



Major Oil Marketers
Association of Nigeria

NEWSLETTER

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Not for sale

A world map is shown in the background, with the continents of Africa, Europe, and Asia highlighted in red, orange, and yellow respectively. A network of orange lines connects various points across the map, with some points highlighted as red or yellow circles.

THE WEEKLY POST

Inside this Issue:

**MOMAN Update
Industry Watch**





MOMAN



LEGAL ADVISORY NOTICE!!

INSTITUTIONAL FRAMEWORK UNDER THE PETROLEUM INDUSTRY ACT

By Akabogu & Associates (info@akabogulaw.com)

Continued from last week...

NIGERIAN MIDSTREAM & DOWNSTREAM PETROLEUM REGULATORY AUTHORITY

"The Authority" is responsible for the technical and commercial regulation of midstream and downstream petroleum operations such as the refining, distribution, storage and marketing of refined petroleum products. The Authority replaces the Department of Petroleum Resources as regulator of technical and commercial activities in the Nigerian downstream and midstream sub-sector. It is charged with the responsibility of determining the appropriate tariff methodology for processing, transportation and bulk storage of crude oil and natural gas; setting cost benchmarks for midstream and downstream petroleum operations; as well as providing pricing and tariff frameworks for natural gas in midstream and downstream gas operations and petroleum products based on the fair market value. In this way, the Authority absorbs the functions and responsibilities of the defunct Petroleum Products Pricing Regulatory Agency (PPPRA). Other functions of the Authority include to:

- Grant, issue, modify, extend, renew, review, suspend, cancel, reissue or terminate licences, permits and authorisations for midstream and downstream petroleum operations;
- Identify, investigate and prevent abuse of dominant positions and restrictive business practice with regard to midstream and downstream petroleum operations.
- Monitor and ensure that the quality of petroleum products sold in Nigeria conform to defined specifications;
- Establish, monitor and ensure compliance with the standards for the processing of petroleum products in Nigeria;
- Issue certificates of quality and quantity to exporters of crude oil, LNG and petroleum products.

Nigerian National Petroleum Company Limited (NNPC Limited):

"NNPC Limited" replaces the Nigerian National Petroleum Corporation as a wholly state-owned company through which the Federal Government of Nigeria participates in the country's petroleum industry. Under the PIA, NNPC Limited and its subsidiaries are required to run their affairs as a commercial enterprise without any recourse to government funds. The key roles of NNPC Limited include the following:

- a. Carry out petroleum operations on a commercial basis.
- b. Lift and sell royalty oil and profit oil for commercial fees, payable by Government, at the request of the Commission and pay the corresponding revenue to accounts indicated by the Commission.
- c. Carry out test marketing to ascertain the value of crude oil and report to the Commission.
- d. Be vested with the rights to natural gas under production sharing contracts entered into prior to the effective date.



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- e. Act as agent of the Commission for the management of production sharing contracts for a fee under such contracts between NNPC Limited and the Commission.
- f. Engage in the development of renewable resources in competition with private investors.
- g. Promote the domestic use of natural gas through development and operation of large-scale gas utilization industries.

CONCLUSION

The new-look governance structure under the PIA is structured to increase efficiency of operations in the Nigerian petroleum industry. By virtue of the dichotomy in the regulation of the upstream operations on the one hand and midstream/downstream operations on the other, regulators are able to exercise closer oversight over petroleum activities within their respective domain. This invariably makes it easier for operators engaged in these activities to satisfy their own compliance obligations. However, this governance structure comes with a considerable burden of bureaucracy, with establishment of multiple additional layers of executive management staff (executive commissioners and executive directors), new regulatory desks, new physical offices and wide-ranging staff re-organisation and re-training. It also impacts on industry compliance imperatives, with new industry regulations poised to be issued further to provisions of the PIA. Some of these new regulations will be the subject of our review in the coming weeks.

*This opinion is prepared by **Akabogu & Associates**, a specialist law firm for petroleum, maritime and international trade law in Nigeria. For further information contact **Dr. Emeka Akabogu** (emeka@akabogulaw.com).*



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ARGUS LAUNCHES WEST AFRICAN EXPORT-PARITY LPG PRICES



Global energy and commodity reporting agency, Argus, has introduced daily export-parity prices for LPG shipped from west Africa. The prices reflect the way many regional exports of propane and butane are priced — as a netback price calculated by deducting freight and other costs from the Argus Far East Indexes.

For several years, Argus has been publishing import-parity indexes for LPG that is delivered to west Africa, based on the more competitive of US or Europe-sourced supply when freight to west Africa is included. The addition of export-parity, requested by market participants, recognises that LPG exported from the region, usually to destinations in east Asia, is a key determinant of prices in west Africa itself.

Both sets of prices are designed to give producers, traders, importers and exporters, as well as regulators, a robust reference when evaluating and negotiating the price of propane and butane along regional supply chains, as well as a fair and transparent basis for domestic consumer pricing in Nigeria and beyond.

The export prices are based on LPG moving out of Bonny Island while the import prices are for Lagos, Nigeria.

“Access to LPG in Africa is instrumental in improving public health, combatting deforestation and leading the transition away from dirtier, more carbon-intensive fuels,” Argus Media chairman and chief executive Adrian Binks said. “Argus has been working closely with market participants and authorities to develop LPG price series that truly reflect the dynamics of west Africa’s rapidly growing market. We are delighted to see a positive response to our innovations and remain committed to raising transparency in the region.”

The propane and butane west African export-parity prices will be published daily in the Argus International LPG report, alongside the existing suite of African LPG prices.

AFEI price assessments are the standard industry benchmark for LPG cargoes trading across the Asia-Pacific region. Argus price assessments for cargoes delivered cif Amsterdam-Rotterdam-Antwerp (ARA) perform the same function in European trade.

About Argus Media

Argus is an independent media organisation with 1,200 staff. It is headquartered in London and has 27 offices in the world’s principal commodity trading and production centres. Argus produces price assessments and analysis of international energy and other commodity markets and offers bespoke consulting services and industry-leading conferences.

Companies in 140 countries around the world use Argus data to index physical trade and as benchmarks in financial derivative markets as well as for analysis and planning purposes.

Argus was founded in 1970 and is a privately held UK-registered company. It is owned by employee shareholders, global growth equity firm General Atlantic and Hg, the specialist software and technology services investor.



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MOMAN WORKSITE SAFETY TRAINING - BATCH 1 2022



As part of MOMAN's commitment to train and develop the petroleum downstream industry in Nigeria, MOMAN conducted the 2nd edition of the worksite safety training on the 17th - 18th of May 2022. 23 participants drawn from Ardova Plc, Conoil Plc, OVH Energy Marketing Limited, BOVAS Oil and Gas, Rain Oil, Pinnacle Oil and Gas, AYM Shafa Limited, NIPCO Plc, NPSC and the NMDPRA attended the worksite safety training.

The two-day training which was held at the MOMAN secretariat was Opened by the Zonal controller Lagos operation of NMDPRA who was represented by Engr Dimowo head downstream Lagos zonal operation. The training content have 9 modules which are:

- Introduction
- HYDROCARBON DANGERS (Main categories of hazards, fire triangle, lower explosive limit/ upper explosive limit, vapor related risk, transmission of fire over distance, explosive power of hydrocarbons, minimum required prevention equipment, risk of pollution)
- ELECTRICITY (The principle of prevention, causes of fires on oil industry sites, elements of combustion, preventing fires, classes of fire, minimum prevention equipment, firefighting equipment, Fire risk.



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- **PROTECTIVE EQUIPMENT** (Static electricity, ATEX zoning, approved mobile / electrical equipment for ATEX zones, ATEX preventive measures, ATEX signages.
- **THE PROJECT: PRELIMINARY STUDIES** (Defining a project, preparing the project before tendering the success of a project, change management, examples of the effect of the project.
- **BEFORE ANY WORK** (Preparing the prevention plan, the preliminary visit, safety rules, purpose of the prevention plan, allocation of responsibility, content of the prevention plan and of the daily prevention plan (DPP), prevention plan by project, risk analysis guide.
- **DURING AND AFTER WORKS** (Staff assignment, safety induction, compliance of outside companies, procedure, work permit (hazardous work and associated permit), excavation work: types and danger, cleaning / degassing work, confined space / work at height, scaffolding sandblasting, high pressure cleaning, lifting, setting up the worksite, monitoring and inspecting the worksite, closing the worksite.
- **BEHAVIOR** (Safety and environment culture, compliance, site manager's responsibilities, monitor and detect risky behavior, alert, and intervene, consequences: the accident, consequences for the company.

The training aims to close the knowledge gap in the industry and bring awareness to the risk associated with handling hydrocarbon and how to mitigate it. Training materials were distributed to encourage individual reading.

MOMAN shall extend this training to ALL interested stakeholders in the petroleum downstream as a way of giving back to the industry to improve downstream operation, easing the management of Hydrocarbon depots, safe and sustainable preservation of assets and operations free accident.

MOMAN believes safety practice by all stakeholders will make the downstream industry safer and see a decline and reduction in accident during operation.



Industry WATCH

MACROECONOMIC INDICES

INFLATION

	MAY 2021	JUN 2021	JUL 2021	AUG 2021	SEP 2021	OCT 2021
Year on Year % Change	17.93%	17.75%	17.38%	17.01%	16.63%	15.99%
12 Month % Change	15.50%	15.93%	16.30%	16.60%	16.81%	16.96%
Month on Month % Change	0.01%	1.06%	0.93%	0.93%	1.15%	0.98%
	NOV 2021	DEC 2021	JAN 2022	FEB 2022	MAR 2022	APR 2022
Year on Year % Change	15.40%	15.63%	15.60%	15.70%	15.92%	16.82%
12 Month % Change	16.98%	16.95%	16.87%	16.73%	16.54%	16.45%
Month on Month % Change	1.08%	1.82%	1.47%	1.63%	1.74%	1.76%

CRUDE OIL PRICES

	30 MAY	31 MAY	1 JUN	2 JUN	3 JUN
Brent Crude (USD/bbl)	121.67	122.84	116.29	117.61	119.72
WTI Crude (USD/bbl)	-	114.67	115.26	116.87	118.87

EQUITIES MARKET UPDATE

SECTOR	27 MAY	3 JUN	WEEKLY CHANGE	WTD	MTD	QTD	YTD
NSE 30	1,984.00	1,922.43	-61.57	-3.10	-0.43%	7.33%	11.62%
Consumer Goods	664.23	647.55	-16.68	-2.51	-0.64%	16.85%	9.89%
Oil & Gas	551.49	549.01	-2.48	-0.45	0.26%	24.65%	59.13%
Banking	427.47	424.34	-3.13	-0.73	-0.32%	3.68%	4.50%
Industrial	2,278.71	2,193.62	-85.09	-3.73	-0.03%	3.64%	9.23%
Insurance	180.28	181.78	1.50	0.83	0.31%	-2.35%	-8.24%



Industry WATCH



FOREX RATES - INTERBANK I & E MARKET

=N=	30 MAY	31 MAY	1 JUN	2 JUN	3 JUN
USD	415.00-420.00	415.00-420.00	415.00-420.00	415.00-420.00	415.00-420.00
INTERBANK OFFICIAL CLOSING FX RATE (\$/=N=)	416.00	415.00	416.00	415.00	415.00



CLOSING USD / NGN FX RATES

INTERBANK (CLOSING IND)	BID	OFFER	MARKET CLOSING FX RATE (\$/NGN)
30 MAY	416.00	420.00	415.00
31 MAY	416.00	420.00	415.00
1 JUN	416.00	420.00	415.00
2 JUN	416.00	420.00	415.00
3 JUN	416.00	420.00	414.00

Source: CBN
*Year - 2022



FOREX RATES - PARALLEL MARKET

=N=	30 MAY	31 MAY	1 JUN	2 JUN	3 JUN
USD	-	-	-	-	-
GBP	-	-	-	-	-
EURO	-	-	-	-	-

Source: ABOKIFX.COM
*Year - 2022



Industry WATCH

PLATTS

PMS

\$ (USD)	30 MAY	31 MAY	1 JUN	2 JUN	3 JUN	APR. AVERAGE
FOB ROTTERDAM	1,424.750	1,465.000	1,489.000	-	-	1,053.947
FOB MED	1,342.750	1,378.500	1,396.250	-	-	1,047.289
CIFNWE	1,531.250	1,588.250	1,612.500	-	-	1,078.776

AGO

\$ (USD)	30 MAY	31 MAY	1 JUN	2 JUN	3 JUN	APR. AVERAGE
CIFNWE	1,166.500	1,213.500	1,249.250	-	-	1,088.197

ATK

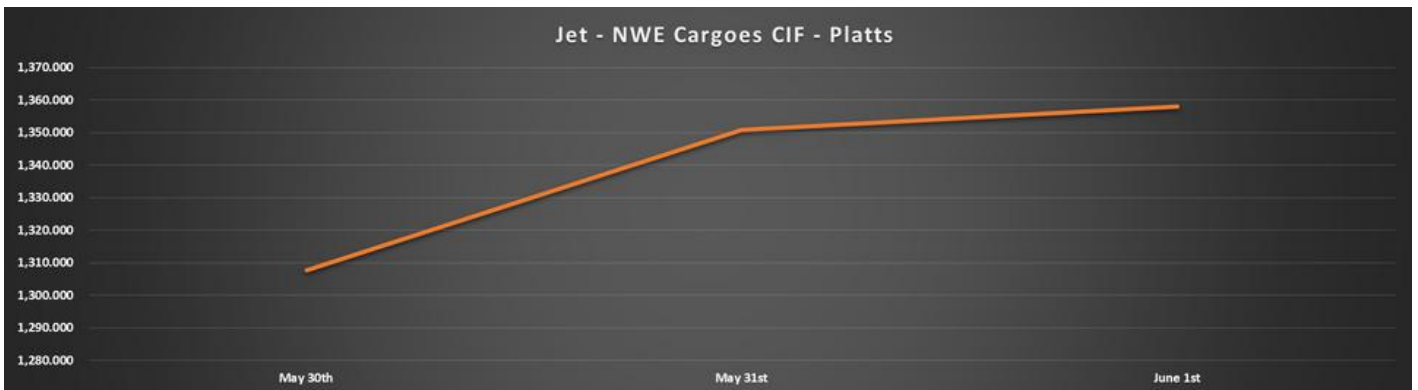
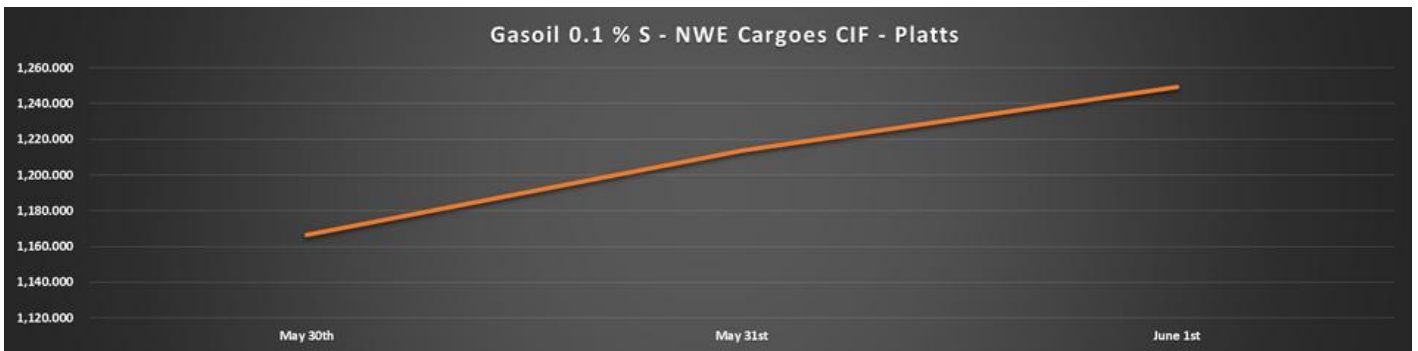
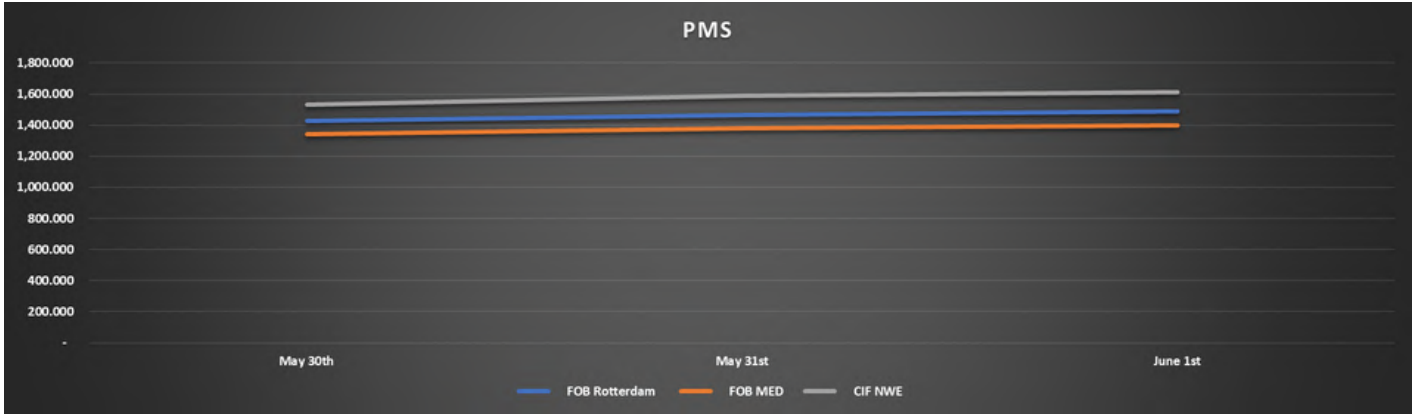
\$ (USD)	30 MAY	31 MAY	1 JUN	2 JUN	3 JUN	APR. AVERAGE
CIFNWE	1,307.750	1,350.750	1,358.000	-	-	1,211.618

\$/BBL	30 MAY	31 MAY	1 JUN	2 JUN	3 JUN
ICE GASOIL (USD/MT)	1,203.000	1,225.000	1,267.000	1,298.000	1,319.000



Industry WATCH

PLATTS



Source: S & P Global Platts
*Year - 2022



Industry WATCH

LAGOS, NIGERIA

=N=/Litre	3 JUN
PMS	152.00 - 154.50
AGO	701.00 - 720.00

*Year - 2022

PORT-HARCOURT, NIGERIA

=N=/Litre	3 JUN
PMS	156.00
AGO	-

*Year - 2022



EX-DEPOT PRICES

DELTA, NIGERIA

=N=/Litre	3 JUN
PMS	154.50 - 158.00
AGO	-

*Year - 2022

CALABAR, NIGERIA

=N=/Litre	3 JUN
PMS	155.00
AGO	-

*Year - 2022

