

As reported in the media, NNPC's statement calls for the following answers:

- "It is common knowledge that the call for tender for this contract is periodically published by almost all the newspapers in Nigeria via paid advert placements by the NNPC."

*While this is true, and unquestioned in the BD's report, it is the results of these tenders that are "shrouded in mystery" and the criteria on which these tenders are awarded. These are all but "transparent."*

- "Nigeria crude oil is sold at published Official Selling Price (OSP), which is benchmarked against the internationally recognised pricing institution. OSP differentials are crude stream determined and cannot favour an individual or group of traders as being insinuated."

*While this is true, and unquestioned in the BD's report, it is not the OSP that is of interest, but the contracts between NNPC as a seller and the buyers. And it is in the details of such contracts that lies the devil of mispricing the crude oil belonging to the people of Nigeria. The BD therefore invites NNPC to disclose all the contracts it has entered into with oil traders, without forgetting to include the related lifting operations.*

*Moreover, a fair portion (6,501 billion dollars of domestic crude sales in 2011) of Nigeria's crude is sold through crude for products SWAP contracts, notably with Trafigura and Sahara Energy: following its commitment to transparency, NNPC should explain how it calculates the price of crude oil in such contracts and disclose them.*

*NNPC should also explain why it grants crude allocations to 'briefcase traders' with no financial and commercial capacity. The same question applies to fuel import allocations – we remember here that some companies indicted by the Nigerian House of Representatives for their role in the fuel subsidy scam are still granted import allocations.*

- "No company has a monopoly or exclusive right to lift any quantity of Nigerian crude oil."

*The BD has never stated that a company has or has had a monopoly to lift any given quantity of crude oil.*

That said, the BD is more concerned by the silence of NNPC on the crucial points than by its answers. This silence refers to concrete aspects of NNPC's mismanagement:

- A) In 2012, NNPC was categorized "most opaque national oil company on the planet" by Transparency International. Can NNPC explain what measures have since been taken to improve that ranking?
- B) Why did NNPC stop publishing annual reports in 2005?
- C) As a public company, shouldn't NNPC publish an annual financial report, also regarding its two Bermudan subsidiaries?
- D) Can NNPC explain why it chose a secrecy jurisdiction such as Bermuda to establish its joint-ventures with Vitol (Calson) and Trafigura (Napoil), considered as "operational and financial black boxes" by an official report commissioned by the Federal Government of Nigeria?
- E) Can NNPC explain why its representative in Calson wrote a letter in March 2010 to Vitol saying that, starting from May 2010, crude oil would be sold at a "competitive price"?
- F) Why does NNPC continue to allocate 445'000 barrels of crude oil per day to its four refineries, knowing that this amount matches 100% of their capacity while they have only absorbed an average that ranges between 20% and 50% of their capacity over the past decade (24% in 2011, the year reviewed by the Berne Declaration in its report)?
- G) Can NNPC explain why, according to The Revenue Watch Institute, it stopped paying the State its share of income from the export of crude initially allocated to the national refineries?