

Nigerian National Petroleum Corporation

NNPC Towers, Herbert Macaulay Way, Central Business District,

P.M.B. 190, Garki, Abuja – Nigeria

Invitation for Crude Oil Term Contract Application

The Nigerian National Petroleum Corporation wishes to invite interested companies in lifting Nigerian Crude Oil for the period starting **1st August 2013 to 31st July 2014** to apply as follows:

A. Who May Apply

- I. A bonafide end user who owns a refinery and/or retail outlets – Details of the applicant's facilities, markets and volume of crude oil processed over the last three years must accompany the application.
- II. An established and globally recognized large volume trader – applicant must provide evidence of its global network, its activities and volume of crude oil handled in the last three years.
- III. An Indigenous Nigerian company engaged in Nigerian Oil and Gas business.

B. Financial Requirement

- I. Applicant must have a minimum annual turnover of US \$500 million and net worth of not less than US\$100 million – Applicant must attach three (3) years audited accounts
- II. Successful applicants will be required to make a payment of US\$2.5 million deposit for the first cargo to be lifted. This deposit constitutes part payment for the first cargo to be lifted.
- III. Payment for all cargoes shall be on the basis of confirmed irrevocable Letter of Credit from approved local and International banks

C. Compliance with the Nigerian Content Act

Compliance with Nigerian Content Act shall be a major consideration in the selection of applicants to lift Nigerian Crude Oil. Towards this end, the following requirements must be met by interested applicants:

1. Interested applicants must provide commitment from prospective shippers to lift Nigerian crude oil that a minimum of five (5) slots per cargo shall be set aside for ocean-going attachment of Nigerian cadets for the purpose of obtaining international certification.
2. Interested applicants must submit a Memorandum of Agreement with shipper(s) demonstrating a credible strategy to grow Nigerian equity in the tankers nominated to lift allocated Nigerian crude to 25% by 2014 and 90% by 2017. It should be noted that evidence of Nigerian equity in the nominated tanker(s) prior to conclusion of the process shall be an added advantage.
3. Interested applicants must submit a detailed Nigerian Content execution strategy to the satisfaction of the NCDMB, clearly setting out Nigerian Content commitments for subcontracting in the areas of;

1. Insurance and Legal Services
2. Banking and Financial Services
3. Training and Capacity Building

D. Other Conditions

In addition to the above, applicants should 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:

1. Upstream investment – to increase our reserves and production capacity;
2. Downstream projects in refining, processing, distribution and storage of petroleum products;
3. Gas utilization projects;

4. Independent Power Plant Projects;
5. Agriculture;
6. Railway construction;
7. Solid Mineral Development;
8. Healthcare sector development and Real Estate Development;
9. And any other areas of the economy acceptable to the SELLER.

E. Modalities

(i) Short listing of applicants for consideration for crude oil term contract will be contingent upon successful due diligence reports.

(ii) Nigerian National Petroleum Corporation shall endeavour to maintain regional balance in the distribution of Nigerian crude oil term contract holdings according to the following regions:

-Africa

- North and South America

- Western Europe/Mediterranean/Eastern Europe

-Asia

F. Method of Application

Interested companies should submit applications for prequalification accompanied by the following documents:

1. Company business profile outlining business activities, facilities, major markets,
2. Certified true Copy of Company Registration certificate

3. Certified true Copy of three (3) years audited accounts
4. Evidence of volume of crude oil and petroleum products traded over the past three (3) years v. Any other relevant data
5. Compliance with the Nigerian Content Act (in a separate package and clearly labeled “NCDMB Compliance”)

Each application shall be submitted in a sealed envelope to the following address, not later than **4.00 pm on the 18th of June 2013.**

The Group Managing Director

Nigerian National Petroleum Corporation,

NNPC Towers Herbert Macaulay Way

Central Area Abuja

Signed:

NNPC Management