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NEITI 2023 OIL AND GAS INDUSTRY REPORT



About Budgit

BudgIT Foundation is a civic tech organisation raising the standards of transparency, accountability and service delivery in the Nigerian government and governance. BudgIT uses creative technology to simplify public information, build a community of active citizens, and enable citizens to demand accountability, institutional reforms, efficient service delivery, and an equitable society.

Country Director: Gabriel Okeowo

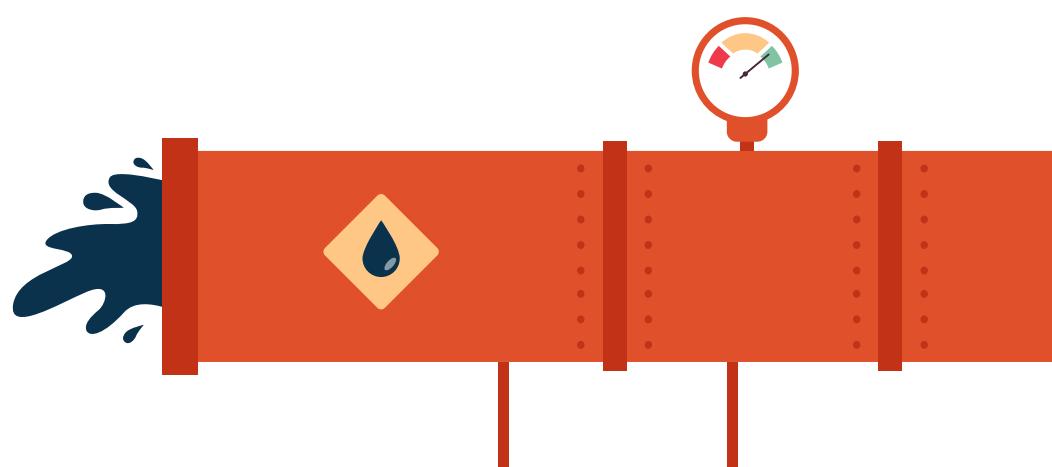
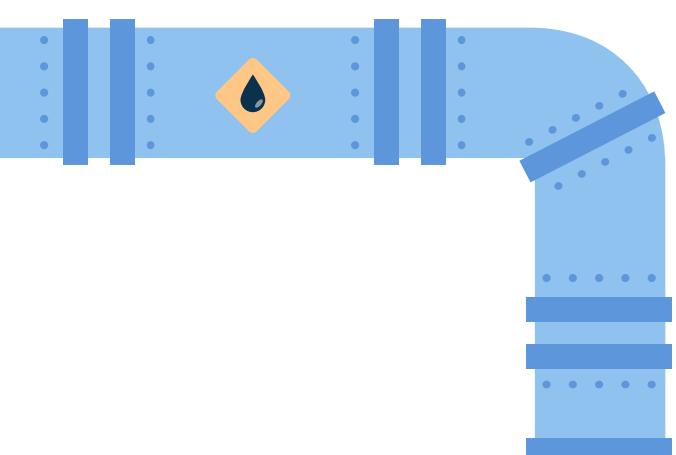
Research Team: Enebi Opaluwa and Kofoworola Awotoye

Data Visualisation/Creative Development: Ayotomiwa Aje

Editor: Nancy Odimegwu

Contact: info@budgit.org +234-803-727-6668, +234-908-333-1633

Address: 16, Harvey Road, Yaba Phase 2, Lagos State, Nigeria



About Oxfam

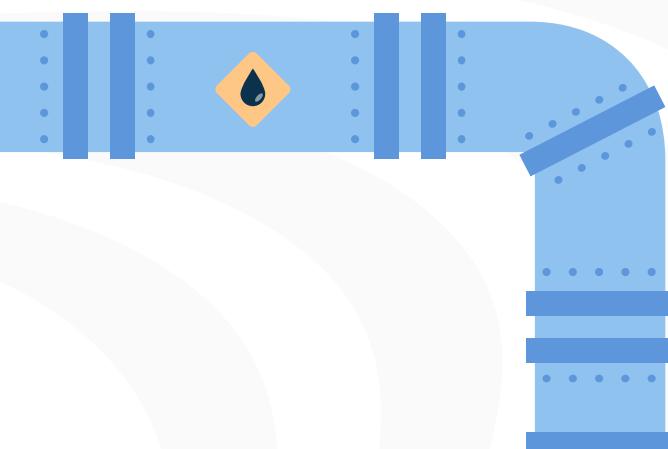
Oxfam is a confederation of 20 affiliates operating in more than 120 countries worldwide, working to create a world without poverty. We are a worldwide development organisation that mobilises people's power against poverty. Around the globe, we work to find practical, innovative ways for people to lift themselves out of poverty and thrive. We save lives and help rebuild livelihoods when a crisis strikes. And we campaign so that the voices of the poor influence the local and global decisions that affect them.

In Nigeria, Oxfam works to influence policy change in favour of the poor and most vulnerable, promoting food security and supporting small-scale farmers to improve the livelihoods of men and women in rural areas. We respond to the humanitarian needs of the people in the North-Eastern part of Nigeria, where insurgency has led to the loss of thousands of lives and rendered many people homeless.

Oxfam in Nigeria focuses on:

- Meeting vulnerable people's needs: saving lives.
- Sustaining increased incomes for the poorest.
- Transforming attitudes about women's roles and rights.
- Increasing active citizenship, and the accountability and transparency of the public and private sectors.

Central to our work is the belief that power relations need to change to enable poor people to demand and claim their rights. We work with a wide variety of development partners and allies, such as community organisations and civil society groups at the local, state, and national levels, to achieve our goals.



NEITI 2023 OIL AND GAS INDUSTRY REPORT



1

Contribution of the Oil and Gas Sector to the Economy

Contribution to GDP:

2022

5.74%

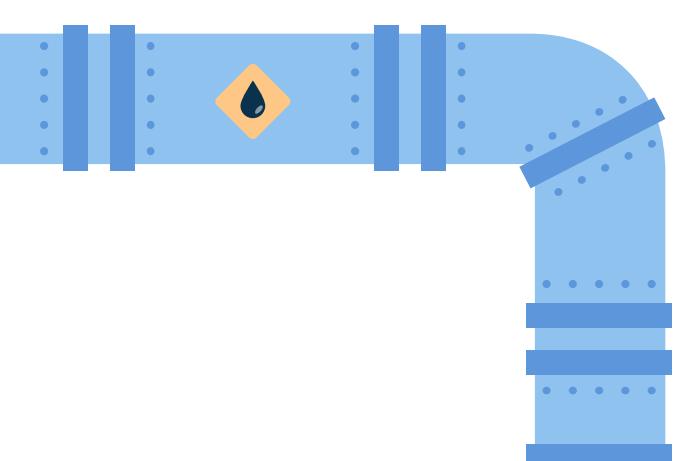
to the total real GDP
of US\$478.6 billion
(N202.37 trillion)



2023

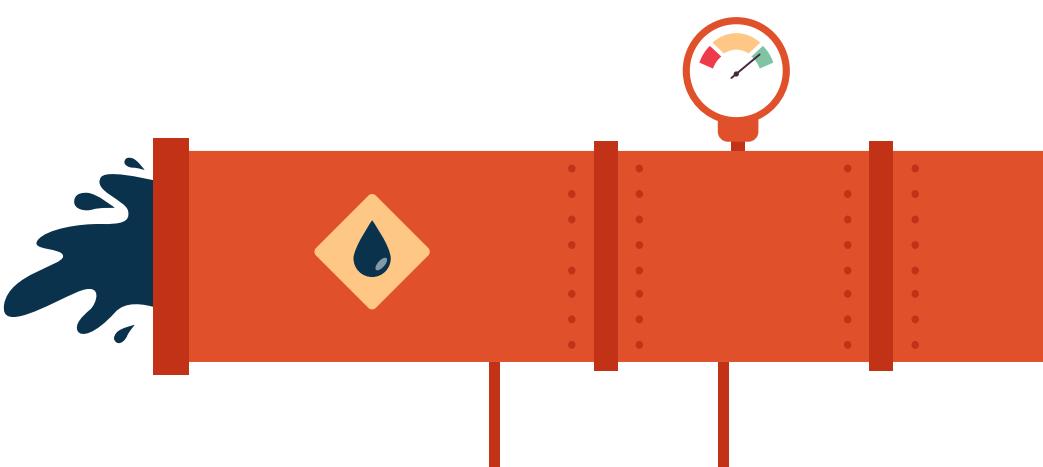
5.48%

to the total real GDP
of US\$478.6 billion
(N202.37 trillion)



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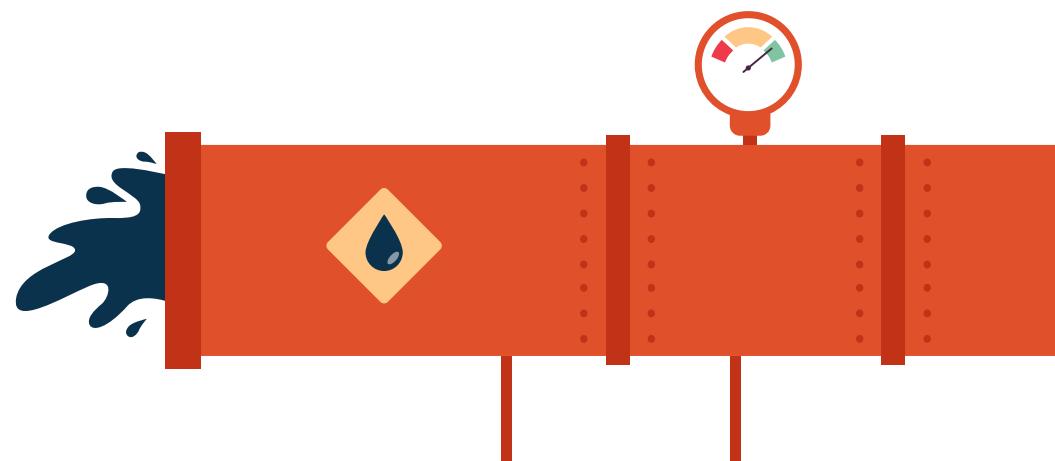
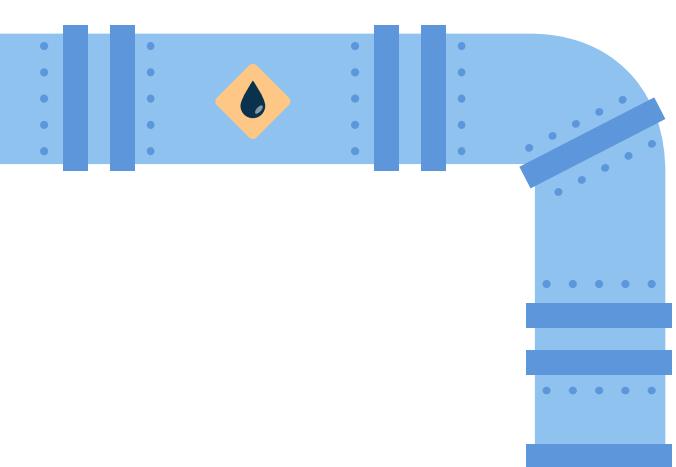
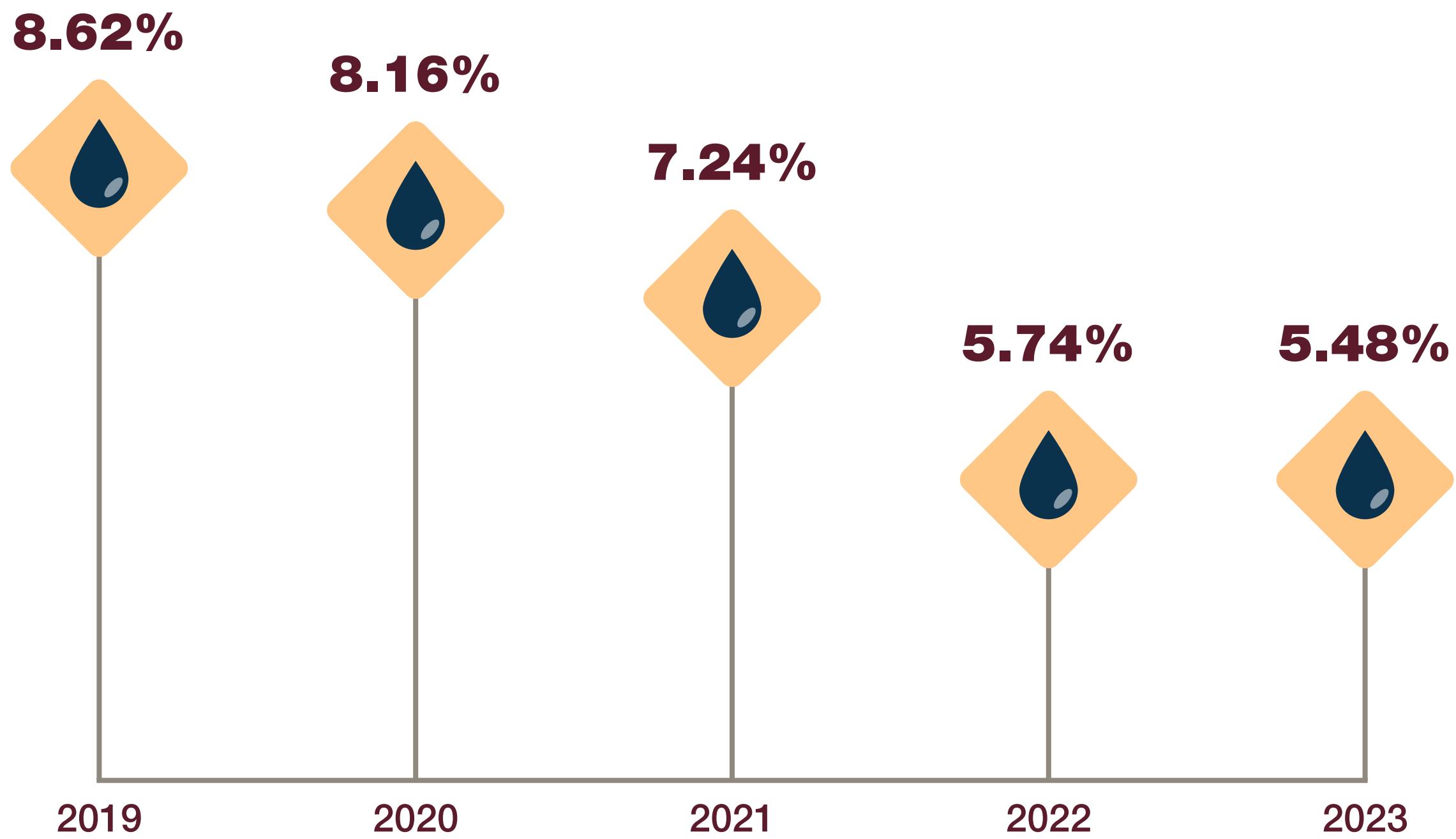
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Five-year contribution of Oil and Gas to GDP

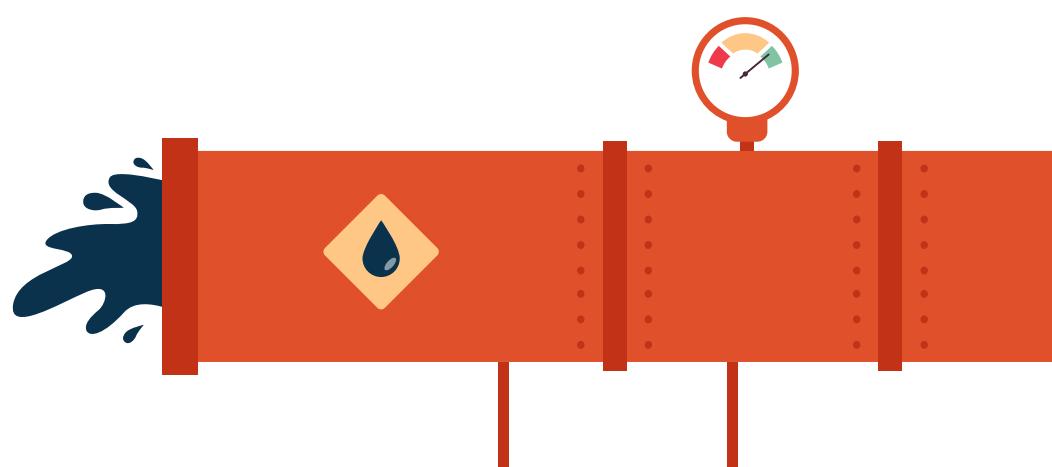
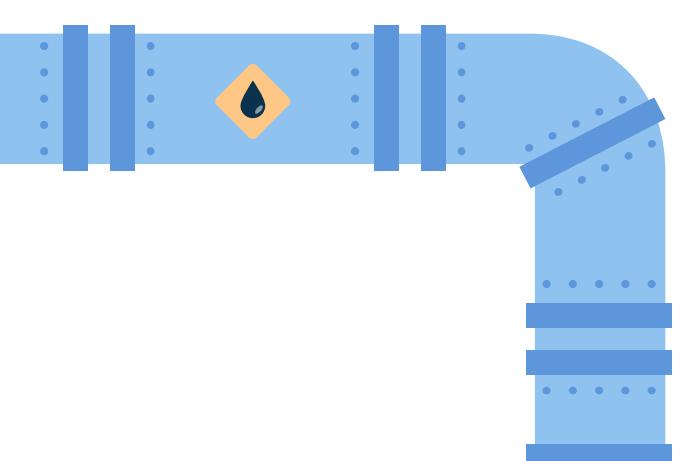


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Contribution to total export N'Trillion

Year	Total Government Revenue	Crude Oil and Gas Exports	Share of Crude Oil and Gas Exports to Total Exports
2019	19.192	14.69	76.54%
2020	12.523	9.4445	75.42%
2021	18.908	14.411	76.22%
2022	26.796	21.099	78.74%
2023	35.962	29	80.64%



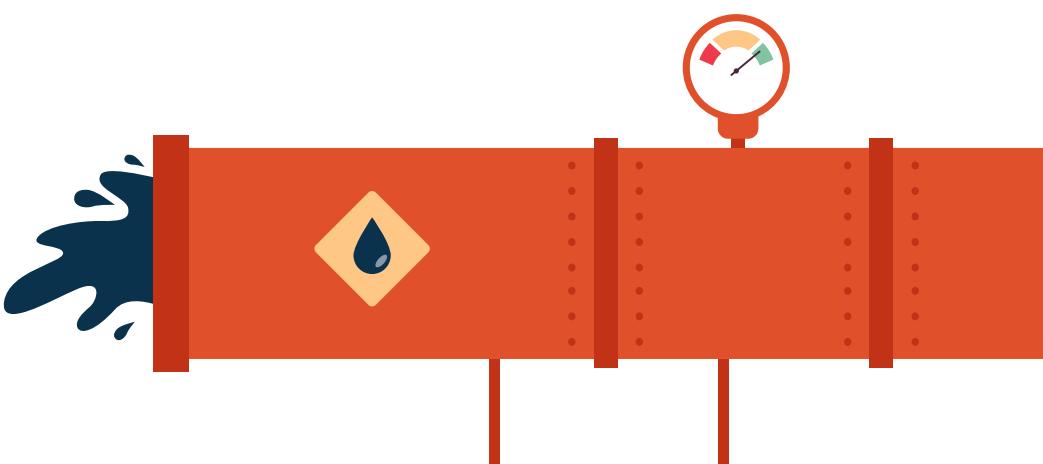
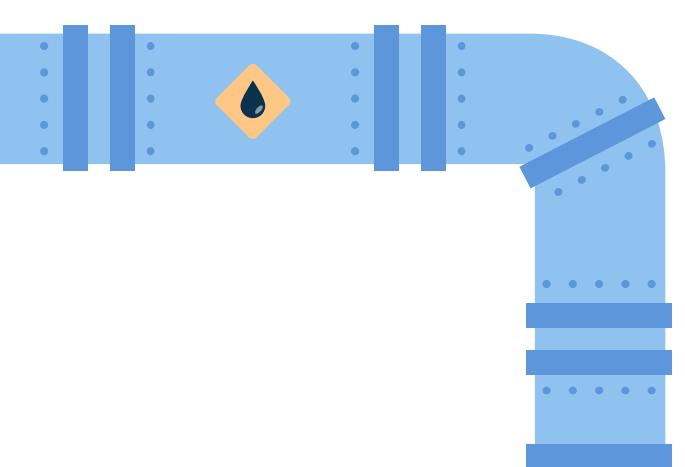
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Contribution to Revenue



Year	Total Export	Total Oil and Gas Revenue	Share of Oil and Gas Revenue
2021	10.75	4.358	40.55%
2022	12.586	4.641	36.87%



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2 Total Reserves

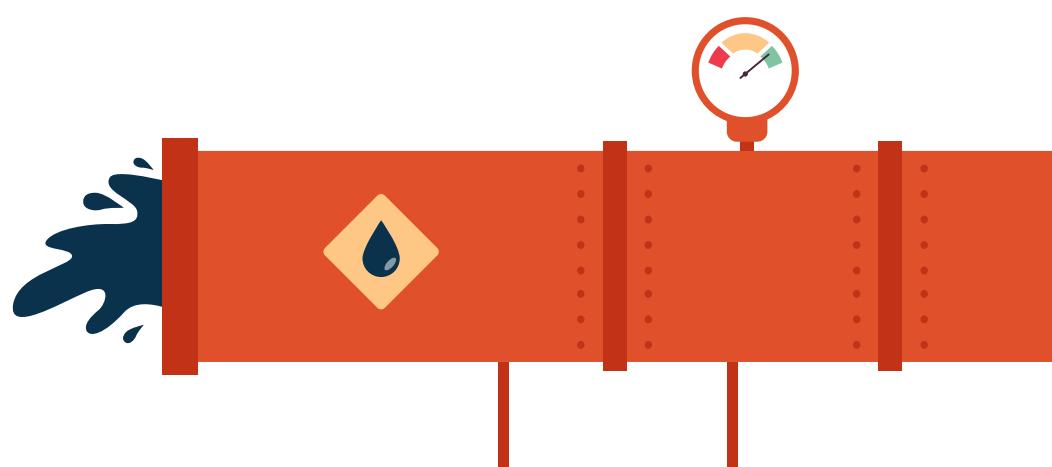
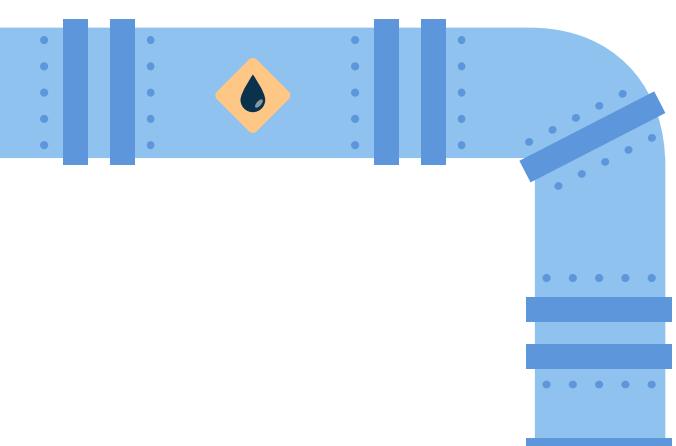
Description	2022	2023	Change	Change%
Crude Oil (Billion Barrels)	31.06	31.56	0.50	1.6%
Condensate (Billion Barrels)	5.90	5.94	0.00	0.7%
Associated Gas (Trillion SCF)	102.32	102.59	0.3	0.3%
Non-Associated Gas (Trillion SCF)	106.51	106.67	0.2	0.25



Total Crude
Oil Reserves
increased by
1.5%



White gas
reserves
increased by
0.2%



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3 Crude Oil Production



The total volume of crude oil produced in 2022 decreased by 14.5% from 2021 to 2022 but increased by 9.2% from 2022 to 2023.

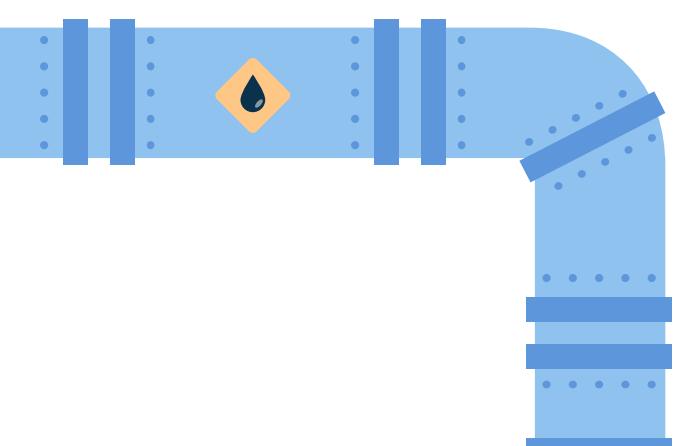
2021 - 2022

14.5%

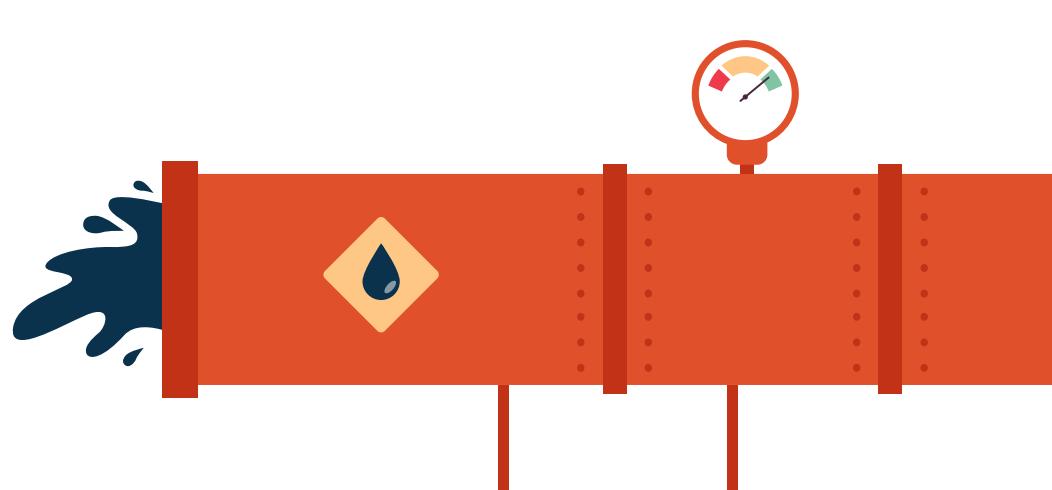


2022 - 2023

9.2%



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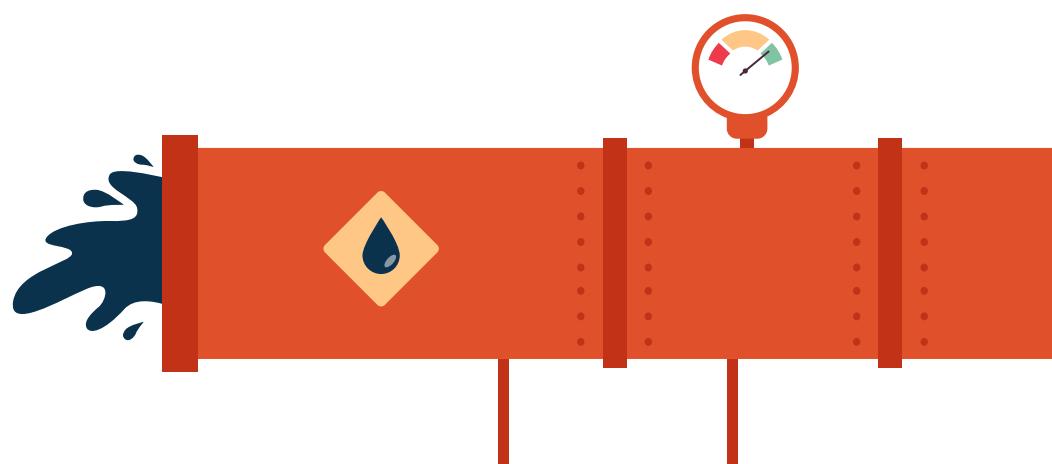
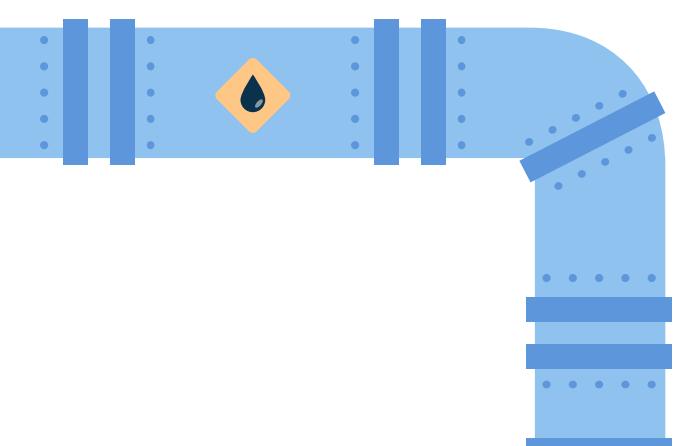


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Breakdown

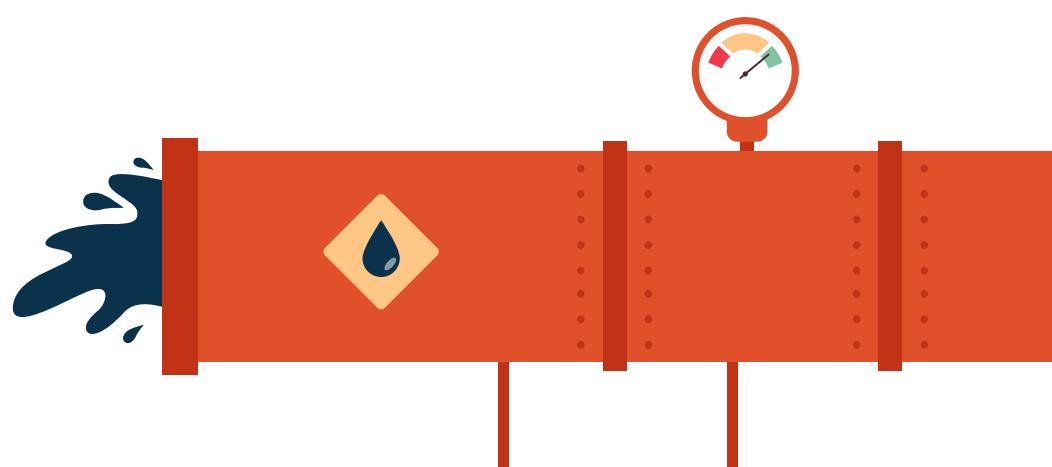
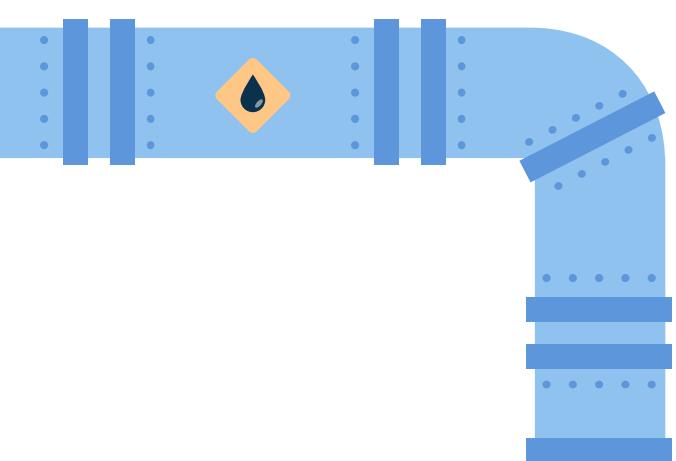
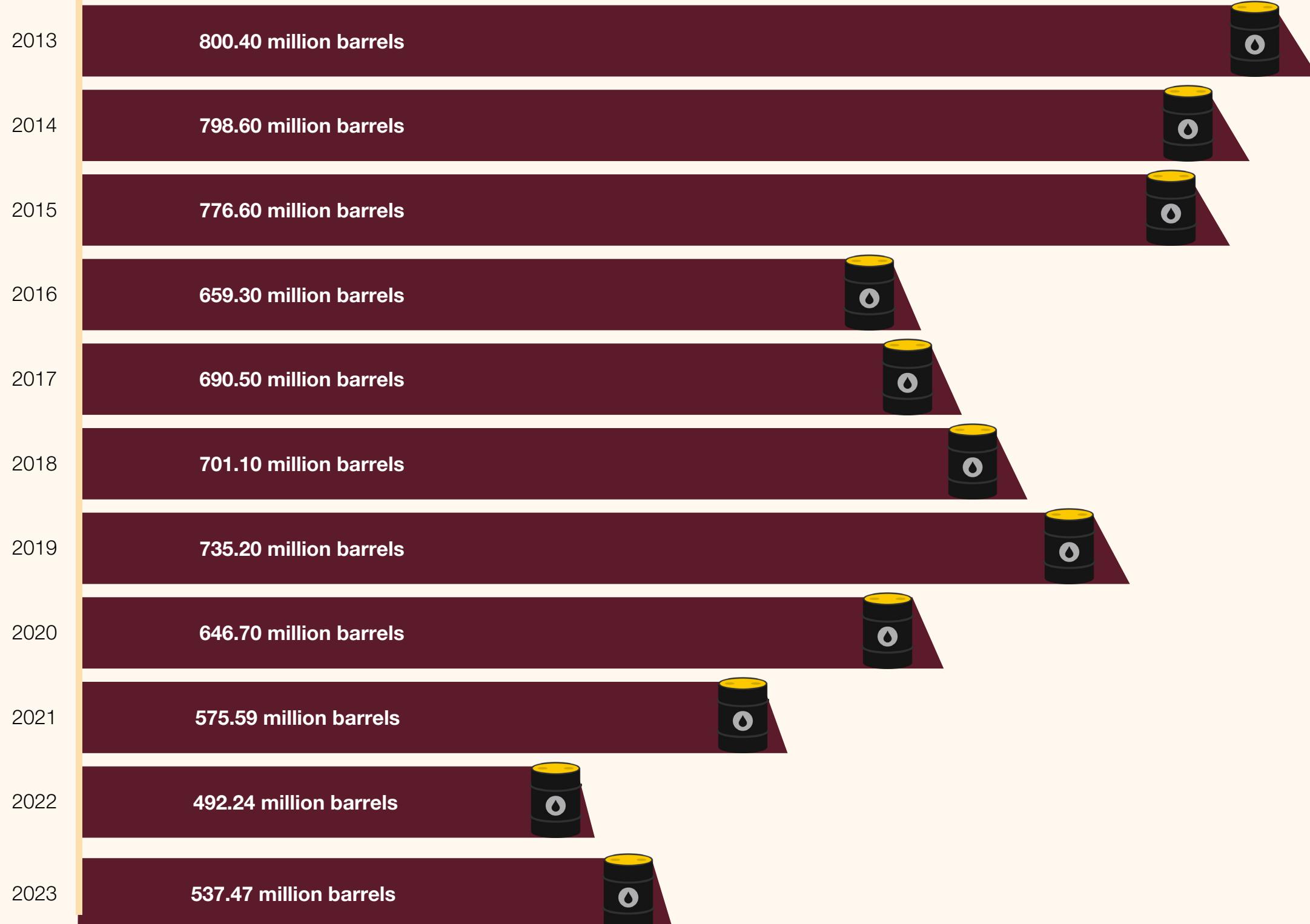
Crude Oil Production (Million barrels)			
Type	2021	2022	2023
Joint Ventures (JVs)	225.20	218.30	257.00
Production Sharing Contracts (PSCs)	242.90	217.70	207.20
Service Contracts (SCs)	0.98	-	0.06
Sole Risk (SR)	99.84	41.54	52.28
Marginal Fields (MF)	6.67	14.60	20.93
TOTAL	575.59	492.24	537.47
Percent Change		-14.48%	+9.19%



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Ten-Year Trend of Crude Oil Production

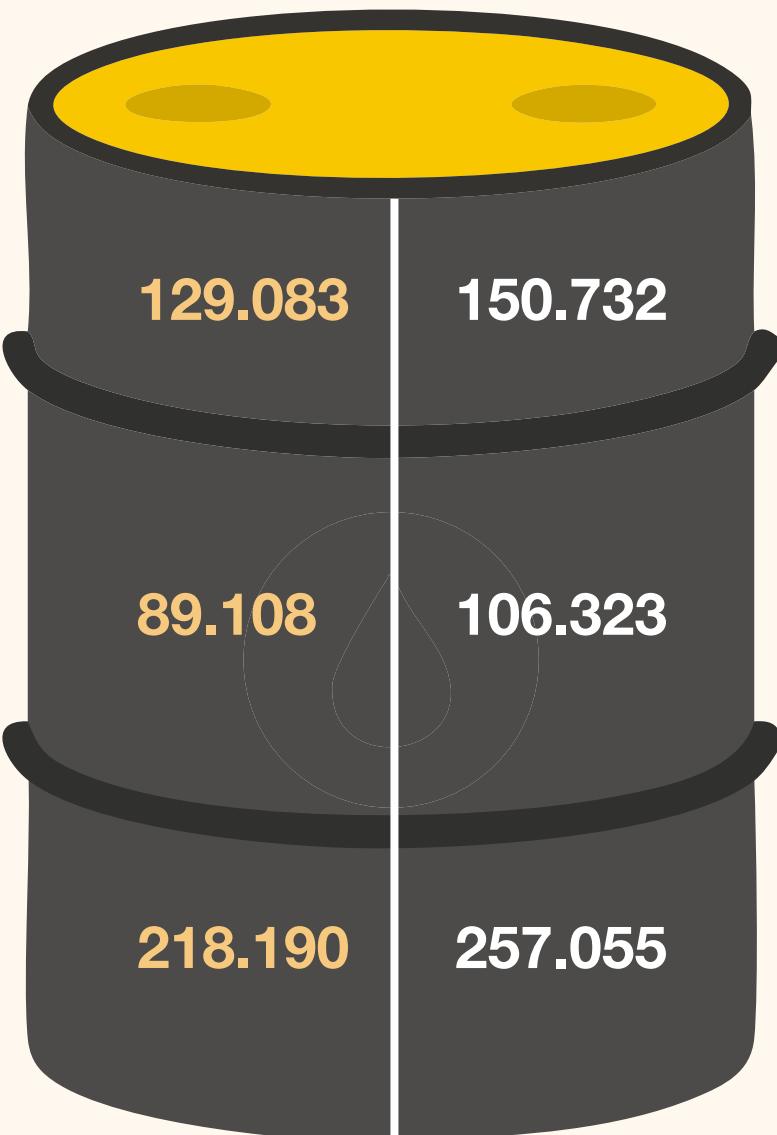


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Federation's Entitlement to JV Production

Total Federation share →



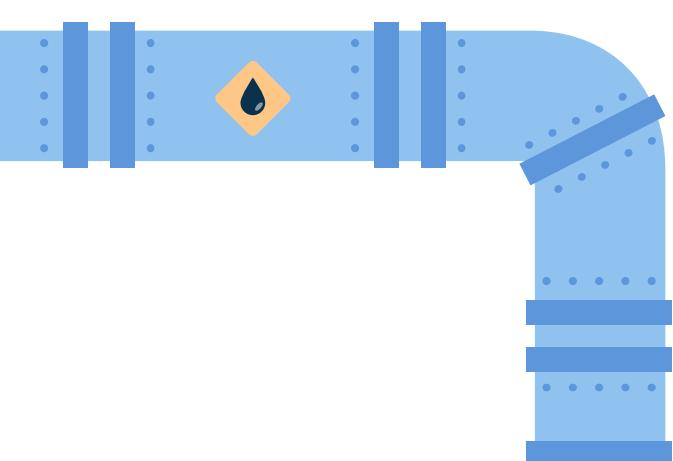
Total Companies share →

Total JV Production →

2022 2023

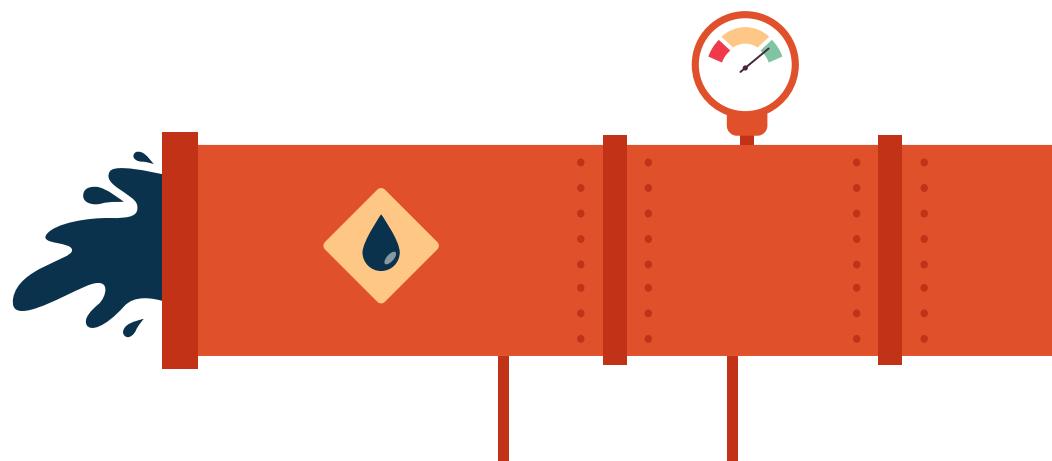


JV production was 257.055 million barrels in 2023 compared to 218.190 million barrels in 2022. This was an increase of 38.865 million barrels (17.81%).



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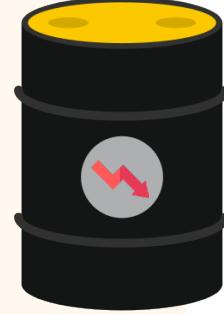
4 Crude losses from Production



Total metered production at the flow station increased by

41.3%

from 163,38 million barrels to 230.79 million barrels between 2022 and 2023



Crude oil loss dropped from 28.09 to 7.68 million barrels between 2022 and 2023, representing a

73% change



In 2022, crude oil losses gulped

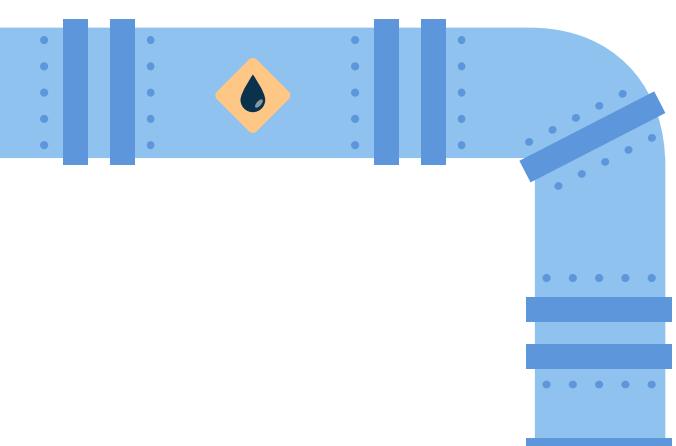
17.2%

of metered production. This dropped to **3.3%** in 2023.

Measurement error reduced by

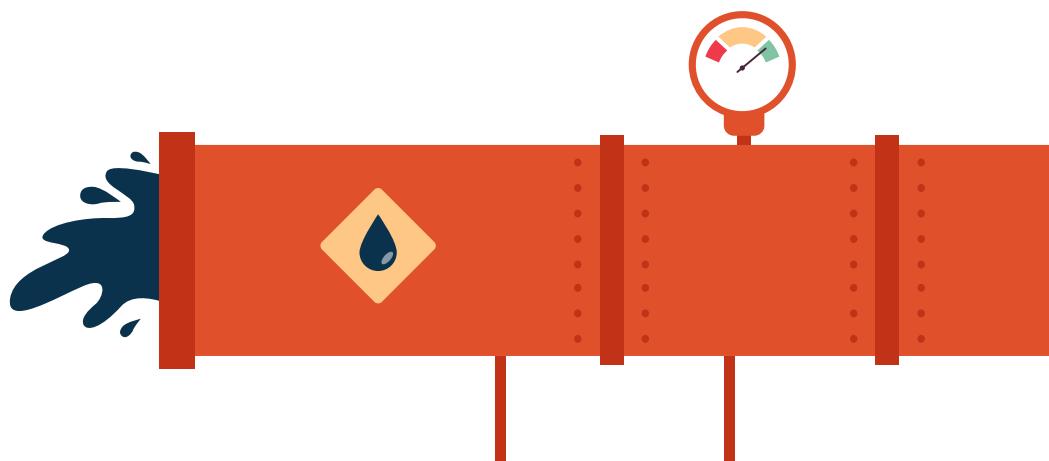
74%

between 2022 and 2023



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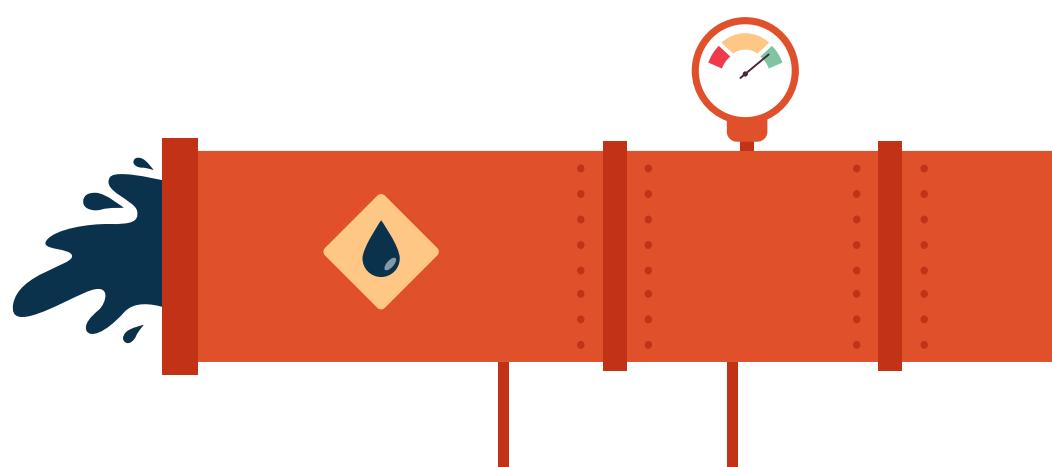
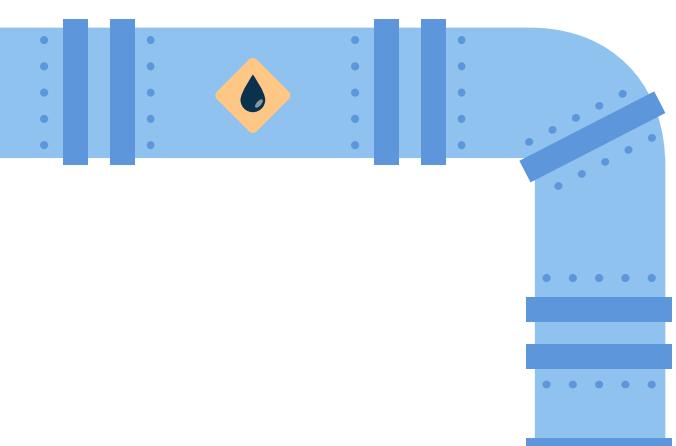
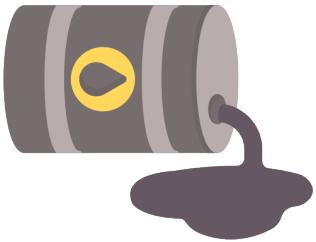
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Breakdown of Crude Oil Losses

Metered Production at Flow Station		Measurement Error		Theft/ Sabotage		Refund/ Production Adjustment	
	BBLs	BBLs	%	BBLs	%	BBLs	%
2021	163,383,955	11,245,690	7%	21,145,098	13%	4,301,817	3.00%
2022	230,786,439	2,909,677	1.26%	5,252,392	2.28%	486,746	0.21%

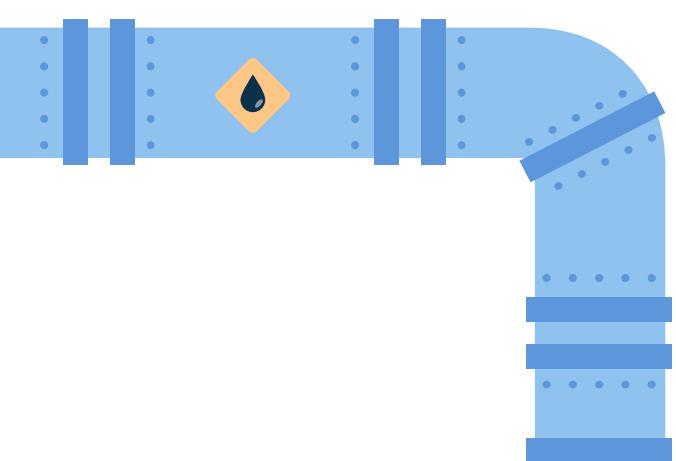
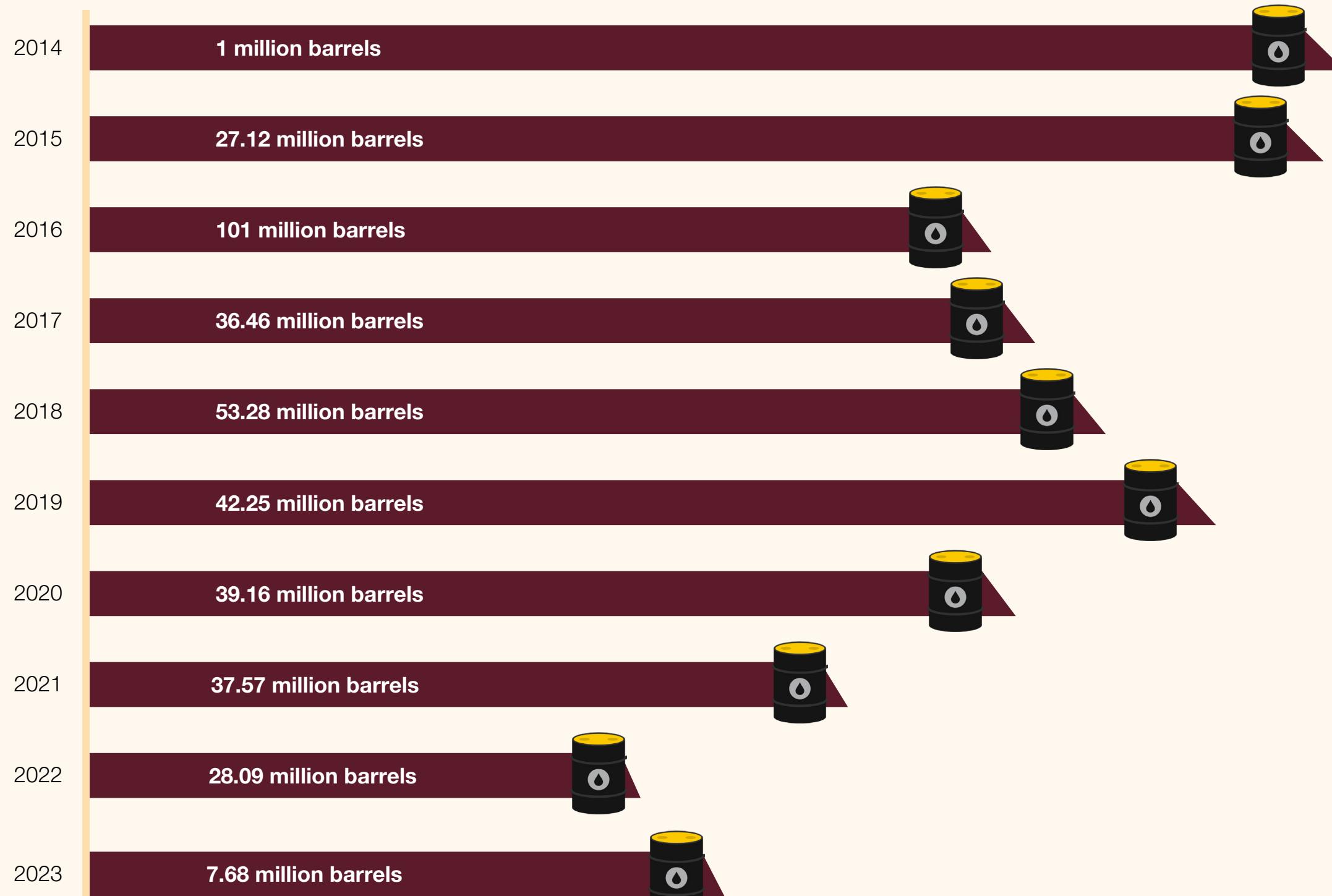
Crude Oil Theft/Sabotage



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Ten-Year Trend of Crude Oil Production



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5 Gas Production



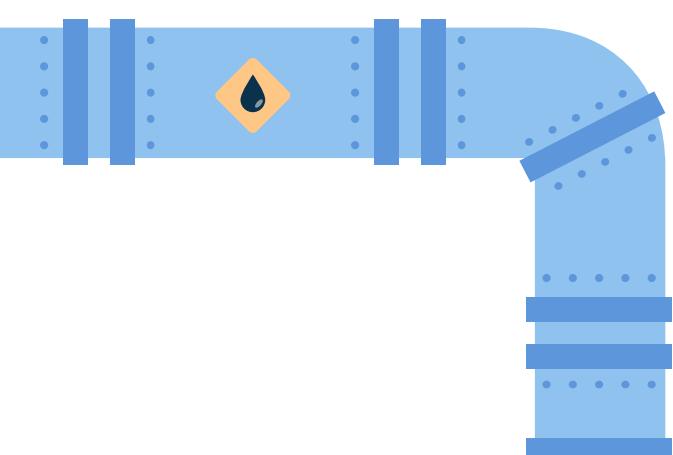
Total gas production in 2023

2.492
Trillion SCF

Compared to 2.251 trillion SCF in 2022, Gas production dropped by 29.8 billion SCF (1%). This was, however, lower than the 8% drop between 2021 and 2022



The Joint Ventures arrangement accounted for 61.56% of the total gas produced, followed by the Production Sharing Contracts, which accounted for 25.13%, while others accounted for 13.32%.



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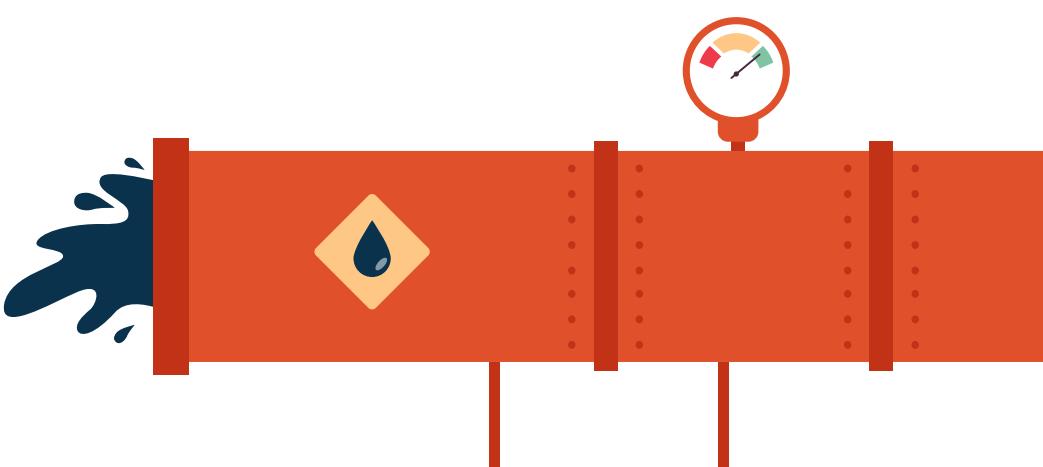
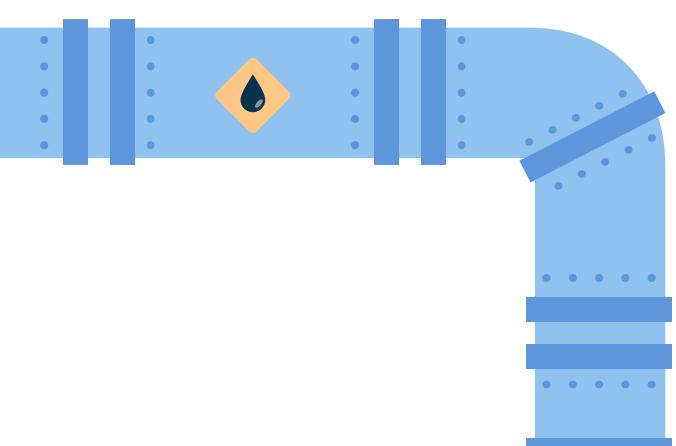


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Breakdown

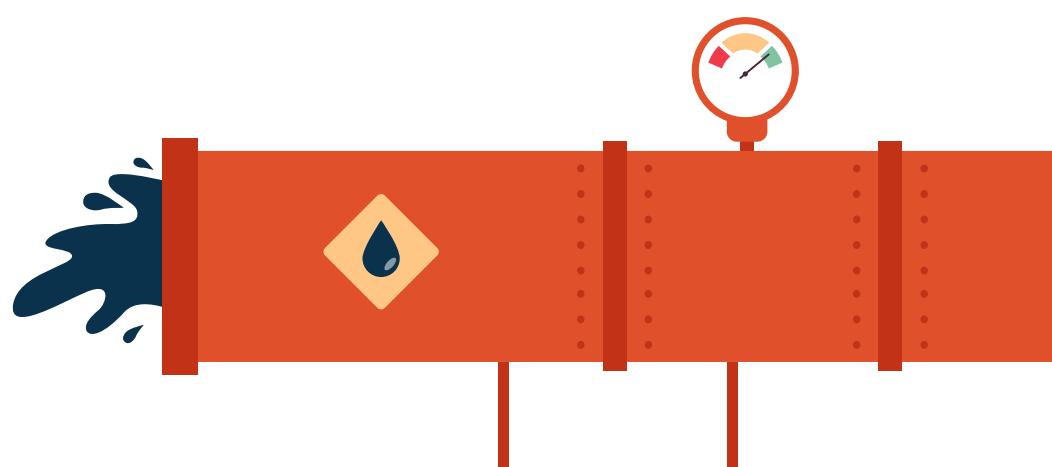
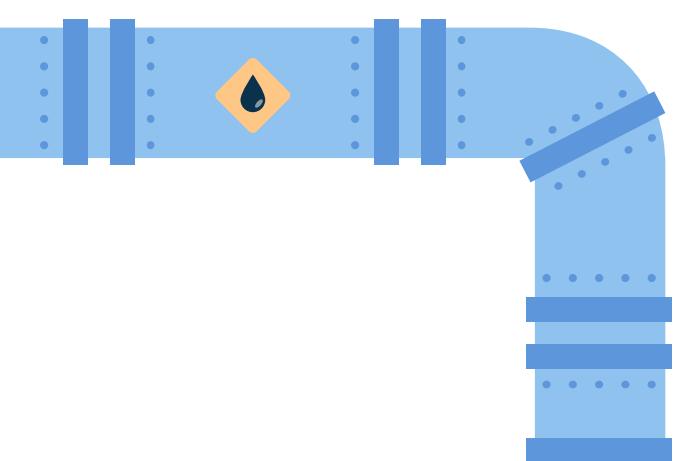
	2022		2023	
	Volume (MMSCF)	%	Volume (MMSCF)	%
Joint Ventures (JVs)	1,609,413	63.83%	1,533,683	61.56%
Production Sharing Contracts (PSCs)	631,691	25.05%	626,056	25.13%
Sole Risk (SR)	194,256	7.70%	242,063	9.72%
Marginal Fields (MF)	85,922	3.41%	89,680	3.60%
Service Contracts (SCs)	-	-	-	-
Total	2,521,282		2,491,482	



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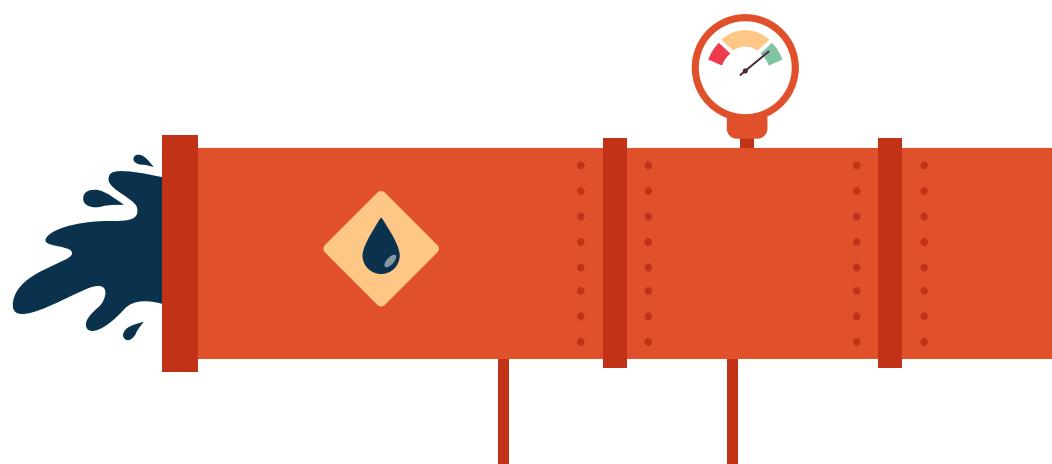
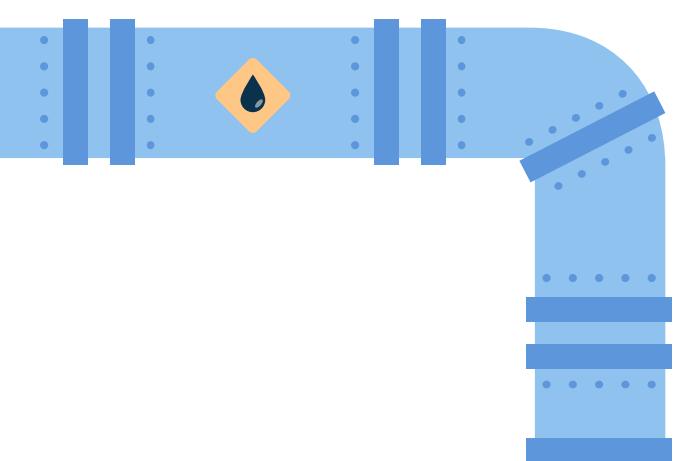
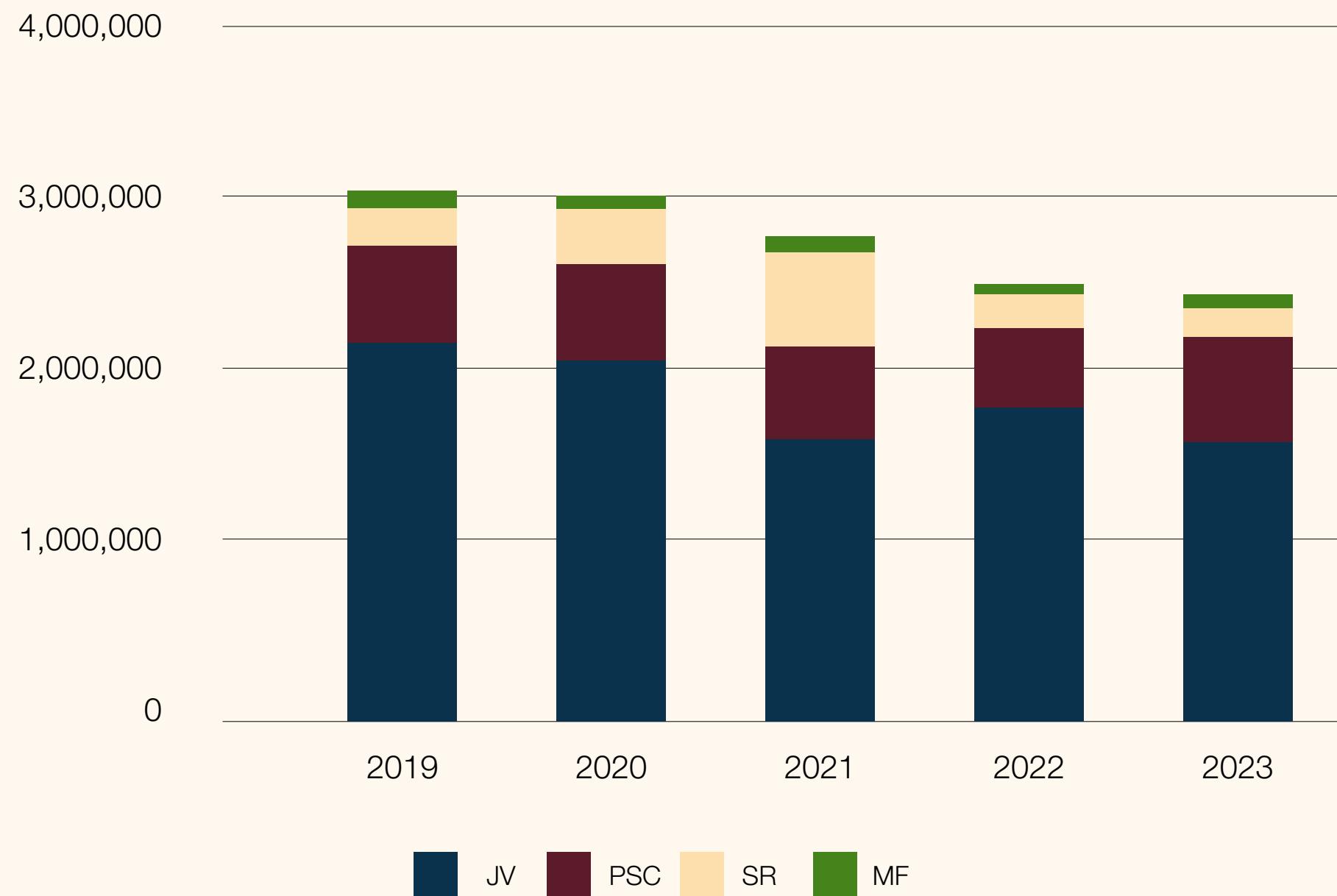
Five -Year Trend of Crude Oil Production



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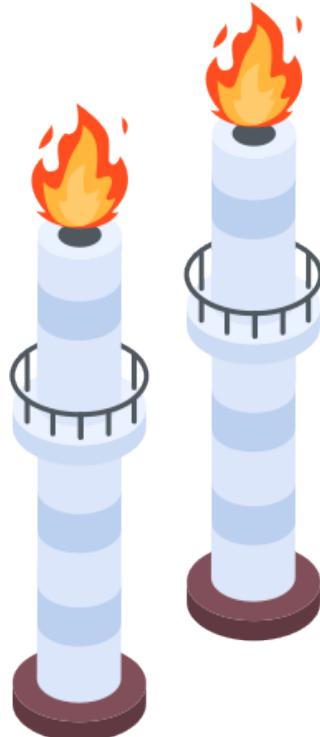
Five -Year Trend of Gas Production



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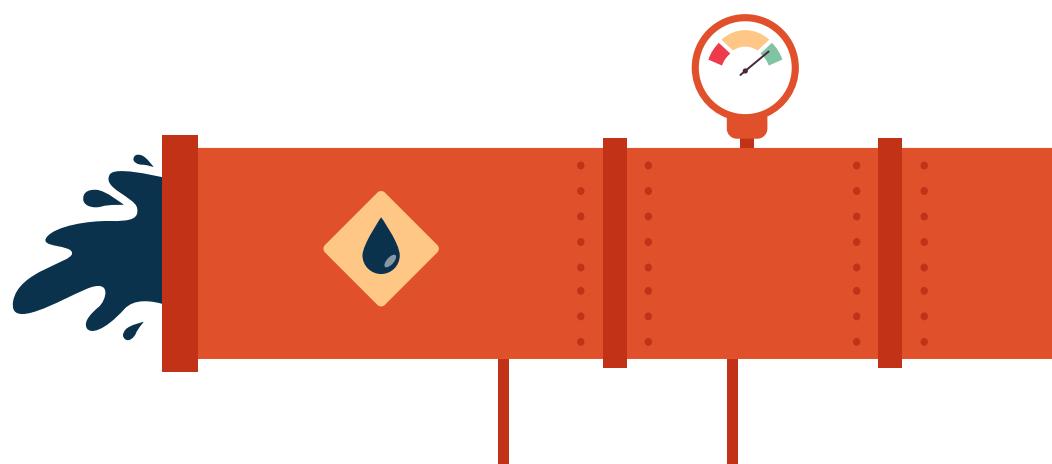
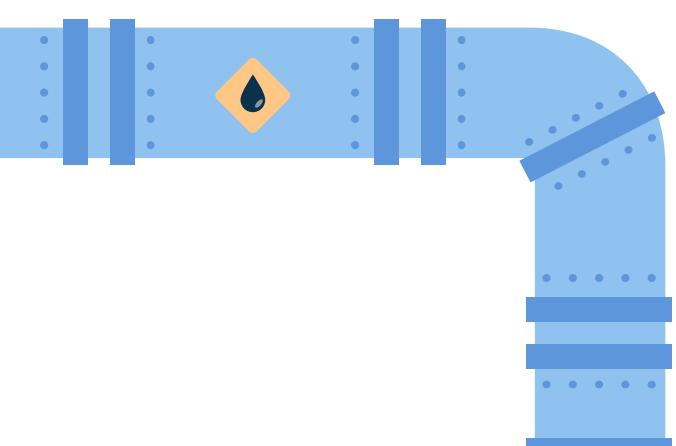
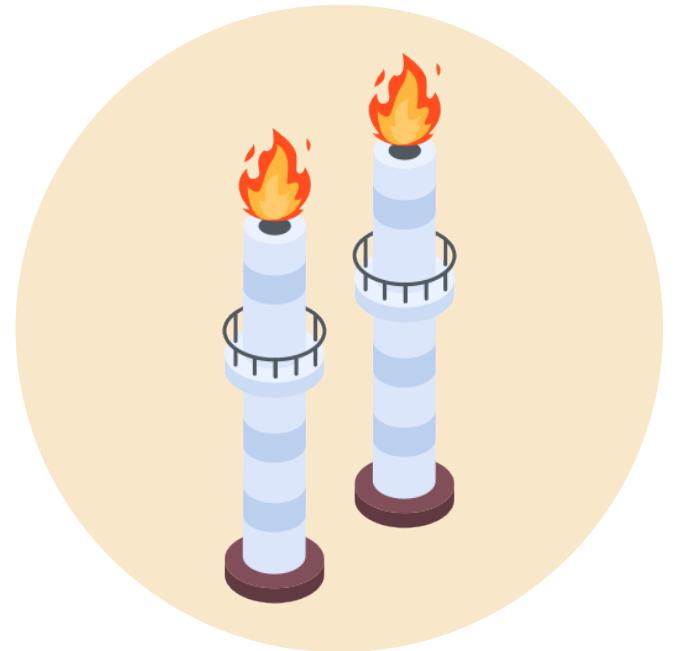
Gas Flare



Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Flare Gas (Billion SCF)	282	318	288	355	267	265	230	250	188	183

183 billion SCF

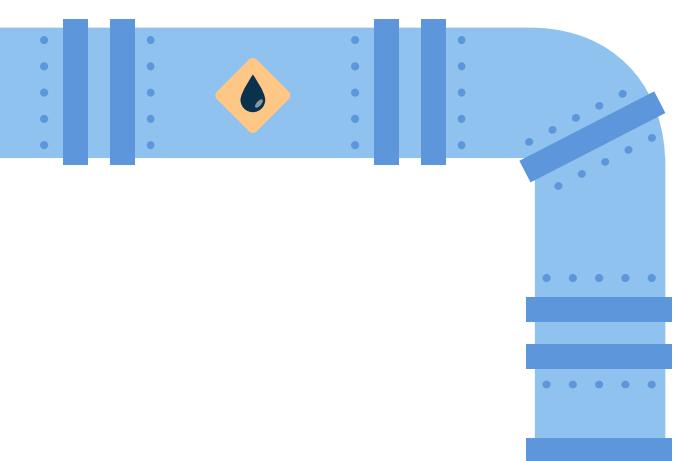
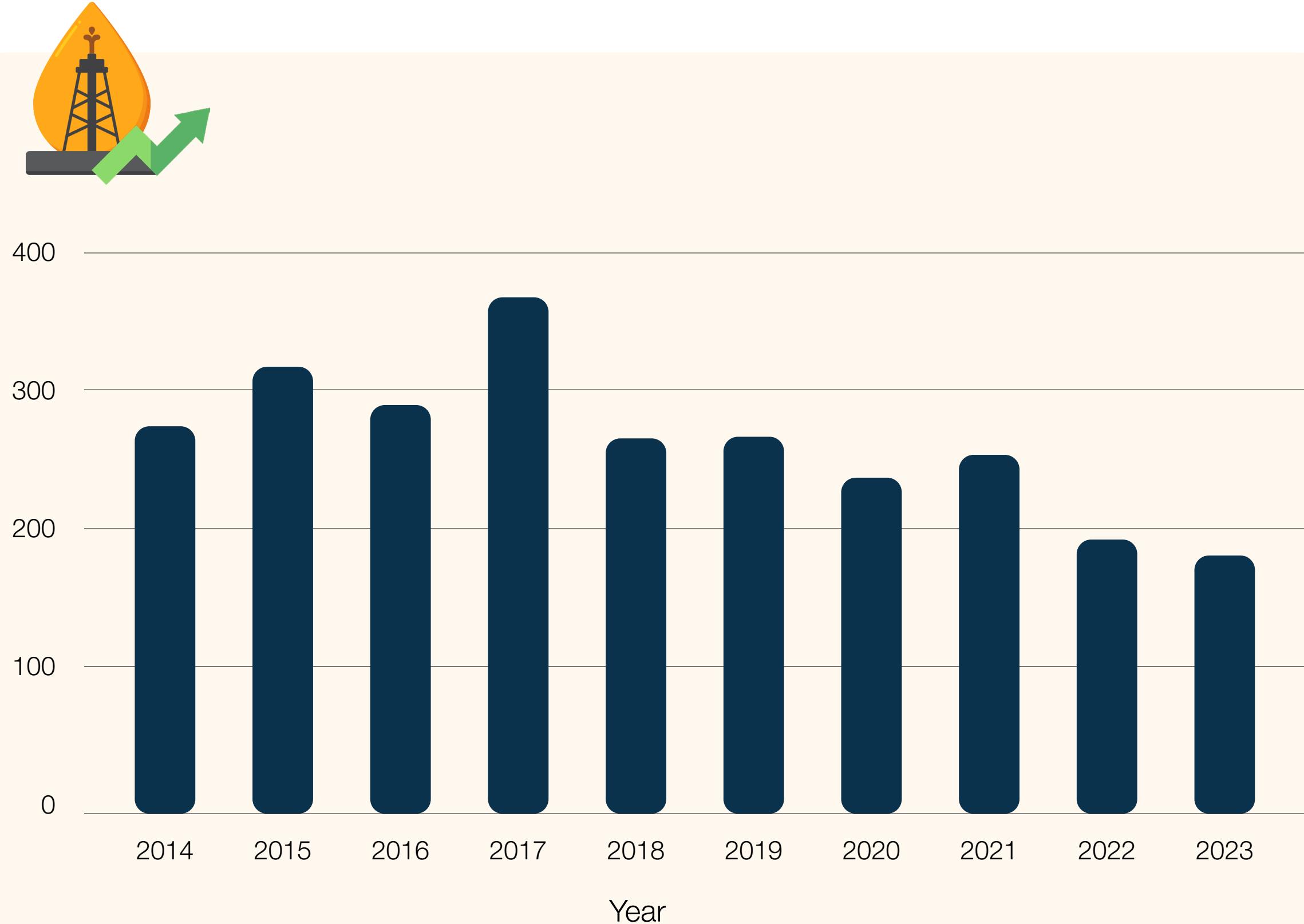
Total gas flaring in 2023 was 183 billion SCF, a 5 billion SCF (2.7%) drop from 188 billion SCF in 2022. This extended the 25% reduction in flare volume between 2021 and 2022. Flare reduction could be the likely impact of government initiatives.



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Ten-Year Trend in Flare Gas (Billion SC)



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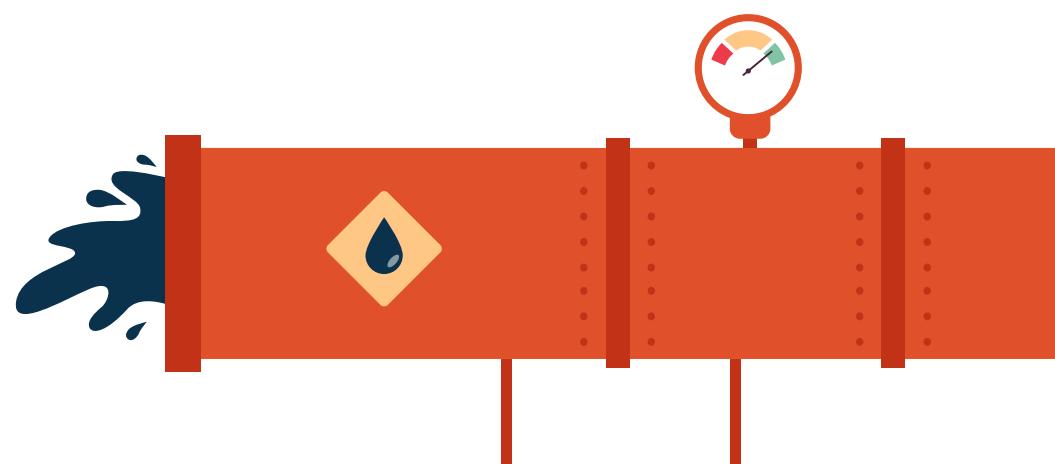
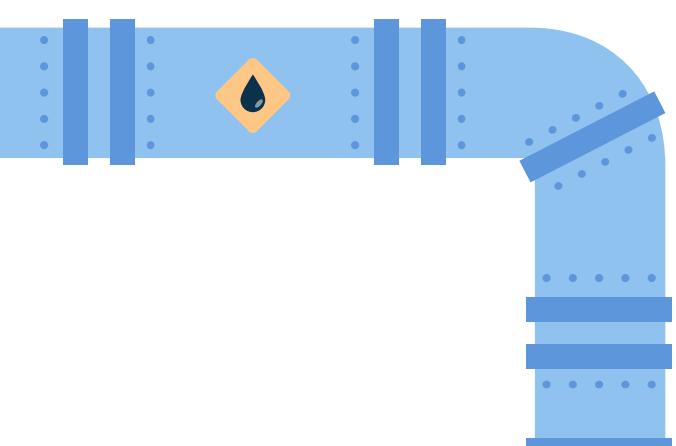
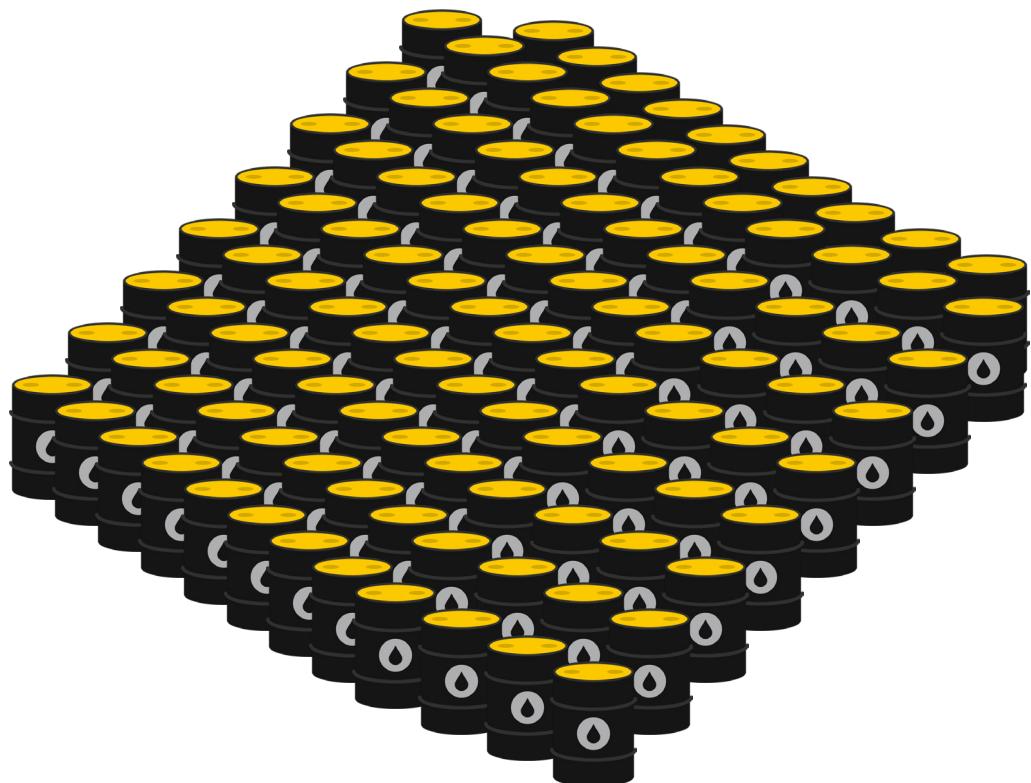


6 Crude Oil Lifted

Total crude lifting was 534.159 million barrels in 2023, up from 482.074 million barrels in 2022, a 52.085 million barrel (11%) increase. The lifting gains could be attributed to reduced crude oil deferment throughout the year, resulting in increased fiscalised crude.

Total crude lifting in **2023** was

534.159
million barrels

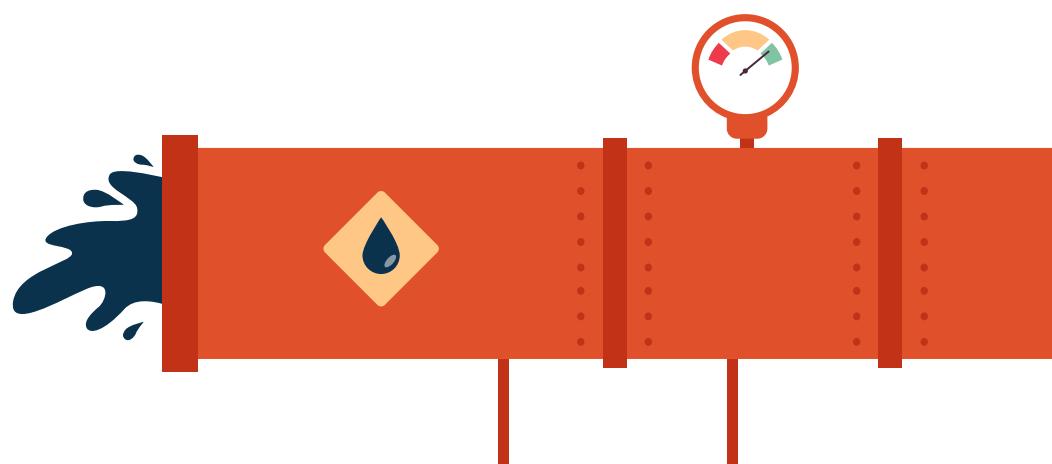
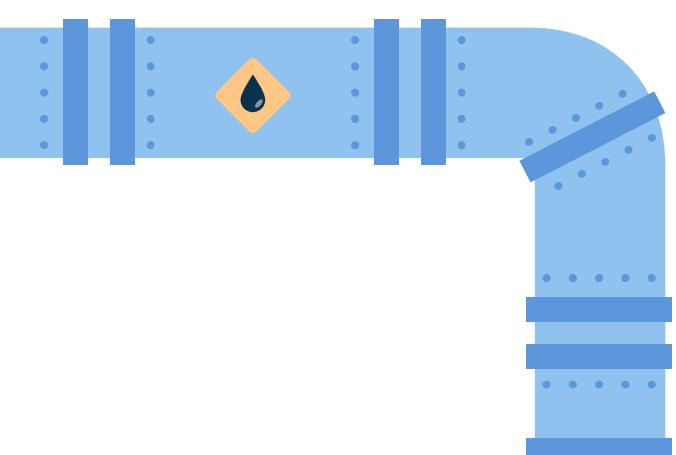
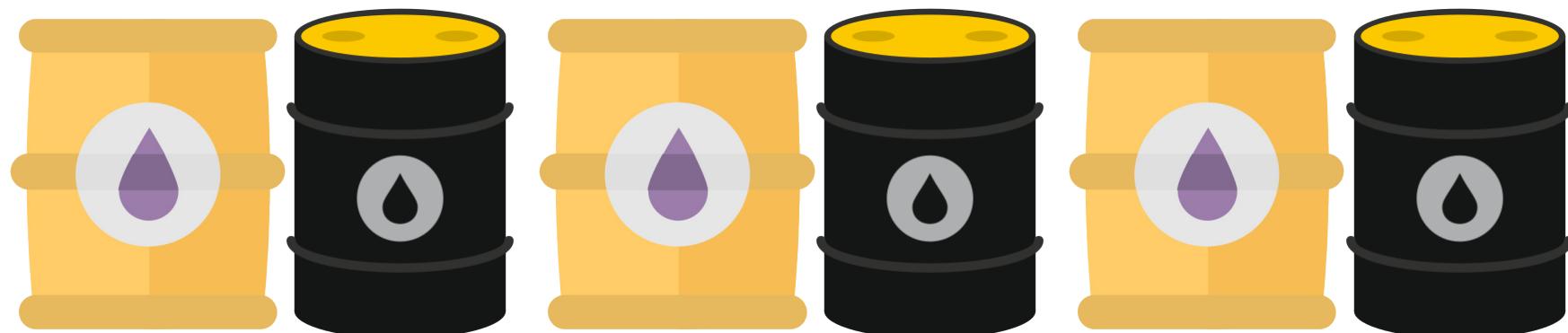


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Five-Year Trend of Crude Oil Lifting (Million barrels)

Million Barrels	2019	2020	2021	2022	2023
NNPC Ltd	266,650	225,336	182,094	176,070	196,344
Companies	469,010	423,148	368,912	306,004	337,815
Total	735,660	648,484	551,006	482,074	534,159





7

Revenue Gotten from the Oil & Gas Sector

The total crude oil sold by NNPC Limited was US\$16.467 billion in 2023, resulting in a decrease of 9% (US\$1.639 billion) compared to US\$18.106 billion in 2022. This is despite an 11.55% increase in sales volume, or 20 million barrels.



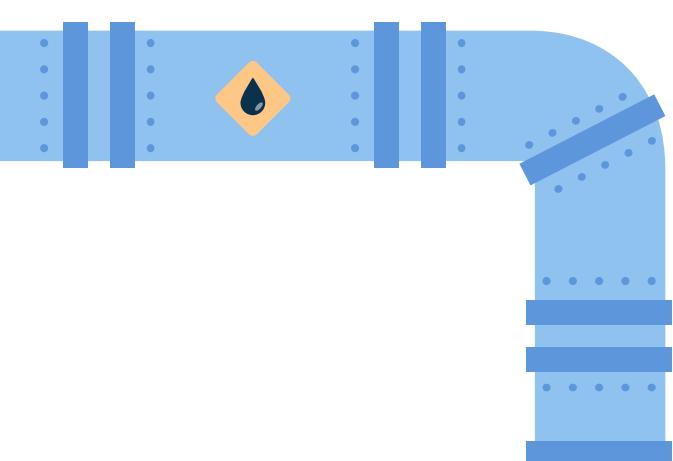
Total crude
oil sold by
NPCL

\$16.467
billion in 2023



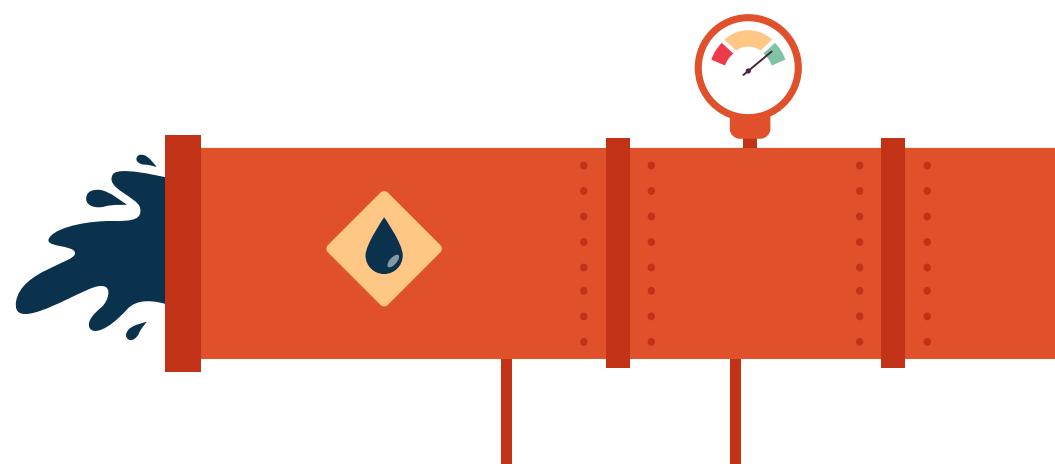
Total crude
oil sold by
NPCL

\$18.106
billion in 2022



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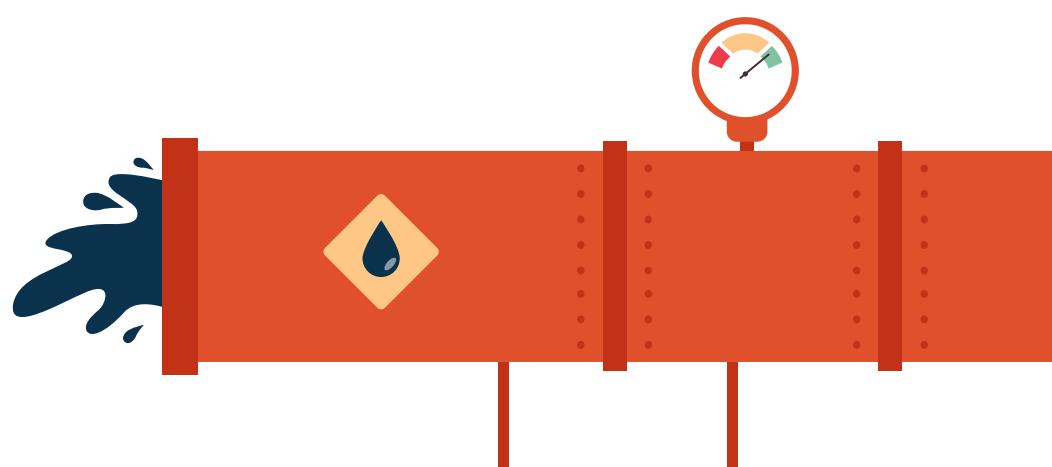
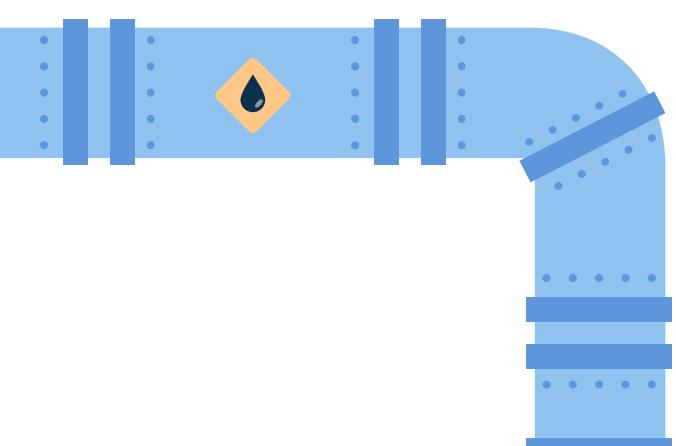
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Breakdown of Crude Oil Total Sales



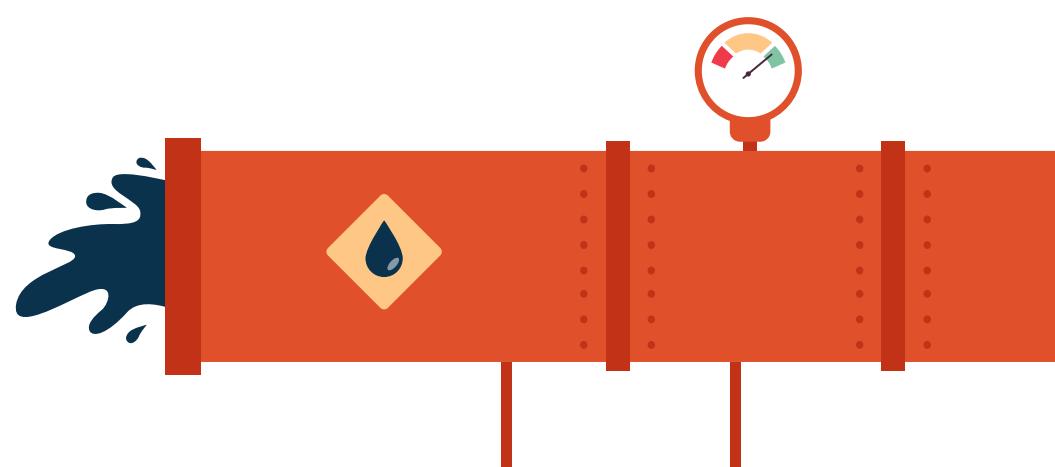
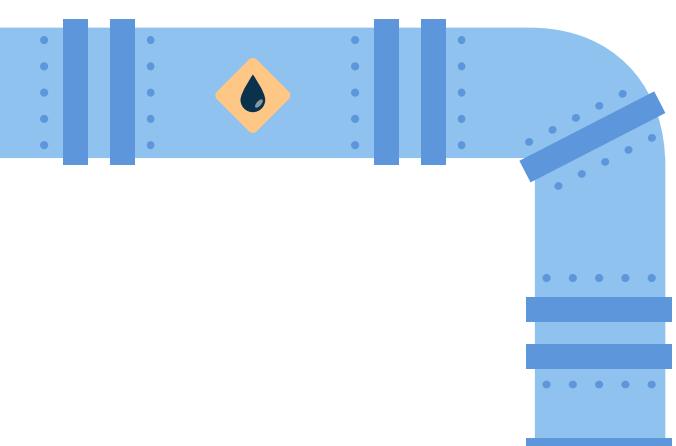
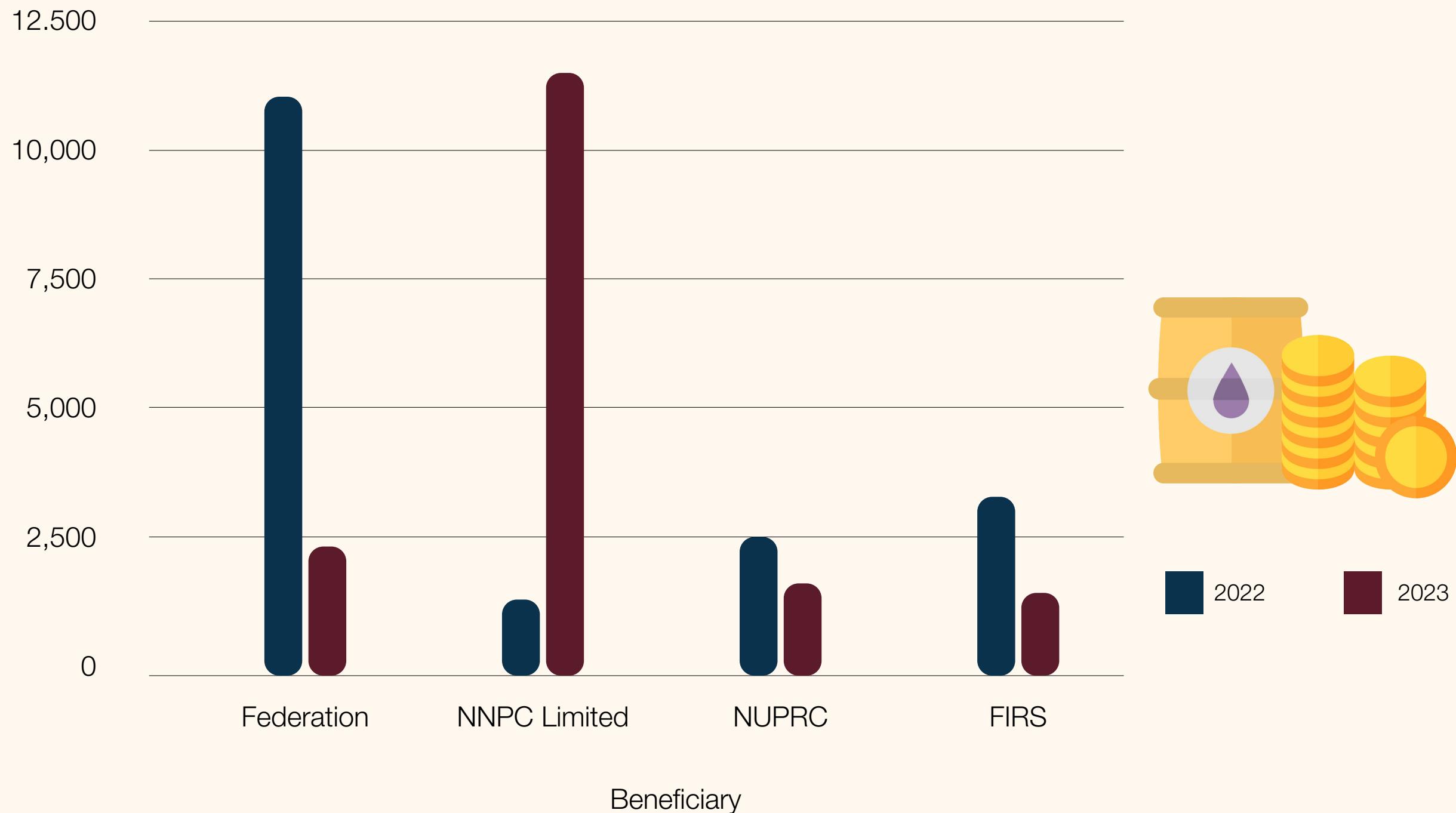
Beneficiary	2022	2023	Change (mbbl)	Change %
Federation	11,198,692	2,328,688	-8,870,004	-79.21 %
NNPC Limited	1,401,760	11,348,447	9,946,687	709.59%
NUPRC	2,480,271	1,449,088	-1,031,183	-41.58%
FIRS	3,025,287	1,341,060	-1,684,227	-55.67%
TOTAL	18,106,010	16,467,283	-1,638,727	-9.05%



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Crude Oil sales value



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Crude Oil sales value (cont'd)



The federation entitlement significantly dropped by 81.2 million barrels (74%) due to the transfer of JV assets to NNPC Limited. While NNPC Limited's share leapt by 710% in terms of sales value and 910% in terms of sales volume.

Federation
Entitlement

74%



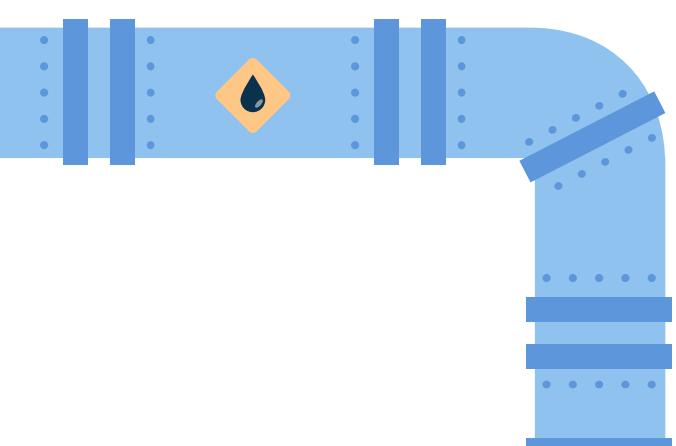
Sales
Value

710%



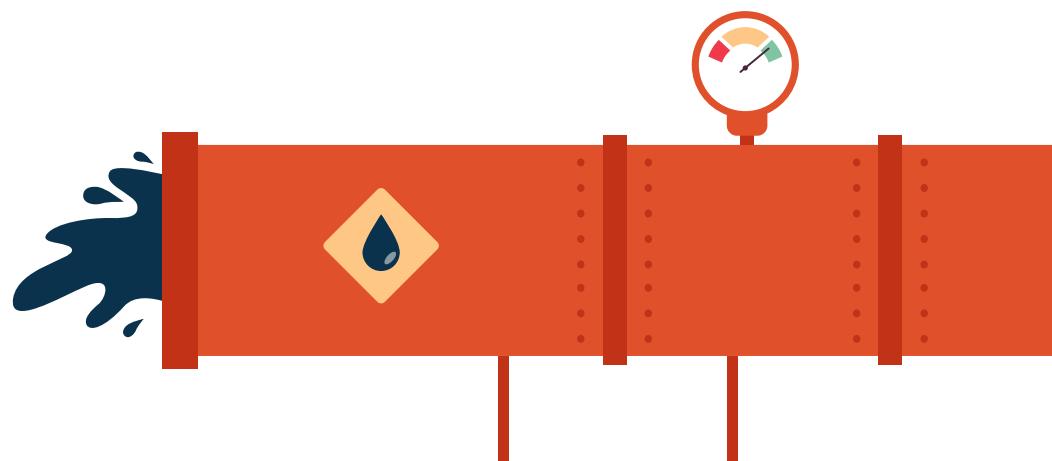
Sales
Volume

910%



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Crude Oil sales value (cont'd)

Volume of
crude sold in
2022

176.01
million barrels

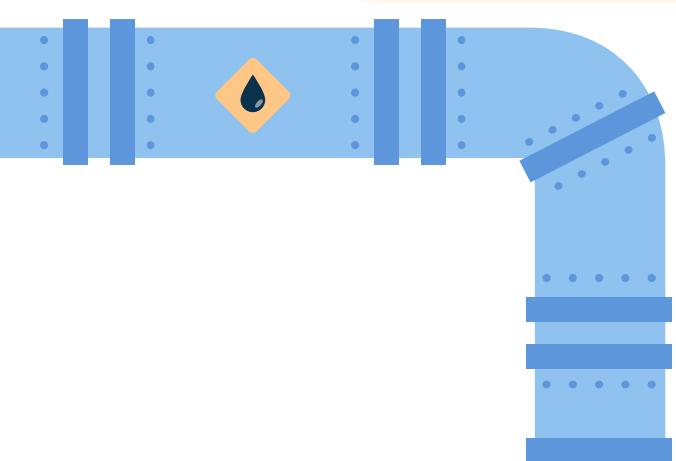


Volume of
crude sold in
2023

196.34
million barrels



Sales volume recorded a
20.33 million barrels (11.55%)
increase, compared to 2022



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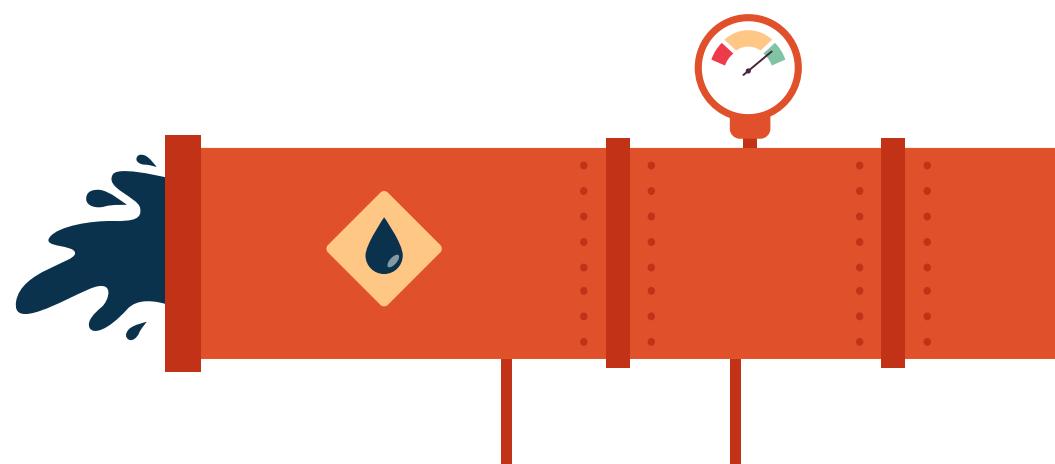
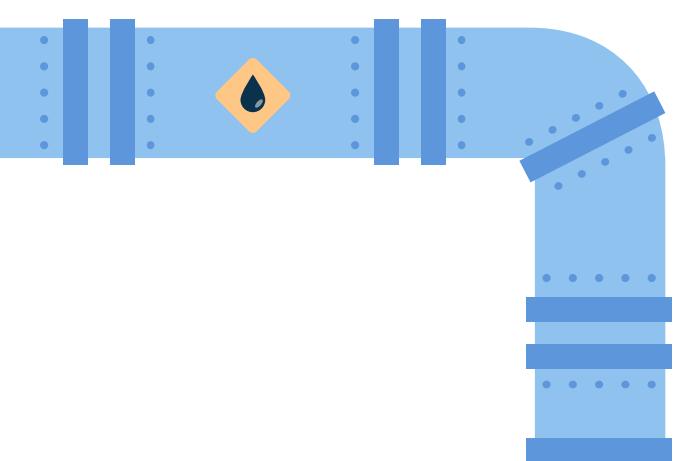
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Crude Oil Sales '000 bbls



Beneficiary	2022	2023	Change (mbbl)	Change %
Federation	109,313	28,091	-81,222	-74.30%
NNPC Limited	13,432	135,727	122,295	910.47%
NUPRC	23,472	16,751	-6,721	-28.63%
FIRS	29,795	15,775	-14,020	-47.05%
TOTAL	176,012	196,344	20,332	11.55%



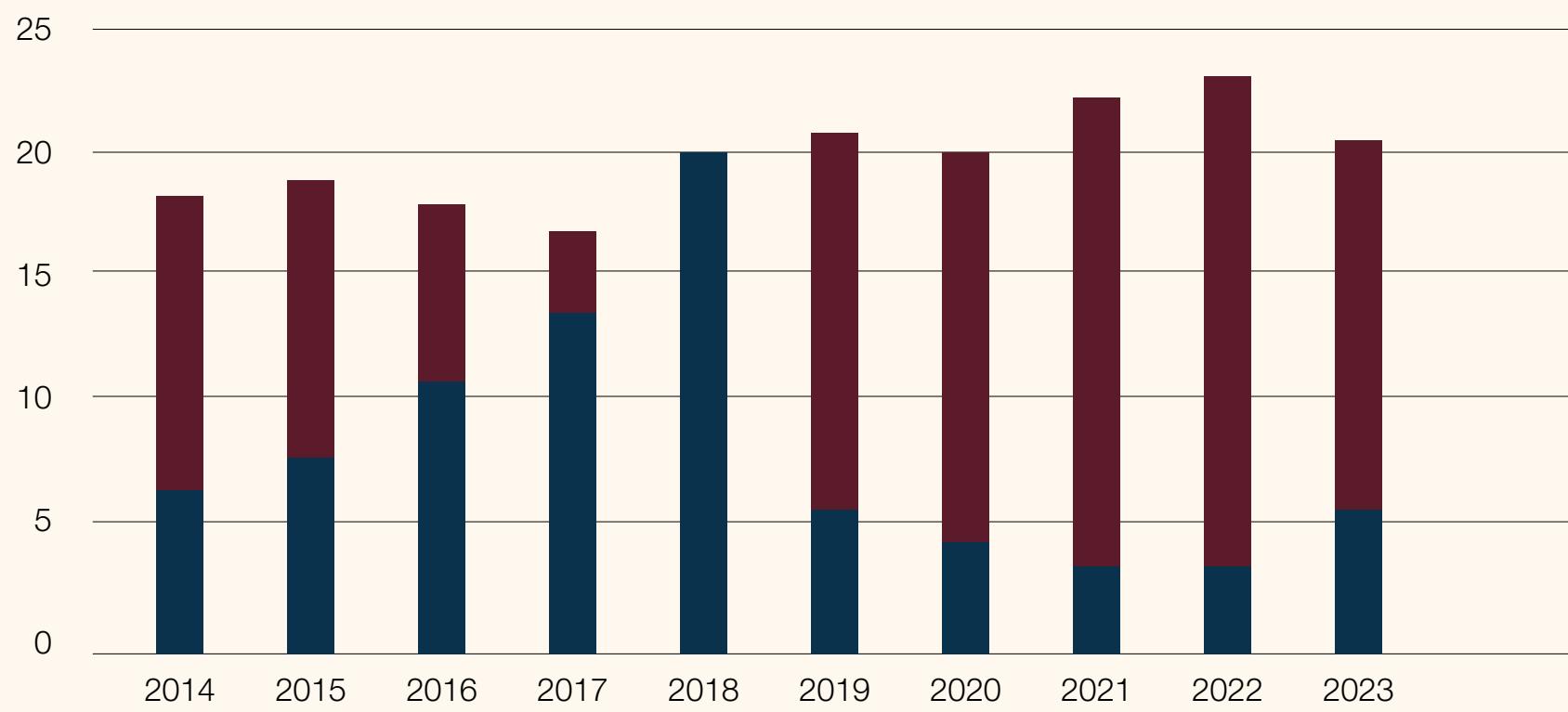
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8 PMS Importation

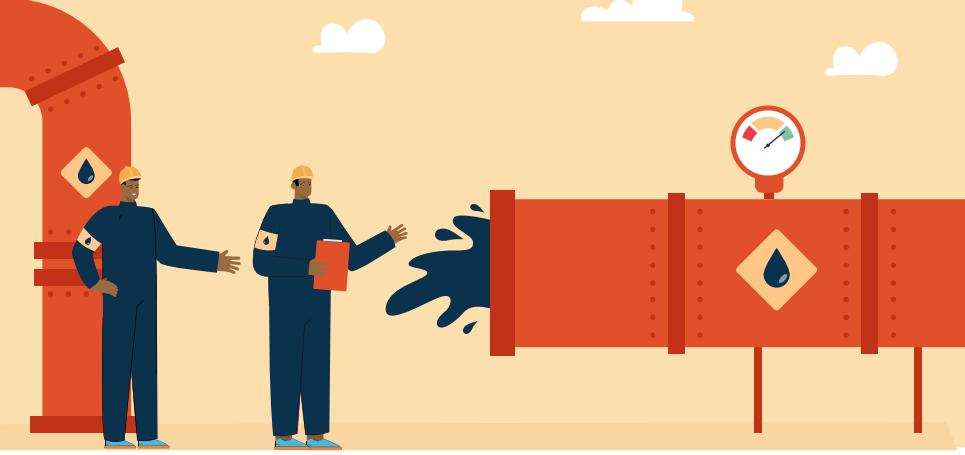
PMS Importation Ten-Year Trend (2014-2023) (Billion Litres)

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NNPC	6.72	8.05	10.94	13.32	20	5.57	4.23	3.44	3.29	6.02
Other Marketers	12.22	11.22	7.82	3.55	-	15.04	15.82	19.09	20.25	14.26
Total	18.94	19.27	18.76	16.87	20	20.61	20.05	22.53	23.54	20.28



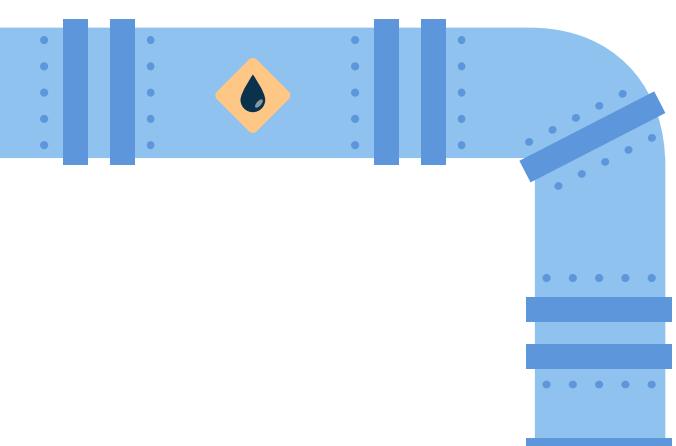
■ Other Marketers ■ NNPC

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NNPC Limited Imported PMS Cost, Revenue and Under Recovery

2023 Monthly	QTY Litres' Billion	Cost of Supply N'Trillion	Revenue N'Trillion	Under Recovery N'Trillion
January	1.61	0.47	0.18	0.29
February	2.48	1.1	0.28	0.82
March	2.09	0.97	0.23	0.74
April	1.82	0.87	0.2	0.67
May	1.61	0.68	0.18	0.5
June	1.91	0.98	0.98	0
July	0.95	0.49	0.49	0
August	1.08	0.63	0.63	0
September	0.48	0.27	0.27	0
October	0.25	0.16	0.16	0
November	0.12	0.07	0.07	0
December	0.13	0.07	0.07	0
Total	14.53	6.74	3.73	3.01



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9 Refinery balance

PHRC Refinery

Crude Material Balance (Bbls)

Year	Opening Stock	Receipt	Processed	Closing Stock	Audit Closing Stock	Variance
Bonny Light	156,288	0	-	157,050	156,288	-762

Products Material Balance (MT)

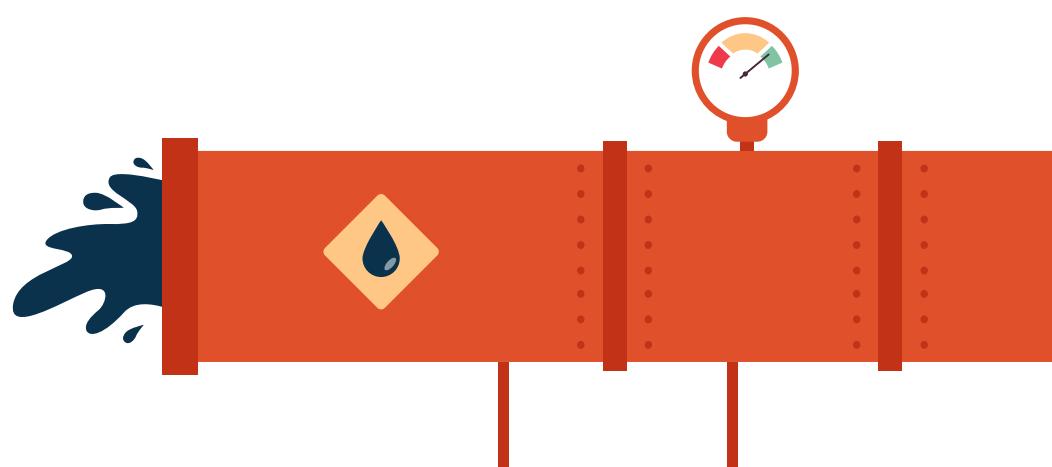
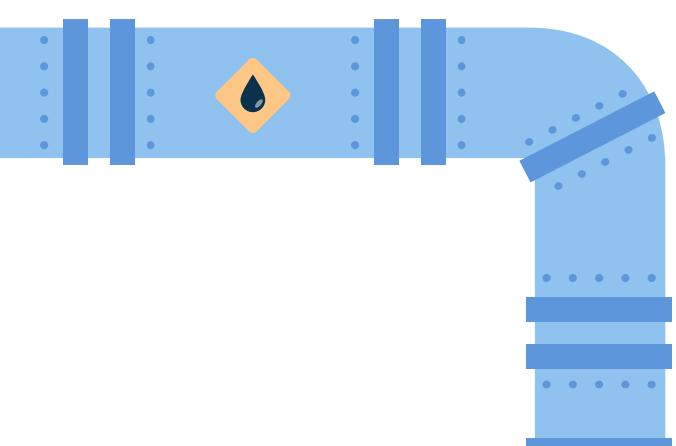
Year	Opening Stock	Production	Evacuation	Losses	Closing Stock	Calculated Closing Stock	Variance
PMS	8	0	0	-	-	8	
DPK	3	0	-	-	-	3	-
AGO	8	-2	0	-	-	6	
LPFO	35	0	8	-	-	27	-
Total	54	-2	8	-	-	44	

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WARRI Refinery Crude Material Balance (Bbls)

Year	Opening Stock	Receipt	Transfer	Processed	Closing Stock	Audit Closing Stock	Variance
Bonny Light	-	-	-	-	-	-	-
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

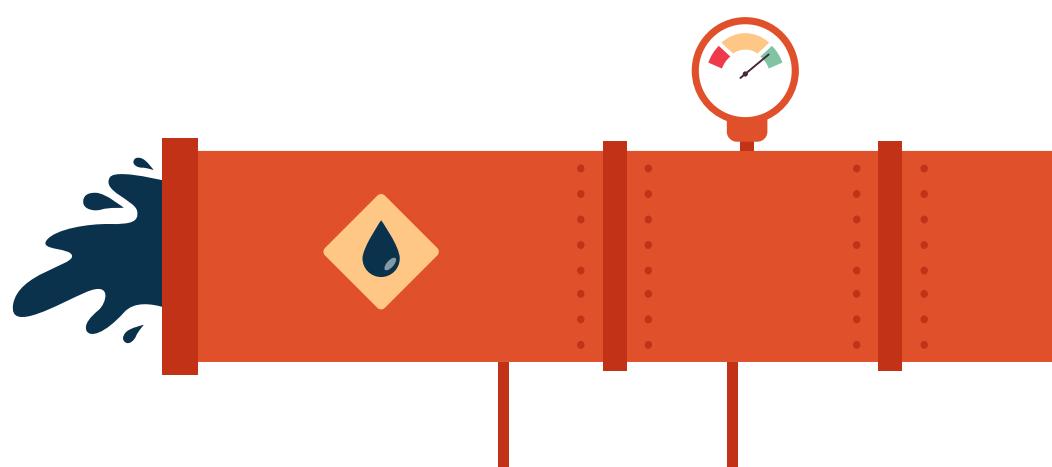
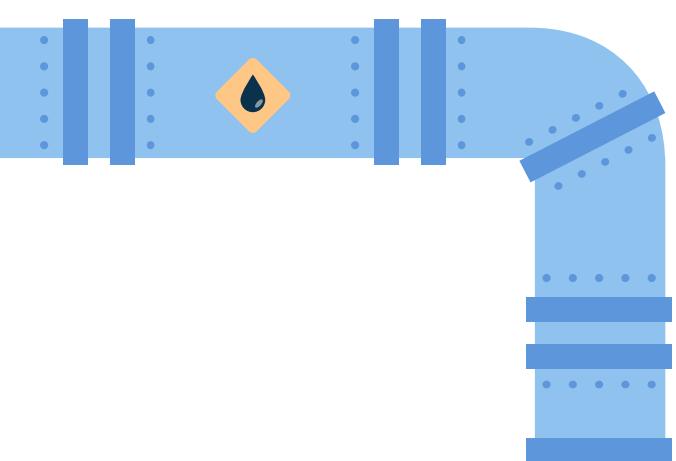


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Products Material Balance (MT)

Year	Opening Stock	Receipt	Transfer	Processed	Closing Stock	Audit Closing Stock	Variance
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
Total	27,391	209,080	200,247	-	13,097	36,224	-23,127



NEITI 2023 OIL AND GAS INDUSTRY REPORT



Key Findings and Recommendations

1

Upstream Register of License

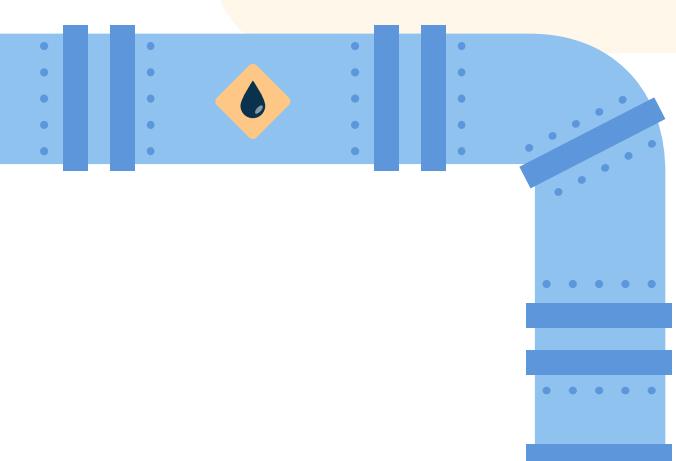
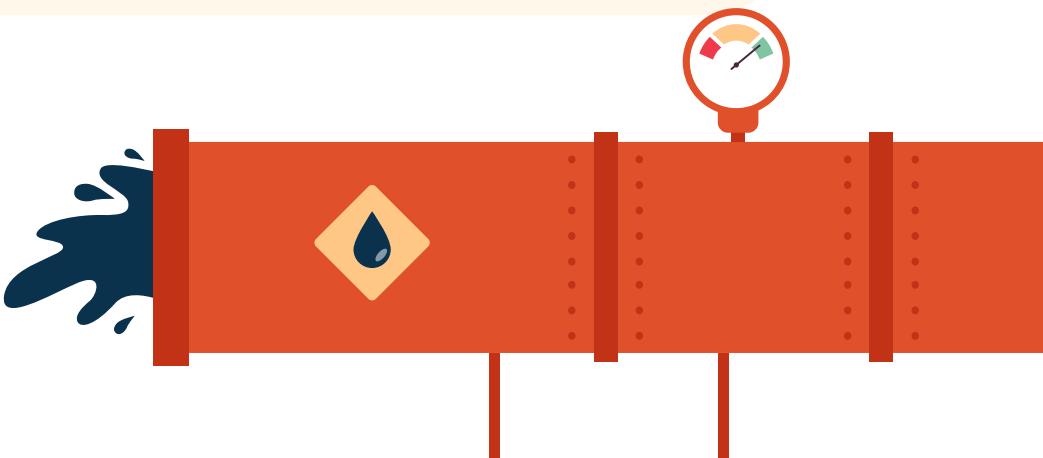
Findings:

It was observed that NUPRC and NMDPRA have not publicly disclosed the Register of Licenses in line with relevant sections of the PIA 2021. The examined public document by the NUPRC titled “Concession Situation” does not meet the requirements 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.

Recommendation:

The NUPRC and NMDPRA are to establish and make publicly available a comprehensive register incorporating the following:

- Leases, licenses, permits and authorisations issued, revoked, suspended, surrendered or withdrawn with any modification or exemptions granted.
- Extension, transfer, surrender and revocation.
- Exemption and relinquishment
- Change of address and name
- Other matters affecting the status of interest.
- Description of the rights vested in the person(s) named as the holder.
- Conditions and other provisions to which the holder is subject.
- Public accessibility during designated hours and days
- Electronically up to date



NEITI 2023 OIL AND GAS INDUSTRY REPORT



Key Findings and Recommendations

2

Decommissioning and Abandonment Fund

Findings:

Non-activation of the Fund over three (3) years after the PIA, 2021. The Fund and the accompanying Decommissioning and Abandonment Plan (DAP) are instrumental in addressing Climate Change by providing cash to address the future environmental impacts of the sector's activities.

Recommendation:

NUPRC and stakeholders should accelerate the implementation of the relevant sections in the PIA on the set-up of a Decommissioning and Abandonment Fund 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 within 14 days of the establishment of the fund.

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Key Findings and Recommendations

3

Upstream Environmental Remediation Fund

Findings:

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).

The Upstream Environmental Remediation Fund is instrumental in mitigating the effects of Climate Change arising from sector activities.

Recommendation:

NUPRC is to ensure that the Upstream Environmental Remediation Fund Regulations, as prescribed under section 103 of the PIA, 2021, are gazetted to demonstrate institutional readiness to mitigate the effects of climate change.

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Key Findings and Recommendations

4

Product Importation Valuation

Findings:

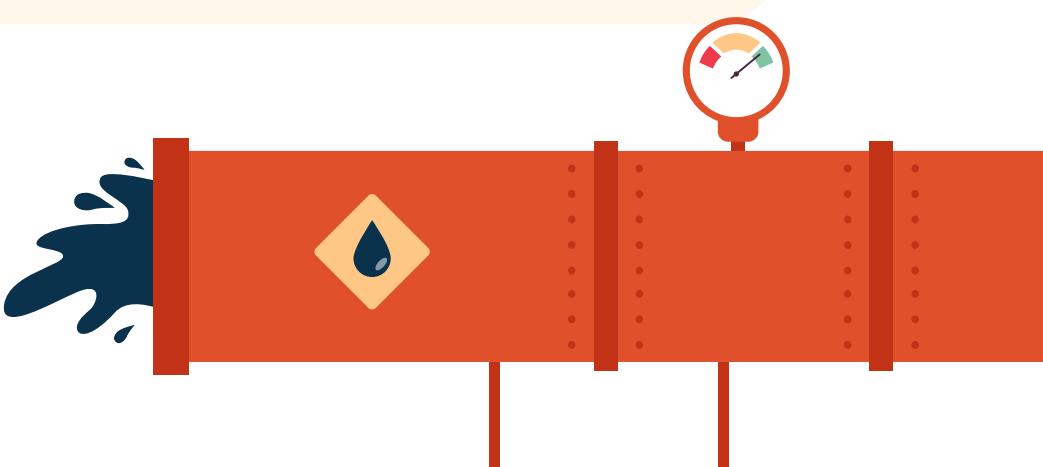
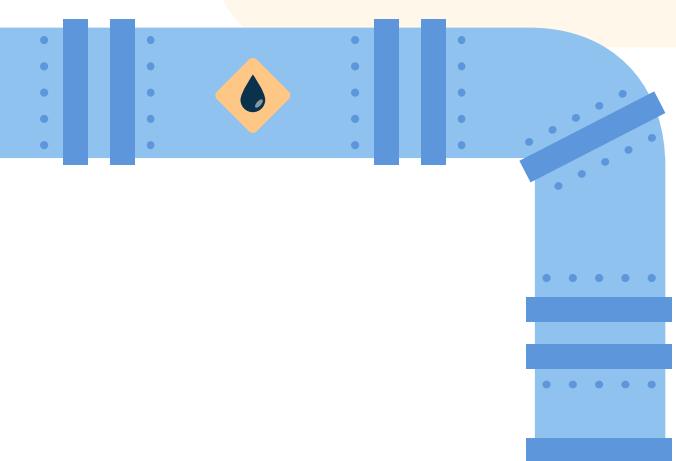
Petroleum import valuation was carried out by NNPC Limited, upon which first-line deductions were made, including subsidy/pricing differentials arising from PMS importation. Though in line with section 64 (m). Section 64 (m) requires NNPC Ltd to be the supplier of last resort for security reasons, and all associated costs shall be for the account of the Federation.

The NNPCL's petroleum import volume is inconsistent with the NMDPRA's records. For instance:

- 2023: NMDPRA (6.02 billion litres); NNPC Ltd (3.88 billion litres).
- 2022: NMDPRA (3.29 billion litres); NNPC Ltd (6.27 billion litres).

Recommendation:

- NMDPRA and NNPC Limited should collaborate to conduct a post-mortem reconciliation of petroleum product imports, especially regarding claims for subsidy/ price differentials.
- Furthermore, NNPC Limited should discontinue the practice of unilateral valuation of petroleum products, especially when it relates to product valuation, given 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 with section 122 of the PIA, 2021.



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Key Findings and Recommendations

5

Cases of Petroleum Products Losses arising from Pipeline breaks, theft and sabotage

Findings:

It was observed that there is no institutionalised, 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 NMDPRA to ensure the continuity and security of the supply of natural gas, crude oil, and petroleum products to customers.

Recommendation:

NMDPRA and stakeholders should accelerate efforts to deploy a database and platform to aggregate cases of petroleum product losses that could disrupt optimal availability of petroleum products.

NEITI 2023 OIL AND GAS INDUSTRY REPORT



Key Findings and Recommendations

6

NNPC Ltd Revenue Reporting

Findings:

Non-disaggregation of revenue with schedules for each of the owners of the crude oil and gas (i.e. Federation, NNPC Ltd, NUPRC and FIRS). Furthermore, not clear where the funds were transferred end-to-end

Recommendation:

NNPC Limited should disaggregate crude oil lifting and sales records across owners of crude oil and gas for more transparency and accountability in line with sections 64 (b) (c) of the PIA, 2021

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Key Findings and Recommendations

7

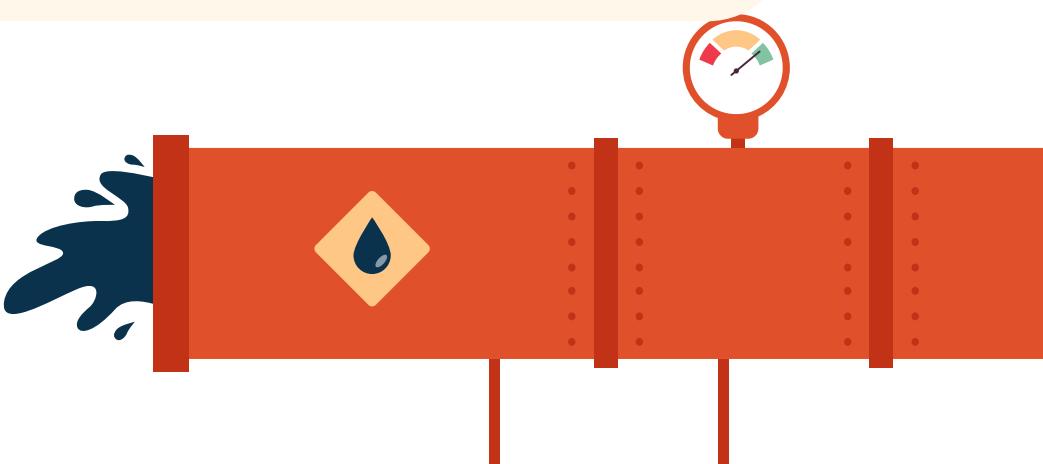
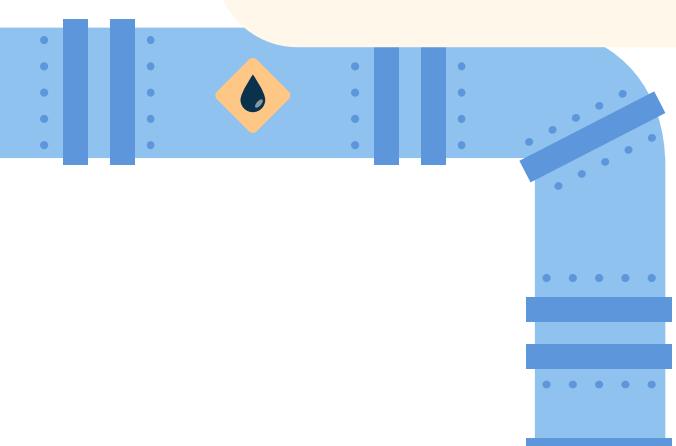
Framework for pricing and tariff

Findings:

It was observed that NMDPRA has not publicly disclosed the pricing and tariffs for natural gas in midstream and downstream gas operations, and for petroleum products, in line with relevant sections of the PIA, 2021.

Recommendation:

NMDPRA and stakeholders should accelerate efforts to deploy pricing and tariff frameworks for all petroleum products across the midstream and downstream, in line with the relevant sections of PIA, 2021. This includes refinery operations, gas processing, marketing, and distribution.





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