 – 2023 OGA, 2024

Table 64: WRPC Refinery Balance (Products Material Balance)

Products	Opening Stock	Production	Evacuation	Losses	Closing Stock	Calculated Closing Stock	Variance
	MT	MT	MT	MT	MT	MT	MT
LPG	923	-	-	-	-	923	(923)
PMS	23,876	126,472	138,487	-	10,711	11,862	(1,151)
DPK	4,412	-	-	-	4,088	4,412	(324)
AGO	1,832	-	73	-	1,752	1,759	(7)
LPFO	10,160	(3,310)	-	-	10,840	6,850	3,990
Consumption	2,291	3,310	-	-	-	5,601	(5,601)
Losses	-	-	-	-	-	-	-
Total	43,494	126,472	138,560	-	27,391	31,407	(4,016)

Source: NEITI 2022 – 2023 OGA, 2024

7.2. Downstream Operations

This section discusses the domestic crude allocation and utilisation, infrastructure in the downstream and product importation and distribution.

7.2.1. Domestic Crude Allocation and Utilisation

The rationale behind the allocation of 445,000 barrels of crude oil daily to NNPC Limited was to guarantee a consistent and preferential supply, thereby facilitating the smooth operation of government-owned local refineries. However, this objective has remained unrealized, as the refineries have not functioned optimally for over two decades. Consequently, they have been unable to effectively process the allocated domestic crude oil.

7.2.2. Product Import Valuation

A total 22.93 billion litres of PMS was imported by NNPC Limited with cost of N7.39 trillion, revenue of N2.68 trillion and under recovery of N4.71 trillion. These importations were done under DSDP, SPOT and CORDPA arrangement. The table below shows the value of the imported refined PMS. See appendix 14 for 2022 NNPC Limited Imported PMS Valuation: Quantity, Cost of Supply, Revenue and Under Recovery.

Table 65: NNPC Limited Imported PMS Cost, Revenue and Under Recovery

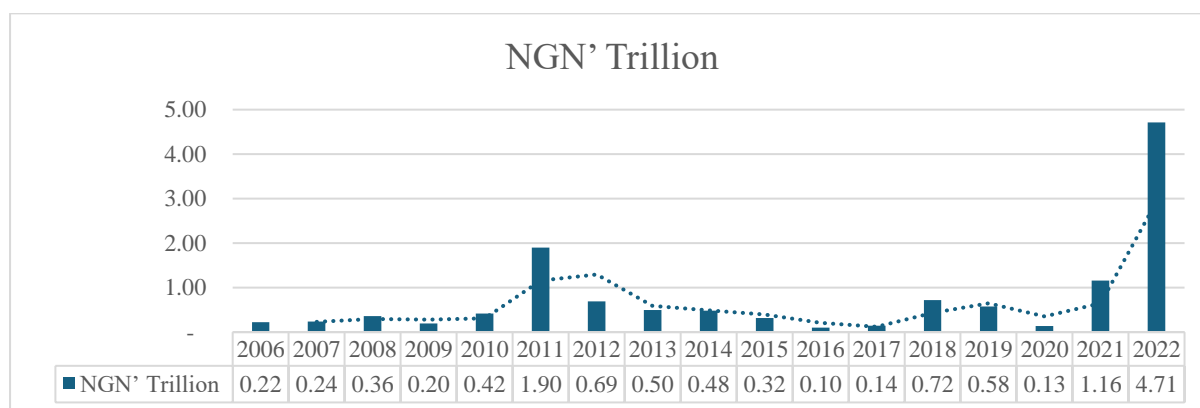
2022 Monthly	QTY	QTY	Cost of Supply		Revenue	Under Recovery
	Million MT	Litres' Billion	US\$' Billion	N' Trillion	N' Trillion	N' Trillion
January	1.34	1.80	1.08	0.42	0.22	0.20
February	1.17	1.57	1.10	0.43	0.19	0.24
March	1.97	2.64	2.11	0.83	0.33	0.50
April	1.93	2.59	2.20	0.86	0.32	0.54
May	0.92	1.23	1.06	0.43	0.15	0.27
June	1.30	1.74	1.82	0.73	0.19	0.54
July	1.39	1.86	1.82	0.74	0.21	0.54
August	1.27	1.70	1.34	0.56	0.19	0.37
September	1.25	1.67	1.12	0.47	0.19	0.29
October	1.39	1.87	1.41	0.61	0.21	0.40
November	1.65	2.21	1.72	0.74	0.25	0.50
December	1.52	2.04	1.31	0.57	0.23	0.34
Total	17.10	22.93	18.10	7.39	2.68	4.71

Source: NEITI 2022- 2023 OGA, 2024 (NNPC Limited Responses)

7.2.3. PMS Price Differentials

A total of N12.863 trillion has been claimed as under recovery/ price differentials between 2006 and 2022, with 2022 recording the highest of N4.714 trillion as shown in the Figure below.

Figure 15: Seventh (17) Year Trend of Petroleum Products Price Differentials- 2006 – 2022



Source: NEITI 2022- 2023 OGA, 2024 (Previous NEITI OGA Reports)

7.2.4. Products Imported

Products supplied and consumed are derived from product importation as discussed in the subsequent subsections.

7.2.4.1. Products Supplied (Imported)

The table below shows the discharged imported products by marketers.

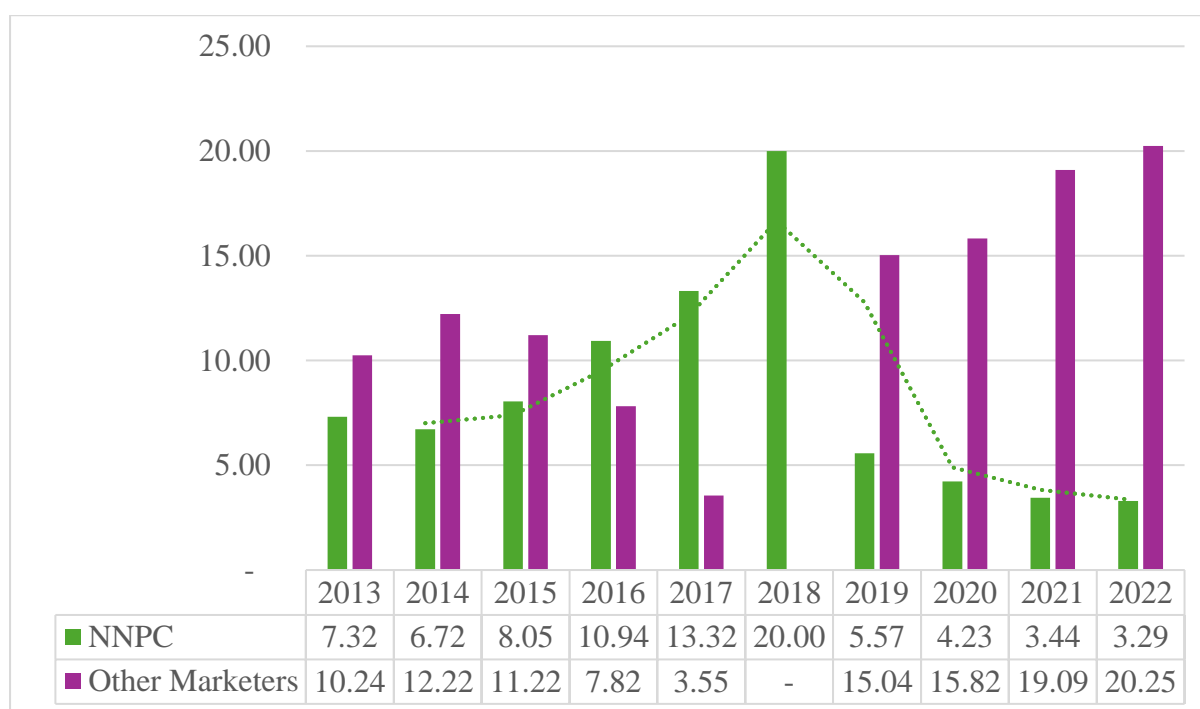
Table 66: Product Supplied (Imported)

Products	Marketers		2022	2021	Changes	
	NNPC Ltd	Other Marking Companies (OMC)	Total QTY	Total QTY	Total QTY	%
	QTY	QTY				
	Billion Litres	Billion Litres	Billion Litres	Billion Litres	Billion Litres	
PMS	3.29	20.25	23.54	22.54	1.00	4%
DPK/HHK	-	3.99	3.99	0.02	3.97	15987%

Source: NEITI 2022- 2023 OGA, 2024

Figure below shows the ten-year (2013 – 2022) trend of PMS computation with highest annual importation in 2022 (23.54 billion litres) and lowest in 2017 (16.88 billion litres). Furthermore, there has been continuous decline in NNPC Ltd importation from 2019 to 2022. However, the total PMS importation increased from 2020 through to 2022.

Figure 16: PMS Importation Ten-Year Trend (2013-2022) (Billion Litres)

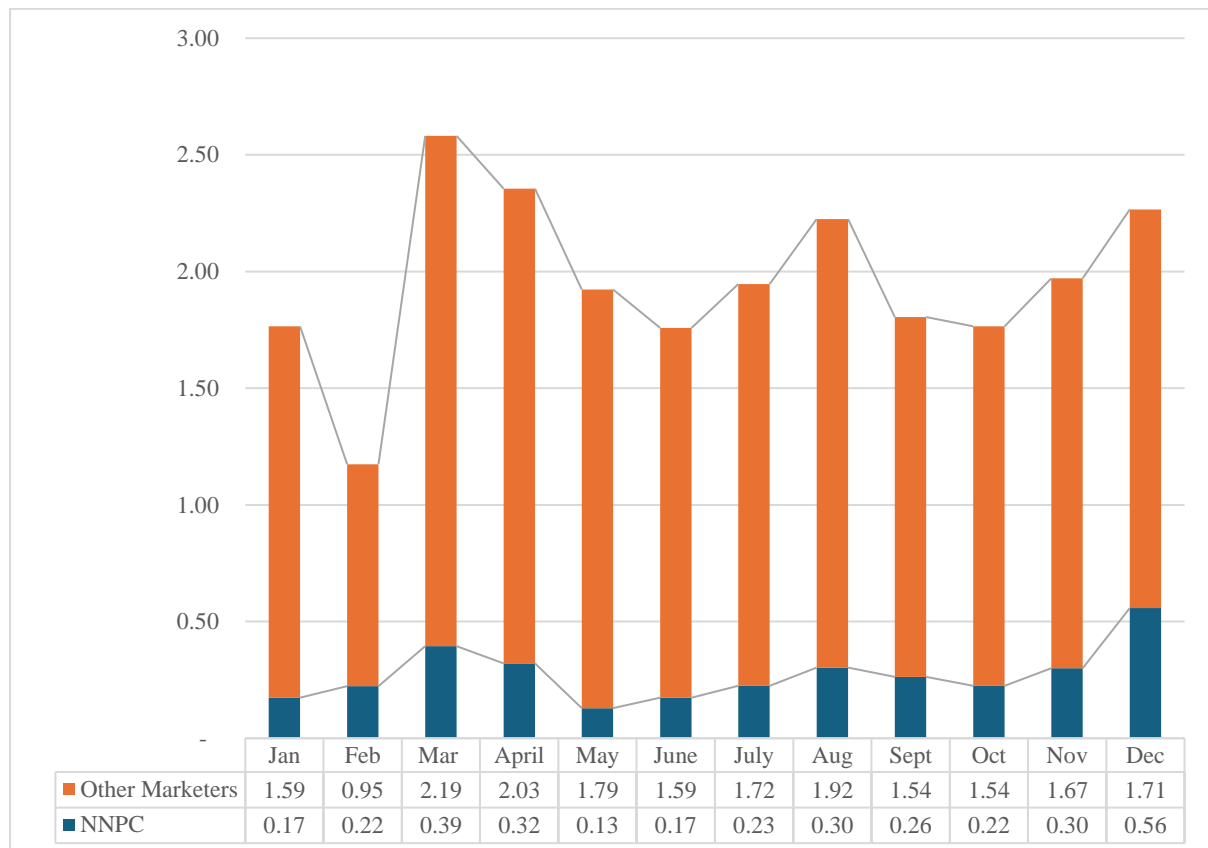


Source: NEITI 2022- 2023 OGA, 2024

The 2022 monthly trend from January to December shows that December (0.56 billion litres) was the highest import by NNPC Ltd only. The highest import for both NNPC and Other marketers was in March (2.58 billion litres) and the lowest in February (1.17 billion litres).

Figure below shows the monthly product importation for NNPC Limited and other marketers.

Figure 17: 2022 Monthly Product Importation (Billion Litres)



Source: NEITI 2022- 2023 OGA, 2024

CHAPTER 8

Social and Economic Spending

This section discusses infrastructure provisions, barter arrangement, social expenditures, and quasi-fiscal expenditure. In addition, it discusses the contribution of the industry to the economy and the environmental impact of the industry's activities. See Contextual Report for detailed description of the laws, regulations, policies and activities on social and economic spending.

8.1. Infrastructure Provisions and Barter Arrangement

There were no infrastructure provisions for the purpose of lifting crude in lieu of payment for infrastructure provision in the period under review. However, NNPC Limited entered Direct Sales Direct Purchase arrangement allowing crude oil off-takers to lift crude in exchange for refined petroleum products. The valuation is carried out by the NNPC Limited.

8.1.1. NNPC Limited Fiscal Commitment: Loan, Guarantee and Contingent

The Assets, interest and liabilities of the erstwhile NNPC are now taken over by the NNPC Limited in line with section 54 of the PIA, 2021. See the Contextual Report on the detailed description of the NNPC Limited fiscal commitment with respect loan, guarantee and contingents.

The table below shows Status of NNPC Limited commitments and contingencies

Table 67: Status of NNPC Limited Commitments and Contingencies as of 31st July 2024

Project Name	Beneficiary	Lender	Financing Details	NNPC Portion of the Facility Description	US\$ Million	Remark
Joint Venture Project Financing Loans:						
Project Panther	NNPC/ CNL JV	Commercial Bank Consortium (NCB & ICB Facility), CNL (Co-Lender)	Year Obtained: 2022	Facility Amount	1400	Principal repayment to commence after moratorium.
			Tenor: 7 years			
			Maturity Year: 2029	Amount Drawn	359	
			NNPC Participating Interest: 60%	Repayment Amount-to Date	0	
			Pledged barrels: 23,500bopd	Balance Outstanding	359	
			Key Financing Terms: 3 Month SOFR + 5.5% Margin + 1% Liquidity Premium.			
Security/Loan Covenants: SPV, Cash, Balance Sheet and Accounts of SPV						
Pre-Export Financing Loans (PxP Loans)						
Project Bison (20% equity acquisition of Dangote Refinery)	NNPC	Afrexim Bank - MLA	Year Obtained: 2021	Facility Amount	1040	Full and Final Repayment achieved on 28 June 2024.
			Tenor: 5 years			
			Maturity Year: 2026	Amount Drawn	1037	
			NNPC Participating Interest: 100%	Repayment Amount-to Date	1037	
			Pledged barrels: 35,000bopd			



THE PRESIDENCY

NEITI Nigeria
Extractive
Industries
Transparency
Initiative

Project Name	Beneficiary	Lender	Financing Details	NNPC Portion of the Facility Description	US\$ Million	Remark
			Key Financing Terms: International Commercial Banks Tranche – 3 Month Libor + 6.525% + 0.5% Liquidity Premium.	Balance Outstanding	0	
			Security/Loan Covenants: SPV, Cash and Accounts of SPV, DSU			
Project Eagle Export Funding Original Debt	NEPL	Crude oil traders (NCB and ICB)	Year Obtained: 2020	Facility Amount	935	Full and Final Repayment achieved on 15 September 2023.
			Tenor: 5 years			
			Maturity Year: 2025			
			NNPC Participating Interest: 100%			
			Pledged barrels: 30,000bopd			
			Key Financing Terms: International Commercial Banks Tranche – 3 Month Libor + 4.5%; Nigerian Commercial Banks Tranche – 3 Month Libor + 4.5% + 0.75% Liquidity Premium. All-In Cost -5.05% p.a.	Amount Drawn	841	
			Security/Loan Covenants: SPV, Cash and Accounts of SPV, Debt Service Undertaking (DSU)	Repayment Amount-to Date	841	
			Year Obtained: 2021	Balance Outstanding	0	



THE PRESIDENCY

NEITI Nigeria
Extractive
Industries
Transparency
Initiative

Project Name	Beneficiary	Lender	Financing Details	NNPC Portion of the Facility Description	US\$ Million	Remark		
Project Eagle Export Funding Subsequent Debt	NEPL	Crude oil traders (NCB and ICB)	Tenor: 5 years	Facility Amount	635	Full and Final Repayment achieved on 15 September 2023.		
			Maturity Year: 2026					
			NNPC Participating Interest: 100%				Amount Drawn	635
			Pledged barrels: 6,000bopd				Repayment Amount-to Date	635
			Key Financing Terms: International Commercial Banks Tranche – 3 Month Libor + 4.5%; Nigerian Commercial Banks Tranche – 3 Month Libor + 4.5% + 1.25% Liquidity Premium. All-In Cost -5.40% p.a.				Balance Outstanding	0
Security/Loan Covenants: SPV, Cash and Accounts of SPV, DSU								
Project Eagle Export Funding Subsequent 2 Debt	NEPL	Crude oil traders (NCB and ICB)	Facility Amount: US\$540 million	Facility Amount	900	Principal repayment commenced after 12-month moratorium in June 2024.		
			Year Obtained: 2023					
			Tenor: 5 years				Amount Drawn	900
			Maturity Year: 2028				Repayment Amount-to Date	62
			NNPC Participating Interest: 100%				Balance Outstanding	838
			Pledged barrels: 21,000bopd					
Key Financing Terms: International Commercial Banks Tranche – 3 Month SOFR + 4.5 +								



Project Name	Beneficiary	Lender	Financing Details	NNPC Portion of the Facility Description	US\$ Million	Remark
			0.5% Liquidity Premium; Nigerian Commercial Banks Tranche – 3 Month SOFR + 5.5% + 1% Liquidity Premium. Security/Loan Covenants: SPV, CASH AND ACCOUNTS OF SPV, DSU			
Project Yield	PHRC	Afrexim/ Metrix/ Gulf/ Zenith	Year Obtained: 2022			Principal repayment to commence in Dec 2024.
			Tenor: 7 years			
			Maturity Year: 2029	Facility Amount	950	
			NNPC Participating Interest: 100%	Amount Drawn	950	
			Pledged barrels: 67,000bopd	Repayment Amount-to Date	0	
			Key Financing Terms: International Commercial Banks Tranche – 3 Month Libor + 5.4; Nigerian Commercial Banks Tranche – 3 Month Libor + 5.4% + 0.5% Liquidity Premium.	Balance Outstanding	950	
			Security/Loan Covenants: SPV, CASH AND ACCOUNTS OF SPV, DSU			

Source: NEITI 2022- 2023 OGA, 2024

8.1.2. Tax Credit and Waiver for Investment Promotion in the Sector

NNPC Limited leveraged the Presidential Executive Order No. 007 of 2019 on the Road Infrastructure Development and Refurbishment Investment Tax Credit Scheme. See appendix 15 for the Schedule of NNPC Limited approved road project costs.

The table below shows the summary of the status update as at 30 April 2024 following the interagency meeting between NNPC Limited, FIRS, the Federal Ministry of Works, and the Federal Ministry of Finance regarding the RITC scheme.

The variance of N28.2 billion was an accrued project cost claimed by the NNPC Limited without a completion certificate and yet to be certified by the Committee.

Table 68: Status Update of NNPC Limited Tax Credit Under the Scheme: 30 April 2024

Company	Credit Notes as Per NNPC Limited	Committee Certified Credit Note	Variance	Credit Notes Utilized Pre-2022	Tax Credits Yet to Be Utilized
	N' Billion	N' Billion	N' Billion	N' Billion	N' Billion
NNPC Ltd	309.93	304.25	5.67	-	304.25
NGIC	6.09	5.93	0.16	-	5.93
NEPL	528.18	505.81	22.37	98.47	407.33
Total	844.20	815.99	28.21	98.47	717.52

Source: NEITI 2022 – 2023 OGA, 2024 (NNPC Responses)

8.2. Social Expenditures

2022

Host community development activities is a social expenditure made by settlers in the host community in the sector. See the Contextual Report on the description, law and regulation of Host Community Development Trust Fund. The table below shows the remittance of the 3% OPEX.

Table 69: Host Community Development Remittance

Parameters	2022
Remittance in Billion Naira	4.630
Remittance in Million US\$	14.835

Source: NEITI 2022 – 2023 OGA, 2024 (NUPRC Responses)

Furthermore, a total of US\$12.524 million (N5.301 billion) was reported by nineteen (19) companies as voluntary social expenditure as shown in the table below.

Table 70: Voluntary Social Expenditure by Company

Company	Contribution N	Equivalent US\$
Amni International Petroleum Ltd	36,816,000	86,974
Aradel Holdings	356,060,093	841,153
Brittania U-Nigeria	16,220,000	38,318
Chorus Energy Limited	34,000,000	80,321
Elcrest Exploration and Production Nigeria Ltd	1,030,050,950	2,433,383
Equinor Nigeria Energy Company Limited	187,047,133	441,878
Frontier Oil Limited	62,580,444	147,839
Midwestern Oil and Gas	44,937,068	106,159
Mobil Producing Nigeria Unlimited	147,115,395	347,544
NAOC (Now Oando PLC)	1,555,379,000	3,674,413
Network Exploration & Production Ltd	45,575,150	107,666
Oriental Energy Resources Ltd	152,068,900	359,246
Pillar Oil Limited	182,379,945	430,853
Platform Petroleum Limited	148,843,160	351,626
Shell Nig. Exploration & Production Co Ltd	113,645,500	268,475
South Atlantic Pet. Ltd	150,582,000	355,734
Sterling Global Oil Resources Limited	239,599,000	566,026
Sterling Oil E&P Production Co Ltd	748,968,000	1,769,355
Universal Energy Limited	49,387,071	116,672
Total	5,301,254,809	12,523,635

Source: NEITI 2022 – 2023 OGA, 2024

A further review of the voluntary expenditures shows that companies spent N1.206 billion (22.75%) on infrastructure and civil works, while N421.614 million (7.95%) was spent on medical and health services. Furthermore, N17.2945 million was contributed to a community trust fund as shown in the table below.

Table 71: Voluntary Social Expenditure by Utilisation

Description	Contribution	
	N	%
Host Community Trust Fund (Internal arrangement)	17,294,500	0.33%
Medical and Health Services	421,614,075	7.95%
Vocational Training, and Capacity Building	424,436,050	8.01%
Education and Scholarship	424,543,688	8.01%
Community Social & Cultural Engagements	647,017,183	12.20%

Description	Contribution	
	N	%
Infrastructures and Civil Works	1,205,832,103	22.75%
Other Projects	2,160,517,210	40.75%
Total	5,301,254,809	100.00%

Source: NEITI 2022 – 2023 OGA, 2024

8.3. Quasi-Fiscal Expenditures

Quasi-fiscal expenditures are a class of expenditures carried by a state-owned enterprise but are not reflected in the national budget. See the Contextual Report on the detailed description of quasi-fiscal expenditures. Table below shows the quasi-fiscal expenditures.

Table 72: *Quasi-Fiscal Expenditures*

Description	2022	2021
	NGN' Billion Equivalent	NGN' Billion Equivalent
JV Cost Recovery	-	1,348
Pipeline Maintenance and Management Costs	12	29
PMS under recovery/ Price Differentials/ Subsidy	4,714	1,159
Crude Oil and Product Losses	-	16
Government Priority Projects	-	99
Total	4,726	2,651

Source: NEITI 2022 – 2023 OGA, 2024

Quasi-Fiscal Expenditure and deductions from FAAC by NNPC was N12.425 billion on pipeline security and maintenance from January to June 2022 (2021: US\$6.931 billion/ N2.651 trillion). Furthermore, PMS under recovery/ price differentials of N4.71 trillion in 2022 and N3.01 trillion in 2023.

8.4. Contribution of the Industry to the Economy

The contribution of the sector to the economy is discussed considering the Gross Domestic Product (GDP), government revenue and employment.

8.4.1. Contribution to the Economy

A trend of the contribution of oil and gas sector to GDP in Nigeria from 2019 to 2022 shows a decline from 7.32% in quarter 4 (2019) to 4.34% in quarter 4 (2022) as shown in the table below. In 2022, the sector contributed 5.75% to Nigeria's total GDP of N 202.365 trillion (US\$478.06 billion). The decline was due dwindling oil production occasioned by insecurity, theft and sabotage.

Table 73: Trend of Contribution of the Sector to Nigeria's Total GDP (2019 – 2022)

Quarter	2022	2021	2020	2019
1	6.63%	9.25%	9.50%	9.22%
2	6.33%	7.42%	8.93%	8.98%
3	5.66%	7.49%	8.73%	7.32%
4	4.34%	5.19%	5.87%	9.77%
Annual Average	5.74%	7.24%	8.16%	8.62%

Source: NEITI 2022 – 2023 OGA, 2024

8.4.2. Contribution to Exports

The contribution of the industry to Exports is shown in the table below.

Table 74: Contribution of the Sector to Total Export

Year	Total Export		Crude Oil and Gas Exports		Crude Oil and Gas Exports to Total Exports
	NGN' Trillion	US\$' Billion	NGN' Trillion	US\$' Billion	
2019	19.192	48.019	14.690	36.754	76.54%
2020	12.523	31.333	9.4445	23.631	75.42%
2021	18.908	47.307	14.411	36.056	76.22%
2022	26.796	63.304	21.099	49.844	78.74%

Source: NEITI 2022 – 2023 OGA, 2024 & NBS

8.4.3. Contribution to Government Revenue

The contribution of the industry to government revenue was NGN 4.641 trillion (36.87%) as shown in the table below.

Table 75: Contribution of the Sector to Government Revenue

Year	Total Government Revenue	Total Oil and Gas Revenue	Crude Oil and Gas Revenue to Total Government Revenue
	NGN' Trillion	NGN' Trillion	
2021	10.75	4.358	40.55%
2022	12.586	4.641	36.87%

Source: NEITI 2022 – 2023 OGA, 2024

8.4.4. Employment and Gender

There are regulations and policies on gender mainstreaming in the sector. See the Contextual Report for description, regulations, policies and activities on Gender and Equality in the Sector

Employment information is presented according to gender, occupational level, the locale status of employees disaggregated into indigenous to the communities of operations, national and expatriates employees. Information on physically challenged employees is also provided.

Employment data and companies' policy on gender related issues were requested from sixty-two (62) covered entities. Fifty-eight (58) companies (93.5%) have gender policies guiding employment as contained in table below. Appendix 15 provides additional information on employment.

Table 76: Company Responses on Gender Policies in the Sector

Parameters		Response	
		#	%
Responsive	Available	58	93.5%
	Not Available	-	-
	Work-In-Progress	-	-
Non-Responsive	None	4	6.5%
Total		62	100.0

Source: NEITI 2022-2023 OGA, 2024

A total of thirty-two (32) companies returned populated NEITI Audit template on 2022 employment. Total employment in the sector was 6,728 persons, comprising 5,565 (83%) male, and 1,163 (17%) females as shown in the table below. Appendix 15 provides additional information on employment.

Table 77: Total Employment in the Sector

Gender	Local	National	Expatriate	Total
Men	4,540	868	157	5,565
Women	1,015	131	17	1,163
Total	5,555	999	174	6,728

Source: NEITI 2022-2023 OGA, 2024

Furthermore, table below shows that 6,554 (97%) are Nigerians and 174 (3%) are expatriates.

Table 78: Employment Distribution Based on Nationality and Gender

Management Level	Nigerian nationals				Expatriates			Total			
	Local		National		Total	Male	Female	Total	Male	Female	Total
	Male	Female	Male	Female							
Top	437	109	44	8	598	42	1	43	523	118	641
%	68.2%	17.0%	6.9%	1.2%	93.3%	6.6%	0.2%	6.7%	81.6%	18.4%	100%
Middle	1,371	339	244	42	1,996	77	8	85	1,692	389	2,081
%	65.9%	16.3%	11.7%	2.0%	95.9%	3.7%	0.4%	4.1%	81.3%	18.7%	100%
Lower	2,732	567	580	81	3,960	38	8	46	3,350	656	4,006
%	68.2%	14.2%	14.5%	2.0%	98.9%	0.9%	0.2%	1.1%	83.6%	16.4%	100%
Total	4,540	1,015	868	131	6,554	157	17	174	5,565	1,163	6,728
%	67%	15%	13%	2%	97%	2%	0%	3%	83%	17%	100%

Source: NEITI 2022-2023 OGA, 2024

8.5. Environmental Impact of the Industry Activities

The NOSDRA report on activities on environmental incidence management in the upstream segment of the oil sector in Nigeria as shown in the table below.

Table 79: Environmental Incidence Management

Description	#
Incidence	1,123
Joint Investigation of incidence	1,045
Barrels of Oil Spillage	50,700.86
Number of reporting entities	29

Source: NEITI 2022-2023 OGA, 2024

CHAPTER 9

Outcomes and Impact

The outcomes and impacts discussed in this report reflect updates on the remedial actions taken following the 2023 Nigeria EITI validation assessment. Additionally, it examines the status of implementation of past recommendations from the NEITI 2021 Oil and Gas Industry Report. This process involves the aggregation of recurring issues, culminating in recommendations in the current audit report. Newly identified and non-recurring issues are categorized under the subsection dedicated to observations, findings, and recommendations from the 2022 Oil and Gas Report.

9.1. Updates on Past Recommendations from NEITI 2021 Oil and Gas Report

#	Key Point	IA Follow-up and Comments	Further Recommendation
1	Compliance to the NEITI Reporting requirement	<p>The Oil and Gas Report identified non-compliant entities. To address non-compliance, covered entities were contacted at the commencement of the 2022-2023 NEITI OGA. A sensitization workshop was organized which provided clarifications. Further engagements continued throughout the report production process.</p> <p>The current exercise covered sixty-two (62) companies, including Lekoil non-compliant companies in 2021. There were two (2) non-compliant companies in 2022.</p> <p>Also, there are several instances of delayed and incomplete submissions noted during the review period.</p>	<p>In collaboration with the Federal Ministry of Justice, NEITI should actively enforce the applicable provisions of the NEITI Act, 2007 by implementing relevant sanctions against non-compliant companies. This collaborative effort will ensure that companies failing to meet their reporting obligations face legal consequences.</p> <p>Additionally, NEITI should leverage the NUPRC to enforce compliance through administrative or regulatory tools provided in the relevant sections of the Petroleum Industry Act (PIA). This collaborative strategy will ensure that non-compliant entities are held accountable, ultimately strengthening regulatory adherence while reinforcing transparency and accountability in the extractive sector.</p>

#	Key Point	IA Follow-up and Comments	Further Recommendation
2	Beneficial Ownership	<p>The 2022-2023 exercise required companies to submit information on their ultimate Beneficial Owners (BO), aiming to unravel the complex structures that obscure the identity of the owners. These efforts by the Independent Administrator (IA) complemented NEITI's existing BO disclosure portals, further promoting transparency and accountability.</p> <p>In addition, as of the time of reporting, BO data for only 96 individuals has been disclosed through the NUPRC BO portal - NOGABOR, with some entries still listing company names instead of individuals—an anomaly that needs urgent correction.</p>	<p>The NUPRC to expedite the update of Beneficial Ownership (BO) data disclosed through the <u>NOGABOR</u> in line with the relevant sections of the Petroleum Industry Act (PIA).</p> <p>Furthermore, the Commission should ensure the integration of the NOGABOR with, eventually the web-enabled Comprehensive Register of Licenses (the equivalent of an updated Dynamic Acreage Management System -DAMS used by the defunct DPR) for the oil and gas sector.</p>
3	Production from PSC Blocks	<p>During the current audit, the IA reviewed the status of non-operational Production Sharing Contract (PSC) blocks and other idle blocks that were highlighted in the 2021 oil and gas report. In addition, the NUPRC has initiated bidding rounds for some blocks under the marginal field production arrangement.</p>	<p>NUPRC and NNPC Limited are to encourage Financial and Technical Service Agreement (FTSA) as part of the investment instrumentations to jumpstart full and timely implementation of approved FDP in line with the Climate Change Act, 2021 and Energy Transition Plans.</p> <p>Furthermore, NNPC Limited, through the proper consultation with Bureau of Public Enterprises (BPE) and the Infrastructure Concessions Regulatory Commission (ICRC), should mobilize investment for the development of oil and gas assets.</p>

#	Key Point	IA Follow-up and Comments	Further Recommendation
4	Nigeria-Sao Tome and Principe Joint Development Authority (JDA)	<p>IA observed absence of exploration and production activities at the Joint Development Zone (JDZ).</p> <p>The identified key challenge is the non-responsiveness and willingness of license holders to invest in the allocated licenses.</p>	<p>The Federal Government should review the operational framework of the JDA to enhance operational efficiency and consider reallocating licenses or blocks to investors who are ready, willing, and able. Additionally, the NUPRC should focus on providing institutional capacity building and support to attract investors for the operationalization of the JDZ, ensuring optimal returns on investment.</p>
5	Crude losses	<p>In 2022, Crude oil loss was 36.693 million barrels which was 22.46% of the total metered production at the flow station (163.384 million barrels) for the affected companies and crude type. The losses result from 11.246 million barrels measurement error (6.9%), 21.145 million barrels theft and sabotage (12.9%) and 4.302 million barrels production/terminal adjustment (2.6%).</p> <p>The report underscores the Federal Government's strategic initiatives, particularly through the Nigerian Upstream Petroleum Regulatory Commission (NUPRC), in advancing the Host Communities Development Trust (HCDDT). This initiative is designed to empower host communities by integrating them into a grassroots framework that fortifies the protection of oil and gas assets.</p>	<p>Federal Government through the NUPRC should consider viable Public-Private Partnership (PPP) arrangement on the deployment of advanced digital solution on the monetization of savings from crude losses.</p> <p>Also set up a special funds and a standby committee on crude loss prevention and security of oil and gas assets for a more coordinated responses and intervention.</p>

#	Key Point	IA Follow-up and Comments	Further Recommendation
		<p>By fostering local involvement and ensuring that communities benefit from the resources within their vicinity, the HCDT aims to enhance both the social and economic fabric of these areas, thereby mitigating conflicts and promoting sustainable development.</p> <p>Furthermore, the underlisted efforts aimed at strengthening surveillance of the oil assets across the entire upstream value chain are deployed and under consideration by the government.</p> <ul style="list-style-type: none"> • Advocacy by the CSO, media and the government. • Private sector led PPP proposals to deploy Integrated Revenue Assurance Solutions (IRAS) with pipeline security surveillance using satellite imagery and other sophisticated ICT tools to ensure near real-time monitoring, reporting and processing of incidences of crude oil theft and sabotage. 	
6	Quasi-Fiscal Expenditure (QFE)	<p>NNPCL have been subrogated by Section 54 of the PIA that created the NNPC Limited.</p> <p>There is no express provision in the PIA as to whether NNPC Limited should submit its budget to the NASS scrutiny.</p> <p>By implication, no clarity on the interpretation of quasi-fiscal expenditures.</p>	<p>The NEITI should request and obtain detailed explanations from the Federal Ministry of Finance and the Budget Office of the Federation regarding the budgeting process for the Nigerian National Petroleum Corporation (NNPC) Limited, considering its status as a company governed by the Companies and Allied Matters Act (CAMA).</p>

#	Key Point	IA Follow-up and Comments	Further Recommendation
		<p>Quasi-Fiscal Expenditure and deductions from FAAC by NNPC was N12.425 billion on pipeline security and maintenance from January to June 2022 (2021: US\$6.931 billion/ N2.651 trillion). Furthermore, PMS under recovery/ price differentials of N4.71 trillion in 2022 and N3.01 trillion in 2023.</p> <p>These expenditures were undertaken by State-Owned Enterprises on behalf of the Federation but were executed outside the framework of the national budget.</p>	<p>Additionally, NEITI should advocate for similar clarifications to be incorporated into updates of the Petroleum Industry Act (PIA). This will ensure transparency and consistency in how SOEs like NNPC Limited are integrated into national fiscal frameworks and regulatory updates.</p>
7	Outstanding Liabilities payable to FIRS and NUPRC	<p>Total liabilities from the sector are US\$ 6.175 billion comprising US\$6.072 billion and N66.378 billion (equivalent of US\$ 102. 765) owed to the NUPRC and the FIRS. The liabilities for the 2021 NEITI extractive reporting was US\$ 8.264 billion.</p> <p>At the time of reporting, there was no evidence of a comprehensive investigation into the timeliness of liability payments.</p> <p>This lack of scrutiny raises concerns about whether payments are being made promptly and in accordance with regulatory and contractual obligations. A detailed investigation could provide insights into potential delays or inefficiencies and help ensure that financial responsibilities are met in a timely manner.</p>	<p>The Report advocates for NEITI to encourage Revenue Generating Agencies (RGA) to consider involving the Federal Ministry of Justice to address perpetual debt situations and payments made into RGA collection accounts. This collaboration will provide a comprehensive understanding of the legal implications surrounding perpetual debts, ensuring adherence to relevant legal frameworks.</p> <p>Integrating insights from the Ministry of Justice will help develop policies to effectively address challenges associated with these debts and establish clear guidelines for managing payments. Additionally, this partnership can strengthen the enforcement of legal measures related to debt recovery, safeguarding the Federations interests.</p>

#	Key Point	IA Follow-up and Comments	Further Recommendation
8	NDDC levies	As part of the reporting process, the IA reviewed the Economic and Financial Crimes Commission's (EFCC) recovery of unpaid levies owed to the Niger Delta Development Commission (NDDC) from previous periods. The audit highlighted the need for a reconciliation of the recoveries made by the EFCC. This reconciliation would serve to accurately determine any outstanding levies and ensure that the recoveries are properly aligned with the NDDC's financial records.	The NEITI should formally update the Presidency on the urgency of expediting the reconciliation of recoveries made by the Economic and Financial Crimes Commission (EFCC) on behalf of the Niger Delta Development Commission (NDDC). This process should be coordinated through the Office of the Attorney-General of the Federation and Minister of Justice.
9	Pre-export financing and Project Eagle	<p>The IA reviewed the disclosure of NNPC Limited's fiscal commitments, loans, guarantees, and contingent liabilities from the 2021 reporting period. During this review, the IA also took note of an audit commissioned by the Federal Ministry of Finance to examine PMS subsidy-related financial transactions between NNPC and the Federation, which had the goal of determining all associated liabilities.</p> <p>The examination revealed that while some disclosures have been made in NNPC's audited annual financial statements, they lack sufficient detail. This gap in transparency underscores the need for more comprehensive reporting to ensure clarity regarding the full extent of NNPC's financial obligations, particularly in relation to PMS subsidies and contingent liabilities.</p>	NNPC Limited should ensure comprehensive disclosure of all fiscal obligations, including the monthly, quarterly, and annual accumulation and repayment of these obligations, on its official website. This is in line with its commitment as a supporting company of the Extractive Industries Transparency Initiative (EITI) and as a State-Owned Enterprise (SOE) operating in an EITI-implementing country.

#	Key Point	IA Follow-up and Comments	Further Recommendation
10	NLNG Payments	<p>The IA examined the payments from the NLNG company received by NNPC, which were subsequently transferred to designated NLNG accounts. The audit found that dividends and interest earned by the Federation for the years 2022 and 2023 totaling US\$ 1.113 billion and US\$ 849.314 million were paid, contrasting with the US\$722.60 million payment made in 2021.</p> <p>The report confirms the payments from NLNG in the current period, ensuring that the financial obligations of NLNG to the Federation were met without undue delays.</p>	<p>The NNPC Limited should ensure continuous accountability of NLNG payments received on behalf the government.</p>
11	Transportation revenue	<p>Transportation revenue was US\$ 51.822 million in 2022 (2021: US\$194.85 million and N9.73 billion).</p> <p>Prior to PIA implementation, NNPC still did not disclose tariff rate and volumes with respect to what was paid to NNPC by the JV operators received on behalf of the Federation.</p> <p>However, since the implantation of the PIA, JV assets have been subrogated to NNPC Limited.</p>	<p>Although Joint Venture (JV) assets were subrogated to NNPC Limited starting in July 2022, there remains, for part of the review period, a critical need for full disclosure of the tariff rates that operators charge for the use of JV pipelines. These tariff rates are crucial as they determine the amounts remitted to NNPC, which holds partial ownership of these assets.</p> <p>Transparent reporting of these rates is essential for accountability and to ensure that the revenues generated align with NNPC's share of the JV assets, thereby supporting accurate financial reporting.</p>

#	Key Point	IA Follow-up and Comments	Further Recommendation
			<p>The report recommends a joint audit by the Revenue Mobilization Allocation and Fiscal Commission (RMAFC), Ministry of Justice, Ministry of Finance, and the Ministry of Petroleum Resources that will focus on income-generating assets of NNPC pre-PIA, and NNPC post-PIA to verify that revenues are maximized and accurately reported, thereby enhancing fiscal accountability and efficiency.</p>
12	Miscellaneous revenue	<p>The report reviewed miscellaneous revenue figures, which were US\$4.279 million in 2022. This contrasts with the figures for 2021, which were US\$702.19 million and N343.56 million.</p> <p>The report finds that the basis for the miscellaneous revenue disclosed by NNPC Limited remains unclear. This lack of clarity is concerning, as it does not align with international best practices typically observed in the oil and gas sector. Improved transparency and adherence to established practices are needed to ensure that miscellaneous revenues are accurately reported and understood.</p>	<p>NNPC Limited should provide a detailed breakdown of miscellaneous revenue sources and align reporting practices with international standards, such as IFRS, to ensure transparency and comparability.</p> <p>Comprehensive disclosure in financial statements, including explanatory notes, will enhance clarity and stakeholder trust.</p>

#	Key Point	IA Follow-up and Comments	Further Recommendation
13	Revenue from trial marketing period	<p>There were no indications of Trial marketing period in 2022.</p> <p>The IA examined revenue from TMP for 2021: US\$278.813 million earned from First E&P JV by the Federation but not swept to the Federation.</p> <p>NNPC could not confirm that the funds went into the Federations account.</p>	<p>NEITI should advocate for the Revenue Mobilization Allocation and Fiscal Commission (RMAFC), Ministry of Justice, Ministry of Finance, and Ministry of Petroleum Resources to conduct a comprehensive forensic audit that will focus on income-generating assets of NNPC pre-PIA, and NNPC post-PIA to verify that revenues are maximized and accurately reported, thereby enhancing fiscal accountability and efficiency.</p>
14	Revenue from OML 116	<p>IA examined the crude lifted from OML 116 operated by NEPL (formerly operated by AENR under service contract).</p> <p>The IA determines that NNPC could not demonstrate that US\$7.61 million from OML 116 was transferred to the Federation account before NNPC Limited subrogation.</p>	<p>Revenue Mobilization Allocation and Fiscal Commission (RMAFC), Ministry of Justice, Ministry of Finance and Ministry of Petroleum Resources should carry out a detailed post-mortem valuation of Federation assets subrogated to NNPC Limited at PIA implementation to determine the good and valuable consideration due to the Federation.</p>
15	Cash call	<p>The IA post examination of cash call payments determines that NNPC could not demonstrate that NUIMS has offset the reconciled position of the total cash call paid to Newcross on behalf of NEPL before NNPC Limited subrogation.</p> <p>Paid to for Newcross Cash Call were 2022: US\$63.150 million (2021: N11.470 billion and US\$29.218 million) on assets transferred to NPDC since 2019.</p>	<p>== same as above ==</p>

#	Key Point	IA Follow-up and Comments	Further Recommendation
16	Update on Refineries Activities	<p>As of the time of publishing this report, none of the four (4) government owned refineries were in operation.</p> <p>The Report states that no information was provided by NNPC regarding refinery rehabilitation cost by NNPC for the year 2022. Note that for the years 2020 and 2021: N200 billion naira was expended on the refineries.</p>	<p>The NEITI to encourage the NNPC Limited, in consultation with Bureau of Public Enterprises (BPE) and the Infrastructure Concessions Regulatory Commission (ICRC) to concession the refineries to private investors to the benefit of the nation.</p>
17	Deductions from the Federation crude sales proceeds	<p>IA examined domestic crude sales deductions which are as reported in FAAC reports.</p> <p>Under recovery/ price differentials accounted for N3.01 trillion in 2022 (2021: N1.16 trillion), Pipeline repairs accounted for January to June 2022 charged to FAAC was N12.425 billion (2021: N22.05 billion).</p>	<p>Revenue Mobilization Allocation and Fiscal Commission (RMAFC), Ministry of Justice, Ministry of Finance and Ministry of Petroleum Resources should carry out further review of past deduction and provide budgetary guidance and compliance accordingly.</p>
18	Conversion of FIRS tax oil and NUPRC royalty oil to DSDP	<p>The IA examined the conversion of FIRS tax oil and NUPRC royalty oil for the Direct Sale of Crude Oil and Purchase (DSDP) arrangement. The audit confirms that this arrangement persisted into the current period and domestic sales are still done at 90 days.</p>	<p>Revenue Mobilization Allocation and Fiscal Commission (RMAFC), Ministry of Justice, Ministry of Finance and Ministry of Petroleum Resources should carry out a review of the entire process of converting FIRS tax oil and NUPRC royalty oil to DSDP and provide documentary guidance.</p>

#	Key Point	IA Follow-up and Comments	Further Recommendation
		<p>Ordinarily, export revenues should be paid in US dollars into the JP Morgan account, aggregated for the Federation, and remitted within 30 days to the Federation account at the Central Bank of Nigeria (CBN) in US dollars. However, these sales were classified under Direct Sale of Crude Oil and Purchase (DSDP) arrangements, resulting in remittances being made within 90 days in Naira to the Federation account at the CBN. This practice allowed NNPC to benefit from fluctuations in foreign exchange rates.</p>	
19	Outstanding liabilities on PSC Taxes and Royalty Oil	<p>The report established that there was no indication that NNPC made substantial commitments toward settling its outstanding obligations to the (FIRS and the NUPRC in 2022).</p>	<p>NEITI should advocate for RGA to intensify efforts to recover debt.</p>
20	Revenue from EGTL transactions	<p>Escravos gas to liquid (EGTL) were aggregated into gas natural gas liquids of US\$701.287 million in 2022 (2021: US\$242.05 million included in export gas sales of US\$414.23 million, US \$20.22 million was received into the CNL proceed account with a balance of US\$221.82 million).</p> <p>IA further examined the NNPC Limited responses that 8% of gross revenue is payable as price balance per contract agreement and the revenues are from an SPV project in partnership with Chevron. The IA could not analyze the Bank statement for the SPV as it was not presented by NNPC Limited.</p>	<p>Revenue Mobilization Allocation and Fiscal Commission (RMAFC), Ministry of Justice, Ministry of Finance and Ministry of Petroleum Resources should conduct forensic audit on all income generating assets of the NNPC Limited to ensure optimal revenue generation, as this forms the basis of determining dividend declaration.</p>

#	Key Point	IA Follow-up and Comments	Further Recommendation
21	Non-cash payment call	<p>IA examined the practices of NNPC Ltd funding assets transferred to NEPL (prior to PIA implementation) from the Federation cash call account.</p> <p>NNPC could not demonstrate that NUIMS offset the reconciled position of the total cash call paid to Panocean JV and others on behalf of NEPL before NNPC Limited subrogation.</p> <p>Furthermore, the IA agrees with earlier recommendations concerning license revocation or transfer as outlined below:</p> <ul style="list-style-type: none"> • Disclosure of Terms: Details of the revoked license, including associated liabilities and payables, should be shared with the Revenue Mobilization Allocation and Fiscal Commission and NEITI, and be disclosed on the NUPRC website ensuring the transparency of financial and operational implications. • Liability Assignment: NUPRC should ensure that all operational and ancillary liabilities are thoroughly established and assigned to the responsible parties during the revocation process. This step is crucial for accurately managing and transferring responsibilities and minimizing potential disputes or financial risks. 	== same as above==

#	Key Point	IA Follow-up and Comments	Further Recommendation
22	NNPCL records Vs NAPIMS AFS	<p>IA examines data management process and establishment of controls to prevent discrepancy.</p> <p>It was observed that NNPC limited is yet to address data synchronisation issues.</p> <p>There were disparities in the internal records within the NNPCL business units.</p>	<p>The report recommends that NNPC should improve data management processes and establish controls to prevent future discrepancies.</p> <p>NNPC should ensure regular monitoring, and data reconciliation to mitigate recurrence of discrepancies among NNPC Limited business units.</p>
23	13% Derivation	<p>The IA examined the previous recommendation advising the Revenue Mobilization Allocation and Fiscal Commission (RMAFC) and the Office of the Accountant General of the Federation (OAGF) to discontinue computing the 13% derivation based on the balance of revenue after deductions.</p> <p>The 2021 report had advocated that the 13% derivation should be calculated on total collections for the relevant period, in line with Section 162(2) of the Constitution of the Federal Republic of Nigeria.</p> <p>The current report confirms that the incorrect practice has been discontinued in the current reporting period, ensuring compliance with constitutional requirements.</p>	<p>Revenue Mobilization Allocation and Fiscal Commission (RMAFC) and Ministry of Justice to provide documentary guidance on the intent of Section 162(2) of the constitution of the Federal Republic of Nigeria on the 13% derivation.</p>

#	Key Point	IA Follow-up and Comments	Further Recommendation
24	Environment Regulations	<p>IA examined the recommendation on the need to have clear delineation of roles in the administration of environment regulations to avoid potential conflicts between the regulatory agencies.</p> <ul style="list-style-type: none"> • Gas flaring (Gas facilities set-up or gas flaring for testing or operational reasons) – There should be a specified limit in the contract that is allowable for facility set-up for gas flaring. This is expected to reduce the harm to the environment. • Environmental Remediation Fund – The administration of the fund should be vested in NUPRC. <p>The procedure for assessing compensation for environmental damage should be clearly documented and put in a public repository.</p> <p>NB: There is an overlapping of regulatory powers between the enforcement agencies on environmental issues that is NUPRC, NMDPRA, Oil and Gas Division of the Federal Ministry of Environment (FMOE). This could offer companies that pollute the environment to take advantage and choose the regulator to obey. All MDA's process and or rules should be streamlined and not overlapping.</p>	<p>The Federal Ministry of Justice should provide comprehensive documentary guidance to support the harmonization and application of environmental regulations. This guidance should outline standardized procedures and legal frameworks to ensure consistent enforcement and compliance across different jurisdictions and sectors. Such documentation will facilitate better coordination among regulatory bodies and stakeholders, enhancing the effectiveness of environmental protection efforts.</p>

#	Key Point	IA Follow-up and Comments	Further Recommendation
25	NEITI Audit Remediation:	<p>IA examined the coordination of remediation matters from previous NEITI audit Report and observed the following:</p> <ul style="list-style-type: none"> • NEITI has created a Remediation Unit as an internal organ responsible for coordinating all the remediation actions. • The Remediation Unit re-created the Inter-Ministerial Task Team (IMTT) to drive implementation across relevant Ministries, Departments and Agencies (MDA). 	<p>It is recommended that NEITI should intensify remediation actions amongst stakeholders through its newly created Remediation Unit and the IMTT.</p>
26	Issues related to PIA.	<p>The IA examined thorny issues regarding the PIA as outlined below:</p> <ul style="list-style-type: none"> • Section 64(m) of the Petroleum Industry Act (PIA) contains ambiguity regarding the allocation of 30% for both the management fee and the Frontier Exploration Fund (FEF). The PIA lacks precise definitions for key terms such as "profit oil" and "management fee," which may lead to uncertainty in interpreting how these allocations should be applied. • Regarding the provisions for deductions from profit oil in Section 64(c) and Section 9(4) of the Petroleum Industry Act (PIA), clarity is needed on the retention allocations. 	<p>The report recommends that the Federal Ministry of Justice provide documentary guidance to harmonize and clarify aggregated issues within the Petroleum Industry Act (PIA). Specifically, there is a need for clarification on the following:</p> <ul style="list-style-type: none"> • Contribution to Environmental Funds: The procedures for contributing to the Midstream and Downstream Environmental Funds. • Utilization of Penalties and Payments: The handling of flare gas penalties and flare gas payments.

#	Key Point	IA Follow-up and Comments	Further Recommendation
		<p>If the intention is to establish a single 30% retention that covers both the management fee and the Frontier Exploration Fund (FEF), the wording should be rephrased to explicitly reflect this. Alternatively, if separate 30% retentions are intended for each allocation, the language should be revised to clearly delineate these distinct provisions. Ensuring precise wording will prevent misunderstandings and facilitate accurate implementation of the provisions.</p>	<p>Additionally, in accordance with the PIA, 2021, which mandates the Minister of Petroleum and the Minister of Finance to identify and transfer assets, interests, and liabilities from NNPC to NNPC Limited within 18 months of the PIA's effective date, a detailed post-mortem valuation of Federation assets transferred to NNPC Limited should be conducted. This valuation will determine the appropriate goods and valuable considerations owed to the Federation.</p>
27	Award of Marginal Field	<p>The IA examined the Regulations on the bidding process which requires payment of signature bonus prior to the award of contract by all successful applicants named in the Notice of Preferred Bidder Status. The IA confirms that bidding guidelines were published in adherence to the provisions of the regulation.</p>	<p>NUPRC should adhere strictly to all regulations and, if any waivers or exemptions are granted, they should publicly disclose these exceptions to ensure transparency and accountability in its practices.</p>
28	Discrepancy in PMS importation between NNPC and NMDPRA	<p>The report established that discrepancies persist between the records of NNPC Limited and the NMDPRA. This issue is currently under review in an audit commissioned by the government through the Federal Ministry of Finance, which is focused on examining price differentials for Premium Motor Spirit (PMS) to verify NNPC Limited's claims.</p>	<ul style="list-style-type: none"> Independent Audits: The NMDPRA should conduct continuous ante-mortem independent and third-party audits of imported petroleum quantities and landing costs at the point of discharge. These audits should also advise the Debt Management Office (DMO) on price differentials and under-recovery claims of NNPC Limited, similar to practices followed during the operation of the defunct PPPRA.

#	Key Point	IA Follow-up and Comments	Further Recommendation
		<p>In the first instance, NMDPRA records shows 3.29 billion litres of PMS importation for NNPC Limited while NNPC Limited record showed 6.30 billion litres for product importation in 2022. A variance of 3.01 billion litres (92%).</p> <p>In another instance, NNPC Ltd valuation record shows PMS importation of 22.93 billion litres valued at N7.39 trillion in 2022.</p>	<ul style="list-style-type: none"> • Real-Time Data Aggregation: NMDPRA should implement mechanisms for near real-time tracking of petroleum product consumption nationwide. This initiative should align with the relevant sections of the PIA. • Discontinue misclassification: The practice of classifying petroleum products at the point of discharge as consumption should be discontinued. And further intentional efforts should be instituted to track and report actual consumption.
29	Potential loss of revenue to the Federation upon the Implementation of PIA	<p>The IA observed no significant implementation of several recommendations from the 2021 oil and gas sector report, including:</p> <ul style="list-style-type: none"> • Enhanced Revenue Forecasting: There has been no substantial progress in improving revenue forecasting through comprehensive asset-based budgeting. • Policy Trade-offs Review: The review of policy trade-offs remains inadequately addressed. • Regular Review and Adjustment: There has been a lack of effective implementation of regular review and adjustment processes. <p>The strategy was expected to include robust oversight and transparent fund management mechanisms through the NMDPRA in collaboration with relevant stakeholders.</p>	<ul style="list-style-type: none"> • Implement Outstanding Recommendations: The relevant authorities should promptly address the unimplemented recommendations from the 2021 oil and gas sector report, including enhancing revenue forecasting through asset-based budgeting, reviewing policy trade-offs, and instituting regular review and adjustment processes. This will provide a solid foundation for future assessments and improve overall sector management. • Develop and Enforce Optimization Strategies: The government should prioritize the development of an optimization strategy for Environmental Fund Allocation, incorporating robust oversight and transparent fund management mechanisms through the NMDPRA.

#	Key Point	IA Follow-up and Comments	Further Recommendation
		<p>There has also been no significant progress in revisiting the functions of the Niger Delta Development Commission (NDDC) to align them with the host community development funds established by the PIA. Clearly defined roles and responsibilities for each institution are essential for reducing operational costs and increasing effectiveness.</p> <p>Given that the focus of the 2022-2023 NEITI Oil and Gas Report is on assessing the impact of the PIA on domestic resource mobilization and considering that previous recommendations which would have informed this assessment remain unimplemented, the IA concludes that a comprehensive assessment is not feasible at this time.</p>	<p>Additionally, there should be a clear alignment of the functions of the Niger Delta Development Commission (NDDC) with the host community development funds established by the PIA to ensure efficient use of resources and reduce operational costs.</p>

9.2. Observations, Finding and Recommendations

The 2022 report identified non-reoccurring issues are aggregated under the subheadings titled - observation, findings and recommendations of the 2022 oil and gas report as shown in the table below.

Table 80: Observations and Recommendations for 2022-2023 Extractive Reporting

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
1	<p>National Grid System for Acreage Management: The National Grid Systems is expected to have addressed the following:</p> <ul style="list-style-type: none"> • Define license and lease areas • Identified relinquished assets. • Identification of well locations • Petroleum conservation measures. 	<p>Non-compliance with sections 69 (1-7) Part 11- Administration of Upstream Petroleum Operations and Environment of the PIA, 2021</p> <p>Impact:</p> <p>Rating: Non-Compliance Interpretation: Not Favourable</p> <p>Priority:</p> <p>High and immediately</p>	NUPRC/ National Security Adviser (NSA)/ Surveyor-General/ Ministry of Petroleum Resources (Oil and Gas)	The Commission is yet to be publicly disclosed on website considering that the project is work-in-progress. However, the Surveyor-General approval to convert to UTM has been secured.	NUPRC and other stakeholders to accelerate the deployment of a National Grid System for the administration and safeguards of the upstream petroleum operations and assets.
2	<p>Upstream Register of License: It was observed that NUPRC have not publicly disclosed Register of Licenses.</p>	<p>Non-compliance with sections 219, 222, 223, 224 of the PIA, 2021.</p> <p>Impact:</p> <p>Rating: Non-Compliance Interpretation: Not Favourable</p> <p>Priority:</p> <p>High and immediately</p>	NUPRC and Ministry of Petroleum Resources (Oil and Gas)	Concession situation report is operational and on the Commission's website.	NUPRC to establish and make publicly available comprehensive register incorporating the following: <ul style="list-style-type: none"> • Leases, licenses, permits and authorization issued, revoked, suspended, surrendered or withdrawn with any modification or exemptions granted.



THE PRESIDENCY

NEITI Nigeria
Extractive
Industries
Transparency
Initiative

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
	The examined publicly accessible document titled "Concession Situation" do not meet the requirement of an online License Register as it does not contain comprehensive information about the owners of licenses, the coordinates and updated production arrangement (contract type) information.			See https://www.nuprc.gov.ng/ . However, the portal is being upgraded to a Dynamic Acreage Management System (DAMS)	<ul style="list-style-type: none"> • Extension, transfer, surrender and revocation. • Exemption and relinquishment • Change of address and name • Other matter affecting the status of interest. • Description of the rights vested in the person(s) named as the holder. • Conditions and other provisions the holder is subjected to. • Public accessibility during designated hours and days • Electronically up to date
3	<p>Decommissioning and Abandonment Fund</p> <p>Non-activation of the Fund over three (3) years after the PIA, 2021.</p>	<p>Non-compliance with sections 232 and 233 of the PIA, 2021.</p> <p>Impact:</p> <p>Rating: Non-Compliance</p> <p>Interpretation: Not Favourable</p> <p>Priority:</p> <p>High and immediately</p>	NUPRC, CBN, Ministry of Finance, and Ministry of Petroleum Resources (Oil and Gas)	Inactive account with CBN. Engagement is ongoing with License and Lease Operators	NUPRC and stakeholders are to accelerate the implementation of the relevant sections in the PIA to set up Decommissioning and Abandonment Fund.



THE PRESIDENCY

NEITI Nigeria
Extractive
Industries
Transparency
Initiative

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
	The Fund and accompanying Decommissioning and Abandonment Plan (DAP) is instrumental to the addressing Climate Change through cash provisioning for future impact of the sectors activities on the environment.				<p>It should be set up not later than three (3) months from the date of commencement of production in the case of new licences or leases, or one year from the effective date of the Regulations for existing licenses or leases of a producing field.</p> <p>Furthermore, operators are to notify the Commission not later than 14 days from the date of establishment of the fund.</p>
4	<p>Upstream Environmental Remediation Fund: Non-activation of financial contribution to the Fund and related activities in line with the PIA. This is to finance rehabilitation and manage negative environmental impacts from petroleum operations (i.e. upstream petroleum operations and petroleum operations under section 8(g) of the Petroleum Industry Act, 2021).</p>	<p>Non-compliance with section 103 of the Petroleum Industry Act, 2021.</p> <p>Impact:</p> <p>Rating: Non-Compliance</p> <p>Interpretation: Not Favourable</p> <p>Priority:</p> <p>High and immediately</p>	<p>NUPRC, CBN, Ministry of Finance, and Ministry of Petroleum Resources (Oil and Gas)</p>	<p>The regulation on Upstream Environmental Remediation Fund in still in the draft stage and yet to be gazette.</p>	<p>NUPRC is to ensure that the Upstream Environmental Remediation Fund Regulations as prescribed under section 103 of the PIA, 2021 is gazetted to demonstrate institutional readiness to mitigating the effect of climate change.</p>



#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
	The Upstream Environmental Remediation Fund is instrumental to mitigating the effect of Climate Change arising from the activities in the sector.				
5	<p>Crude Oil and Gas Production, Lifting and utilisation: The following were observed from the NUPRC Records:</p> <ul style="list-style-type: none"> • Inclusion of un-updated production arrangement for each operating company. • Reporting non-disaggregated crude lifting volumes for companies with different production arrangement/ contract type. For example: <ul style="list-style-type: none"> ✓ Mobil Producing Nigeria Unlimited with JV contract type is comingled with PSC contract type of Messer Esso E&P Nigeria Ltd (ERHA) and Esso E&P Nigeria Ltd (USAN) 	<ul style="list-style-type: none"> • Non-inclusion of an up-to-date production arrangement/ contract type to companies demonstrates non-compliance with sections 219, 222, 223, 224 of the PIA, 2021 on register of licenses. • Reporting non-disaggregated lifting volumes for companies with different contract type/ production arrangements leads to difficulty in tracing and reconciling lifting volumes as experienced during the 2022-2023 NEITI tripartite reconciliation meeting. 	NUPRC		<p>NUPRC should ensure:</p> <ul style="list-style-type: none"> • Production arrangement/ contract types are up-to-date and included in all production and lifting records for ease of tracking, determination of interest, and reconciliation. • Report disaggregated lifting volumes for companies with different contract types/ production arrangement. • Updating production data with companies signed-off reports of curtailment meetings.



#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
	<p>✓ Shell Nigeria Exploration Production Company with PSC contract type is comingled with Shell Production Development Company (JV contract type).</p> <ul style="list-style-type: none"> • Non-updating of production records with the companies signed off during curtailment meetings. • Non-availability of comprehensive signed-off reports for gas production and utilisation as it were for crude. 	<ul style="list-style-type: none"> • Non-updating the production records with companies signed-off leads to mismatch of production records country-wide and which impairs the integrity of the NURPRC data. • Non-availability of comprehensive signed-off reports for gas production and utilisation impairs the integrity of the gas production and utilisation records. <p>Impact:</p> <p>Rating: Non-Compliance</p> <p>Interpretation: Not Favourable</p> <p>Priority:</p> <p>High and immediately</p>			<ul style="list-style-type: none"> • Availability of comprehensive signed-off reports for gas production and utilisation at curtailment meetings and update the gas production and utilisation record.



THE PRESIDENCY

NEITI Nigeria
Extractive
Industries
Transparency
Initiative

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
6	<p>NUPRC Revenue Reporting: The following were observed:</p> <ul style="list-style-type: none"> • Payment by companies into NUPRC revenue collection account not designated for the revenue type, making a bulk payment for royalty, concession rent and gas flare into the royalty account. s • Non- availability of comprehensive signed-off reports for liabilities. 	<ul style="list-style-type: none"> • Payment into non-designated revenue collection account result distorts end-to-end tracking and reporting of the revenue type. Also, it results in reconciliation challenge. • Non-availability of signed-off reports for liabilities may result to financial risk considering lack of basis acknowledging the liabilities in the event of litigation. <p>Impact:</p> <p>Rating: Partial Compliance</p> <p>Interpretation: Tolerance</p> <p>Priority:</p> <p>Medium but immediately</p>	NUPRC		<p>NUPRC to ensure:</p> <ul style="list-style-type: none"> • Ensure that each bank statement is reconciled to show the name of payee, name of the ultimate beneficiary, purpose of payment to ease future reconciliation. • Set up a practice of issuing a service notice/ demand note to all companies with outstanding liabilities, quarterly and annually.
7	<p>Midstream and Downstream Register of License: It was observed that NMDPRA have not publicly disclosed Register of Licenses and awardees in line with section 219, 222 and 224 of the PIA, 2021.</p>	<p>Non-compliance with sections 219, 222, and 224 of the PIA, 2021.</p> <p>Impact:</p> <p>Rating: Non-Compliance</p> <p>Interpretation: Not Favourable</p> <p>Priority:</p> <p>High and immediately</p>	NMDPRA and Ministry of Petroleum Resources (Oil and Gas)		<p>NMDPRA and stakeholders should make publicly available, a comprehensive register incorporating the following:</p> <ul style="list-style-type: none"> • Leases, licenses, permits and authorization issued, revoked, suspended, surrendered or withdrawn.



#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
	Also, section 32 (x) requires NMDPRA to establish public and non-public registries in respect of issued licenses, permits and authorizations.				<ul style="list-style-type: none"> • Extension, transfer, surrender and revocation. • Exemption and relinquishment • Change of address and name • Other matter affecting the status of interest. • Description of the rights vested in the person(s) named as the holder. • Conditions and other provisions the holder is subjected to. • Public accessibility during designated hours and days • Electronically up to date
8	<p>Framework for pricing and tariff:</p> <p>It was observed that NMDPRA have not publicly disclosed the pricing and tariff for natural gas in midstream and downstream gas operation and petroleum products in line with relevant sections of the PIA, 2021.</p>	<p>Non-compliance with sections 31 (L), 122 and 123 of the PIA.</p> <p>Impact:</p> <p>Rating: Non-Compliance</p> <p>Interpretation: Not Favourable</p> <p>Priority:</p> <p>High and immediately</p>	NMDPRA and Ministry of Petroleum Resources (Oil and Gas)		NMDPRA and stakeholders should accelerate actions to deploy frameworks for pricing and tariff for all petroleum products in the midstream and downstream in line with the relevant sections of PIA, 2021.



THE PRESIDENCY

NEITI Nigeria
Extractive
Industries
Transparency
Initiative

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
	<p>Section 31 (L) requires that NMDPRA is to develop and enforce a framework on tariff and pricing for natural gas and petroleum products.</p> <p>Section 122 (1) requires NMDPRA to design pricing framework for transportation, distribution and processing of petroleum on a cost-reflective basis.</p> <p>Section 123 (1) tariffs charged by licensees for the use of any facility or infrastructure licensed by the authority for use in midstream and downstream petroleum operations shall be set according to one or more tariff methodologies adopted by the Authority for a particular set of licenses in conformity with the applicable fiscal regime.</p>				<p>Pricing frameworks to includes refinery operations, and gas processing, marketing, and distribution.</p>



THE PRESIDENCY

NEITI Nigeria
Extractive
Industries
Transparency
Initiative

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
9	<p>Cases of Petroleum Products Losses arising from Pipeline breaks, theft and sabotage:</p> <p>It was observed that there is no institutionalized industry-wide control mechanism to aggregate the incidence of petroleum product losses arising from pipeline breaks, theft and sabotage in line with sections 32 (gg), (mm), and 33 (q).</p> <p>Section 32 (gg) requires NMDPRA to keep and classify records, data and reports as may be prescribed in regulations or guidelines.</p> <p>Section 32 (mm) requires NMDPRA to develop, maintain and publish a database of midstream and downstream petroleum operations.</p> <p>Section 33 (q) requires that NMDPRA is to ensure the continuity and security of the supply of natural gas, crude oil and petroleum products to customers.</p>	<p>Non-compliance with sections 32 (gg) (mm) and 33 (q) of the PIA, 2021.</p> <p>Impact:</p> <p>Rating: Non-Compliance</p> <p>Interpretation: Not Favourable</p> <p>Priority:</p> <p>High and immediately</p>	NMDPRA and Ministry of Petroleum Resources (Oil and Gas)		NMDPRA and stakeholders should accelerate actions to deploy a database and platform for aggregating cases of petroleum products losses that could disrupt optimal availability of petroleum products.



#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
10	<p>Product Importation Valuation:</p> <p>It was observed that NNPC Limited:</p> <ul style="list-style-type: none"> Petroleum importation valuations were carried out by the NNPC Limited upon which first-line deductions were made including subsidy/ price differentials arising from PMS importation. Though in line with section 64 (m). <p>Section 64 (m) requires NNPC Ltd to be supplier of last resort for security reasons and all associated costs shall be for the account of the Federation.</p> <ul style="list-style-type: none"> Petroleum importation volume is in disparity with the record of the NMDPRA. For instance: <ul style="list-style-type: none"> ✓ 2023: NMDPRA (6.02 billion litres); NNPC Ltd (3.88 billion litres). 	<p>Non-compliance with sections 31 (L), and 122 of the PIA, 2021.</p> <p>Impact:</p> <p>Rating: Non-Compliance</p> <p>Interpretation: Not Favourable</p> <p>Priority:</p> <p>High and immediately</p>	<p>NNPC Limited, NMDPRA and Ministry of Petroleum Resources (Oil and Gas)</p>		<p>NMDPRA and NNPC Limited should collaborate to carry out a postmortem reconciliation of petroleum product importation especially as regards claims for subsidy/ price differentials.</p> <p>Furthermore, NNPC Limited should discontinue the practice of unilateral valuation of petroleum products especially if it relates to product valuation with potential claims of price differentials/ subsidy from the government in line with Section 64 (m).</p> <p>NNPC Ltd should align petroleum products pricing with the pricing framework established by the NMDPRA in line section 122 of the PIA, 2021.</p>



THE PRESIDENCY

NEITI Nigeria
Extractive
Industries
Transparency
Initiative

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
	<p>✓ 2022: NMDPRA (3.29 billion litres); NNPC Ltd (6.27 billion litres).</p> <p>Section 31 (L) requires that NMDPRA is to develop and enforce a framework on tariff and pricing for natural gas and petroleum products.</p> <p>Section 122 (1) requires NMDPRA to design pricing framework for transportation, distribution and processing of petroleum on a cost-reflective basis.</p>				
11	<p>Crude Oil and Gas Production, Lifting and utilisation:</p> <p>It was observed that there are challenges on internal data within NNPC Limited and Business Units.</p> <p>For example, there was difficulty in reconciling the NUIMS lifting record with the NTL lifting and sales record.</p>	<p>Difficulty in reconciling internal data implies inconsistent data management</p> <p>Impact:</p> <p>Rating: Partial Compliance</p> <p>Interpretation: Tolerance</p> <p>Priority:</p> <p>High and immediately</p>	<p>NNPC Limited (NUIMS and NTL)</p>		<p>NNPC Limited NNPC Limited is to ensure regular internal reconciliation.</p>



THE PRESIDENCY

NEITI Nigeria
Extractive
Industries
Transparency
Initiative

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
12	<p>NNPCL Revenue Reporting: The following were observed:</p> <ul style="list-style-type: none"> • Non-disaggregation of revenue with schedules for each of the owners of the crude oil and gas. Furthermore, not clearly showing where the funds were transferred end-to-end. • Utilisation of PSC Profit oil for NNPC Limited fiscal loans and commitment. <p>Section 64 (b) requires NNPC Limited to be the concessionaire of all PSC, Profit Sharing and Risk Service Contracts as national oil company on behalf of the Federation in line with competencies. Section 64 (c) requires NNPC Limited to lift and sell royalty oil and tax oil on behalf of the Commission and the Service and shall promptly remit the proceeds of the sales of profit oil and gas to the Federation.</p>	<p>Non-disaggregation of revenue across owners of crude leads of difficulty in reconciliation and risk of comingling and abuse.</p> <p>Furthermore, it implies non-compliance with sections 64 (b) (c) of the PIA, 2021.</p> <p>Impact:</p> <p>Rating: Non-Compliance</p> <p>Interpretation: Not Favourable</p> <p>Priority:</p> <p>High and immediately</p>	NNPC Limited		NNPC Limited should disaggregate crude oil lifting and sales record across owners of crude oil and gas for more transparency and accountability in line with sections 64 (b) (c) of the PIA, 2021.