

NIGERIAN PETROLEUM CORPORATION (NNPC) NATIONAL

GUIDELINES FOR LIFTING OF NIGERIAN CRUDE OIL

It is the policy of Federal Government of Nigeria to streamline procedures for those wishing to buy and sell Nigerian crude oil.

WHO MAY APPLY:

- A. A bona fide end user who owns a refinery and retail outlets abroad. Details of the applicant's facilities, markets and volumes of crude oil processed over the last three years must accompany the application.
- B. An established and globally recognized large volume trader. Such applicant must provide evidence of its global network, its activities and volumes of crude oil handled in the last three years.
- C. A company that has built an export oil refinery in Nigeria.

OTHER CONDITIONS:

1. Any applicant must have a minimum annual turnover of at least \$100 million and net worth of not less than \$40 million.
2. Successful applicants must show commitment to the development of the Nigerian economy by investing in any number of investment opportunities that abound either in the oil industry or other sectors or, as an alternative, in the short run, meaningful and sizeable investment in community development project(s) in the oil producing areas as may be acceptable. Investment areas include:
 - a. Upstream investments - to increase our oil reserves and production capacity;
 - b. Downstream projects in refining, processing, distribution and storage of petroleum products;
 - c. Gas utilization projects;
 - d. Solid mineral development; and
 - e. Industries with foreign exchange earning potentials.(And any other areas of the economy acceptable to the SELLER.)
3. Successful companies in (A) and (B) above will be required to post a \$1 million performance bond through a first class Nigerian bank in addition to the regular crude oil contract provisions. The \$1 million bond shall be cashed, if after six months of the signing of the crude oil contract, the investment has not been made or there is no evidence of a commitment to do so. In addition to the forfeiture of the bond oil contract will automatically terminate.

MODALITIES:

- i. Shortlist of applicants for consideration for crude oil contract allocation will be drawn on the basis of successful economic intelligence reports. Such reports must confirm status claimed by applicant with respect to (A), (B); and 1 in OTHER CONDITIONS above.
- ii. Crude oil lifting shall be on the basis of a confirmed irrevocable Letter of Credit only. The Letter of Credit shall be in the name of holder; and
- iii. Where possible, government shall endeavour to maintain regional balance in the distribution of Nigerian crude oil contract holdings. For the purpose of this factor, regions shall be:
 - o North and South America
 - o Western Europe/Mediterranean

- Former Soviet Union and Eastern Europe
- Asian and Australia
- AFRICA

METHOD OF APPLICATION:

Interested companies should submit their applications accompanied with their last three (3) years audited accounts and other company information to include date of establishment, company activities, facilities, major markets, volume traded over the past three years, number of employee and company's objective and any other relevant data in a sealed envelope and to reach:

The Group Managing Director

Nigerian National Petroleum Corporation
NNPC Towers
Herbert Macaulay Way
Central Area
Abuja, Nigeria

The Group General Manager

Crude Oil Marketing Division,
NNPC Towers, Herbert Macauley Way,
Business District, Garki, Abuja.

Inquiries about the profitable investment opportunities in the oil industry should be directed to:

The Group General Manager

Corporate Planning and Development Division
42, Usuma Street
Cadastral Zone A5
Maitama District
Abuja, Nigeria

The General Manager

NNPC London Office

Contact: ADIKU GLOBAL LIMITED Email: adikuglobal@info.com