



FINAL REPORT

OIL AND GAS INDUSTRY AUDIT 2023

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



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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 Concessioning 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

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CHAPTER 1

Introduction

The EITI continuously advocates transparency and accountability in the extractive sectors across implementing countries and NEITI facilitates EITI implementation in Nigeria.

The EITI Standard 2023, launched at the EITI Global Conference in Dakar, Senegal, in June 2023, it amends existing and introduces new themes critical to the extractive sector. These are anti-corruption, energy transition, gender equality, social, environmental and marginalized group's concerns, and extractive sector revenue management. See details in Figure below.

Figure 1: EITI Standard: Summary of Changes



Source: EITI Standard 2023: Summary of Changes

The 2023 NEITI Oil and Gas Industry Report is prepared in line with the 2023 EITI Standard and the NEITI Act of 2007. The Report also addressed the gaps in the NEITI 2022 Oil and Gas Industry Report and the 2023 EITI Nigeria Validation Assessment report.

1.1. Background Information

The Independent Administrator (IA) is engaged annually to reconcile company and government records based on the EITI Standard. Therefore, the aggregated information is published in an annual Report alongside additional extractive industry information. See Contextual Report for details.

1.2. Objective of the Report

The 2023 NEITI Oil and Gas Industry Report retrospectively leveraged the 2024 NSWG annual work plan which reflects current national priorities as documented in section 7.2 of the 2023 – 2025 Medium Term Expenditure Framework, and the Fiscal Strategy Paper.

Furthermore, the IA leveraged the 2022 NEITI Oil and Gas Industry Reports, the last NEITI Fiscal Allocation and Statutory Disbursement Report and the NSWG strategy for the implementation of the EITI in Nigeria detailed in the NEITI Strategic Plan for 2022 – 2026. The requirements of the Reports and the work done by the IA to achieve the specific objectives are outlined below.

Table 1: Objectives of the NEITI Oil and Gas Audit

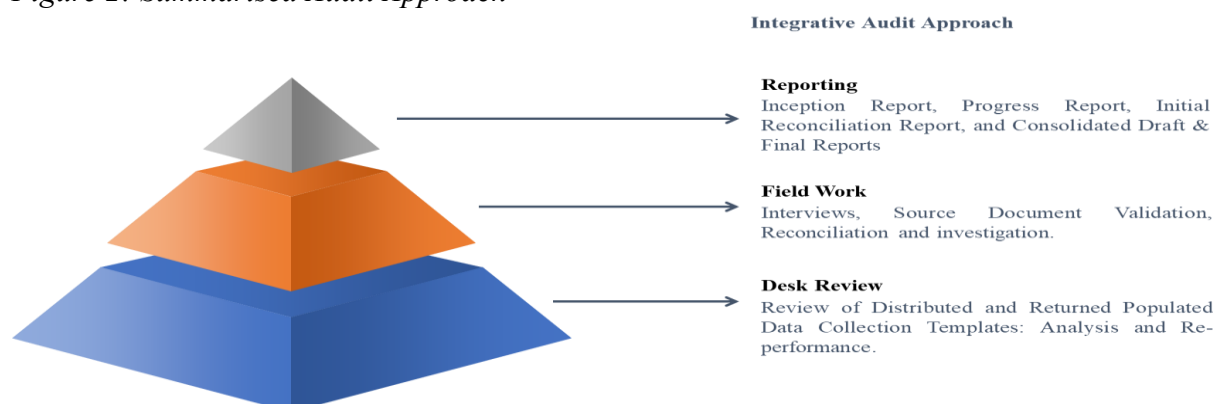
Key Requirement	Description
Regulatory Framework and Procedures	- Report on all aspects of the regulatory framework for the oil and gas industry: including the legal framework, fiscal regime, roles of government entities and reforms, and laws and regulations relating to addressing corruption risks in 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. - Disclose comprehensive information about state-owned enterprise participation in the oil and gas sector.
Exploration and Production Information	- 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	Disclose information on oil and gas export volumes and a valuation of exports.
Revenue and Payment Management and Distribution	- 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.

Key Requirement	Description
	- 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	- 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)	Obtain, assess and include information on the contribution of the oil and gas sector to the economy.
Outcomes and Impacts	Make observations and recommendations that will support policymaking.

1.3. Scope of Work

The period covered in the Report is from 1st January 2023 to 31st December 2023. The NEITI 2023 Oil and Gas Report is one of the final reports and outcomes of the 2022-2023 NEITI Oil and Gas Audit. The Figure below shows the summarised Audit Approach adopted to deliver the six steps EITI Reporting Process.

Figure 2: Summarised Audit Approach



1.4. Data Collection, Sources and Basis of Reporting

This section discusses data collection methodology and sources, and the basis of reporting.

1.4.1. Data Collection and Sources

The primary and secondary data for the exercise were sourced from covered entities through various data collection instrument as shown in the table below.

Table 2: Data Collection Instrument and Methodology

Covered Entities	Primary Data	Secondary Data
Companies	- NEITI Audit Template - Template Checklist - Audit Information Request Checklist - NEITI Audit Management System - IA Electronic Data Collection- Google Drive, Microsoft SharePoint and One drive.	- Audited Financial Statements - Systematic Disclosed Information on official website
Government	- Interviews and continuously interaction for clarifications. - Focus Group Discussion during (Template Workshop, Systems Walkthrough Sessions and Company Data Verification/ Revalidation Workshop)	- 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
2023	645.92	1.08	1.25
2022	423.30	1.05	1.24

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	2023	2022
	US\$/Naira	US\$/Naira
January	389.00	389.00
February	389.17	389.17
March	389.30	389.30
April	389.66	389.66
May	392.35	392.35
June	394.80	394.80
July	401.30	401.30
August	403.87	403.87
September	409.50	409.50
October	418.18	418.18
November	417.42	417.42
December	432.78	432.78
Annual Average	402.28	402.28

Source: NEITI 2022-2023 OGA, 2024

1.5. Data Completeness, Accuracy, Quality and Assurance

The Independent Administrator (IA) aligned data quality, assessment and confidentiality procedures with the relevant International Standards on Auditing, and the requirements in the International Financial Reporting Standards (IFRS), and the International Public Sector Accounting Standards (IPSAS). See NEITI 2022 Oil and Gas Report for more details of the strategy adopted for data quality.

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	- Distributed the following to the covered entities: ✓ Audit data collection templates ✓ Template Checklist ✓ 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	Returned Templates, subsequent explanation and additional information/clarification are relevant and sufficient, except otherwise stated in this report.
2	Data Cleaning	Performed data cleaning of returned template	
3	Data Verification	- 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	Aggregated government revenue from the Revenue Generating Agencies and as populated by covered entities.	

#	Steps	Actions	IA Assurance
		- 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	- 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	- Obtained signed-off report post reconciliation workshop from the covered and participating companies. - 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

The Independent Administrator (IA) reviewed the NSWG materiality decision and confirmed its adequacy for the reconciliation exercise. Additionally, the IA considered the revenue streams generated from the sector resulting from implementation of the Finance Act 2022 and the Petroleum Industry Act 2021 as shown below.

- Stamp Duties collected in the sector from the companies.
- Decommissioning and Abandonment Fund under the administration of the NUPRC
- Host Community Development Trust Fund
- 0.5% Midstream and Downstream Gas Infrastructure Fund
- Frontier Exploration Fund
- Upstream Environmental Remediation Fund

See Appendix 2: NEITI NSWG Materiality Decisions for further details. 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	Outcomes			
		Description	No	Amount (US\$ Billion)	% of Total Revenue
Company	0.5% to the total payment	Reconciled Companies	62	22.65	98.27%
		Un-Reconciled Companies (In Production)	1	0.40	1.73%
		Un-Reconciled Companies (Not in Production)	15	-	0.00%
		Total	78	23.05	100.00%
Revenue Stream	NSWG Decision	Reconciled Revenue	24	21.11	68.42%
		Unilateral Disclosed Revenue	10	9.74	31.58%
		Total	34	30.85	100.00%

Source: NEITI 2022-2023 OGA, 2024

Unilaterally disclosed revenues were validated with the source document while reconciled revenues were validated with source document and reconciled with the Revenue Generating Agency. 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 after the implementation of the PIA, 2021.

Table 7: Revenue Streams- PIA, 2021 Implementation

#	Revenue Streams	Responsible/ Oversight Entities
Reconciled		
1	Proceeds from the sale of profit oil	NNPC Limited
2	Dividends from NLNG	
3	Dividends from NNPC Limited	
4	Royalty (oil)	
5	Royalty (gas)	

#	Revenue Streams	Responsible/ Oversight Entities
6	Signature bonus	NUPRC
7	Gas flare penalty	
8	Concession rentals	
9	NDDC 3% levy	NDDC
10	NCD 1% levy	NCDMB
11	Petroleum Profit Tax (PPT)	FIRS
12	Company Income Tax	
13	Education Tax	
14	Value-added Tax	
15	Withholding Tax	
16	Pay As You Earn	
17	Capital Gains Tax	
18	Hydrocarbon Tax	
Unilaterally Disclosed		
1	Decommissioning and Abandonment Fund	NUPRC
2	Frontier Exploration Fund	
3	Upstream Environmental Remediation Fund	
4	3% Host Community Development Trust Fund	
6	0.5% Midstream and Downstream Gas Infrastructure Fund	NMDPRA
7	Police Trust Funds	FIRS
8	Stamp Duties	
9	National Agency for Science and Engineering Infrastructure (NASeni)	
10	Withholding Tax	SIRS
11	Pay As You Earn	
12	NESS fee	FMF
13	Environmental Payments	FMEv/ SMEv

Source: NEITI 2022-2023 OGA, 2024

Table below shows the reconciled and unilaterally disclosed revenue covered in the Report.

Table 8: Reconciled and Unilateral Disclosed Revenue

Description	US\$ Billion	%
Total Revenue Streams	23.052	100.00%
Reconciled Streams	22.652	98.27%
Unilateral Disclosure	0.399	1.73%

Source: NEITI 2022-2023 OGA, 2024

1.6.2. Covered Companies

A total of seventy-eight companies were identified at the start of the audit exercise, comprising of sixty-four (64) producing companies, and fourteen (14) non-producing companies in the review period. From the sixty-four (64) producing companies, sixty-two (62) fully participated in the audit by providing the necessary data and documentation required for reconciliation. However, one (1) company did not respond to the audit request and thus did not participate. The details of the companies' participation status are provided in the table below.

Table 9: Reconciled and Unreconciled Companies

Description	#	%
Total Companies at the Start of the Audit	78	100.00%
Reconciled Companies	62	79.49%
Un-Reconciled Companies (In Production)	2	2.56%
Un-Reconciled Companies (Not in Production)	14	17.95%

Source: NEITI 2022-2023 OGA, 2024

Despite reconciling sixty-two (62) companies, the audit identified twenty-nine (29) material companies, with the materiality threshold revised to 0.5% from 1.5%. These material companies accounted for US\$21.415 billion (95%) of the total payments, while non-material companies contributed US\$1.238 million (5%).

A total payment of US\$23.052 billion was recorded in 2023, compared to US\$16.831 billion in 2022. The increase of US\$6.22 billion (37%) is attributed to higher production levels, increased lifting activities, and an enhanced revenue collection drive by the Revenue Generating Agencies (RGA).

The table below outlines the covered companies, their respective payments, percentage contributions to the total payments, and remarks on whether their payments were reconciled or unilaterally disclosed in the report.

Table 10: Reconciled Companies

#	Description	Payment US\$	% of Contribution	Material US\$	Non-Material US\$
1	Aiteo Eastern E&P Co Ltd	233,617,497	1.03%	233,617,497	-
2	All Grace Energy Limited	818,930	0.00%	-	818,930
3	Amni International Petroleum Ltd	556,659,131	2.46%	556,659,131	-
4	Antan Producing Ltd	37,850,239	0.17%	-	37,850,239
5	Aradel Holdings	29,236,378	0.13%	-	29,236,378

#	Description	Payment US\$	% of Contribution	Material US\$	Non-Material US\$
6	Belema Oil	53,276,410	0.24%	-	53,276,410
7	Brittania U-Nigeria	35,908,288	0.16%	-	35,908,288
8	Chevron Nigeria Ltd	1,283,463,239	5.67%	1,283,463,239	-
9	China National Oil Development Co.	1,503,977,035	6.64%	1,503,977,035	-
10	Chorus Energy Ltd	24,356,391	0.11%	-	24,356,391
11	Conoil Producing Ltd	14,097,621	0.06%	-	14,097,621
12	Continental Oil and Gas Company	82,828,415	0.37%	-	82,828,415
13	Dubri Oil Company Limited	91,219,610	0.40%	-	91,219,610
14	Elcrest Exploration and Production Nigeria Ltd	981,491,824	4.33%	981,491,824	-
15	Energia Limited	12,754,799	0.06%	-	12,754,799
16	Equinor Nigeria Energy Company Limited (now Chappal Energies)	492,500,529	2.17%	492,500,529	-
17	Esso E&P (Offshore East) Nigeria Ltd	199,619,587	0.88%	199,619,587	-
18	Esso E&P Nigeria Ltd	343,432,114	1.52%	343,432,114	-
19	Excel Exploration & Production Limited	104,374,668	0.46%	-	104,374,668
20	Famfa Oil Limited	311,139,956	1.37%	311,139,956	-
21	First Exploration and Production	278,892,426	1.23%	278,892,426	-
22	First Hydrocarbon Nigeria	20,899,649	0.09%	-	20,899,649
23	Frontier Oil Limited	1,635,217,315	7.22%	1,635,217,315	-
24	Green Energy International Limited	171,025,443	0.75%	171,025,443	-
25	Heirs Energies Ltd	70,420,120	0.31%	-	70,420,120
26	Lekoil Limited	594,471,826	2.62%	594,471,826	-
27	Midwestern Oil and Gas	26,851,738	0.12%	-	26,851,738
28	Millennium Oil & Gas Limited	27,826	0.00%	-	27,826
29	Mobil Producing Nigeria Unlimited	714,683,343	3.15%	714,683,343	-
30	Moni Pulo Ltd	18,265,413	0.08%	-	18,265,413

#	Description	Payment US\$	% of Contribution	Material US\$	Non-Material US\$
31	NAOC (Now Oando PLC)	199,831,505	0.88%	199,831,505	-
32	ND Western Limited	88,408,389	0.39%	-	88,408,389
33	Neconde Energy Ltd	39,575,890	0.17%	-	39,575,890
34	NE&PL	1,170,820,055	5.17%	1,170,820,055	-
35	Network Exploration & Production Ltd	50,586,916	0.22%	-	50,586,916
36	Newcross E&P Ltd	3,378,399	0.01%	-	3,378,399
37	Newcross Petroleum Limited	714,251	0.00%	-	714,251
38	Nexen Petroleum Nigeria Limited	102,701,477	0.45%	-	102,701,477
39	Nigerian Agip Exploration (NAE)	82,301,879	0.36%	-	82,301,879
40	OANDO Oil Ltd	3,410,473	0.02%	-	3,410,473
41	OANDO PDC	209,017	0.00%	-	209,017
42	OANDO Qua Iboe Ltd	-	0.00%	-	-
43	Oriental Energy Resources Ltd	285,294,537	1.26%	285,294,537	-
44	Pillar Oil Limited	12,234,609	0.05%	-	12,234,609
45	Platform Petroleum Ltd	1,055,501,489	4.66%	1,055,501,489	-
46	Prime 127 Nigeria Limited (FMR Petrobras Oil & Gas)	39,901,089	0.18%	-	39,901,089
47	Prime 130 Nigeria Ltd	123,705,370	0.55%	123,705,370	-
48	Seplat Energies Ltd	253,256,944	1.12%	253,256,944	-
49	Shell Nig. Exploration & Production Co Ltd	2,681,323,301	11.84%	2,681,323,301	-
50	SPDC	1,942,110,218	8.57%	1,942,110,218	-
51	Shoreline Natural Resources Ltd	76,123,890	0.34%	-	76,123,890
52	SINOPEC	10,601,692	0.05%	-	10,601,692
53	South Atlantic Pet. Ltd	180,921,776	0.80%	180,921,776	-
54	Star Deepwater Petroleum Limited	668,846,377	2.95%	668,846,377	-
55	Sterling Global Oil Resources Limited	30,819,774	0.14%	-	30,819,774
56	Sterling Oil E&P Production Co Ltd	248,762,539	1.10%	248,762,539	-

#	Description	Payment US\$	% of Contribution	Material US\$	Non-Material US\$
57	Texaco Nigeria Outer Shelf Limited	66,366,529	0.29%	-	66,366,529
58	Total Exploration & Production Nigeria Ltd	2,406,518,530	10.62%	2,406,518,530	-
59	Total Upstream	739,001,847	3.26%	739,001,847	-
60	Universal Energy Ltd	6,300,144	0.03%	-	6,300,144
61	Waltersmith Petroman Oil Ltd.	158,867,367	0.70%	158,867,367	-
62	Yinka Folawiyo Petroleum Company	717,619	0.00%	-	717,619
	Total	22,652,491,653	100.00%	21,414,953,121	1,237,538,532

Source: NEITI 2022-2023 OGA, 2024

Furthermore, sixteen (16) companies did not participate in the audit process due to nonproduction, licenses revocation and contract termination. However, six (6) companies made a total payment of US\$107.63 million to the government which has been duly recognised in the audit process. Table below shows the unreconciled 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
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)	104,003,989	Non-Responsive
12	Wester Ord	50,000	Below Materiality Threshold
13	Pan Ocean	100,000	
14	Petralon Energy Nigeria	31,110	

#	Covered Companies	Payment (US\$)	Rationale for non-participation
15	Tenoil Petroleum and Energy Services	1,479,056	No production but payment for VAT & WHT
16	Enageed Resources Ltd	1,969,043	Non-Responsive
	Total	107,633,198	

Source: NEITI 2022-2023 OGA, 2024

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)	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	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	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 Liquified 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 assessment of data quality covered all the identified steps, Data Collection, Review and Validation, Data Cleaning, Data Verification, and Data Completeness and Coverage. Others are Data Consistency, Data Transparency and Accessibility, Data Documentation and Audit Trail, and Reporting and Recommendation. See NEITI 2022 Oil and Gas Industry Report for the detailed assessments carried out.

Table below shows a further assessment of data quality based quantitative parameters.

Table 14: Quantitative Assessment of Data Quality

Parameters	#	Responses #	%	Rating
Covered Companies	64	62	96.88%	High
Audited Financial Statement/ Management Accounts	28	26	92.8%	High
NUPRC Production Signed-off	52	49	94.23%	High
NUPRC Lifting Signed-off	72	66	91.67%	High
Covered Entities Signed-off Report	62	53	85.48%	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

It is imperative to ensure transparency and accountability in the process of allocating contracts, licenses and lease 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 additional twelve (12) Petroleum Prospecting Licenses (PPL) were issued in 2023, comparing fifty-one (51) in 2022 by the NUPRC. Furthermore, one (1) Petroleum Exploration License (PEL) and twenty-three (23) Petroleum Mining License (PML) were issued in 2022 under the PIA, 2021 as shown in the table below

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

License/ Lease Type	Description	2023	2022
		#	#
PEL	Existing as of start of the year	-	-
	Add: Issued during the year	1	-
	Less: Revoked during the year	-	-
	Existing as of end-year	1	-
PPL	Existing as of start of the year	51	-
	Add: Issued during the year	12	51
	Less: Revoked during the year	-	-
	Existing as of end-year	63	51
PML	Existing as of start of the year	-	-
	Add: Issued during the year	23	-
	Less: Revoked during the year	-	-
	Existing as of end-year	23	-

Source: NEITI 2022-2023 OGA, 2024

2.2. Register of Licenses

The Register of licenses is to further provide assurances on accountability in the sectors. 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	1	1	-	
PPL/OPL	63	63	-	Additional PPL was issued and no OPL
PML/OML	23	23	-	No OML was issued in 2023

Source: NEITI 2022-2023 OGA, 2024

2.3. Disclosure of Contracts and Licenses

The comparison of the publicly available Contract and Licenses and 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	1	1	-	http://www.nuprc.gov.ng
PPL	63	63	-	https://www.nuprc.gov.ng/
PML	23	23	-	https://www.nuprc.gov.ng/

Source: NEITI 2022-2023 OGA, 2024

2.4. Beneficial Ownership

Disclosure and regular update of the ultimate beneficial owner of the oil and gas contracts, licenses and leases support the transparency in the oil and gas sector. 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

Anti-Corruption and regular update on the corrective and preventive measures of corruption in the oil and gas demonstrate more accountability. 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. Forty-two companies reported not available indicating that, there is the need for more sensitization on the adoption of anti-corruption policies by companies. Table below shows the responses from reconciled companies.

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

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 (FDP) are approved by the NUPRC impacts exploration activities in the oil and gas sector of Nigeria. FDP shows the potential investment and future economic benefits from the sector. NUPRC approved Field Development Plans (FDP) has an estimated oil reserve of 1,310 million Stock Tank Barrel (MMSTB) and estimated gas reserves of 10,251 billion Standard Cubic Feet (BSCF). The FDP Capital Expenditure (CAPEX) is valued at US\$12.315 billion, Operating Expenditure (OPEX) at US\$ 1.912 billion and the Abandonment Expenditure (ABEX) at US\$379 million, as shown in the table below.

Table 21: Approved Field Development Plans

Parameter	UoM	Terrain					Total
		Deep Offshore	Land	Offshore	Onshore	Swamp	
Number of Approval		2	2	5	21	1	31
Estimated Oil Reserves	MMSTB	54	341	230	685	-	1,310
Estimated Gas Reserves	BSCF	56	658	1,387	8,112	38	10,251
Estimated Condensate Reserves	MMSTB	-	-	19	35	0	55
Expected Oil Rate	BOPD	55,000	40,500	64,500	141,124	-	301,124
Expected Gas Rate	MMScf/D	19	158	527	1,116	50	1,870
Expected Condensate Rate	BCPD	-	-	19	-	300	319
CAPEX	US\$' M	265	260	1,333	10,020	437	12,315
OPEX	US\$' M	106	-	450	1,171	184	1,912
ABEX	US\$' M	28	-	213	115	23	379

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, while only 14 provided, indicating 23% response. 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

Crude oil reserve was 31.56 billion barrels in 2023, comparing 31.06 billion barrels in 2022. The increase of 0.50 billion barrels in oil reserves is attributed to recent discoveries, as reflected in the table below. This demonstrates ongoing exploration efforts contributing to reserve additions, albeit at a modest scale. Further investments in exploration are essential to sustain growth and meet future production demands.

Table 23: Reserves: NUPRC

Description	UOM	2023	2022	Change	
				QTY	%
Crude Oil	Billion Barrels	31.56	31.06	0.50	1.6%
Condensate	Billion Barrels	5.94	5.90	0.0	0.7%
Associated Gas	Trillion SCF	102.59	102.32	0.3	0.3%
Non-Associated Gas	Trillion SCF	106.67	106.51	0.2	0.2%

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. The table below shows there were no activities based on the expected parameters.

Table 24: Activities of the Joint Development Zones

Parameters	Description	UOM	2023	2022	IA Remarks
Capital Raised and Source	Nigerian Government	US\$	-	-	No responses were received.
	Sao-Tome Government	US\$	-	-	
	Domestic Investment	US\$	-	-	

Parameters	Description	UOM	2023	2022	IA Remarks
	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

Production activities are carried out under various production arrangement – Joint Venture (JV), Production Sharing Contract (PSC), Marginal Fields (MF) and Sole Risk (SR). Measurement of production volumes are done at the Wellheads, production platforms and the terminals (fiscalised production).

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	2023	2022
	mmbbls	mmbbls
NUPRC Systematic Disclosure	536.75	502.99
NUPRC Submission to NEITI	538.21	485.23
NUPRC Signed-off Report	537.57	490.94

Source: NEITI 2022-2023 OGA, 2024

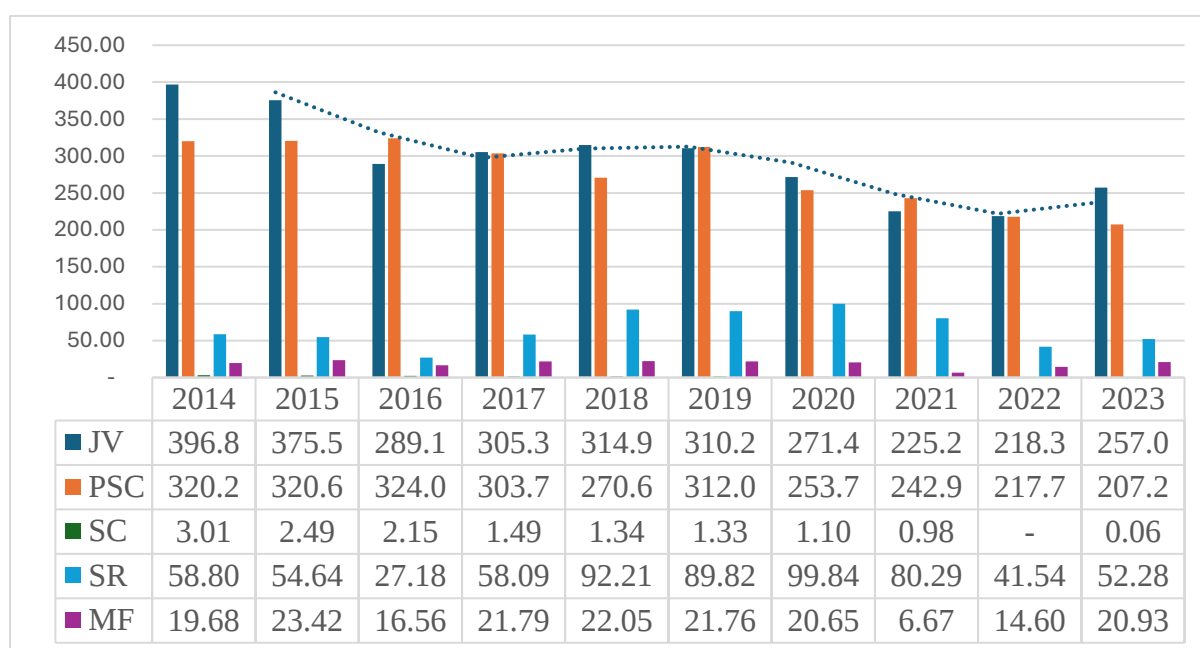
The 2022-2023 NEITI extractive reporting has adopted the NUPRC signed-off report generated by NUPRC, Companies and the NNPC Limited at curtailment meetings.

Total fiscalised crude oil production was 537.571 million barrels in 2023, comparing 490.945 million barrels in 2022. The fiscalised crude oil production increased by 46.626 million barrels (9.5%) from 2022 to 2023 due to decrease in production deferment in 2023.

A ten (10) year trend (2014 to 2023) of fiscalised crude oil production in Nigeria shows that the highest production volumes of 798.542 million barrels was in 2014 and lowest of 490.945 million barrels was in 2022. The country's production capacity in 2023 was at 67.16% efficiency based on the 2013 production volume of 800.488 million barrels. Though a slight improvement from 2022 production efficiency of 61.33%.

The 2023 slight increase in efficiency was due to decrease in production deferment, and increased government efforts to address oil theft/ sabotage. However, there would be need for government to intensify efforts to ramp-up operating capacities of the production platforms, curb possible crude loss from unmetered Wellheads, create more enable investment climate to increase producing oil Wells, amongst other possible solutions. The figure below shows the ten (10) years trend of fiscalised crude oil production.

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



Source: 2013 – 221 NEITI OGA Reports; 2022-2023 NEITI OGA, 2024

Metered production increased by 3.86% from 525.278 million barrels in 2022 to 545.543 million barrels in 2023.

Total metered production at flow station was 545.202 million barrels in 2023, comprising 537.571 million barrels (98.60%) fiscalised production, 2.910 million barrels (0.53%) measurement error, -532.347 thousand million barrels (-0.10%) production adjustment, 5.252 million barrels (0.96%) theft/sabotage and 1,881 barrels (0.00%) terminal adjustment as 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	131,376	-	-	-	-	131,376
Aradel Holdings PLC	BL	54	3,560,368	5,719	-	105,133	-	3,449,516
Aiteo Eastern E&P Company Ltd	Nembe	29	4,249,749		-		-	4,249,749
AMNI International Petroleum Development Co.	Okoro	112	2,333,571	-	(2,297)	-	-	2,335,868
Antan Producing Limited	Okwori	126	879,973		-	-	-	879,973
	Antan	123	3,789,658	1,119	-	-	-	3,788,539
	BB	124	706,023	-	-	-	-	706,023
Belema Oil Company Ltd	BL	55	62,453	37	-	-	-	62,416
BRITANNIA U	Ajapa	6	145,284	-	-	-	1,320	143,964
Chevron Nigeria Limited	EL	49/86/90/95/88/91	45,749,090	-	-	-	-	45,749,090
	FB		444,346	-	(103,197)	53,896	-	493,647
	EL	49/86/90/95/88/91	6,811,664	-	-	-	-	6,811,664
Consolidated Oil and Gas Company Limited	EL	103	182,771	-	-	-	-	182,771
Chorus Energy Limited	BB	56	-	-	-		-	
	FB	56	321,254	-	2,310	14,451	-	304,493
Continental Oil and Gas	Pen	59	2,846,025		22,085			2,823,940

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
Dubri Oil Limited	EL	96	60,395	-	4,174	-		56,221
Enageed Resource Limited	FB	111	1,033,043	-		46,713		986,331
Energia Limited	FB	56	1,331,659	-	8,907	57,016		1,265,736
EXCEL E & P	FB	46	929,765	13,203	(16,141)	(4,949)		937,652
Esso Exploration and Production Nigeria Limited_ERHA	Erha	133	23,446,692		11	-		23,446,681
Esso Exploration and Production Nigeria Limited_USAN	Usan	138	12,406,464	-		-		12,406,464
Frontier Oil Limited	QIB	13	240,927	-		-		240,927
First Exploration & Petroleum Dev. Co. Ltd	Anya	83/85	15,140,302	-		-		15,140,302
General Hydrocarbon Ltd	Oyo	120	289,917	-		-		289,917
Green Energy	Otaki	11	3,320,000		243	-		3,319,757
Halkin Exploration and Production Limited	Ajapa	46	199,189	-		-		199,189
HEIRS ENERGY	BL	17	8,686,917	772,819		621,267		7,292,831
Midwestern Oil and Gas Limited	FB	56	3,334,855		31,728	157,633		3,145,494
	BB	56	-					
Mobil Producing Nig.Unltd	Yoho	67/68/70/104	10,739,482		109			10,739,373
	QIB	67/68/70/104	48,170,230	-	-	-	-	48,170,230
Millennium Oil	FB	11	59,771	-	-	-	-	59,771
MONIPULO Limited	Antan	114	730,586	-	-	-	-	730,586

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
Nigerian Agip Exploration	Abo	125	2,605,558	-	3,265	-	-	2,602,293
Nigerian Agip Oil Company	BB	60/61/62/63	7,910,313	(216,673)	-	875,370	-	7,251,616
Network E&P limited	QIB	13	438,840	-	-	-	-	438,840
Newcross Petroleum Ltd	FB	152	82,972	-	-	2,712	-	80,260
Newcross E&P Limited	BL	24	7,573,972	-	66	-	-	7,573,906
NNPC E&P Limited	BL	11	6,677,340	763,917	4,638	383,653	-	5,525,132
NEPL/NECONDE	Pen	42	659,119	-	4,579	-	-	654,540
NEPL/NECONDE	Jones	42	4,274,964	-	-	-	-	4,274,964
NNPC E&P Limited	Okono	111/98/147	3,206,827	-	(37,302)	-	-	3,244,129
NNPC E&P Limited	BB	116	375,530	-	-	37,725	561	337,244
NEPL /ELCREST	FB	40	8,464,755	89,807	-	(62,848)	-	8,437,796
NEPL/NECONDE	FB	42	901,240	17,934	4,597	40,105	-	838,604
NEPL /SHORELINE	FB	30	10,877,069	157,535	(809,408)	297,903	-	11,231,039
NEPL /ND WESTERN	FB	34	4,087,482	13,182	33,663	196,071	-	3,844,566
NNPC E&P Limited	FB	34	226,885	-	(10,057)	25,233	-	211,709
NEPL /FHN	FB	26	2,260,970	14,981	14,068	95,596	-	2,136,325
NNPC E&P Limited	FB	65	1,409,995	3,984	12,956	70,552	-	1,322,503
NNPC E&P Limited	FB	-	151,372	-	(35,155)	18,360	-	168,167
NNPC E&P Limited	FB	98	604,169	-	5,617	29,341	-	569,211
NNPC E&P Limited	FB	111	2,686,896	-	-	130,376	-	2,556,519
NNPC E&P Limited	EL	98	210,879	-	-	17,842	-	193,037
NUWAY	Nuway	PPL-219	57,716	-	-	-	-	57,716
Oriental Energy Resources Limited	Ebok	67	3,654,516	-	-	-	-	3,654,516

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
Pan Ocean Oil Corporation (Nigeria)	FB	147	796,433	-	8,136	37,839	--	750,458
	EL	147	69,713	-	-	2,809	-	66,904
Petralon 54 Limited	Ajapa	54	46,969	-	-	-	-	46,969
Pillar Oil Limited	FB	56	1,396,893	31	9,941	58,955	-	1,327,966
	BB	56	31,566	-	-	2,891	-	28,675
Platform Petroleum Ltd	FB	38	1,028,616	-	8,593	48,516	--	971,507
	BB	38	-	-	-	-	-	-
Sterling Oil Exploration and Energy Production Co. Ltd	Okwui	143	17,736,198	-	-	-	-	17,736,198
Sterling Global Oil Resource Limited	Okwui	146	3,139,918	-	-	-	-	3,139,918
Seplat Energy	FB	4/38/41/49/53	5,578,620	-	(267,906)	586,271	-	5,260,255
	EL		6,442,837	-	-	422,185	-	6,020,652
	BL		944,749	-	-	-	-	944,749
Shell Nigeria Exploration Production Company	Bonga	118	45,548,252	-	-	-	-	45,548,252
Shell Production Development Company	FB	11/20/21/22/23/27/28/32/35/43/45/46/55/79	34,248,210	566,043	603,956	68,611	-	33,009,600
	EA		6,325,996	-	-	-	-	6,325,996
	BL		11,200,232	644,783	6,351	335,424	-	10,213,674
	BB		1,495,671	1,497	-	139,437	-	1,354,737
Stardeep Water Limited	Agbami	127/128	35,676,927	-	-	-	-	35,676,927
Tenoil Pet. & Energy Services Ltd/Clayford	Ajapa	41	103,373	-	-	-	-	103,373
TotalEnergies E&P Limited	BL	58/99	5,139,919	59,373	2,584	339,994	-	4,737,968

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
	Amenam	100/102	36,146,088	-	(2)	-	-	36,146,090
TotalEnergies Upstream	Egina	130	33,934,195	-	-	-	-	33,934,195
	Akpo	130	25,217,700	-	-	-	-	25,217,700
Universal/Savannah Energy	QIB	14	698,411	-	-	-	-	698,411
Waltersmith Petroman Ltd	BL	157	565,496	386	261	308	-	564,541
Total			545,246,161	2,909,677	(488,627)	5,252,392	1,881	537,570,838

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

The JV production was 257.055 million barrels in 2023 compared to 218.190 million barrels in 2022. This was an increase of 38.864 million barrels (17.81%). Table below shows the share of JV production.

Table 27: NNPC Limited Entitlement to JV Production

Descriptions	Total JV Production				Federation Share			Company Share		
	2023	2022	Change		Equity Interest	2023	2022	Equity Interest	2023	2022
	mbbls	mbbls	mbbls	%	%	mbbls	mbbls	%	mbbls	mbbls
Aiteo	4,250	256	3,994	1559%	55%	2,337	141	45%	1,912	115
Belema	62	165	(102)	-62%	60%	37	99	40%	25	66
Chevron	52,561	52,529	31	0%	60%	31,536	31,518	40%	21,024	21,012
Eroton	-	205	(205)	-100%	55%	-	113	45%	-	92
First E & P	15,140	15,417	(276)	-2%	60%	9,084	9,250	40%	6,056	6,167
Heirs Holding	7,293	1,648	5,645	343%	55%	4,011	906	45%	3,282	741
Mobil	58,910	65,293	(6,383)	-10%	60%	35,346	39,176	40%	23,564	26,117
NAOC	7,252	5,856	1,396	24%	60%	4,351	3,514	40%	2,901	2,342
Seplat	12,226	12,648	(422)	-3%	60%	7,335	7,589	40%	4,890	5,059
SPDC	50,904	33,221	17,683	53%	55%	27,997	18,271	45%	22,907	14,949
TEPNG	40,884	29,650	11,234	38%	60%	24,530	17,790	40%	16,354	11,860
Newcross E & P	7,574	1,303	6,271	481%	55%	4,166	717	45%	3,408	586
Total	257,055	218,190	38,864.50	18%		150,732	129,083		106,323	89,108

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	-	3.35	4.37	7.72
NUPRC Signed-off Report	2.91	(0.49)	5.25	7.68

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 7.68 million barrels which was 3.33% of the total metered production at the flow station (7.675 million barrels) for the affected companies and crude type. The losses resulted from 2.910 million barrels measurement error (1.3%), 5.252 million barrels theft and sabotage (2.3%) and -486.746 thousand barrels production/terminal adjustment (0.21%). 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 Adjustment		Theft/ Sabotage	
			Bbls	%	Bbls	%	Bbls	%
Aradel Holdings PLC	BL	3,560,368	5,719	0.16%	-	0.00%	105,133	2.95%
AMNI International Petroleum Deveopment Company	Okoro	2,333,571	-	0.00%	(2,297)	-0.10%	-	0.00%
Antan Producing Ltd	Antan	3,789,658	1,119	0.03%	-	0.00%	-	0.00%
Belema Oil Company Limited	BL	62,453	37	0.06%	-	0.00%	-	0.00%
BRITANNIA U	Ajapa	145,284	-	0.00%	1,320	0.91%	-	0.00%
Chevron Nigeria Ltd	FB	444,346	-	0.00%	(103,197)	-23.22%	53,896	12.13%
Chorus Energy Ltd	FB	321,254	-	0.00%	2,310	0.72%	14,451	4.50%
Continental Oil and Gas	Pen	2,846,025	-	0.00%	22,085	0.78%	-	0.00%
Dubri Oil Limited	EL	60,395	-	0.00%	4,174	6.91%	-	0.00%

Producers	Crude Type	Metered Production at Flow Station Bbls	Measurement Error		Refund/ Production Adjustment		Theft/ Sabotage	
			Bbls	%	Bbls	%	Bbls	%
Enageed Resource Limited	FB	1,033,043	-	0.00%	-	0.00%	46,713	4.52%
Energia Limited	FB	1,331,659	-	0.00%	8,907	0.67%	57,016	4.28%
EXCEL E & P	FB	929,765	13,203	1.42%	(16,141)	-1.74%	(4,949)	-0.53%
Esso E&P Nigeria Limited_ERHA	Erha	23,446,692	-	0.00%	11	0.00%	-	0.00%
GREEN ENERGY	Otaki	3,320,000	-	0.00%	243	0.01%	-	0.00%
HEIRS ENERGY	BL	8,686,917	772,819	8.90%	-	0.00%	621,267	7.15%
Midwestern Oil and Gas Limited	FB	3,334,855	-	0.00%	31,728	0.95%	157,633	4.73%
Mobil Producing Nigeria Unlimited	Yoho	10,739,482	-	0.00%	109	0.00%	-	0.00%
Nigerian Agip Exploration	Abo	2,605,558	-	0.00%	3,265	0.13%	-	0.00%
Nigerian Agip Oil Company	BB	7,910,313	(216,673)	- 2.74%	-	0.00%	875,370	11.07%
Newcross Petroleum Limited	FB	82,972	-	0.00%	-	0.00%	2,712	3.27%
Newcross E&P Ltd	BL	7,573,972	-	0.00%	66	0.00%	-	0.00%
NNPC E&P Ltd	BL	6,677,340	763,917	11.44 %	4,638	0.07%	383,653	5.75%
NEPL/NECONDE	Pen	659,119	-	0.00%	4,579	0.69%	-	0.00%
NNPC E&P Ltd	Okono	3,206,827	-	0.00%	(37,302)	-1.16%	-	0.00%
NNPC E&P Ltd	BB	375,530	-	0.00%	561	0.15%	37,725	10.05%
NEPL /ELCREST	FB	8,464,755	89,807	1.06%	-	0.00%	(62,848)	-0.74%
NEPL/NECONDE	FB	901,240	17,934	1.99%	4,597	0.51%	40,105	4.45%
NEPL /SHORELINE	FB	10,877,069	157,535	1.45%	(809,408)	-7.44%	297,903	2.74%
NEPL /ND WESTERN	FB	4,087,482	13,182	0.32%	33,663	0.82%	196,071	4.80%
NNPC E&P Ltd	FB	226,885	-	0.00%	(10,057)	-4.43%	25,233	11.12%
NEPL /FHN	FB	2,260,970	14,981	0.66%	14,068	0.62%	95,596	4.23%
NNPC E&P Limited	FB	4,313,908	3,984	0.09%	(16,582)	-0.38%	224,730	5.21%
	EL	749,403	-	0.00%	-	0.00%	41,742	5.57%
Pan Ocean Oil Corporation	FB	796,433	-	0.00%	8,136	1.02%	37,839	4.75%
	EL	69,713	-	0.00%	-	0.00%	2,809	4.03%
Pillar Oil Limited	FB	1,238,781	31	0.00%	9,941	0.80%	58,955	4.76%
	BB	31,566	-	0.00%	-	0.00%	2,891	9.16%
Platform Petroleum Limited	FB	1,028,616	-	0.00%	8,593	0.84%	48,516	4.72%
Seplat Energy	FB	5,578,620	-	0.00%	(267,906)	-4.80%	586,271	10.51%
	EL	6,442,837	-	0.00%	-	0.00%	422,185	6.55%
Shell Production Development Co.	FB	34,248,210	566,043	1.65%	603,956	1.76%	68,611	0.20%
	BL	11,200,232	644,783	5.76%	6,351	0.06%	335,424	2.99%
	BB	1,495,671	1,497	0.10%	-	0.00%	139,437	9.32%
TotalEnergies E&P Limited	BL	5,139,919	59,373	1.16%	2,584	0.05%	339,994	6.61%
	Amenam	36,146,088	-	0.00%	(2)	0.00%	-	0.00%

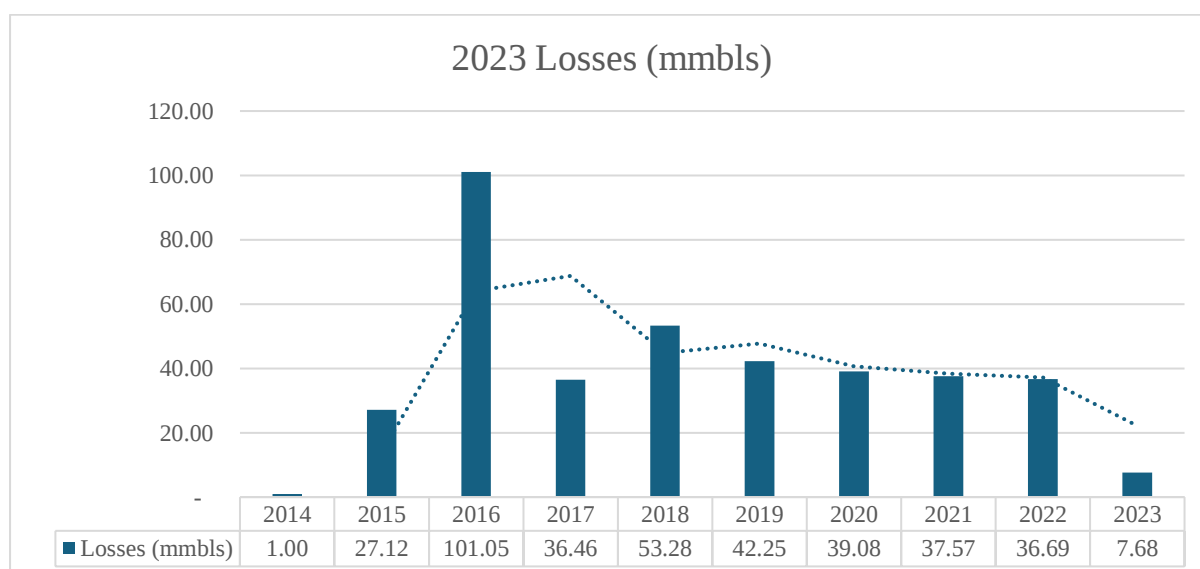
Producers	Crude Type	Metered Production at Flow Station Bbls	Measurement Error		Refund/ Production Adjustment		Theft/ Sabotage	
			Bbls	%	Bbls	%	Bbls	%
Waltersmith Petroman Limited	BL	10,642	386	3.63%	261	2.45%	308	2.89%
Total		230,786,439	2,909,677	1.26%	(486,746)	-0.21%	5,252,392	2.28%

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

Crude losses were 7.68 million barrels in 2023, compared to 36.69 million barrels in 2022. This dropped by 79% (29.02 million barrels). This underscores the positive impact of government initiatives aimed at reducing crude oil losses, enhancing operational efficiency, and improving accountability within the sector. However, considering the proven crude oil reserves in the country, there is need to ramp up production capacity to 2013 annual average of 800 million barrels through forensic audit of the Wellheads and production platforms.

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	84.31	-	84.31
Companies NEITI Submission	43.56	67.10	110.66

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

Based on companies' submission, the total crude oil production deferment was 110.66 million barrels, comprising 43.56 million barrels (39.36%) scheduled, and 67.10 million barrels (60.64%) unscheduled based on companies' submission to the 2022-2023 NEITI extractive reporting. Table below shows the total crude oil production deferment.

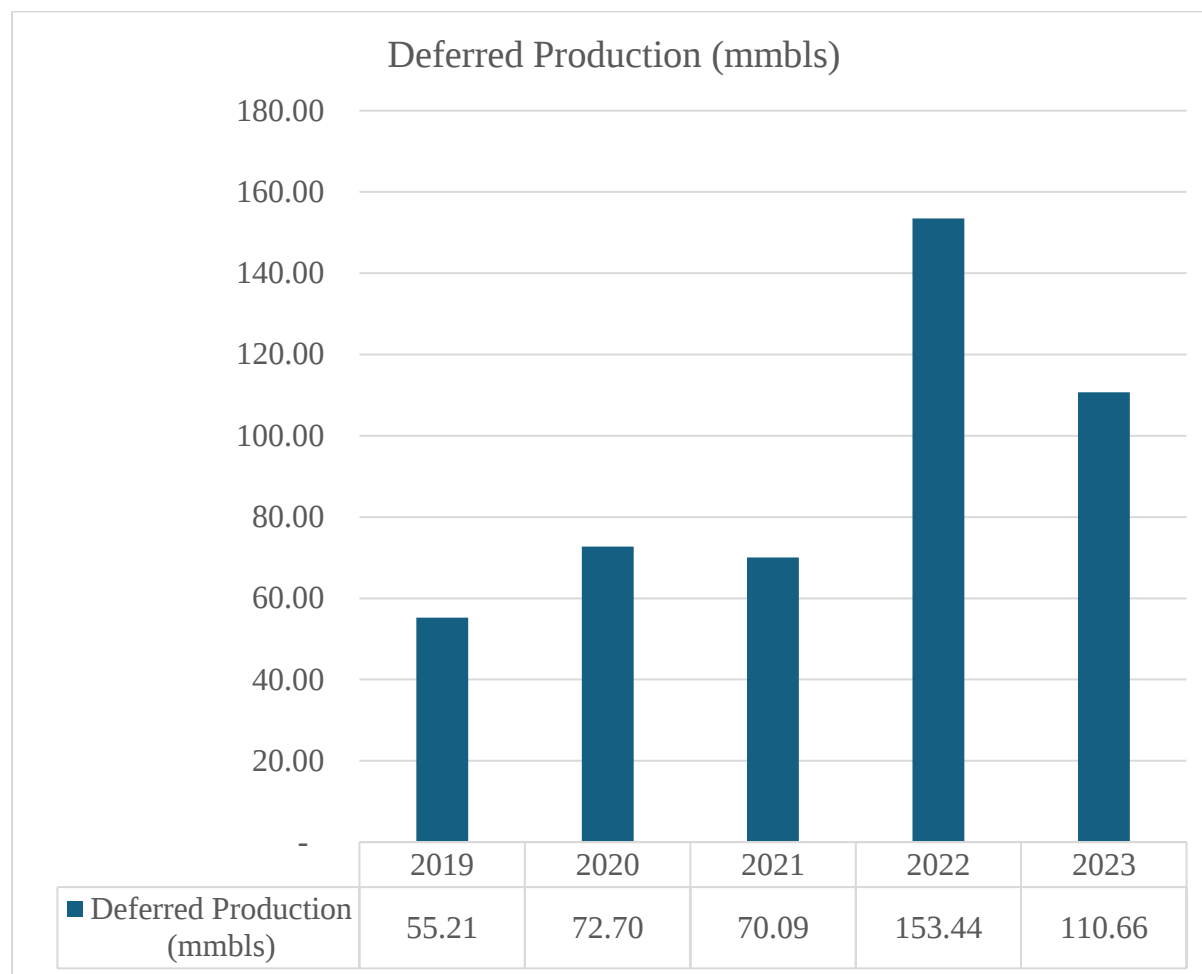
Table 31: Crude Oil Production Deferment (Scheduled and Unscheduled)

Producers	Scheduled Deferred	Unscheduled Deferred	Total
	Barrels	Barrels	Barrels
ALL GRACE	4	12,516	12,520
AITEO	8,002,060	-	8,002,060
ADDAX_ANTAN	2,262,826	-	2,262,826
CHEVRON	5,577,850	-	5,577,850
FIRST E&P	950,899	-	950,899
HEIRS	46,028	-	46,028
MONIPULO	258,906	-	258,906
NEWCROSS E & P	5,602,320	-	5,602,320
NEPL 119	-	2,361,987	2,361,987
NEPL 11	761,338	3,453,923	4,215,261
NEPL 49/51	-	183,536	183,536
NEPL 40	371,400	2,811,971	3,183,371
NEPL 28/30	-	224,046	224,046
NEPL SEPLAT JV	461,408	3,395,449	3,856,857
NEPL 42	-	6,092,571	6,092,571
NEPL NAOC JV	-	6,870,779	6,870,779
NEPL- (OML 38/49)	-	499,491	499,491
NEPL 30	1,556,120	4,991,160	6,547,280
NEPL 65	-	2,581,418	2,581,418
NEPL 98	-	11,000	11,000
NEPL 86/88	-	54,764	54,764
NEPL 34	-	1,414,102	1,414,102
NEPL 26	-	1,626,028	1,626,028
NEPL 111	-	1,445,404	1,445,404
ORIENTAL ENERGY	317,744	204,623	522,367
PILLAR	48,605	519,032	567,637
PLATFORM	-	630,287	630,287
SNEPCO	2,045,327	-	2,045,327
SPDC	8,038,635	27,717,689	35,756,324
TEPNG	4,481,880	-	4,481,880
TUPNI	2,777,949	-	2,777,949
TOTAL	43,561,300	67,101,776	110,663,076

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

Deferred Crude oil production was 110.663 million barrels in 2023, compared to 153.4 million barrels in 2022. This dropped by 28% (42.78 million barrels). This implies lesser delay in production compared to 2022, due to 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

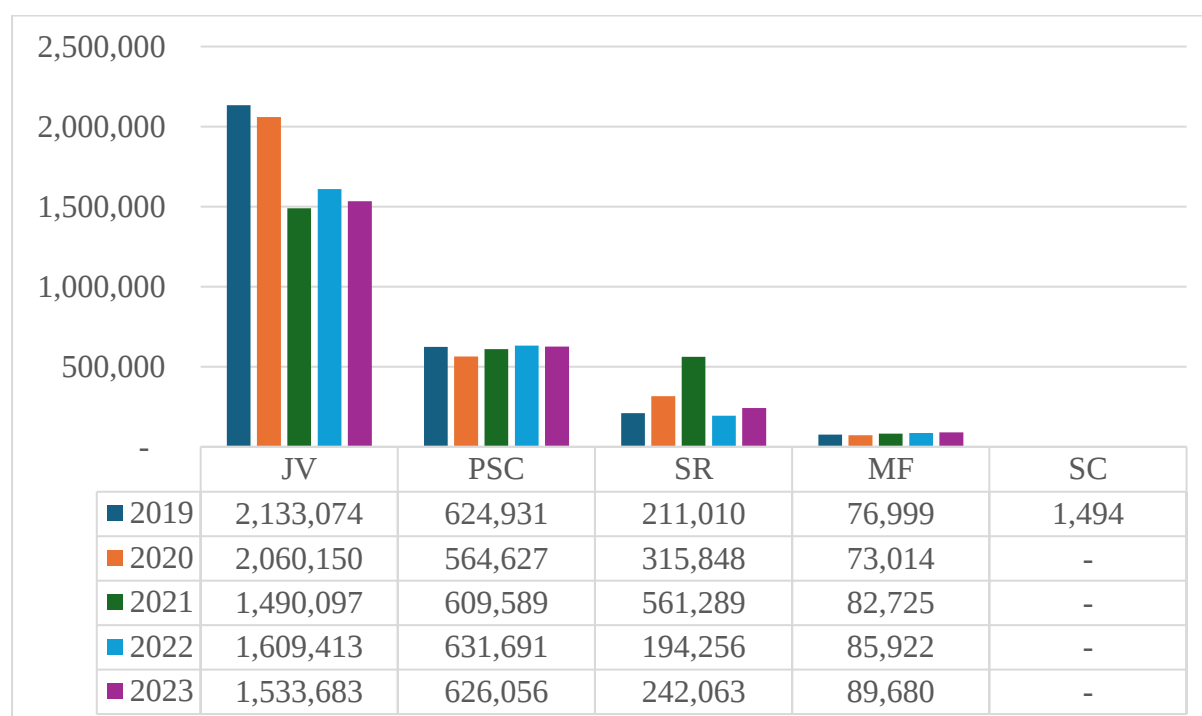
3.2.2. Gas Production

Total gas production was 2.491 trillion SCF in 2023, comparing 2.521 trillion SCF in 2022. Gas production dropped by 29.801 billion SCF (1%) from 2022 to 2023.

A five (5) year trend (2019 - 2023) of gas production in Nigeria shows that the highest production volumes of 3.048 trillion SCF was in 2019 and the lowest of 2.491 trillion SCF was in 2023. This implied that the country's production capacity in 2023 was at 81.75% (82.73% in 2022) efficiency based on the 2019 gas production volume. The 18.25% 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 1.2% (29.801 billion SCF) from 2.521 trillion SCF in 2022 to 2.491 trillion SCF in 2023.

Total metered production at flow station of 2.491 trillion SCF in 2023 comprises 141.147 billion SCF (6%) as fuel, 545.591 billion SCF (229%) was re-injected and 123.651 billion SCF (5%) as shrinkage/ lift gas. Others are 183.408 billion SCF (7%) as gas flare and 1.498 trillion SCF (60%) as gas sales as shown 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)
Aiteo Eastern E&P Limited	29	4,641	44	-	-	1,780	-	2,817
All Grace Energy	17	208	-	-	-	-	-	208
Amalgamated Oil and Gas Company	156	3,996	15	-	-	3,981	-	0
Amni International Petroleum Dev.	112	2,351	104	-	1,667	-	-	579
Antan Producing Limited	123	15,862	590	3,849	-	-	-	11,423
	124	1,548	70	1,017	-	-	-	462
	126	4,121	341	707	45	-	-	3,029
Belema Oil Company Limited	55	116	65	-	-	-	-	51
Britania-U	90	94	64	-	-	-	-	30
Chevron Nigeria Limited	49	46,437	4,357	14,656	-	-	-	5,723
	90	114,396	2,913	1,652	-	-	-	5,886
	91	61,019	52	-	-	-	-	-
	95	36,277	3,133	21,722	-	-	-	1,390
	EGP	-	12,770	-	-	122,105	-	1,317
	EGTL	-	-	-	-	59,869	-	583
Stardeep Water Petroleum Limited	127	153,044	7,928	-	141,835	-	-	3,281
Chorus Energy	56	3,968	38	-	-	628	-	3,302
Consolidated Oil and Gas	103	124	73	-	-	-	-	51
Continental Oil and Gas	59	2,519	237	-	-	-	-	2,282
Dubri Oil Limited	96	669	8	-	-	-	-	661
Enageed Resource Ltd	111	947	88	-	-	-	-	859
Energia Limited	56	6,886	85	-	-	4,239	-	2,562

Producers	Assets	Metered Production (Mmscf)	Fuel Gas (Mmscf)	Gas Lift (Mmscf)	Gas Re-Injection (Mmscf)	Sales Gas (Mmscf)	Shrinkage (Mmscf)	Gas Flared (Mmscf)
Esso Exploration and Prod. Nig Ltd Erha	133	93,204	6,951	3,919	77,342	-	-	4,992
Esso Exploration and Prod. Nig Ltd Usan	138	57,660	4,667	14,946	33,161	709	-	4,176
EXCEL E&P Limited	46	182	98	2	-	-	-	82
First Exploration & Petroleum Dev Co. Ltd	83&85	9,182	618	-	-	-	-	8,565
Frontier Oil Limited	13	47,107	105	-	-	46,731	-	270
General Hydrocarbon	120	2,034	1	-	-	-	-	2,033
Green Energy International	11	1,991	-	-	-	-	-	1,991
Heirs Energies	17	13,667	813	-	-	10,001	-	2,853
Midwestern Oil and Gas	56	800	61	-	-	-	-	739
Millenium Oil and Gas	11	478	-	-	-	-	-	478
Mobil Producing Nigeria Unlimited	67	146,026	642	14,829	109,857	-	-	4,082
	68	17,533	34	3,748	7,802	-	-	53
	70	71,199	13,601	15,865	15,375	6,828	-	6,287
	104	66,318	2,921	-	59,520	-	-	3,877
	QIT	5,782	1,060	-	-	-	-	4,722
	BRT	-	1,360	-	-	13,656	-	311
	EAP	-	10,168	-	-	7,166	-	3,094
Monipulo Limited	114	193	16	-	-	-	-	177
Network E&P	13	924	36	-	-	-	-	888
Newcross E&P Limited	24	6,486	124	-	-	3,165	-	3,197
Newcross Petroleum Limited	152	7,478	-	-	-	7,478	-	-
Nigerian Agip Energy	125	10,456	925	-	5,571	-	-	3,961
Nigerian Agip Oil Company	60	11,477	2,079	-	240	21,195	2,500	2,719
	61	164,910	11,532	-	595	138,429	2,036	5,929

Producers	Assets	Metered Production (Mmscf)	Fuel Gas (Mmscf)	Gas Lift (Mmscf)	Gas Re- Injection (Mmscf)	Sales Gas (Mmscf)	Shrinkage (Mmscf)	Gas Flared (Mmscf)
	63	15,202	2,743	-	47	-	-	1,546
NNPC E&P Limited	11	55,546	1,160	-	-	51,194	-	3,193
NNPC E&P Limited (Oghareki)	49	1,042	12	-	-	-	-	1,030
NNPC E&P Limited	65	729	-	-	-	-	-	729
	98	6,934	-	-	-	6,743	-	191
	111	32,695	1,773	-	-	26,145	-	4,778
	116	2,313	110	-	-	-	-	2,204
	119	5,144	698	-	-	-	-	4,446
NNPC EIGHTEEN LIMITED	18	7,428	102	-	-	7,209	-	116
Oriental Energy Resource Limited	67	5,253	1,310	2,841	-	-	-	1,101
Pan Ocean Oil Cooperation	147	10,085	650	-	-	8,375	-	1,060
Pillar Oil Limited	56	648	101	-	-	280	-	266
Platform Petroleum Limited	38	10,445	24	-	-	9,942	-	478
Seplat Energy Plc	4	80,500	473	-	-	77,575	-	2,452
	38	16,546	357	-	-	14,969	-	1,220
	41	2,602	71	-	-	-	-	2,532
Seplat Energy (Oghareki)	49	1,536	39	-	-	-	-	1,497
Seplat Energy Plc	53	892	-	-	-	-	-	892
Shell Petroleum Development Company	11	2,286	45	-	-	1,602	-	640
	23	33,619	467	-	-	32,587	-	564
	27	4	0	-	-	-	-	4
	28	253,907	3,316	-	-	247,858	-	2,733
	32	82	2	-	-	50	-	30
	35	2,515	39	-	-	1,551	-	925
	43	5,444	284	2,639	-	1,270	-	1,251
	45	13,066	1,497	656	-	5,190	-	5,723

Producers	Assets	Metered Production (Mmscf)	Fuel Gas (Mmscf)	Gas Lift (Mmscf)	Gas Re-Injection (Mmscf)	Sales Gas (Mmscf)	Shrinkage (Mmscf)	Gas Flared (Mmscf)
	46	26,704	1,268	-	-	23,952	-	1,483
	79	10,862	2,619	4,843	-	850	-	2,551
Shell Nigeria Exploration & Production Co.Ltd	118	32,566	3,503	-	-	28,410	-	653
Total Energies E&P	58	110,231	2,739	-	-	106,713	-	780
	99	153,745	5,280	-	38,598	107,902	-	1,965
	100	2,275	809	-	-	154	-	1,312
	102	18,771	2,748	-	-	13,732	1,862	429
Total Energies Upstream	130	187,178	10,540	515	53,937	119,230	-	2,957
Universal Energy	14	558	4	-	-	37	-	517
Waltersmith Petroman	157	449	0	298	-	-	-	151
Aradel Energy Plc	54	9,691	431	-	-	9,193	-	67
NEPL - ND WESTERN	34	98,864	202	-	-	96,622	-	2,040
NEPL-SHORELINE	30	14,531	3,197	7,699	-	-	-	3,636
NEPL-FHN	26	3,928	139	452	-	-	-	3,337
NEPL- ELCREST	40	3,957	28	-	-	-	-	3,929
NEPL-NECONDE	42	4,617	364	-	-	231	-	4,022
Sterling Oil Exploration and Energy Production Company Limited	143	51,632	1,089	376	-	50,160	-	7
Sterling Global Oil Resource Limited	146	150	123	25	-	-	-	2
Grand Total		2,491,481	141,147	117,254	545,591	1,497,684	6,397	183,408

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

3.2.2.1. Federation Entitlement to Gas Production

The total JV gas production in 2023 was 1.534 trillion SCF, comparing 1.609 trillion SCF in 2022. There was a decrease of 75.730 billion SCF (5%) despite increase in JV crude oil production. The decrease could have been due to gas production deferment but no information on any increase in gas production deferment. Table below shows the share of JV gas production.

Table 33: NNPC Limited Entitlement from JV Production

Company	Total JV MMSCF	Interest		Interest	
		NNPC %	JV Partners %	NNPC MMSCF	JV Partners MMSCF
SPDC	348,489.80	55%	45%	191,669.39	156,820.41
AITEO	4,640.58	55%	45%	2,552.32	2,088.26
EROTON (NNPC 18 Ltd)	7,427.64	55%	45%	4,085.20	3,342.44
NEWCROSS E&P	6,486.26	55%	45%	3,567.44	2,918.82
CHEVRON (CNL)	258,128.85	60%	40%	154,877.31	103,251.54
NAOC	191,589.40	60%	40%	114,953.64	76,635.76
MPNU	306,857.58	60%	40%	184,114.55	122,743.03
TEPNG	285,022.63	60%	40%	171,013.58	114,009.05
BELEMA OIL	115.98	60%	40%	69.59	46.39
SEPLAT	102,075.70	60%	40%	61,245.42	40,830.28
FIRST E&P	9,182.29	60%	40%	5,509.37	3,672.92
HEIRS	13,666.72	55%	45%	7,516.69	6,150.02
Total	1,533,683.44			901,174.51	632,508.92

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

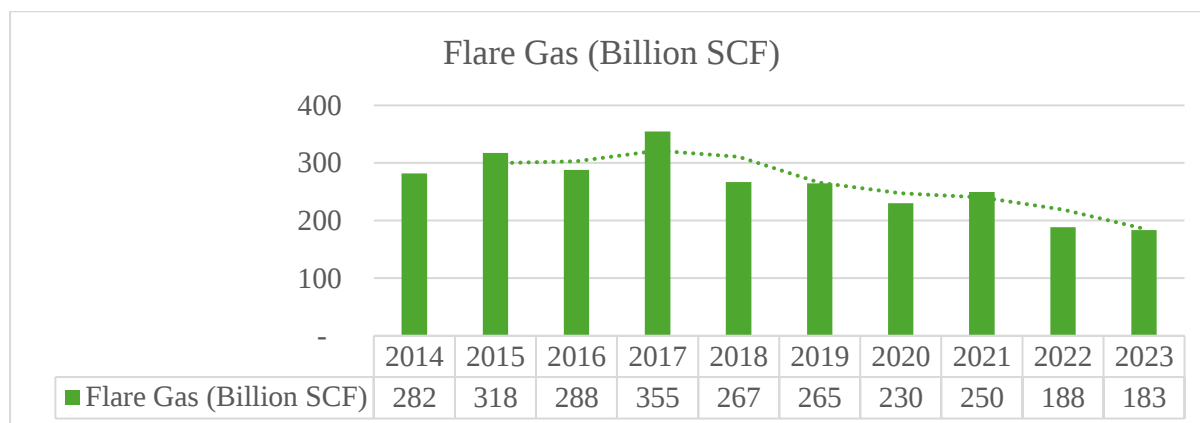
3.2.2.2. Gas Flare, Un-Accounted, Shrinkage and Lift Gas

Gas Flare

Total gas flaring in 2023 amounted to 183.408 billion SCF, marking a decrease from the 188.483 billion SCF recorded in 2022. This decline of 5.075 billion SCF (2.7%) can be attributed to several factors, including government interventions targeting gas flaring reduction, economic strategies promoting gas utilization in power generation, and international commitments related to climate change.

A ten-year trend indicates that the highest level of gas flaring occurred in 2017, at 355 billion SCF, while 2023 recorded the lowest level at 183.408 billion SCF, as illustrated in the figure below.

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



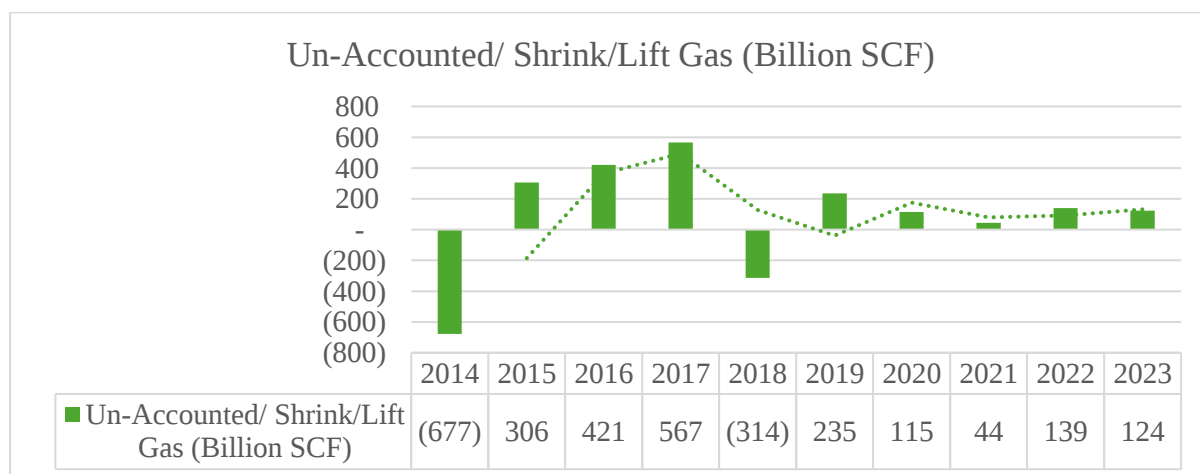
Source: NEITI 2022- 2023 OGA, 2024 (Companies' Gas Production and Utilisation Templates and NURPC Gas Production Templates)

Un-accounted, Shrinkage and Lift Gas

Total shrinkage and lift gas in 2023 reached 123.651 billion SCF, a decrease from the 139.124 billion SCF reported in 2022. This 15.473 billion SCF (11.1%) decrease lends credence to the government efforts towards flare and loss elimination for gas in the sector. However, there is need for intensify efforts towards zero gas emission.

A ten-year trend indicates that 2017 recorded the highest level of shrinkages and lift gas at 567 billion SCF, as illustrated in the figure below.

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



Source: 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 534.159 million barrels in 2023, comparing 482.074 million barrels in 2022. The 52.085 million barrels (11%) increase in total crude lifting is attributed to the rise in fiscalised crude production, contrasting with the lower lifting volumes of 2022. This increase is primarily due to a reduction in crude production deferment during the year. The table below presents a detailed breakdown of the total crude lifting, highlighting the positive impact of reduced deferment on overall production levels.

Table 34: Total Crude Lifting

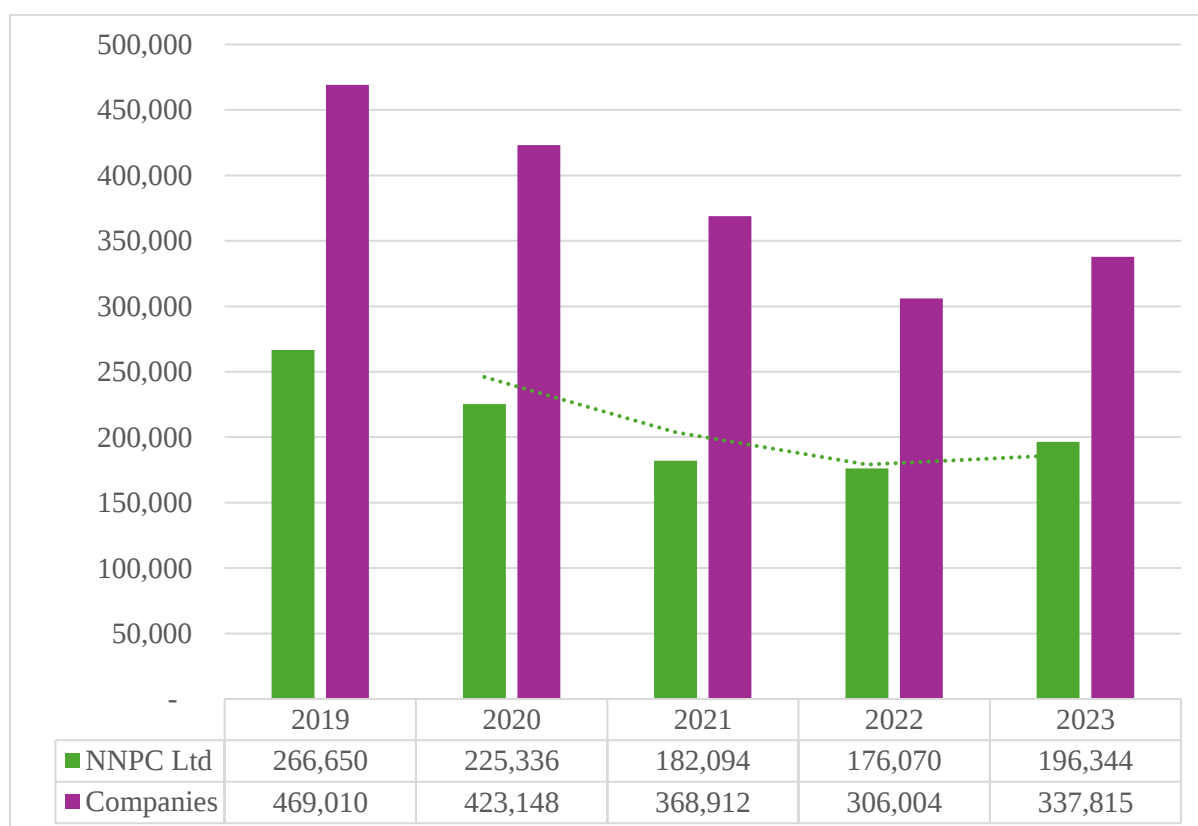
Description	#	2023 mbbls	2022 mbbls	Changes mbbls	%
Opening Stock		36,583	27,712	8,871	32%
Total Fiscalised Production for the year		537,571	490,945	46,626	9%
Total Stock available for Lifting	A	574,154	518,657	55,497	11%
<u>NNPC Lifting</u>					
<u>Export Lifting:</u>					
Joint Venture		63,235	8,140	55,095	677%
Production Sharing Contract		3,387	-	3,387	
Marginal Fields			-	-	
Service Contract			-	-	
Subtotal- Export	B	66,622	8,140	58,483	718%
<u>Domestic Lifting (Refinery & DSDP)</u>					
Joint Venture		74,138	106,096	(31,959)	-30%
Production Sharing Contract		54,791	61,505	(6,714)	-11%
Marginal Field		424	270	154	57%
Service Contract		369	-		
Subtotal- Domestic	C	129,722	167,872	(38,519)	-23%
Total NNPC Lifting	D= B+C	196,344	176,012	19,963	11%

Description	#	2023 mbbls	2022 mbbls	Changes mbbls	%
Company Lifting					
Joint Venture		119,004	97,260	21,744	22%
Production Sharing Contract		136,229	147,027	(10,798)	-7%
Sole Risk		58,786	47,147	11,639	25%
Marginal Fields		23,796	14,628	9,167	63%
Total Company Lifting	E	337,815	306,063	31,752	10%
Total Crude Oil Lifting	F= D + E	534,159	482,074	51,716	11%
Closing Stock	G= A- F	39,994	36,583	3,781	10%

Source: 2022 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- 2019-2023



Source: 2019- 2022 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 35: DSDP Tendering in 2023

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

Table below shows the key contract terms of successfully bidders for the DSDP arrangement resulting from the tendering outcomes.

Table 36: Successful bidders for Direct Sales Direct Purchases (DSDP) in 2023

#	Names Successful Bidders	Volumes Allocated (Bpd)	Term Contract Effective Date	Duration Expiry Date	Years
1	DUKE OIL INCORPORATED	12,087,627	1-Aug-21	30-Apr-23	3
2	BP/AYM SHAFA	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

#	Names Successful Bidders	Volumes Allocated (Bpd)	Term Contract Duration		
			Effective Date	Expiry Date	Years
13	TRAFIGURA/AA RANO/EAST CROSS	949,349	1-Aug-21	30-Apr-23	3
14	MERCURIA/ BARBEDOS/RAINOIL 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

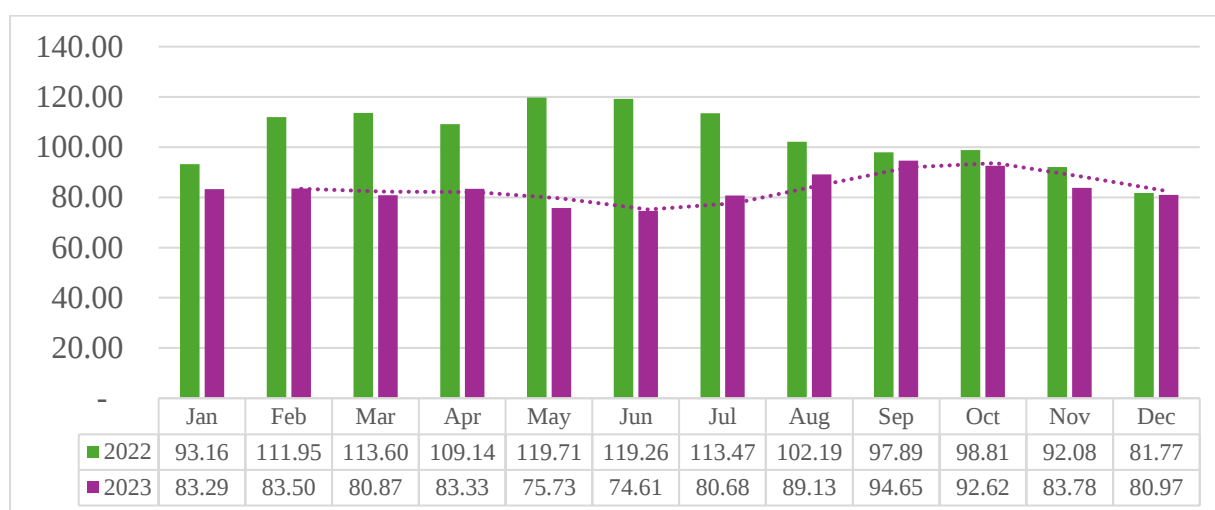
3.3.2.2. NNPC Limited Pricing of Crude Oil

NNPC Limited sold crudes to buyers through a competitive bidding process. The selling price of crude oil are determined based on the selected pricing options of the buyer. This option could be, prompt, deferred or advance which is based on the Official Selling Price (OSP) and average of five (5) days dated Brent quotation from the Bill of Lading (B/L) date.

The annual average selling price of crude oil by NNPC Limited in 2023 was US\$83.61 per barrel, a decrease from US\$103.63 per barrel in 2022. This decline can largely be attributed to a general downturn in global oil prices throughout the review period, highlighting the need for the government to implement strategies aimed at optimizing revenue generated from the oil sector. Such measures are crucial for maintaining financial stability and ensuring sustainable development in the face of volatile market conditions.

The 2023 monthly average selling price was highest of US\$ 94.65/ barrel in September and lowest of US\$74.61/ barrel in June as shown in the Figure below.

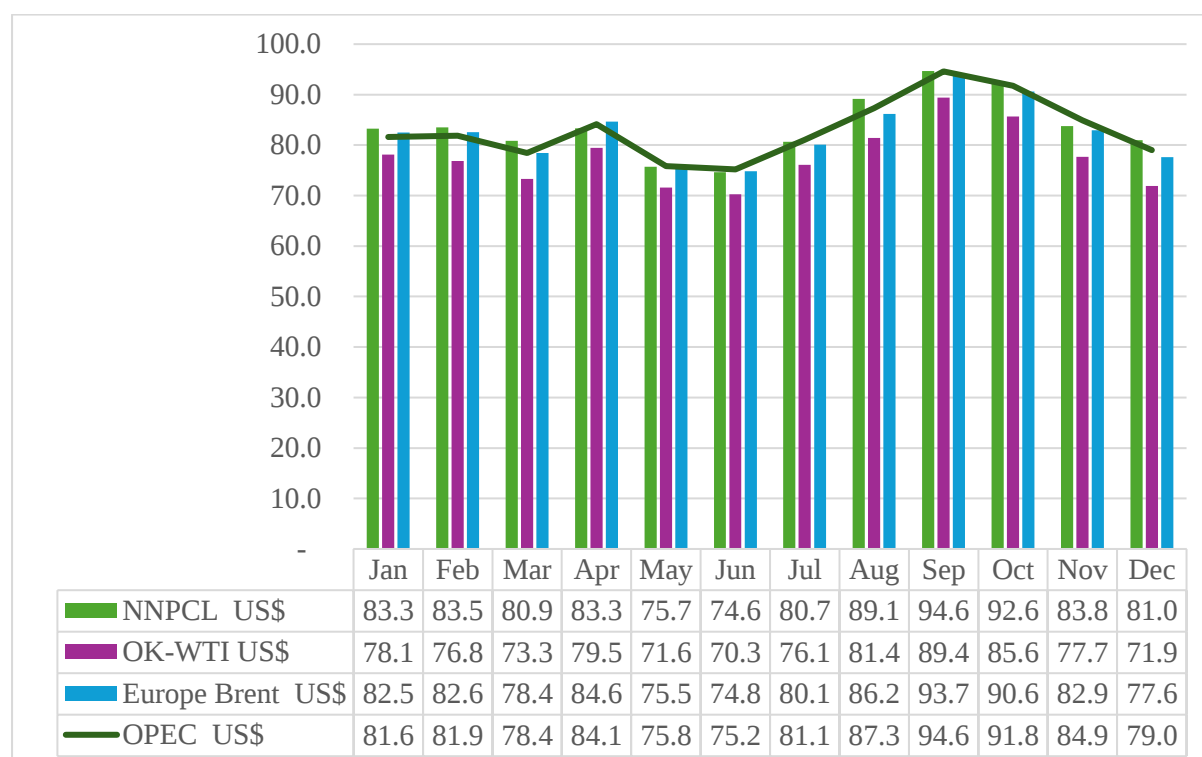
Figure 10: 2022-2023 NNPC Limited Monthly Trend of Crude Oil Selling Prices



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 2023 shows that the crude prices are higher than other international institutional pricing frameworks for seven (7) months – January, February, March, August, September, October and December. For the other months (April, May June, July and November), NNPC Limited pricing was still higher than the West Texas Intermediate (WTI) - Cushing, Oklahoma Spot Prices as shown in the Figure below. This implies that NNPC Limited pricing framework was considerably not below the global average, this gives further revenue assurances.

Figure 11: 2023 Monthly Global Comparison of NNPCL 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: 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)

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>

3.3.2.3. Crude Oil Sales and Proceeds

A total crude oil sold by NNPC Limited was US\$16.467 billion in 2023, comparing US\$18.106 billion in 2022. The US\$1.639 billion is the impact of the increase in lifting because of increased production despite the decrease in the annual average crude price. The table below shows the value of the total crude sales.

Table 37: Crude Oil- Total Sales Value

Beneficiary	2023 US\$'000	2022 US\$'000	Changes US\$'000	%
Federation	2,328,688	11,198,692	(8,870,004)	-79%
NNPC Limited	11,348,447	1,401,760	9,946,686	710%
NUPRC	1,449,088	2,480,271	(1,031,183)	-42%
FIRS	1,341,060	3,025,287	(1,684,228)	-56%
Total	16,467,282	18,106,011	(1,638,729)	-9%

Source: NEITI 2022-2023 OGA, 2024

NNPC Limited sold a total of 196.344 million barrels of crude oil in 2023, comparing 176.012 million barrels in 2022. These sales were for NNPC Ltd in its capacity as the assignor of the Federation JV assets, PSC profit oil for the Federation, and in-kind liftings for NUPRC and FIRS. The Federation entitlement significantly dropped by 81.222 million barrels (74%) due to the impact of the transfer of JV assets to NNPC Limited. Table below shows the quantity of crude oil sold.

Table 38: Crude Oil- Total Sales Quantity

Beneficiary	2023	2022	Changes	
	Quantity mbbls	Quantity mbbls	Quantity mbbls	%
Federation	28,091	109,313	(81,222)	-74%
NNPC Limited	135,727	13,432	122,296	911%
NUPRC	16,751	23,472	(6,722)	-29%
FIRS	15,775	29,795	(14,020)	-47%
Total	196,344	176,012	20,333	12%

Source: NEITI 2022-2023 OGA, 2024

3.3.2.4. Federation Export and Domestic Sales of Crude Oil

Federation crude sales proceeds in 2023 was US\$2.329 billion, comparing to US\$11.199 billion in 2022. This shows a significant decline of US\$8.870 billion (79%) due to the impact of the subrogation of JV assets to the NNPC Limited coupled with the decline in the annual average crude selling price. Table below shows the total Federation Export and Domestic crude sales value.

Table 39: Federation Export and Domestic Crude Sales Value

Description	2023	2022	Changes	
	US\$'000	US\$'000	US\$'000	%
Proceeds from the Sales of Federation JV Crude Oil- Export	399	168,379	(167,980)	-100%
Proceeds from the Sales of Federation JV Crude Oil- Domestic	-	10,133,003	(10,133,003)	-100%
Proceeds from the Sales of Profit Oil (PSC, SC & MF)- Export	291,644	97,027	194,617	201%
Proceeds from the Sales of Profit Oil (PSC, SC & MF)- Domestic	2,036,646	800,284	1,236,362	154%
Total	2,328,688	11,198,692	(8,870,004)	-79%

Source: NEITI 2022-2023 OGA, 2024

Federation crude oil sales quantities was 28.091 million barrels in 2023, comparing 109.313 million barrels in 2022. The 81.222 million barrels (74%) sharp decrease was due to the full impact of the PIA implementation. Table below shows the total Federation Export and Domestic crude sales quantity.

Table 40: Federation Export and Domestic Crude Sales Quantity

Description	2023	2022	Changes	
	mbbls	mbbls	mbbls	%
Proceeds from the Sales of Federation JV Crude Oil- Export	5	1,900	(1,895)	-100%
Proceeds from the Sales of Federation JV Crude Oil- Domestic	-	98,390	(98,390)	-100%
Proceeds from the Sales of Profit Oil (PSC, SC & MF)- Export	3,382	1,018	2,365	232%
Proceeds from the Sales of Profit Oil (PSC, SC & MF)- Domestic	24,703	8,005	16,699	209%
Total	28,091	109,313	(81,222)	-74%

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\$2.790 billion was the sales proceeds from In-kind payment for NUPRC and FIRS in 2023, comparing US\$5.506 billion in 2022. The decrease of US\$2.715 billion (49%) means that there was a decrease in the use of crude oil and gas to offset royalty, concession rent and tax in 2023, as shown in the table below.

Table 41: In-Kind Payment on Crude Oil, Gas and Feedstock

Beneficiary	2023	2022	Changes	
	US\$'000	US\$'000	US\$'000	%
NUPRC				
Concession Rent	-	3,463	(3,463)	-100%
Royalty Oil	1,449,088	2,476,808	(1,027,720)	-41%
Royalty Gas		-		
Subtotal	1,449,088	2,480,271	(1,031,183)	-42%
FIRS				
Tax Oil	1,341,060	3,025,287	(1,684,228)	-56%
Tax Gas		-	-	
Subtotal	1,341,060	3,025,287	(1,684,228)	-56%
Total	2,790,147	5,505,558	(2,715,411)	-49%

Source: NEITI 2022-2023 OGA, 2024

3.3.2.5.2. Cash Call Liability and Related Statutory Payments

A total of US\$815.611 million was the cash liabilities in 2023, comparing US\$1.301 billion in 2022 as shown in table below. The decline of US\$485.57 million (37%) was due to repayment through the Repayment Agreements. However, there is need for further review considering that NNPC Limited.

Table 42: Cash Call Liabilities

Description	2023	2022	Change	
	US\$ Million	US\$ Million	US\$ Million	%
Cash Call Liabilities	815.61	1,301.18	-485.57	-37%

Source: NEITI 2022-2023 OGA, 2024

Furthermore, NNPC Limited claimed that reconciliation is ongoing with the NUPRC to ascertain any 2023 outstanding liabilities. However, NUPRC is yet to confirm this position.

A total of US\$243.74 million was taxes due to FIRS arising from company income tax, education tax as shown in the table below. NNPC limited indicated that application to use the Tax Waivers Scheme credit to net-off the CIT while payments were in process for other tax types. However, FIRS is yet to confirm this position.

Table 43: NNPC Limited Outstanding Liabilities

Description	2023	2022	Change	
	US\$' Million	US\$' Million	US\$' Million	%
Companies Income Tax	69.88	587.12	(517.24)	-88.10%
Education Tax	159.92	-	159.92	100%
NASENI	13.66	-	13.66	100%
Police Trust Levy	0.27	-	0.27	100%
Total	243.74	587.12	(343.38)	-58.49%

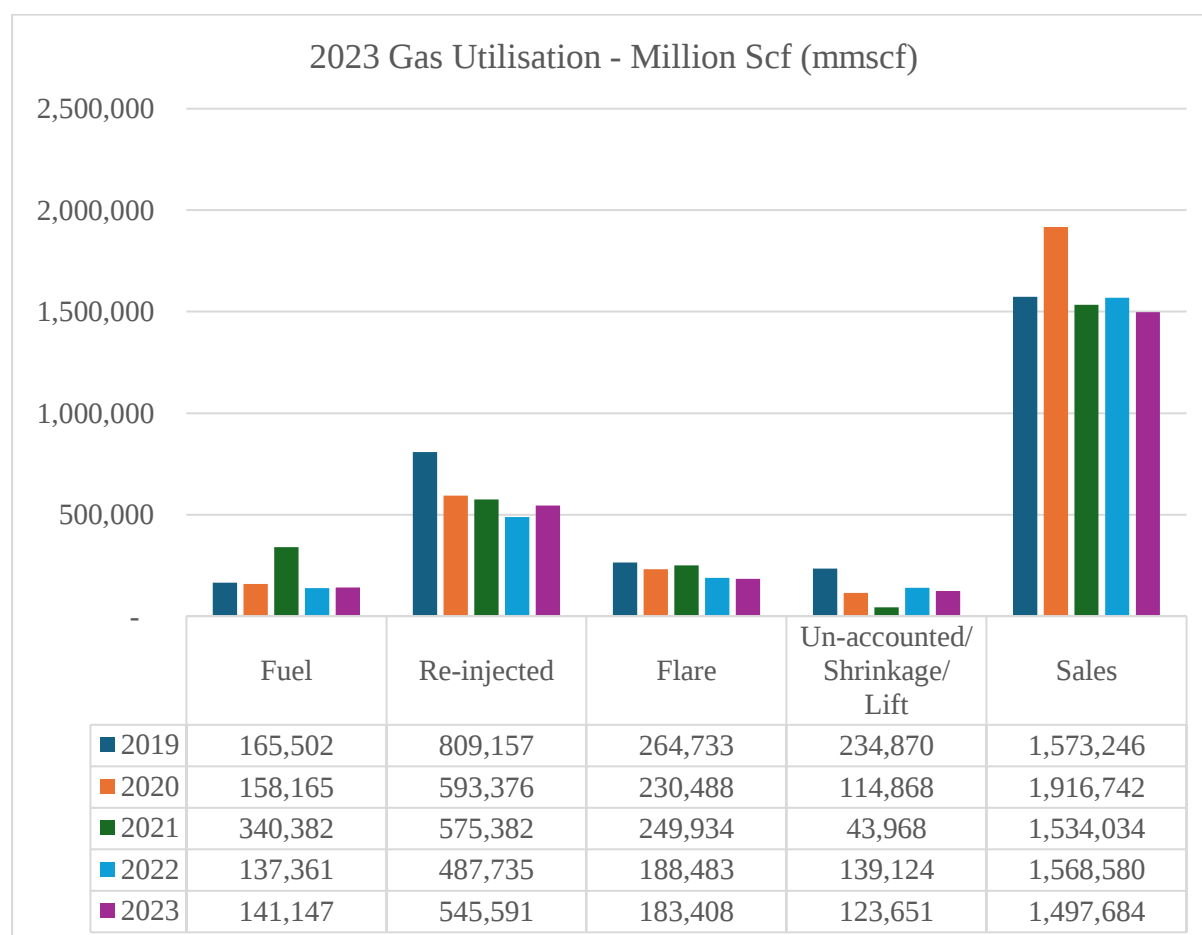
3.4. Gas Utilisation and Sales

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 141.147 billion SCF of gas was used as fuel in 2023, comparing 137.361 billion SCF in 2022. Also, Gas sold was 1.498 trillion SCF in 2023, comparing 1.569 trillion SCF in 2022. 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: 2019- 2022 NEITI OGA Reports, and NEITI 2022- 2023 OGA, 2024 (NURPC Gas Production Templates)

3.4.2. Federation Entitlement from Gas Sales

A total of 1.027 trillion SCF was the gas sales in 2023 from JV production arrangement, comparing 1,152 trillion SCF in 2022. The 124.721 billion SCF (10.83%) decline was due to decrease in gas production and increase in fuel gas, lift and shrinkages. This does not justify government initiative on “decade of gas.”

The 1.027 trillion SCF gas sales in 2023 from JV production arrangement comprises of 599.561 billion SCF (58.36%) to Federation and 427.796 billion SCF (41.64%) to JV partners as shown in the table below.

Table 44: Federation Entitlement from Gas Sales

Company	Total JV	Interest		Interest	
		NNPC	JV Partners	NNPC	JV Partners
	mmscf	%	%	mmscf	mmscf
SPDC	314,910	55%	45%	173,200	141,709
AITEO	1,780	55%	45%	979	801
EROTON (NNPC 18 Ltd)	7,209	55%	45%	3,965	3,244
NEWCROSS E&P	3,165	55%	45%	1,741	1,424
CHEVRON (CNL)	181,973	60%	40%	109,184	72,789
NAOC	159,624	60%	40%	95,774	63,850
MPNU	27,651	60%	40%	16,590	11,060
TEPNG	228,501	60%	40%	137,101	91,401
BELEMA OIL		60%	40%	-	-
SEPLAT	92,543	60%	40%	55,526	37,017
FIRST E&P		60%	40%	-	-
HEIRS	10,001	55%	45%	5,501	4,500
Total	1,027,357			599,561	427,796

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 599.561 billion SCF ($\approx$ 10.93 million metric tons) per NUPRC record. However, NNPC Limited only accounted for 1.293 million metric tons of natural gas liquids ($\approx$ 8.155 billion SCF) as shown in the table below.

Table 45: NNPC Ltd and NUPRC Gas Sales

Description	NUPRC	NNPC Ltd	Variance	
	Million MT	Million MT	Million MT	%
Gas Sales	9.50	1.29	8.20	86.4%

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 46: Gas Sales Quantity and Value

Description	Quantity	Sales Value
	MT'000	US\$'000
Export Gas	1,258	688,392
Domestic Gas	35	12,896
Total	1,293	701,287

Source: NEITI 2022-2023 OGA, 2024

Table below shows that gas sales proceeds was US\$701.287 million in 2023, comparing US\$1.124 billion in 2022. The 38% decline was due to decrease in gas production.

Table 47: Gas Sales Proceeds

Description	2023	2022	Changes	
	US\$'000	US\$'000	US\$'000	%
Proceeds from the Sales of Federation JV Equity Gas	701,287	1,123,530	(422,243)	-38%
Total	701,287	1,123,530	(422,243)	-38%

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

Table below shows ongoing companies' efforts on climate change and policy implementation status in the oil and gas sector in Nigeria. Twenty companies have policies on climate change while 42 companies said not available. This implies that, there is the need for more engagement with companies on the need to align their companies' policies to the National policy on climate change.

Table 48: 2023 Company Responses on Climate Change Policies 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 from companies regarding their Greenhouse Gas (GHG) emissions disclosures in Nigeria's oil and gas sector. For further details on the GHG emissions reported by operating companies during the review period, refer to Appendix 12: Schedule of GHG Emission.

Table 49: 2023 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 reports on thirty-four (34) revenue streams collected from companies operating in the upstream oil and gas sector in Nigeria. These revenue streams are further disaggregated to sector-specific revenue streams, non-financial transactions, dividends and revenue received from the sale of Federations profit oil, gas and feedstock.

5.1. Total Revenue from the Sector

The total revenue received was US\$30.852 billion representing a decrease of 13.7% from US \$35.772 billion in 2022 due to the full impact of implementation of the PIA and decline in the annual average selling price of crude oil.

Table 50: Total Revenue from the Sector

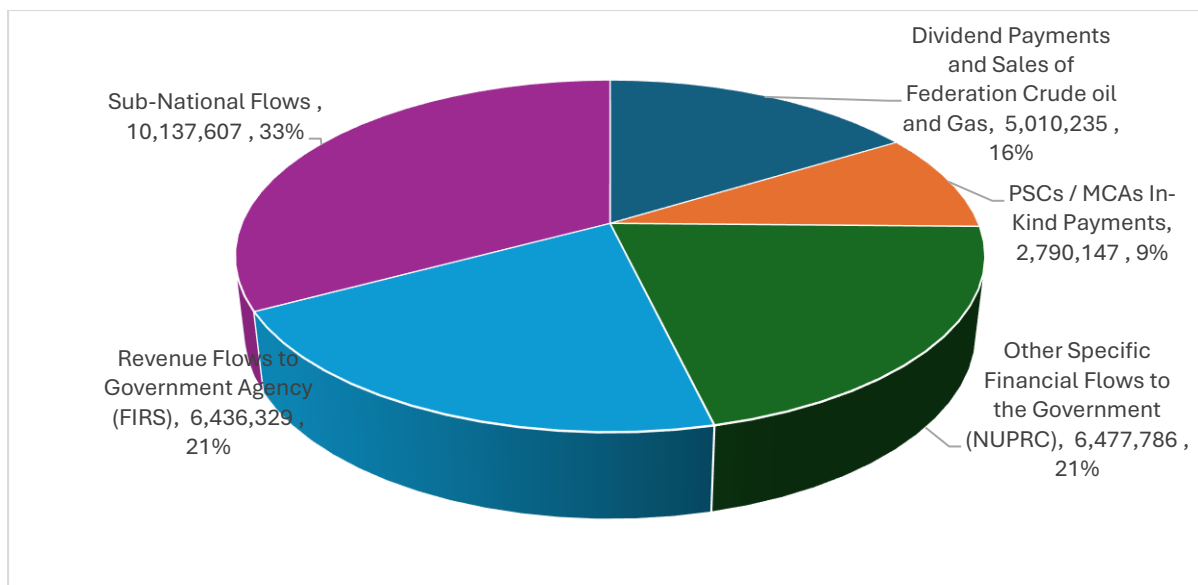
Description	2023	2022	Change	
	US\$ 000	US\$ 000	US\$ 000	%
Dividend Payments and Sales of Federation Crude oil and Gas	5,010,235	13,435,228	(8,424,993)	-62.7%
PSCs / MCAs In-Kind Payments	2,790,147	5,505,558	(2,715,411)	-49.3%
Other Specific Financial Flows to the Government (NUPRC)	6,477,786	5,893,903	583,883	9.9%
Revenue Flows to Government Agency (FIRS)	6,436,329	7,171,009	(734,680)	-10.2%
Sub-National Flows	10,137,607	3,766,514	6,371,093	169.2%
Total	30,852,103	35,772,211	(4,920,108)	-13.8%

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

5.2. Distribution of Revenue from the Sector

An analysis of revenue distribution of the US\$30.852billion received in 2023, shows that US\$20.739billion (67.2%) was transferred into the Federation Account, out of which US\$1.13 billion was dividend from NNPC Ltd, due to the implementation of PIA. US\$849.314 million was received as NLNG dividend by NNPC Ltd on behalf of the Federation and paid into NNPC Ltd designated account and US\$10.123 billion (32.8%) was subnational transfers as shown in the Figure below.

Figure 13: Revenue Distribution Chart (Billion Dollars)

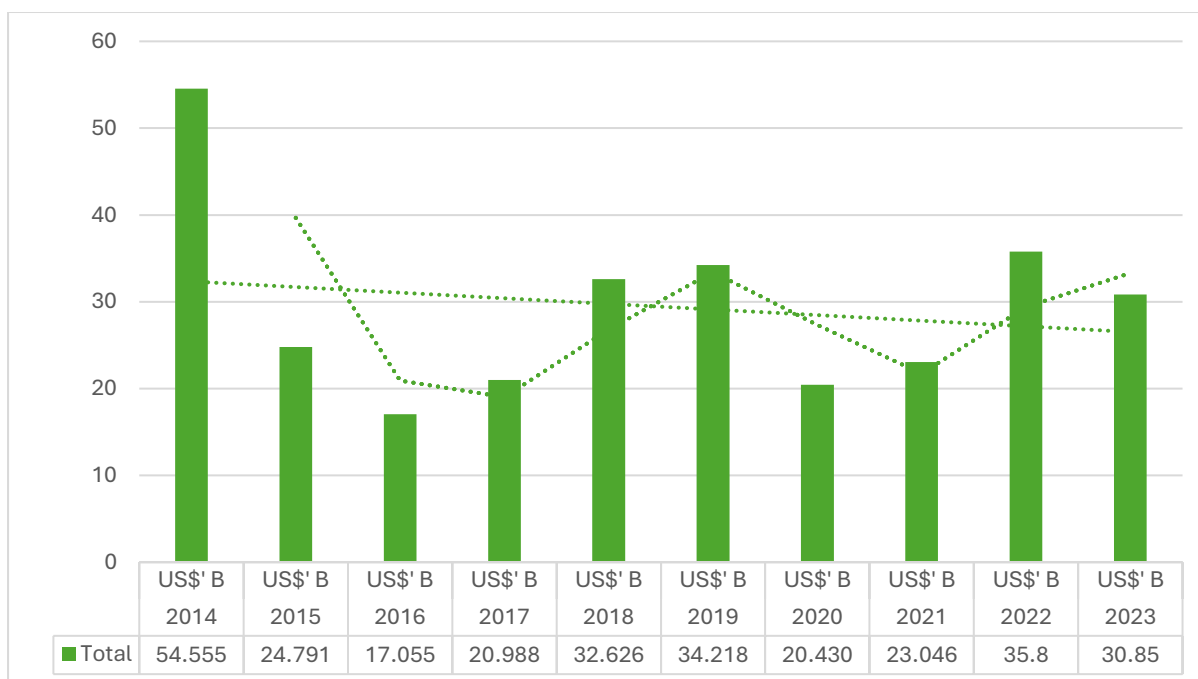


Source: NEITI 2022-2023 OGA, 2024

5.3. Ten-Year Trend of Total Financial Flows

A ten-year aggregate revenue trend accrued to the Government from the sector was US\$294.33 billion as presented in Figure below

Figure 14: Ten-Year Trend of Total Financial Flows



Source: 2014- 2022 NEITI OGA Reports and NEITI 2022-2023 OGA, 2024

5.4. Disaggregation of Revenue Flows

The total financial receipt of US\$30.852 billion, received from companies operating in the upstream sector of Nigeria's oil and gas industry, is disaggregated in the table below.

Table 51: Disaggregation of Revenue Flows

Description	2023 US\$ 000	2022 US\$ 000	Change US\$ 000	%
<u>Dividend Payments and Sales of Federation Crude oil and Gas</u>				
Proceeds from the sales of Federation equity crude oil	399	168,379	(167,980)	-99.8%
Proceeds from the sales of domestic crude oil	-	10,133,003	(10,133,003)	-100.0%
Proceeds from the sales of profit oil	2,328,290	897,311	1,430,979	159.5%
Proceeds from the sales of Federation equity gas	701,287	1,123,530	(422,243)	-37.6%
NNPC Ltd Dividend	1,130,945	-	1,130,945	-100.0%
NLNG Dividend	849,314	1,113,006	(263,691)	-24%
Total Sales of Federation Crude Oil and Gas (i)	5,010,235	13,435,228	(8,424,993)	-63%
<u>PSCs / MCAs In-Kind Payments</u>				
Petroleum Profit Tax - MCAs				
Petroleum Profit Tax - PSCs	1,341,060	3,025,287	(1,684,228)	-56%
Royalty (Oil) - PSCs	1,449,088	2,476,808	(1,027,720)	-41%
Concession rentals- PSCs	-	3,463	(3,463)	-100%
Total PSCs / MCAs/ Other financial flows in-Kind Payments (ii)	2,790,147	5,505,558	(2,715,411)	-49%
Subtotal (A)=(i)-(ii)	7,800,382	18,940,786	(11,140,404)	-59%
<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%

Description	2023 US\$ 000	2022 US\$ 000	Change US\$ 000	%
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	2,777,973	4,900,253	(2,122,280)	-43%
Company Income Tax	1,120,103	565,385	554,718	98%
Value Added Tax	842,880	570,611	272,270	48%
Hydrocarbon Tax	57,094	12,600	44,494	353%
Pay as You Earn (FIRS)	86,118	88,339	(2,221)	-3%
Capital Gain Tax	23,654	24,597	(943)	-4%
Withholding Tax	953,472	684,407	269,066	39%
Education Tax	571,012	322,989	248,023	77%
Stamp Duties	4,022	1,829	2,193	120%
	6,436,329	7,171,009	(734,680)	-10.25%
Total Other Flows to Government (iv)				
	12,914,115	13,064,911	(150,797)	-1.15%
Subtotal (B)=(iii)+(iv)	2,777,973	4,900,253	(2,122,280)	-43%
<u>Sub-National Flows</u>				
Niger Delta Development Commission (NDDC) 3% Levy	1,304,487	685,262	619,225	90%
Nigerian Content Development and Monitoring Board (NCDMB) Levy	146,007	613,115	(467,109)	-76%
Withholding Tax to State	138,697	28,083	110,614	394%
NESS Fee	6,349,952	1,153,594	5,196,357	450%
Pay as You Earn to State	2,198,380	1,286,418	911,962	71%
Environmental Monitoring & Evaluation Payment	16	19.3	(3)	-18%

Description		2023 US\$ 000	2022 US\$ 000	Change US\$ 000 %	
Environmental Impact Assessment Payment		69	23	46	206%
Subtotal (C)		10,137,607	3,766,514	6,371,093	169%
Grand Total (A)+(B)+ (C)		30,852,103	35,772,211	(4,920,108)	-14%

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

5.4.1. Reconciliation of Revenue Flows

All initial populated templates returned by the companies were validated against source documents and were reconciled with the respective government records and where necessary adjustments were made.

The table below shows the breakdown of revenues reconciled. A total of thirty-four (34) revenue streams were identified, out of which twenty-two (22) were fully reconciled while ten (10) streams are unilaterally disclosed and two (2) recorded no payment. 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 52: Reconciliation of Revenue Flows

Description	Intital Reconciliation			Adjustment		Final Reconciliation		
	Company	Government	Difference	Company	Government	Company	Government	Difference
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Royalty (Oil)	3,364,419,830	2,544,525,719	819,894,111	- 259,623,538	1,079,517,649	3,624,043,368	3,624,043,368	-
Royalty (Gas)	450,782,575	296,117,693	154,664,882	- 1,604,322,628	1,758,987,510	2,055,105,203	2,055,105,204	- 1
Signature Bonus	-	-	-	-	-	-	-	-
Gas Flare Penalty	187,225,855	143,954,208	43,271,647	- 14,892,155	58,163,802	202,118,010	202,228,892	- 110,882
Concession Rental	16,526,949	12,064,630	4,462,319	433,523	4,028,796	16,093,426	16,337,001	- 243,575
License Fees	28,836,127	28,764,307	71,820	816,600	-744,780	28,019,527	28,836,127	- 816,600
Transportation Fees	153,966,117	150,908,798	3,057,319	- 8,902	3,066,221	153,975,020	153,975,020	-
Petroleum Profit Tax	3,106,919,538	2,699,690,012	407,229,525	328,946,362	78,283,164	2,777,973,176	2,777,973,176	-
Company Income Tax	1,033,544,568	1,118,678,707	- 85,134,139	- 86,558,054	1,423,914	1,120,102,621	1,120,102,535	87
Education Tax	605,110,755	569,006,779	36,103,976	34,886,128	1,217,848	570,224,627	571,011,987	- 787,360
Capital Gain Tax	23,654,357	406,152	23,248,205	-	23,248,205	23,654,357	23,654,357	-
NDDC	1,209,859,226	1,125,262,373	84,596,854	-94,627,682	179,224,536	1,304,486,909	1,304,486,901	8
NCD	145,809,336	93,619,916	52,189,421	- 197,322	52,386,742	146,006,658	146,006,633	25
Value Added Tax	2,146,784,003	855,088,061	1,291,695,942	1,304,427,818	- 12,731,877	842,356,185	842,880,382	- 524,197
NESS	6,256,518,773	4,727,623,401	1,528,895,372	- 93,432,805	1,622,328,176	6,349,951,577	6,349,951,577	-
WHT- FIRS	1,333,018,073	921,649,014	411,369,059	379,848,742	31,520,317	953,169,331	953,472,397	- 303,066
WHT- State	213,458,021	3,320,276	210,137,745	74,721,913	135,415,833	138,736,109	138,697,054	39,055
PAYE_ FIRS	86,084,535	29,834,619	56,249,916	- 66,190	56,316,106	86,150,725	86,117,630	33,095
PAYE:- State	1,932,883,281	1,314,451,527	618,431,754	- 265,496,298	883,928,052	2,198,379,579	2,198,379,579	-
EIA Payment	21,512,320	27,867	21,484,452	21,443,307	41,145	69,013	69,013	-
Environmental Monitoring & Evaluation Payment	15,818	3,244	12,574	-	12,574	15,818	15,818	-
Hydrocarbon Tax	645,233,765	53,944,467	591,289,298	588,139,412	3,149,886	57,094,353	57,094,353	-
Stamp Duty	4,021,691	3,923,502	98,189	-	98,189	4,021,691	4,021,691	-
TOTAL	22,966,185,514	16,692,865,274	6,273,320,240	314,438,231	5,958,882,009	22,651,747,284	22,654,460,695	-2,713,412

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) 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 2023

Table 53: 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 approves 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 2023 was US\$ 11.113 billion, comprising US\$6.668 billion (60%) for NNPC's and US\$ 4.445 billion (40%) for JV partners as shown in table below.

Table 54: 2023 OPCOM Approved Cash-Call Budget

COMPANY	Total Approved Budget			Approved Budget		
	Source Naira	Source Dollar	Equivalent Dollar @ \$1/N435.57	NNPC SHARE		
				Source Naira	Source Dollar	Equivalent Dollar @ \$1/N435.57
	N' Million	US 'Million	EQU\$ Million	N' Million	US\$ Million	EQU\$ Million
NNPC/CNL	495,859	1,157	2,295	297,515	694	1,377
NNPC/TEPNG	495,859	1,157	2,295	297,515	694	1,377
HEIRS HOLDINGS	61,986	144	286	37,192	86	172
NNPC/FEPL	95,900	224	444	57,540	135	267
NNPC/NEOL	40,581	88	182	24,348	53	109
NNPC/SPDC/T EPNG/NAOC JV	635,562	1,393	2,852	381,337	836	1,712
NNPC/NEWCROSS	45,755	123	228	27,453	74	137
NNPC/SEPLAT	31,383	45	117	18,830	27	70
NNPC/AMNI	1,530	1	4	918	1	3
OML 8688	9,393	30	52	5,636	18	31
NNPC/AITEO	181,723	434	851	109,034	260	511
MPN	303,261	730	1,426	181,956	438	856
WAEP	15,420	45	80	9,252	27	48
TOTAL	2,414,212	5,570	11,113	1,448,527	3,342	6,668

Source: NNPC-NUIMS OPCOM Budget and NEITI 2022 template

6.1.3. Cash Call Funding Account

The total inflow into the JVCC accounts in 2023 was US\$7.30 billion and total outflow was US\$ 6.78 as shown in the table below.

Table 55: Summary of Inflow and Outflow into Joint Venture Cash Call Bank Accounts

Description	N' Billion	US 'Billion	EQUSS' Billion
Opening Balance	-	0.17	0.17
Inflow	1,864.02	2.90	7.30
Outflow	1,797.46	2.53	6.78
Closing Balance	66.56	0.54	0.70

Source: NUIMS 2023 budget performance report, 2023 Standard Chartered Bank JVCC Dollar Account, NUIMS records

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

Table 56: Analysis of Total Inflow to JVCC Accounts

Description	N Million	US\$ Million	EQUSS' Million @423.3
Cash Call Funding 2022	-	119.31	119.31
Cash Call Funding 2023	-	71.30	71.30
Car Loan Liquidation	43.59	-	0.07
Crude Oil	-	144.05	144.05
Gas Supply	-	10.90	10.90
Eastacode	-	0.00	0.00
Refund	43.66	-	0.07
Loan Liquidation	2.71	-	0.00
NNPC NUIMS Operations	1,485.71	-	2.30
NNPC Upstream Investment	20,443.83	-	31.65
NNPC	24,390.16	-	37.76
NUIMS Benefits	2.80	-	0.00
NUIMS Claim	0.10	-	0.00
Interest	4,107.27	12.87	19.23
JV Partners	37,602.84	-	58.22
Oil Profit	-	20.81	20.81
Oil Liquidation	1.30	-	0.00
Overcall Refund	-	0.26	0.26
Repayments	0.44	-	0.00
Reversals	36,252.73	-	56.13
Returns	19.20	-	0.03
Unclassified	123,796.42	2,213.70	2,405.36

Description	N Million	US\$ Million	EQUS\$' Million @423.3
Others	1,615,831.32	304.87	2,806.47
Total	1,864,024.08	2,898.06	5,783.90

Source: NUIMS 2023 budget performance report, 2023 Standard Chartered Bank JVCC Dollar Account, NUIMS records

Table 57: Analysis of Total payments from JVCC Accounts

Description	N' Million	US\$' Million	EQ US\$' Million @645.92
Cash Call 2021	-	56.97	56.97
Cash Call 2022	-	371.82	371.82
Cash Call 2023	791,067.84	1,213.74	2,438.45
Undercall 2019	-	2.94	2.94
Undercall 2020	-	7.78	7.78
Undercall 2022	6,315.87	29.39	39.16
Legal	-	1.15	1.15
Monetisation	-	222.23	222.23
VAT	0.01	1.44	1.44
WHT	13.16	0.70	0.72
WDL	1,946.30	-	3.01
Bank Charges	0.10	-	0.00
PSC Profit Refund	-	100.72	100.72
Pension	3,348.15	-	5.18
Refund	17,115.87	7.26	33.76
Reg & Renewals	-	0.15	0.15
Royalty	-	47.85	47.85
Petroleum Profit Tax	-	17.94	17.94
Audit Of NNPC Ltd Gas Sales	-	0.04	0.04
Travel Expenses	927.07	0.06	1.49
NAE OML 125 DSA	-	30.00	30.00
Nigeria Morocco Gas Pipeline Project	-	5.00	5.00
NMDPRA	-	0.03	0.03
NUIMS MIRS Product	-	0.23	0.23
NUIMS Security Architecture Cost	-	175.51	175.51
Oil Profit	-	6.28	6.28
Oil Refund	-	11.71	11.71
Unclassified	-	208.50	208.50
Individual	-	0.07	0.07
Engineering Consultancy	-	0.07	0.07
Estacode	-	0.54	0.54
Export Permit	-	0.08	0.08

Description	N' Million	US\$' Million	EQ US\$' Million @645.92
Fund Return	-	10.19	10.19
Overheads	-	3.83	3.83
Others	976,728.21	-	1,512.15
Total	1,797,462.58	2,534.21	5,317.01

Source: NUIMS 2023 budget performance report, 2023 Standard Chartered Bank JVCC Dollar Account, NUIMS records

A total of US\$317 million was approved in 2023 while US\$236.69 million (75%) was actual expenditure from the budget.

Table 58: Summary of NUIMS Overheads Performance and 2023 Funding

Description	2023 Revised Budget (N' Million)	2023 Revised Budget (EQUS\$' Million) @ 645.92/\$	2023 Jan-Dec Performance (N' Million)	2023 Jan-Dec Performance (EQUS\$' Million) @ 645.92/\$	2023 % of Performance
CAPEX	8,911.28	13.80	6,040.75	9.35	68%
Movables	6,485.83	10.04	1,281.29	1.98	20%
OPEX	189,415.70	293.25	145,567.12	225.36	77%
Total	204,812.81	317.09	152,889.16	236.70	75%

Source: NUIMS 2023 budget performance report, 2023 Standard Chartered Bank JVCC Dollar Account, NUIMS records

6.1.4. Cash Call to JV Operators

The table below shows the details of the cash call payments to operators in 2023.

Table 59: Details of Outflow from Joint Venture Cash Call Bank Account

#	Partners	N' Million	US\$' Million	EQ\$ US\$' Million
1	SHELL	503.49	-	0.78
2	EXXON MOBIL	44,367.76	194.45	263.13
3	NNPC/NPDC/CHEVRON	-	0.98	0.98
4	NNPC/TEPNG	40,800.04	250.31	313.48
5	NNPC FIRST E & P	9,698.00	77.49	92.51
6	NNPC/CNL	79,349.20	252.07	374.92
7	NNPC/NEPL	18,138.64	-	28.08

#	Partners	N' Million	US\$' Million	EQ\$ US\$' Million
8	NNPC/SPDC/EPNL/NAOC JV	57,027.56	109.20	197.49
9	NNPC/NPDC/SPDC JV	209.46	2.49	2.82
10	NNPC/HHOG	1,943.35	38.99	42.00
11	NNPC/NEWCROSS/ EROTON	-	0.19	0.19
12	NNPC/NEWCROSS JV	10,707.30	71.02	87.60
13	NNPC/AITEO JV	36,669.53	142.68	199.45
14	NNPC/BELEMA	13,539.38	1.77	22.74
15	NNPC/SEPLAT	1,888.96	13.96	16.88
16	NNPC/WAEP	172.81	23.59	23.85
17	NNPC/AMNI	186.11	0.54	0.83
18	NNPC EIGHTEEN	1,459.90	30.57	32.83
19	NNPC (UNCLASSIFIED)	473,855.85	-	733.61
20	OML 28/30 CASH CALL	230.63	1.51	1.86
21	OML 49 38 JV CASH CALL	318.92	1.93	2.42
	Total	791,066.87	1,213.74	2,438.45

Source: NUIMS 2023 budget performance report, 2023 Standard Chartered Bank JVCC Dollar Account, NUIMS records

CHAPTER 7

Midstream and Downstream Operations

The Midstream and downstream operations are coordinated by the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA). However, the Domestic Crude Supply Obligation is coordinated by the NUPRC. See the Contextual Report for detailed description of laws, regulations, policies on Midstream and Downstream Operations.

7.1. Midstream Operations

This section provides an overview of refinery operations, focusing on Domestic Crude Supply Obligations (DCSO), midstream infrastructure, and the current balances of NNPC refineries.

7.1.1. Refinery Operations

In 2023, a total of nine refinery licenses/approvals were granted, an increase from seven in 2022.

The 2023 approvals include five LTEs, three LTCs, and one LTO, with a combined refining capacity of 290,064 barrels per day, as detailed in the table below.

Table 60: Status of Licensed Refineries

#	Company	Location	Types of facility / plant	Capacity (BPD)	Licenses / Approvals granted	Date of issue	Validity period
1	MoreBarrels Petrochemical Ltd	Delta state	Topping plant (Modular)	25,000	LTC	12/07/2023	Two (2) years
2	Nakase Oil Services Ltd	Rivers State	Hydroskimming plant (modular)	30,000	LTE	12/07/2023	
3	Onose Modular Refinery Ltd	Delta State	Hydroskimming plant (modular)	60,000	LTE	20/11/2023	
4	Oely Nigeria Ltd	Kaduna State	Bio refinery (modular)	64	LTE	13/11/2023	
5	Belema oil Producing Ltd	Rivers State	Topping plant (Modular)	10,000	LTE	30/8/2023	
6	Waltersmith Refining & Petrochemical Company Ltd	Imo state	Topping plant (Modular)	5,000	LTO	07/01/2023	
7	SINOK Refining & Petrochemical Company Ltd	Delta State	Topping plant (Modular)	30,000	LTC	07/01/2023	

#	Company	Location	Types of facility / plant	Capacity (BPD)	Licenses / Approvals granted	Date of issue	Validity period
8	AIPCC Energy Ltd	Delta State	Topping plant (Modular)	30,000	LTC	20/5/2023	
9	Eghudu Refinery Ltd	Edo State	Hydroskimming plant (modular)	100,000	LTE	20/1/2023	
	Total			290,064			

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

7.1.2. Domestic Crude Supply Obligations

Similar to 2022, the Nigerian Upstream Petroleum Regulatory Commission (NUPRC) reported that in 2023, no endorsed and processed Export Permits were issued by the Federal Government for Domestic Crude Supply Obligation (DCSO) operations. Furthermore, there were no DCSO applications received, no approvals granted, and no actual DCSO deliveries to the refineries during this period.

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

Pipeline Infrastructure in the Midstream is coordinated by the NMDPRA. The table below shows the significant pipeline infrastructure investment and projects in the midstream value chain.

Table 61: 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

NNPC refineries are Port Harcourt Refinery Company (PHRC), Warri Refining and Petrochemical Company Limited (WRPC) and the Kaduna Refining and Petrochemical Company Limited (KRPC). There were no balances in KRPC. Tables below show the balances in PHRC and WRPC.

Table 62: 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	156,288	-	-	157,050	156,288	(762)

Source: NEITI 2022 – 2023 OGA, 2024

Table 63: 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	8	0	0	-	8	8	-
DPK	3	(0)	-	-	3	3	-
AGO	8	(2)	0	-	6	6	-
LPFO	35	(0)	8	-	27	27	-
Asphalt	-	-	-	-	-	-	-
Coke Burnt	-	-	-	-	-	-	-
LNG Flared	-	-	-	-	-	-	-
Intermediate Product	-	-	-	-	-	-	-
Internal Consumption	-	-	-	-	-	-	-
Losses	-	-	-	-	-	-	-
Total	54	(2)	8	-	44	44	-

Source: NEITI 2022 – 2023 OGA, 2024

Table 64: WRPC Refinery Balance (Crude Material Balance)

Crude Blend	Opening Stock	Receipt	Transfer	Processed	Closing Stock	Audit Closing Stock	Variance
	Bbls	bbls	bbls	bbls	bbls	bbls	bbls
Bonny	-	-	-	-	-	-	-
Escravos	86,158	-	-	-	77,759	86,158	8,399
Urals	-	-	-	-	-	-	-

Ugelli Blend/ Seplat	258,164	-	86,395	-	171,066	171,769	703
Seplat	70,004	-		-	70,004	70,004	-
Slop	23,414	-		-	23,414	23,414	-
ND Western	298,494	306,249	66,023	-	451,814	538,720	86,906
Total	736,233	306,249	152,418	-	794,057	890,065	96,008

Source: NEITI 2022 – 2023 OGA, 2024

Table 65: 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
Off Gas	-	-	-	-	-	-	-
Propane	-	-	-	-	-	-	-
LPG	-	-	-	-	-	-	-
PMS	10,711	209,080	200,247	-	-	19,544	(19,544)
DPK	4,088	-	-	-	4,078	4,088	(10)
AGO	1,752	-	-	-	781	1,752	(971)
LPFO	10,840	-	-	-	8,238	10,840	(2,602)
Asphalt	-	-	-	-	-	-	-
Consumption	-	-	-	-	-	-	-
Losses	-	-	-	-	-	-	-
Total	27,391	209,080	200,247	-	13,097	36,224	(23,127)

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 allocation of 445,000 barrels of crude oil per day to the Nigerian National Petroleum Company Limited (NNPCL) aimed to ensure a consistent supply for government-owned local refineries; however, this goal has remained unmet for nearly two decades due to operational inefficiencies that have hindered the refineries from functioning at optimal capacity. Consequently, instead of processing the allocated domestic crude, it has often been redirected through swap mechanisms to import refined products.

7.2.2. Product Import Valuation

A total 14.53 billion litres of PMS was imported by NNPC Limited in 2023, comparing 22.93 billion litres of PMS in 2022. See appendix 15 for 2023 NNPC Limited Imported PMS Valuation: Quantity, Cost of Supply, Revenue and Under Recovery.

The cost of supply was N6.74 trillion, revenue of N3.73 trillion and under recovery of N3.01 trillion as shown in the table below.

Table 66: NNPC Limited Imported PMS Cost, Revenue and Under Recovery

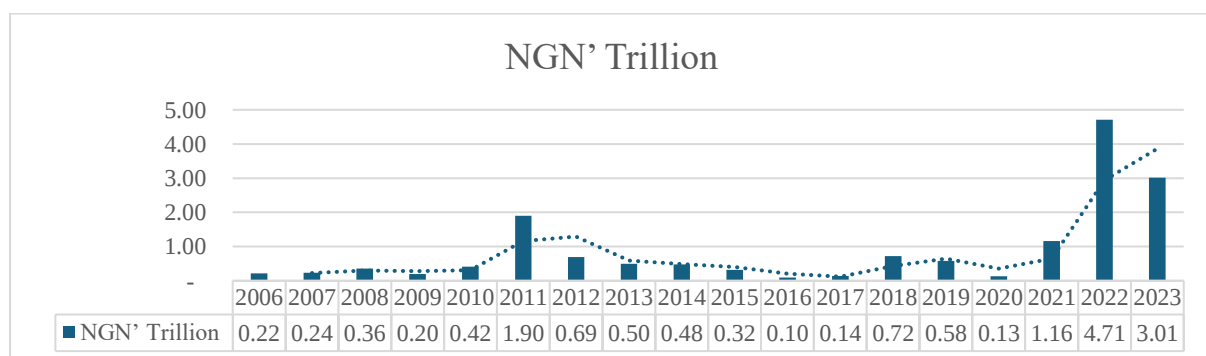
2023 Monthly	QTY Million MT	QTY Litres' Billion	Cost of Supply US\$' Billion	N' Trillion	Revenue N' Trillion	Under Recovery N' Trillion
January	1.20	1.61	1.01	0.47	0.18	0.29
February	1.85	2.48	1.82	1.10	0.28	0.82
March	1.56	2.09	1.43	0.97	0.23	0.74
April	1.35	1.82	1.29	0.87	0.20	0.67
May	1.20	1.61	1.10	0.68	0.18	0.50
June	1.42	1.91	1.29	0.98	0.98	-
July	0.71	0.95	0.64	0.49	0.49	-
August	0.81	1.08	0.82	0.63	0.63	-
September	0.36	0.48	0.34	0.27	0.27	-
October	0.18	0.25	0.17	0.16	0.16	-
November	0.09	0.12	0.08	0.07	0.07	
December	0.09	0.13	0.08	0.07	0.07	
Total	10.83	14.53	10.06	6.74	3.73	3.01

Source: NEITI 2022- 2023 OGA, 2024

7.2.3. PMS Price Differentials

A total of N15.87 trillion has been claimed as under recovery/ price differentials between 2006 and 2023, with 2022 recording the highest of N4.714 trillion as shown in the Figure below.

Figure 15: Eighteen (18) Year Trend of Petroleum Products Price Differentials- 2006 – 2023



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.

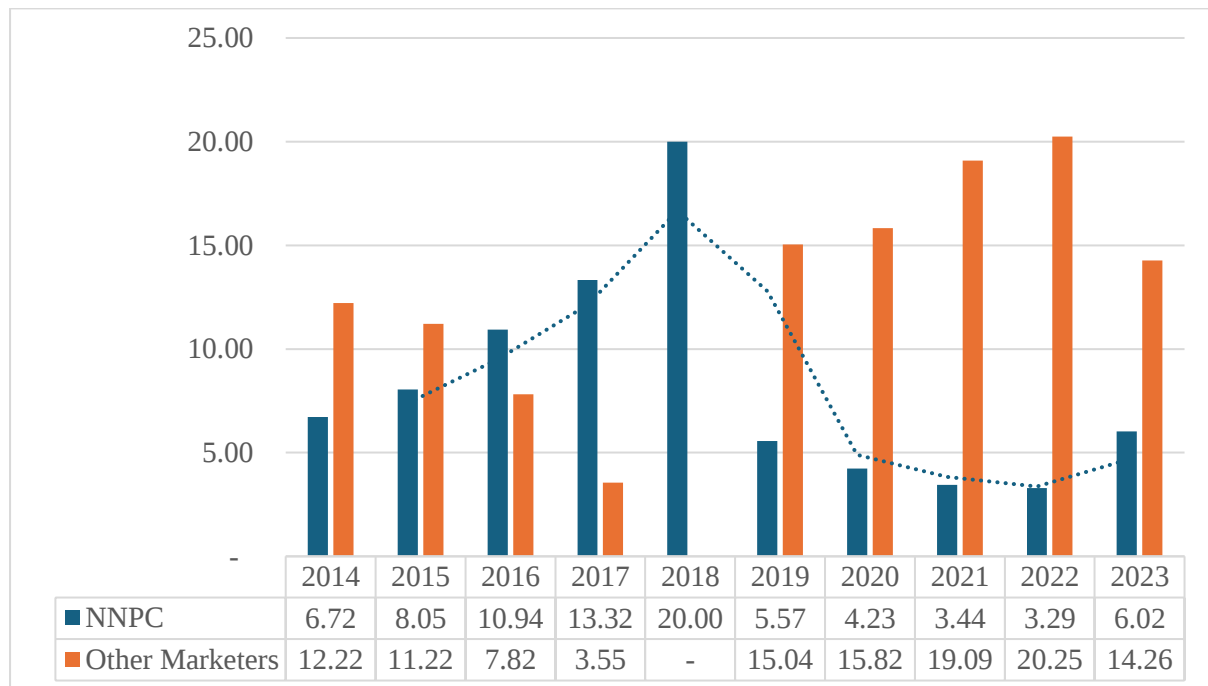
Table 67: Product Supplied (Imported)

Products	Marketers		2023	2022	Changes	
	NNPC Ltd	Other Marking Companies	Total QTY	Total QTY	Total QTY	%
	QTY	QTY				
	Billion Litres	Billion Litres	Billion Litres	Billion Litres	Billion Litres	
PMS	6.02	14.26	20.28	23.54	(3.25)	-14%

Source: NEITI 2022- 2023 OGA, 2024

Figure below shows the ten-year (2014 – 2023) trend of PMS computation with highest annual importation in 2022 (23.54 billion litres) and lowest in 2017 (16.88 billion litres). Furthermore, importation declined by 3.25 billion litres (14%) from 23.54 billion litres in 2022 to 20.28 billion litres in 2023 due to the announcement of removal of subsidy.

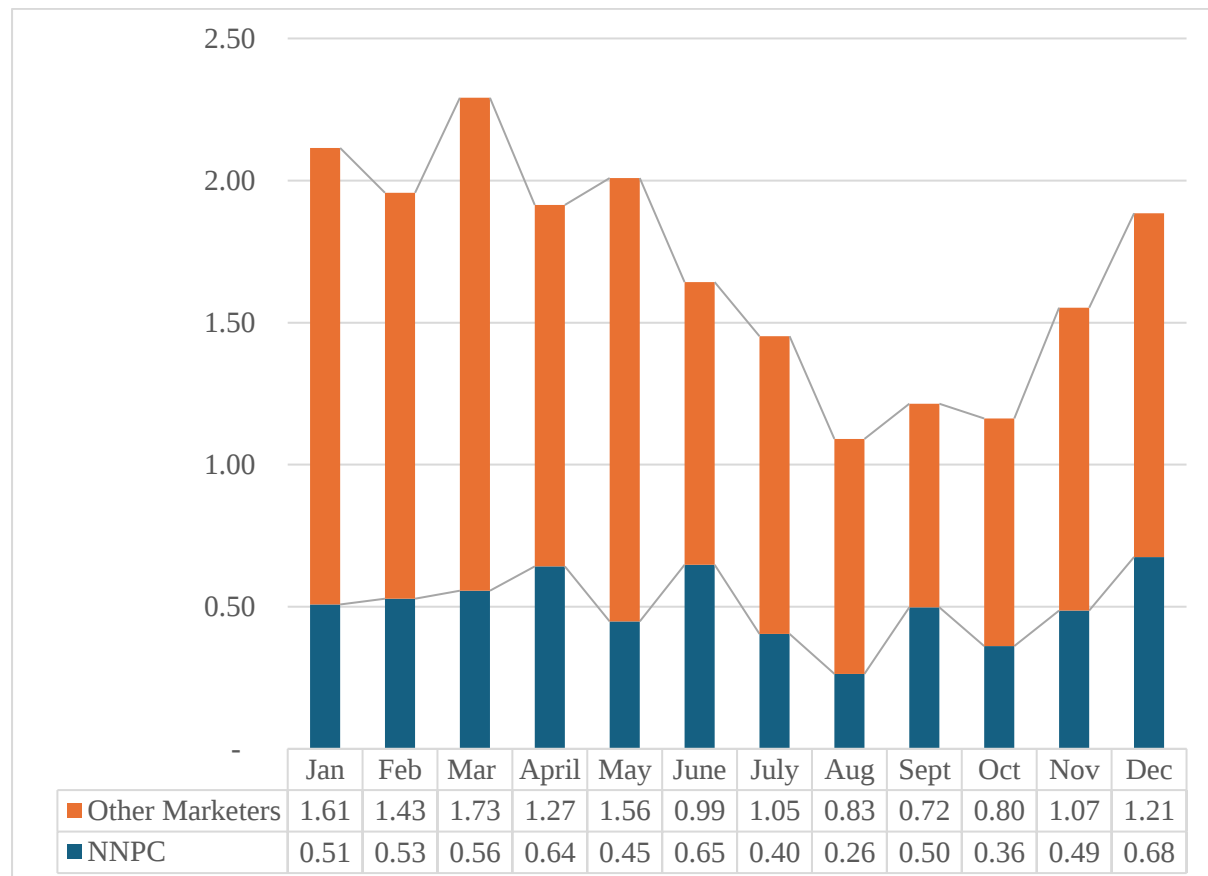
Figure 16: PMS Importation Ten-Year Trend (2014-2023) (Billion Litres)



Source: NEITI 2022- 2023 OGA, 2024

The 2023 monthly trend from January to December shows that December (0.68 billion litres) was the highest import by NNPC Ltd. The total highest import by NNPC and Other marketers was in March (2.29 billion litres) and lowest in August (1.09 billion litres). Figure below shows the monthly product importation for NNPC Limited and other marketers.

Figure 17: 2023 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, furthermore, it discusses the contribution of the industry to the economy and the environmental impact of the industry 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

During the review period, there were no infrastructure provisions made for lifting crude in exchange for payment. However, NNPC Limited implemented a Direct Sales Direct Purchase (DSDP) arrangement, enabling crude oil off-takers to lift crude oil in return for refined petroleum products. This mechanism aims to facilitate the supply chain while addressing the immediate needs of the domestic market. 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 68: 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			Full and Final Repayment achieved on 28 June 2024.
			Tenor: 5 years			
			Maturity Year: 2026	Facility Amount	1040	
			NNPC Participating Interest: 100%	Amount Drawn	1037	
			Pledged barrels: 35,000bopd	Repayment Amount-to Date	1037	

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. Security/Loan Covenants: SPV, Cash and Accounts of SPV, DSU	Balance Outstanding	0	
Project Eagle Export Funding Original Debt	NEPL	Crude oil traders (NCB and ICB)	Year Obtained: 2020			Full and Final Repayment achieved on 15 September 2023.
			Tenor: 5 years			
			Maturity Year: 2025	Facility Amount	935	
			NNPC Participating Interest: 100%	Amount Drawn	841	
			Pledged barrels: 30,000bopd	Repayment Amount-to Date	841	
			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. Security/Loan Covenants: SPV, CASH AND ACCOUNTS OF SPV, Debt Service Undertaking (DSU)	Balance Outstanding	0	
			Year Obtained: 2021			

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			Full and Final Repayment achieved on 15 September 2023.
			Maturity Year: 2026	Facility Amount	635	
			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. Security/Loan Covenants: SPV, Cash and Accounts of SPV, DSU	Balance Outstanding	0	
Project Eagle Export Funding Subsequent 2 Debt	NEPL	Crude oil traders (NCB and ICB)	Facility Amount: US\$540 million			Principal repayment commenced after 12-month moratorium in June 2024.
			Year Obtained: 2023	Facility Amount	900	
			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. Security/Loan Covenants: SPV, CASH AND ACCOUNTS OF SPV, DSU	Balance Outstanding	950	

Source: NEITI 2022- 2023 OGA, 2024

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

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. See appendix 15 for the Schedule of NNPC Limited approved road project costs.

Table 69: 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 Limited	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

8.2. Social Expenditures

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 host community development administration and project management.

Table 70: Host Community Development Administration and Project Management

Parameters	#
Application Received by NUPRC on HCDT Incorporation	136
NUPRC Approvals for HCDT Incorporation	115
CAC Incorporated HCDT	87
Approved Fund Managers	25
Legacy Projects	25

Source: NEITI 2022 – 2023 OGA, 2024

Furthermore, table below shows the remittance of the 3% OPEX.

Table 71: Host Community Development Remittance

Parameters	2022	2023
Remittance in Billion Naira	4.630	3.815
Remittance in Million US\$	14.835	6.918

Source: NEITI 2022 – 2023 OGA, 2024

Furthermore, a total of N 3.590 billion was reported by twenty-two (22) companies (2022: N5.301 billion by nineteen (19) companies) as voluntary social expenditure as shown in the table below.

Table 72: Voluntary Social Expenditure by Company

Company	Contribution	
	N	%
Amni International Petroleum Ltd	47,742,130	1.33%
Antan Producing Limited	29,885,000	0.83%
Aradel Holdings	86,886,278	2.42%
Brittania U-Nigeria	3,500,000	0.10%
Chorus Energy Limited	243,329,525	6.78%
Elcrest Exploration and Production Nigeria Ltd	780,688,000	21.75%
Equinor Nigeria Energy Company Limited	680,134,072	18.95%
Esso E&P Nigeria Ltd	32,500,000	0.91%
Excel Exploration & Production Limited	79,900,000	2.23%
Frontier Oil Limited	28,000,000	0.78%
Midwestern Oil and Gas	52,671,150	1.47%
Mobil Producing Nigeria Unlimited	205,717,325	5.73%
NNPC E&P Limited	103,103,098	2.87%
Network Exploration & Production Ltd	56,908,591	1.59%
Oriental Energy Resources Ltd	318,798,042	8.88%
Pillar Oil Limited	2,820,209	0.08%
Shell Nig. Exploration & Production Co Ltd	138,067,311	3.85%
SPDC	247,905,085	6.91%
South Atlantic Pet. Ltd	50,000,000	1.39%
Sterling Global Oil Resources Limited	87,971,000	2.45%
Sterling Oil E&P Production Co Ltd	135,029,000	3.76%
Universal Energy Limited	178,044,000	4.96%
Total	3,589,599,815	100%

Source: NEITI 2022 – 2023 OGA, 2024

A further review of the voluntary expenditures shows that companies spent N1.163 billion (32.4%) (2022: N1.206 billion- 22.75%) on infrastructure and civil works, while N557.966 million (20.3%) (2022: N421.614 million- 7.95%) was spent on medical and health services. Furthermore, N65.355 million (2022: N17.2945 million) was contributed to a community trust fund as shown in the table below.

Table 73: Voluntary Social Expenditure by Utilisation

Description	Contribution	
	N	%
Host Community Trust Fund	65,354,738	1.82%
Training/ Capacity/Soft Skill	76,393,630	2.13%
Education / Scholarship	282,848,175	7.88%
Community Social & Cultural Engagements	557,965,877	15.54%
Others	714,008,185	19.89%
Medical /Health Services	730,333,291	20.35%
Infrastructure/ Civil Works	1,162,695,919	32.39%
Total	3,589,599,815	100.00%

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

8.3. Quasi-Fiscal Expenditures

Quasi-fiscal expenditures are expenditures that are not provided for in the national budget. See the Contextual Report on the detailed description of quasi-fiscal expenditures. Table below shows the quasi-fiscal expenditures.

Table 74: Quasi-Fiscal Expenditures

Description	2023	2022
	NGN' Billion Equivalent	NGN' Billion Equivalent
Pipeline Maintenance and Management Costs	-	12
PMS under recovery/ Price Differentials/ Subsidy	3,012	4,714
Total	3,012	4,726

Source: NEITI 2022 – 2023 OGA, 2024

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

There was steady decline in contribution growth rate of the oil sector to the economy from 2019 to date. 2023 quarterly analysis shows the oil sector recorded a decline growth rate of -3.81% in the last quarter. While on an annual basis, the oil sector experienced decline growth rate of -2.22% in 2023 compared to -19.22% in 2022. The oil and gas sector contributed 4.70% to the total real GDP in Q4 2023, up from the 4.34% in the corresponding period of 2022, this was down from 5.48% in same quarter in 2021.

Overall, the oil sector contributed 5.48% to the total real GDP compared to 5.74% in 2022. A five (5) trend of the economic contribution of the industry is shown in the table below.

Table 75: Contribution of the Sector to Nigeria's Total GDP

Quarter	2023	2022	2021	2020	2019
1	6.21%	6.63%	9.25%	9.50%	9.22%
2	5.34%	6.33%	7.42%	8.93%	8.98%
3	5.48%	5.66%	7.49%	8.73%	7.32%
4	4.70%	4.34%	5.19%	5.87%	9.77%
Annual Average	5.48%	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 76: Contribution of the Sector to Total Exports

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%
2023	35.962	55.676	29.000	44.898	80.64%

Source: NEITI 2022 – 2023 OGA, 2024

8.4.3. Contribution to Government Revenue

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

Table 77: 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%
2023			

Source: NEITI 2022 – 2023 OGA, 2024

8.4.4. Employment and Gender

Gender mainstreaming in the sector were supported through policies and activities. See the Contextual Report for description, regulations, policies and activities on Gender and Equality in the Sector.

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.

Table 78: 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 2023 employment. Total employment in the sector was 8,693 persons (2022: 6,728 persons), comprising 7,274 (84%) males (2022: 5,565- 83%), and 1,419 (16%) females (2022: 1,163- 17%) as shown in the table below.

Table 79: Total Employment in the Sector

Gender	Senior Management	%	Middle Cadre	%	Junior Cadre	%	Total	%
Men	653	81%	2,824	83%	3,797	85%	7,274	84%
Women	157	19%	577	17%	685	15%	1,419	16%
Total	810	100%	3,401	100%	4,482	100%	8,693	100%

Source: NEITI 2022-2023 OGA, 2024

Furthermore, table below shows 8,482 (97%) (2022: 6,554 - 97%) are Nigerians and 211 (2.47%) (2022: 174 - 3%) are expatriate as shown in the table below.

Table 80: Employment Distribution Based on Nationality and Gender

Management Level	Nigerian nationals					Expatriates			TOTAL		
	Local Male	Local Female	National Male	National Female	Total	Male	Female	Total	Male	Female	Total
Top	481	134	115	22	752	57	1	58	653	157	810
%	59.38%	16.54%	14.20%	2.72%	93%	7.04%	0.12%	7.2%	81%	19%	100%
Middle	1,823	398	891	167	3,279	110	12	122	2,824	577	3,401
%	53.60%	12%	26%	4.91%	96.4%	3%	0.35%	3.6%	83.03%	16.97%	100%
Lower	2,932	539	843	137	4,451	22	9	31	3,797	685	4,482
%	65.42%	12.03%	18.81%	3.06%	99.3%	0.49%	0.20%	0.69%	84.72%	15.28%	100%
Total	5,236	1,071	1,849	326	8,482	189	22	211	7,274	1,419	8,693
%	60.23%	12.32%	21.27%	3.75%	98%	2.17%	0.25%	2.43%	84%	16%	100%

Source: NEITI 2022-2023 OGA, 2024

8.5. Environmental Impact of the Industry Activities

NUPRC coordinates the activities around the environmental incidence management. Table below shows the occurrences of oil spillages and causes.

Table 81: Environmental Incidence Management

Casual	#	Occurrence %
Blow Out	1	0.18%
Corrosion	7	1.23%
Equipment Failure	16	2.80%
Mystery	5	0.88%
Operational/ Maintenance Error	11	1.93%

Casual	Occurrence	
	#	%
Sabotage	337	59.02%
Not Yet Determined	194	33.98%
Total	571	100.00%

Source: NEITI 2022-2023 OGA, 2024

The table below shows the activities of the NUPRC on waste management, environmental assessment, laboratory services, compliance and enforcement, including activities on climate change in the sector.

Table 82: Other NUPRC Environmental Activities

Parameters	Description of Activities
Waste Management	• Accreditation of 103 Waste Management companies. • Issuance of 139 Effluent/ Waste Discharge Permits (EWDP) for new wells and workover. • Registration of 32 Point sources (solid, liquid, and gaseous).
Environmental Assessment	• Approved 38 Environmental Screening Report (ESR) and Preliminary Impact assessment Report (PIAR). • Approved 92 Terms of Reference (TOR) and Scope of Work (SOW). • Approved 82 Environmental Impact Assessment (EIA). • Approved 11 Environmental Management Plans (EMP). • Approved 83 Environmental Evaluation Studies (EES). • Approved 27 Environment Baseline Study (EBS) and Environmental Seabed Survey. • Issued 24 EIA waivers. • Issued 20 Extension of EIA/EES validity.
Laboratory Services	• Accredited forty-one (41) laboratories • Approved three Hundred and eight six (386) oilfield chemicals. • Received submission of fifty-one (51) chemicals inventory reports.
Compliance and Enforcement	• Approved twenty-nine (29) Biological Monitoring Studies (BMS). • Received submission of thirty-six (36) Environmental Compliance Monitoring Report (ECM).
Climate Change	• Received and reviewed fourteen (14) Greenhouse Gas Emission Management reports (GHGEMP). • Received and reviewed thirty-five (35) Greenhouse Gas (GHG) Emission Inventory reports. • Granted sixteen (16) Leak Detection and Repair (LDAR) and GHG Management Consultancy Services.

Source: NEITI 2022-2023 OGA, 2024

The table below shows the environmental safety control activities carried out by the NUPRC.

Table 83: Environmental Safety Control Activities

Parameters	Description of Activities
Accident/Incident Management	Recorded thirty-one (31) incidents.
Offshore Safety Permit	- Received registration of 23,057 for Offshore Safety Permit - Issue 6,228 Offshore Safety Permit. This includes 26 VIP flyers. - Renewed 16,829 Offshore Safety Permit.
Radiation Safety Permit (RSP)	Issued 186 Radiation Safety Permits
Safety and Emergency Training Centres (SETC)	Inspected and re-accredited six (6) Safety Training Centres.

Source: NEITI 2022-2023 OGA, 2024

CHAPTER 9

Outcomes and Impact

Outcomes and impacts discussed in the report are update on the remediation action on the 2023 EITI validation exercise. It also examined the status of implementation on past recommendations from the NEITI 2022 Oil and gas industry reports, this includes the aggregated reoccurring issues identified with further recommendations in the current audit cycle.

The newly identified and non-reoccurring issues are aggregated under the subsection of observation, findings and recommendations of the 2023 oil and gas report.

9.1. Update on Remediation Actions on the 2023 EITI Validation Report

#	Corrective Issues	Activities, Tasks & Implementation Instruments
A	Stakeholder Engagement Component	
1	The government should ensure NSWG is consistently constituted on time and that there is sufficient opportunity for the broader industry and civil society constituencies to nominate their representatives.	FG has reconstituted NSWG and ensured the self-nomination of companies and civil society stakeholders. Sustained implementation of NEITI Policy Guideline on the Nomination of Civil Society and Company representation into the NSWG.
2	The government should ensure consistent oversight of the NEITI secretariat, including in its financial management and recruitment practices.	Regular capacity building for NSWG members/supervisory authorities on oversight of the NEITI operations. Regular sensitization/training on the EITI code of conduct for NSWG & NEITI staff members
3	Nigeria should ensure that civil society is fully, actively and effectively engaged in all aspects of the EITI process.	Sustained implementation of NEITI Policy Guideline on Nomination of Civil Society representative into the NSWG. Consultation with civil society constituency in the development, implementation, monitoring & evaluation of NEITI country work plan.

#	Corrective Issues	Activities, Tasks & Implementation Instruments
		Design & administer information and data gathering template for annual work plan and APR.
		MSG Consultation/ Approvals of the APR.
4	Civil society groups must be substantially engaged in the design, implementation, monitoring and evaluation of the EITI process, and ensure that it contributes to public debate.	Sustained and strengthen NEITI-Civil Society Steering Committee, and its quarterly meetings.
		Sustained implementation of NEITI-Civil Society MoU.
5	Government is required to ensure that there are no obstacles to civil society participation in the EITI process and to ensure that there is adequate civil society representation in the oversight of Nigeria EITI to represent the constituency's diversity,	Develop and operationalize NEITI-Civil Society engagement Framework
		Sustain implementation of NEITI-Civil Society MoU.
		Guarantee independence of civil society actors in their engagement with NEITI process.
6	Government should undertake measures to prevent civil society actors from being harassed, intimidated, or persecuted for expressing views related to oil, gas or mining governance.	Conduct targeted engagements with security/law enforcement agencies and secure their commitment on protection of civil society actors that are engaging in natural resources governance. (NEITI is working on MoU with National Human Rights Commission)
7	Government in collaboration with the NSWG, should document the measures it undertakes to remove any obstacles to civil society participation in the process.	Conduct targeted engagements with security/law enforcement agencies and secure their commitment on protection of civil society actors that are engaging in natural resources governance.
		Develop and implement NEITI-Civil Society Engagement Framework.
8	Invitation to civil society and companies' constituencies to participate in the NSWG should be open and transparent.	Sustain implementation of Civil Society Nomination Policy Guideline.
		Regular sensitization programs for Secretary to the Government of Federation (SGF) on the global EITI standard & requirements.

#	Corrective Issues	Activities, Tasks & Implementation Instruments
9	Each stakeholder group must have the right to appoint its own representatives, bearing in mind the desirability of pluralistic and diverse representation. The nomination process must be independent and free from any suggestion of coercion.	Regular sensitization programs for civil society/companies' constituencies on the global EITI standard & requirements Sustain implementation of NEITI-Civil Society MoU; NEITI-Companies Forum MoU, and Civil Society Nomination Policy Guideline. Developed Framework/Guideline for Guaranteeing independence of Civil Society actors in their engagement with NEITI process
10	Each constituency should consider gender balance in their representation to progress towards gender parity.	Develop and publish NEITI Gender policy Conduct engagement with companies to develop and publish gender policy setting out measures to promote equity in their operations.
B	Transparency Component	
11	In accordance with requirement 2.3, Nigeria is required to ensure that dates of application and licence coordinates of each extractive licence and contract are publicly accessible for each active licence and contract in the mining, oil and gas sector.	Conduct specific engagements with NUPRC, NMDPRA, MCO, NNPC Limited on contracts and licenses disclosure on their website
12	Nigeria is encouraged to pursue its efforts to establish a modern cadastral management system for its oil and gas sector.	Conduct specific engagements with NUPRC/NMDPRA on the development of a modern cadastral/license register for the oil sector
13	In line with requirement 2.4, Nigeria is expected to disclose any contracts and licenses that are granted, entered into or amended from January 1, 2021	Conduct specific engagements with NUPRC/NNPCL on contract disclosure on their individual websites
14	Nigeria is encouraged to publicly disclose any contracts and licenses that provide the terms attached to the exploitation of oil, gas and minerals.	Conduct specific engagements with NUPRC/NNPCL on contract disclosure on their individual websites
15	Nigeria should ensure all published contracts and licenses have a reference or link to the location where the contract or licensee is published.	Conduct specific engagements with NUPRC/NNPCL on contract disclosure on their individual websites.

#	Corrective Issues	Activities, Tasks & Implementation Instruments
16	Nigeria is required to disclose the beneficial owners of all companies holding or applying for extractive licenses, particularly for all extractive companies considered as 'high risk' by Nigeria EITI.	Conduct specific engagements with NUPRC/CAC/NNPCL on BO disclosure on their individual websites
17	Nigeria should ensure that the identity of any politically exposed person that is a beneficial owner of extractives companies is disclosed, regardless of the level of ownership.	Conduct specific engagements with NUPRC/CAC/NNPCL on BO disclosure on their individual websites
18	Nigeria is expected to disclosures from the government and NNPCL of their level of ownership in mining, oil and gas companies operating within the sector.	Conduct specific engagements with NNPCL on BO disclosure on their websites
19	Nigeria should indicate which extractive industry revenues, whether cash or in kind, are recorded in the national budget.	Ensure in subsequent EITI reports the classification of extractive revenue streams that are included in the national budget alongside those that are not, providing comprehensive explanations for each category.
20	Where revenues are not recorded in the national budget, the allocation of these revenues, must be explained, with links provided to relevant financial reports as applicable.	Ensure in subsequent EITI reports the classification of extractive revenue streams that are included in the national budget alongside those that are not, providing comprehensive explanations for each category.
21	In line with requirement 5.2, Nigeria should disclose the revenue sharing formula for the 13% derivations in the solid minerals, oil and gas sectors as well as actual amount that was transferred between the central government and each relevant state government.	Conduct special studies on allocation and utilization of 13% derivation Sustain conduct and publication of NEITI Quarterly Review – Analysis of revenue distribution by Federation Account Allocation Committee (FAAC)
C	Outcomes & Impacts Component	
22	NSWG should consider whether there are any agreements or sets of agreements involving concessions or physical delivery of such commodities, including both resource-backed loans and direct-sales-direct-purchases (DSDP) arrangements.	The NSWG will convene to discuss and reach a consensus on the definitions and necessity of including Resource Backed Loans, Term Contracts, and DSDP in the materiality document for the next EITI report. Following this discussion, the Board will endorse the EITI report on these items as presented by the Independent Administrator in subsequent board meetings.

#	Corrective Issues	Activities, Tasks & Implementation Instruments
23	Nigeria should identify licenses transferred and the process for transferring licenses, and the technical and financial criteria assessed.	Conduct specific engagements with NUPRC on the disclosure on their website the complete process of license allocation and transfer, including the weightings of the technical and financial criteria assessed
24	Nigeria should use the EITI to strengthen the oil sector regulator's systematic disclosures of licensing information, including retention of historical data.	Conduct targeted engagements with relevant agencies and companies on systematic disclosures
25	Nigeria should demonstrate commitment to resolving bottlenecks such as legal barriers to disclosures, outreach to stakeholders that are not members of the NSWG, use of EITI data and other information to promote public debate.	Participation of Companies representative in NSWG meetings and programs
		Participation of companies' constituency in all NEITI outreaches
		Regular conduct of NEITI Audit Template Workshop for companies/Covered Entities.
		Regular Hosting of NEITI-Companies Forum.
		Feedback from NEITI-Companies Forum is incorporated into NEITI work plan and process.
		Sustain implementation of NEITI Communication Strategy.

Source: NEITI 2022-2023 OGA, 2024

9.2. Updates on Past Recommendations from NEITI 2021 and 2022 Oil and Gas Report

#	Key Point	IA Follow-up and Comments	Further Recommendation
1	Compliance to the NEITI Reporting requirement	The 2021 Oil and Gas Report identified non-compliant entities representing amongst companies covered. 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. The current exercise covered sixty-two (62) companies, including Lekoil non-compliant companies in 2021. There were two (2) non-compliant companies in 2022. Also, there are several instances of delayed and incomplete submissions noted during the review period.	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. 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.
2	Beneficial Ownership	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.	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).

#	Key Point	IA Follow-up and Comments	Further Recommendation
		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.	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.
3	Production from PSC Blocks	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.	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. 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.
4	Nigeria-Sao Tome and Principe Joint Development Authority (JDA)	IA observed absence of exploration and production activities at the Joint Development Zone (JDZ). The identified key challenge is the non-responsiveness and willingness of license holders to invest in the allocated licenses.	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.

#	Key Point	IA Follow-up and Comments	Further Recommendation
5	Crude losses	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%). In 2023, Crude oil loss was 7.68 million barrels which was 3.33% of the total metered production at the flow station (7.675 million barrels) for the affected companies and crude type. The losses resulted from 2.910 million barrels measurement error (1.3%), 5.252 million barrels theft and sabotage (2.3%) and -486.746 thousand barrels production/terminal adjustment (0.21%). 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.	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. 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.

#	Key Point	IA Follow-up and Comments	Further Recommendation
		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. 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. • 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)	NNPCL have been subrogated by Section 54 of the PIA that created the NNPC Limited. There is no express provision in the PIA as to whether NNPC Limited should submit its budget to the NASS scrutiny. By implication, no clarity on the interpretation of quasi-fiscal expenditures.	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).

#	Key Point	IA Follow-up and Comments	Further Recommendation
		Quasi-Fiscal Expenditure and deductions from FAAC by NNPC Limited 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. These expenditures were undertaken by State-Owned Enterprises on behalf of the Federation but were executed outside the framework of the national budget. For the first 6 months of the year 2022 (i.e., Jan-June), QFE and deductions stood at N12.425 billion on pipeline security and maintenance from January to June 2022. No QFE was recorded for the year 2023 due to the PIA implementation.	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.
7	Outstanding Liabilities payable to FIRS and NUPRC	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. At the time of reporting, there was no evidence of a comprehensive investigation into the timeliness of liability payments.	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.

#	Key Point	IA Follow-up and Comments	Further Recommendation
		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.	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.
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	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.	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
		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.	
10	NLNG Payments	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. 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.	The NNPC Limited should ensure continuous accountability of NLNG payments received on behalf the government.
11	Transportation revenue	Transportation revenue was US\$153.975 million in 2023 and US\$ 51.822 million in 2022 (2021: US\$194.85 million and N9.73 billion). 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.	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.

#	Key Point	IA Follow-up and Comments	Further Recommendation
		However, since the implantation of the PIA, JV assets have been subrogated to NNPC Limited.	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. 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.
12	Miscellaneous revenue	The report reviewed miscellaneous revenue figures, which were US\$ 17.487 million in 2023 and US\$4.279 million in 2022. This contrasts with the figures for 2021, which were US\$702.19 million and N343.56 million. 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.	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. Comprehensive disclosure in financial statements, including explanatory notes, will enhance clarity and stakeholder trust.

#	Key Point	IA Follow-up and Comments	Further Recommendation
13	Revenue from trial marketing period	There were no indications of Trial marketing period in 2022 and 2023. 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. NNPC could not confirm that the funds went into the Federations account.	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.
14	Revenue from OML 116	IA examined the crude lifted from OML 116 operated by NEPL (formerly operated by AENR under service contract). The IA determines that NNPC Limited could not demonstrate that US\$7.61 million from OML 116 was transferred to the Federation account before NNPC Limited subrogation.	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.
15	Cash call	The IA post examination of cash call payments determines that NNPC Limited 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. Paid to for Newcross Cash Call were 2023: US\$ 162.912 million and 2022: US\$63.150 million (2021: N11.470 billion and US\$29.218 million) on assets transferred to NPDC since 2019.	== same as above ==

#	Key Point	IA Follow-up and Comments	Further Recommendation
16	Update on Refineries Activities	As of the time of publishing this report, none of the four (4) government owned refineries were in operation. The Report states that no information was provided by NNPCCL regarding refinery rehabilitation cost by NNPCCL for the year 2023. Note that for the years 2020 and 2021: N200 billion naira was expended on the refineries.	The NEITI to encourage the NNPC Limited, in consultation with Bureau of Public Enterprises (BPE) and the Infrastructure Concessions Regulatory Commission (ICRC), should concession the refineries to other private investors.
17	Deductions from the Federation crude sales proceeds	IA examined domestic crude sales deductions which are as reported in FAAC reports. Under recovery/ price differentials accounted for N3.01 trillion in 2023 and N4.71 trillion in 2022, Crude and product losses were \$637.44 million for 2023 (2022: \$3.705 billion)	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. Pipeline repairs accounted for January to June 2022 charged to FAAC was N12.425 billion.
18	Conversion of FIRS tax oil and NUPRC royalty oil to DSDP	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.	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.

#	Key Point	IA Follow-up and Comments	Further Recommendation
		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.	
19	Outstanding liabilities on PSC Taxes and Royalty Oil	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).	NEITI should advocate for RGA to intensify efforts to recover debt.
20	Revenue from EGTL transactions	Escravos gas to liquid (EGTL) were aggregated into gas natural gas liquids of US\$1.124 billion in 2023 and 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). 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.	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.

#	Key Point	IA Follow-up and Comments	Further Recommendation
21	Non-cash payment call	IA examined the practices of NNPC Ltd funding assets transferred to NEPL (prior to PIA implementation) from the Federation cash call account. 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. Furthermore, the IA agrees with earlier recommendations concerning license revocation or transfer as outlined below: • 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	NNPC records Vs NAPIMS AFS .	IA examines data management process and establishment of controls to prevent discrepancy. It was observed that NNPC limited is yet to address data synchronisation issues. For instance, aggregated total crude sales revenue determined by the 2022-2023 NEITI extractive reporting was N10.284 trillion as against crude oil sales revenue of N12.026 trillion stated in the 2023 audited financial statements of NNPC Limited. A variance of N1.742 trillion (17%).	The report recommends that NNPC should improve data management processes and establish controls to prevent future discrepancies. NNPC should ensure regular monitoring, and data reconciliation to mitigate recurrence of discrepancies among NNPC Limited business units.
23	13% Derivation	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. 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. The current report confirms that the incorrect practice has been discontinued in the current reporting period, ensuring compliance with constitutional requirements.	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.

#	Key Point	IA Follow-up and Comments	Further Recommendation
24	Environment Regulations	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. • 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. The procedure for assessing compensation for environmental damage should be clearly documented and put in a public repository. 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.	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.

#	Key Point	IA Follow-up and Comments	Further Recommendation
25	NEITI Audit Remediation:	IA examined the coordination of remediation matters from previous NEITI audit Report and observed the following: • 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).	It is recommended that NEITI should intensify remediation actions amongst stakeholders through its newly created Remediation Unit and the IMTT.
26	Issues related to PIA.	The IA examined thorny issues regarding the PIA as outlined below: • 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.	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: • 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
		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.	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.
27	Award of Marginal Field	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.	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.
28	Discrepancy in PMS importation between NNPC and NMDPRA .	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.	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
		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%). Furthermore, this was observed in 2023, NMDPRA record shows 6.02 billion litres and NNPC Limited records shows 3.9 billion litres. A variance of 2.12 billion litres (35%). In another instance, NNPC Ltd valuation record shows PMS importation of 22.93 billion litres valued at N7.39 trillion in 2022 and 14.53 billion litres valued at N6.74 trillion in 2023.	• 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	The IA observed no significant implementation of several recommendations from the 2021 oil and gas sector report, including: • 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.	• 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.

#	Key Point	IA Follow-up and Comments	Further Recommendation
		The strategy was expected to include robust oversight and transparent fund management mechanisms through the NMDPRA in collaboration with relevant stakeholders. 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. 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.	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. 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.

9.3. Observations, Finding and Recommendations

In 2023, in addition to updating the 2021-2022 findings and recommendations to reflect the current state, newly identified non-reoccurring issues were aggregated and presented as observations, findings, and recommendations in the 2023 oil and gas report, as outlined in the table below.

Table 84: Observations and Recommendations for 2022-2023 Extractive Reporting

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
1	National Grid System for Acreage Management: The National Grid Systems is expected to have addressed the following: - Define license and lease areas - Identified relinquished assets. - Identification of well locations - Petroleum conservation measures.	Non-compliance with sections 69 (1-7) Part 11- Administration of Upstream Petroleum Operations and Environment of the PIA, 2021 Impact: Rating: Non-Compliance Interpretation: Not Favourable Priority: High and immediately	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	Upstream Register of License: It was observed that NUPRC have not publicly disclosed Register of Licenses. The examined publicly document titled "Concession Situation" do not meet the requirement of a Register as it does not contain the owners of those licenses, the location coordinates and the production arrangement (contract type) are not updated.	Non-compliance with sections 219, 222, 223, 224 of the PIA, 2021. Impact: Rating: Non-Compliance Interpretation: Not Favourable Priority: High and immediately	NUPRC and Ministry of Petroleum Resources (Oil and Gas)	Concession situation report is operational and on the Commission's website. See https://www.nuprc.gov.ng/ . However, the portal is being upgraded to a Dynamic Acreage Management System (DAMS)	NUPRC to establish and make publicly available comprehensive register incorporating the following: Leases, licenses, permits and authorization issued, revoked, suspended, surrendered or withdrawn with any modification or exemptions granted.

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
					• 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	Decommissioning and Abandonment Fund Non-activation of the Fund over three (3) years after the PIA, 2021.	Non-compliance with sections 232 and 233 of the PIA, 2021. Impact: Rating: Non-Compliance Interpretation: Not Favourable Priority: High and immediately	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.

#	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.				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. Furthermore, operators are to notify the Commission not later than 14 days from the date of establishment of the fund.
4	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).	Non-compliance with section 103 of the Petroleum Industry Act, 2021. Impact: Rating: Non-Compliance Interpretation: Not Favourable Priority: High and immediately	NUPRC, CBN, Ministry of Finance, and Ministry of Petroleum Resources (Oil and Gas)	The regulation on Upstream Environmental Remediation Fund is still in the draft stage and yet to be gazetted	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.

#	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	Crude Oil and Gas Production, Lifting and utilisation: The following were observed from the NUPRC Records: • 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: ✓ 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)	• 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		NUPRC should ensure: • 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
	✓ Shell Nigeria Exploration Production Company with PSC contract type is comingled with Shell Production Development Company (JV contract type). - Non-updating the 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.	- 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. Impact: Rating: Non-Compliance Interpretation: Not Favourable Priority: High and immediately			Availability of comprehensive signed-off reports for gas production and utilisation at curtailment meetings and update the gas production and utilisation record.

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
6	NUPRC Revenue Reporting: The following were observed: - 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.	- 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. Impact: Rating: Partial Compliance Interpretation: Tolerance Priority: Medium but immediately	NUPRC		NUPRC to ensure: - 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	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.	Non-compliance with sections 219, 222, and 224 of the PIA, 2021. Impact: Rating: Non-Compliance Interpretation: Not Favourable Priority: High and immediately	NMDPRA and Ministry of Petroleum Resources (Oil and Gas)		NMDPRA and stakeholders should make publicly available, a comprehensive register incorporating the following: 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.				• 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	Framework for pricing and tariff: 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.	Non-compliance with sections 31 (L), 122 and 123 of the PIA. Impact: Rating: Non-Compliance Interpretation: Not Favourable Priority: High and immediately	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.

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
	Section 31 (L) requires that NMDPRA is to develop and enforce a framework on tariff and pricing for natural gas and petroleum products. Section 122 (1) requires NMDPRA to design pricing framework for transportation, distribution and processing of petroleum on a cost-reflective basis. 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.				Pricing frameworks to includes refinery operations, and gas processing, marketing, and distribution.

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
9	Cases of Petroleum Products Losses arising from Pipeline breaks, theft and sabotage: 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). Section 32 (gg) requires NMDPRA to keep and classify records, data and reports as may be prescribed in regulations or guidelines. Section 32 (mm) requires NMDPRA to develop, maintain and publish a database of midstream and downstream petroleum operations. 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.	Non-compliance with sections 32 (gg) (mm) and 33 (q) of the PIA, 2021. Impact: Rating: Non-Compliance Interpretation: Not Favourable Priority: High and immediately	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	Product Importation Valuation: It was observed that NNPC Limited: - 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). 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. - Petroleum importation volume is in disparity with the record of the NMDPRA. For instance: ✓ 2023: NMDPRA (6.02 billion litres); NNPC Ltd (3.88 billion litres).	Non-compliance with sections 31 (L), and 122 of the PIA, 2021. Impact: Rating: Non-Compliance Interpretation: Not Favourable Priority: High and immediately	NNPC Limited, NMDPRA and Ministry of Petroleum Resources (Oil and Gas)		NMDPRA and NNPC Limited should collaborate to carry out a postmortem reconciliation of petroleum product importation especially as regards claims for subsidy/ price differentials. 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). NNPC Ltd should align petroleum products pricing with the pricing framework established by the NMDPRA in line section 122 of the PIA, 2021.

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

#	Observations/ Findings	Implications	Responsibility	Entity's Response	Recommendations
12	NNPCL Revenue Reporting: The following were observed: - 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. 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.	Non-disaggregation of revenue across owners of crude leads of difficulty in reconciliation and risk of comingling and abuse. Furthermore, it implies non-compliance with sections 64 (b) (c) of the PIA, 2021. Impact: Rating: Non-Compliance Interpretation: Not Favourable Priority: High and immediately	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.

9.4. 2022-2023 NEITI Oil and Gas Industry Audit – Key Reform Issues

The 2022-2023 NEITI Oil and Gas Industry Audit report carefully reviewed and aligned strongly with the policy advisory by the Nigeria Extractive Industries Transparency Initiative (NEITI) in June 2003. The Policy Advisory drew government's urgent attention to important issues in Nigeria's oil, gas, and mining sectors that require deliberate policy interventions to pave the way forward in order to strengthen ongoing sector reforms.

The report findings represent the highlight of the issues in the critical areas of the sector's reforms and the need for the government to re-examine and consider immediate steps to be taken to address these issues. This is important and urgent to reduce tension in the industry, rebuild trust, block leakages, improve efficiency, attract investments, shore up domestic revenue mobilisation through deliberate policies that strengthens the ongoing reforms in the sector. Some of the key reform highlights include:

- 1. Re-constitution of a Presidential Steering Committee on Implementing the Petroleum Industry Act:** The findings of the NEITI report indicate a slow pace in the implementation the Petroleum Industry Act (2021). This has created a delay in the realization of the impact and objectives of the law, particularly in increasing investment in the oil and gas sector. According to reports, Nigeria attracted only 5% of the total investment flows to the oil and sector in Africa in the year 2023. This highlights the need reconstitute the Presidential Steering Committee on Implementation of the PIA, with a key role for NEITI. The committee would need to redesign a comprehensive implementation plan for the PIA (2021). The current approach of implementing such an important law without a national plan is a major challenge and a huge policy gap that needs to be urgently addressed.
- 2. Tackling Oil theft:** The report indicates a decline in crude theft across the two years under review. The losses due to crude oil theft and sabotage reduced to 14% of total metered production in 2022 (a total of 21 million barrels) while in 2023 it was only 3% at a total of 5.5 million barrels. In the policy brief referred to above, NEITI highlighted the need for government to tackle the scourge of oil theft and sabotage. The drastic drop in the menace is a clear indication that the various government efforts and initiatives were effective particularly in 2023.
- 3. Developing a Gas Utilization Policy with Linkages to Nigeria's Energy Transition Plan:** Total gas flares continued its downward trend in 2022 and 2023, falling from 250 billion scf in 2021 to 209 billion scf in 2022 and 194 billion scf in 2023. This reflects the impact of government initiatives to reduce gas flaring. However, the report also highlights a decline in overall gas production from by 11.11% in 2022, and further by 8% in 2023. This development calls for an urgent review of the implementation of the various policy frameworks guiding the maximization of Nigeria's huge gas potential and the need to ensure that the gas development policies are linked with the objective of Nigeria's Energy Transition plan as it relates to utilizing gas as a transition energy.

- 4. Fast-tracking the repairs of government-owned refineries:** NEITI has maintained advocacy on the need for government to improve local refining capacity by ensuring that existing refineries are functional particularly as a means of addressing local demand for products and minimising importation and the associated costs and impact on the economy. The latest NEITI report confirms that government has embarked on an ambitious rehabilitation programme, particularly focusing on the Port Harcourt refinery. In addition, the downstream sector is undergoing significant deregulation, with the removal of fuel subsidies and the introduction of market-based pricing.

Overall, NEITI is poised to continually drive reforms in the extractives through its regular generation and dissemination of data related to the management and governance of the sector. NEITI has repositioned itself to continue to play a thought leadership role in the sector through innovation and the application of lessons learned from over two decades of implementing the EITI in Nigeria. For instance, the state-of-the-art Data Centre recently established by NEITI serves as a one-stop shop for all extractives data and a repository of data and knowledge that can serve a wide range of stakeholders. It will further NEITI objective of advancing public understanding and engagement with extractives data and inform debate and discussions on improving the performance of Nigeria's extractives sector.