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THE NEED TO STOP THE SALE OF THE NIGERIAN LIQUEFIED NATURAL GAS LIMITED (NLNG)

HR.170/05/2018

REPORT OF THE HOUSE COMMITTEE ON GAS RESOURCES ON A MOTION

THE NEED TO STOP THE SALE OF THE NIGERIAN LIQUEFIED NATURAL GAS LIMITED (NLNG).

1.0 PREAMBLE

1.1 In accordance with the provisions of the Constitution of the Federal Republic of Nigeria 1999 (as amended) Sections 88 and 89 confer the power on the National Assembly to cause investigation into any matter on which it has power to make law. The House of Representatives at its plenary on Wednesday 9th may, 2018, considered a motion sponsored by Hon. Randolph Brown on *the need to stop the sale of the Nigeria Liquefied Natural Gas Limited (NLNG)* and resolved to mandate the Committee on Gas Resources to investigate the matter, make recommendations and report to the House within a reasonable time. This report comprised a summary of the Committee modus operandi on the matter, its findings and recommendations to the House for its consideration and adoption.

2.0 POWERS AND FUNCTIONS

The power of the Committee to carry out the investigation on the need to stop the sale of the Liquefied Natural Gas Limited (NLNG) was derived from the provisions of section 88 and 89 of the 1999 Constitution of the Federal Republic of Nigeria, Order 17, Rule (3) (i-iii) of the House Standing Order and House Resolution (HR170/05/2018) dated Wednesday 9th may 2018.

3.0 MODUS OPERANDI

The modus operandi adopted by the Committee in carrying out the assignment was through investigative hearing, where the Committee requested for information/memoranda from stakeholders, examined such information to ascertain whether there was need for the sale of the NLNG plant.

Thereafter, presentation and submissions by key players in the oil and gas industry formed the basis for the recommendations forwarded to the House for its consideration.

4.0 SUBMISSION BY NIGERIAN LIQUEFIED NATURAL GAS (NLNG)

4.1 The Nigeria LNG Limited (NLNG) informed the Committee that NLNG was incorporated on 17th May, 1989, with the defined object of harnessing Nigeria's Natural Gas Resources through the Production and sale within and outside Nigeria of Liquefied Natural Gas (LNG) and other hydrocarbons produced by the Company.

4.2 That NLNG is a Private Limited Liability Company incorporated under the then Companies Act 1986 and now regulated by the extant Companies and Allied Matters Act 1990 (as amended), with a share Capital of US$2m (ordinary). It is a joint Venture between the Federal Government of Nigeria, represented by the NNPC, which holds 49% of the shares of the Company and International Oil Companies (IOC) with their respective owners' interests.

4.3 NLNG in response to the letter from the Committee dated 12th June, 2018, requesting for information from NLNG to aid the Committee in its investigation on the subject as mandated by the House at plenary on 9th May, 2018, stated categorically that beyond recent publications in the press alluding to an alleged plan in that regard, NLNG as a Company has no knowledge or information regarding the purported sale of, or intention to sell the Federal Government's shareholding in NLNG,whether in whole or in part.

5.0 SUBMISSION BY MINISTRY OF PETROLEUM RESOURCES, NIGERIA NATIONAL PETROLEUM CORPORATION (NNPC) AND NATIONAL PETROLEUM INVESTMENT MANAGEMENT SERVICES (NAPIMS)

5.1 The NNPC stated that they are not aware of any plans by the Federal Government to sell its shares in the Nigerian Liquefied National Gas Limited (NLNG)

5.2 NAPIMS and Ministry of Petroleum Resources relied on NNPC document and stated that they are not aware of any plans by the Federal Government to sell its shares in the Nigerian Liquefied National Gas Limited (NLNG).

6.0 SUBMISSION BY FEDERAL INLAND REVENUE SERVICE (FIRS)

6.1 FIRS stated that NLNG is one of the most successful incorporated Joint Venture that Nigeria has embarked upon when it started from train one through to the sixth train and now the seventh train in the offing. Over the years, FIRS has been collecting taxes in the form of company income tax, Value Added Tax, Tertiary Education Tax, and Withholding Tax on Dividends.

6.2 That it is not under the purview of FIRS as a tax administrator to comment whether NLNG should be sold or not.

7.0 BUREAU OF PUBLIC ENTERPRISES (BPE) SUBMISSION

7.1 Bureau of Public Enterprises did not make any written submission but they orally informed the Committee that all the enterprises slated for this program are captured in their Act but NLNG is not scheduled there, that they just heard the story, as far as they are concerned there is no sale of NLNG.

8.0 TOTAL E& P NIGERIA LIMITED SUBMISSION

8.1 Total vide a letter submitted to the Committee and in its presentation informed the Committee that they have no information at all that the Federal Government is divesting her shares in the NLNG.

9.0 CHAIRMAN, TRADITIONAL RULERS COUNCIL OF BAYELSA STATE.

9.1 Their representative His Majesty King Alfred SPIFF orally informed the Committee that they resolved that it will be National sabotage for the Federal Government to divest of its shares on NLNG.

9.2 He also urged the Federal Government not to divest its shares and interest in the NLNG taking into account the economic advantage to the country. Rather he opined that the Federal Government, NLNG and other stakeholders should invest in Brass LNG for the benefit of the people of the country

10.0 INVESTIGATIVE HEARING

10.1 The Committee Conducted Investigative Hearing on 28th and 29th of August 2018 with parties in attendance.

11.0 COMMITTEE FINDINGS

11.1 The Committee having listened to the presentation of the parties and the submissions they made, is of the opinion that since all the parties involved in this case have clearly denied knowledge of any plans by the Federal Government to sell its shares in the Nigeria Liquefied National Gas Limited (NLNG) the motion should be stood down, for the Committee's recommendation.

12.0 COMMITTEE RECOMMENDATION

12.1 The Committee in line with the findings above, recommends the House to adopt the resolution of the Committee which is to disregard the motion: '***The need to stop the sale of the Nigeria Liquefied National Gas Limited***' since the stakeholders and parties involved have denied any plans by the Federal Government to sell its shares in the Nigerian Liquefied National Gas Limited (NLNG).

12.2 **CONCLUSION:** The Committee would like to appreciate the House for the trust and confidence reposed on it in carrying out the assignment. We urge the House to consider the report expeditiously for the Benefit of all Nigerians and beyond.

HON. FREDERICK Y. AGBEDI

CHAIRMAN

DELUPE ABIODUN SURAJ

CLERK