

I have been directed by Obiageli Ezekwesili, Minister of Education and Chairperson, NEITI to convey to you the Federal Executive Council (FEC) Directive EC (2006) 193, EC (2006) 17, 3/5/2006 Item 1b mandating the NEITI to remediate lapses in the measurement of crude oil and petroleum products as identified by the NEITI 1999 to 2004 Physical Audit.

2 The following important issues arose from the Physical Audit,

- Lack of standard definitions and measurement points.
- Inadequate measurement equipment (meters, sampling equipment, temperature and pressure equipment)
- Absence of regulatory enforcement over a variety of activities relating to assessment and reporting of quantities of crude oil and petroleum products.
- Inconsistent application of existing procedures.
- The need to follow international best practices.

3 Consequent upon the above, the Minister of Education and Chairperson, NEITI hereby invites you to a meeting between the relevant regulatory agencies (NNPC, DPR and FIRS) and industry operators to commence a dialogue on,

- The development of a robust metering infrastructure.
- The institution of optimal methodologies, systems and procedures that will enhance reporting of quantities of crude oil and petroleum products.
- Point of Royalty volume determination.
- The regular reporting of quantities of crude oil and petroleum products through the Consolidated Hydrocarbon Mass Balance upstream and downstream.
- The enhancement of regulatory enforcement and culture in line with International Best Practice.

4 The meeting is scheduled to hold as follows,

Date: 9th October 2006
Time: 11.00 am
Venue: NEITI Secretariat, 40 Jimmy Carter Street, Off Yakubu Gowon (by Power House Junction), Asokoro, Abuja

5 We look forward to seeing you.

Stan Rerri
Acting Director of Services