Crude Oil Production Figures 2006 -2016

The above graph represents the total production of crude oil for the past 10 years, the highest production year being 2010 (890 million barrels) and the lowest production year, 2016 (660 million barrels).

This significant drop in annual production can be attributed to the increased militant activities in the Niger Delta.

Another reason - perhaps a more significant one - is the reduced demand from Nigeria's customers. This would in turn affect the investment into the oil industry for exploration and production.

Nigeria's oil market has weakened in the past couple of years due to the emergence of more oil producing countries. The increased supply over demand has drastically affected the price of oil world wide; considering Nigeria's oil market is Export-driven, the effects have been major.

The recorded drop in the value of oil since the highest fiscal year (2011) to the end of 2016 is 71% as represented in the graph below.

2010
Highest production year in the past decade:
896,043,406 barrels reported.

23%
decrease in production between 2010 and 2016.

Average Barrel per day:
2015
2,124,757 bpd
2016
1,806,245 bpd

$98 billion
At a rate of $113.76/bbl, 2011 shows the highest estimated returns for the crude oil produced in the past decade.

71%
drop in oil value in USD between 2011 and 2016 from $98 billion to $28 billion.
Production through Joint Venture companies has reduced recently partly due to Nigeria's inability to pay its part of the cash calls. On the other hand, Production sharing companies (PSCs) have increased production. Militancy in on-shore and shallow-waters oil has affected JVs as well. PSCs are mainly off-shore and deep-waters projects which are not affected by militant attacks. The charts below show the difference between the regimes in 2006 and 2016:

**JVs vs. PSCs**

Percentage of total production attributed to JV companies has reduced from approximately 60% in 2006 to 31% in 2016. PSCs' has increased from 19% in 2006 to 49% in 2016.

**Crude Oil Lifting**

<table>
<thead>
<tr>
<th></th>
<th>Domestic</th>
<th>Total NNPC + AF</th>
<th>Company (inc. NPDC)</th>
<th>Total</th>
<th>% NNPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>158,813,830</td>
<td>333,165,119</td>
<td>467,172,087</td>
<td>800,337,206</td>
<td>41.6</td>
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<tr>
<td>2014</td>
<td>156,547,584</td>
<td>334,043,800</td>
<td>462,610,309</td>
<td>796,654,109</td>
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<tr>
<td>2015</td>
<td>153,917,949</td>
<td>298,018,124</td>
<td>482,411,528</td>
<td>780,429,652</td>
<td>38.2</td>
</tr>
<tr>
<td>2016</td>
<td>127,158,024</td>
<td>231,667,668</td>
<td>436,927,288</td>
<td>668,594,956</td>
<td>34.6</td>
</tr>
</tbody>
</table>

**NNPC Oil Lifting**

In 2016 NNPC lifted 231,667,668 barrels of crude oil on behalf of the Nigerian Government. That is approximately 35% of the total lifting for that year.
The Total Gas Produced decreased by 12% in 2016 from 2015; 2015 is the year with the highest gas production recorded - a total of 2.9 trillion standard cubic feet (tscf). JVs are the largest producing companies of gas with a share of over 65% in any given year so far. 56% of the total gas lifted in 2015 and 2016 was commercialized. There has been a constant reduction in the amount of gas flared over the past decade from a high of 36% in 2006 to 10% in 2016. The increase in gas flaring fine, has discouraged companies from flaring. Because of the lack of infrastructure for the gas production and delivery for commercial purposes, and the lack of demand affects the use of gas in Nigeria.
Nigeria’s Export of Petroleum valued at $27 Billion, about 33% less than 2015 and the lowest it has been in a decade. Fall in oil price is the probable cause.
The demand for Crude oil in North America drastically fell from 400 million to 32 million barrels at an average rate of 18% between 2006 and 2015.
Europe has the highest total demand of crude oil (approx. 2.4 billion barrels) between 2006 and 2015. North America is second with 2.3 billion barrels.
Domestic Crude Oil Allocation

Of the 127 million barrels lifted for domestic purposes by NNPC in 2016, only 23 million was actually delivered to the refineries; that is an average of 63,000 bpd although the total capacity for the refineries is 445,000 bpd. 10.6 million was exported 10.4 million was sent for off-shore processing and 83 million was swapped for other products.

PPMC Petroleum Products

Premium motor spirit (PMS) is the most used petroleum product accounting for averagely 65% of products both produced and imported. The last recorded export of this product was in 2006 with as little as 5 million barrels exported. 78% of Premium Motor Spirit used in 2016 was imported. Domestic Petroleum products count for no more than 20% of the total products sold by PPMC in 2016. In 2011, over 80% of the total product used were domestic, the highest recorded. It also is the year with the lowest total products (domestic and imported) in the past decade.
Over 85% of the total sales of product in 2016 was PMS.

12.8% of Refineries was used by the end of 2016. 2015 is the year with the lowest recorded refinery utilization (5%) in the past decade.

Over the years, Kaduna refinery has been the poorest producing refinery. Port Harcourt dropped considerably between 2008 and 2015 (most notably in 2011) due to high vandalism but picked a little by 2016. On an average, 2008 and 2013 are the years with the highest capacity utilized while 2007 and 2015 are the years with the lowest capacity utilized.
INCIDENCES

At various stages of production, refining or sales - oil and gas is lost either deliberately as a result of vandalism and theft or as a result of rupture which could be due to lack of care for the facilities meant to house and transport said oil and gas.

The Pipeline in Mosimi, Ogun State suffered heavy loss amounting to 49 billion Naira, over 97% of the total loss for 2015. The loss in products are mostly a result of vandalism and theft than rupture. The graph below shows by how much:

2014 has the highest amount of recorded vandalism while 2013 has the highest ruptures and fire outbreaks. Port Harcourt has the highest recorded vandalism; Kaduna has the highest ruptures and fire outbreaks.

<table>
<thead>
<tr>
<th>Area</th>
<th>Vandalization</th>
<th>Rupture</th>
<th>Fire Outbreak</th>
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</thead>
<tbody>
<tr>
<td>PH</td>
<td>7,334</td>
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<td>Warri</td>
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<td>Gombe</td>
<td>4868</td>
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