



Petroleum & Natural Gas Senior Staff Association of Nigeria

(PENGASSAN)

...An affiliate of Trade Union Congress of Nigeria (TUC)

President: COMRADE FRANCIS O. JOHNSON
General Secretary: COMRADE BAYO OLOWOSHILE

Tel: +234(1)2790715, 07098147952
Fax: 2790717
Email: headoffice@pengassan.org
Website: <http://www.pengassan.org>

All Correspondence to:
General Secretary,
U. M. Okoro House,
288, Ikorodu Road, Anthony, Lagos.
P. O. Box 8114, Shomolu, Lagos.

COMMUNIQUÉ ISSUED AT THE END OF THE NATIONAL EXECUTIVE COUNCIL (NEC) MEETING OF THE PETROLEUM AND NATURAL GAS SENIOR STAFF ASSOCIATION OF NIGERIA (PENGASSAN) HELD AT V. HOTEL IN PORT HARCOURT, RIVERS STATE ON FEBRUARY 6, 2015.

At the end of the National Executive Council (NEC) meeting of PENGASSAN at V. Hotel in Port Harcourt, Rivers State on February 6, 2015, the following issues of urgent concerns impacting on the Oil and Gas Industry and the country as a whole were exhaustively deliberated upon and the NEC-in-session resolved as follows:

STATE OF THE NATION

a) 2015 GENERAL ELECTION

- NEC-in-Session notes that the forthcoming General elections will go a long way to determine the maturity of Nigeria's democracy.
- NEC-in-Session thus advises Professor Attahiru Jega-led INEC to sensitively conduct free, fair and credible elections, while calling on politicians and their followers to respect the Abuja Peace Accord brokered by the International Community.

b) SECURITY SITUATION IN THE NATION

- NEC-in-Session condemns the continuous spate of attacks, violence, and wanton destruction of lives and properties and kidnapping in the Country.
- NEC-in-Session calls on the Federal, State and Local Governments to reappraise the failing strategies and improve safety and security within their domains.
- NEC-in-Session demands that the Government should genuinely provide and support the security and law enforcement agencies with every necessary modern equipment and appropriate training/capacity development to combat every act of violence, threat to peace, lives and properties and other criminal plans and actions beleaguering the Country.
- NEC-in-Session also demands in concrete terms, adequate provision for security and safety of workers and the capital intensive, sensitive, strategic and volatile facilities and installations across

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the nation's Oil and Gas terrains and operations. This will significantly lead to effective cost optimization and reduced operational expenses (OPEX) for enhancement of profitability and return on investment.

UNSATISFACTORY ATTENTION TO OIL AND GAS INDUSTRY ISSUES

- NEC-in-Session attributes the inaccessibility and the refusal of the Honourable Minister of Petroleum Resources to grant audience or direct timely response to the growing grieving industry and labour issues which naturally inhibit the free flow, peaceful and harmonious operations in the Oil and Gas Sector.
- NEC-in-Session avers that while the Association strives to painstakingly refrain from resorting to industrial action over the Honourable Minister's denial of audience, it will not hesitate to take whatever action that is deemed appropriate where the job and welfare of its members is threatened by the unattended grievance issues.
- NEC-in-Session therefore strongly demands that the Honourable Minister should as a matter of urgent national importance convene the agreed Stakeholders' Forum to enable the industry deliberate and address the plethora of issues that are hindering the industry's stability and growth, and essentially, labour relations issues.

1. DWINDLING CRUDE OIL PRICE AND INDISCRIMINATE JOB LOSS/REDUNDANCIES

- While noting the anxiety that the Crude Oil price slump may have caused for the oil and gas industry globally, the NEC-in-Session consider it as focal symptom for Government to earnestly develop other key, real and favourable sectors of the economy, key among which are Agriculture, Marine and Water Resources, Solid Minerals, Entertainment and Tourism in order to reduce unbearable burden on depleting Crude Oil earnings accruing to the nation.
- NEC-in-Session cautions Managements in Oil and Gas Industry and the Governments not to unduly and indiscriminately move to rationalize or cut jobs by capitalizing on the dropped Crude Oil price which is presently stabilizing.



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- The NEC-in-Session therefore resolves to resist the growing redundancy tendency in the Industry under the guise of the effects of global drop in Oil prices. The NEC-in-Session noted that the reactions by most organisations are based on skewed and biased assessment of the opportunities that the social partners can tap from the transforming business and economic environment of the Industry.

2. REFINERIES

- The NEC-in-Session condemns the inability of Government to devise the right operational strategy that can guarantee regular crude feedstock thereby starving and preventing the refineries from operating optimally.
- The NEC-in-Session demands that the Government should without further delay return the refineries to full working condition by breaking all barriers of supplying crude oil to the refineries and running them at full capacity efficiency.
- The NEC-in-Session therefore gives the Federal Government up till 9th of March 2015 to fully restore regularized supply of crude oil to the refineries or force the Association to use all legal means within its limit to ensure regular flow of crude to the refineries.
- The NEC in Session mandates the National Secretariat to develop and drive implementation of a formidable and sustainable business model that will suit the operation of the Refineries in the country.

3. PETROLEUM INDUSTRY BILL (PIB)

- The NEC-in-Session condemns the continuous delay in the passage of the Petroleum Industry Bill (PIB) by the National Assembly.
- The NEC-in-Session urges the Executive and Legislative Arms of Government to use its influence to quicken the passage of the Petroleum Industry Bill (PIB) considering the attendant effects that the delayed passage is having on investments stimulation and execution of projects across the Oil industry's value chain.



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- The NEC-in-Session strongly renews its demand for the passage of the Petroleum Industry Bill (PIB) before the expiration of the current National Assembly.

4. CRUDE OIL THEFT

- The NEC-in-Session observes the lack of political will of the Federal Government to combat the huge level of crude oil theft that has decimated the Oil production of almost all the International Oil Companies (IOCs) leading to economic/job losses, shut in, high cost of operation and attendant loss of revenue to the Federal Government.
- The NEC-in-session alleges high level connivance of the security agencies, politicians and highly placed Nigerians in this illegal bunkering and buccaneering racket of oil & gas installations/facilities and the resultant crude oil theft.
- In view of the obvious looming danger of extinction on the oil & gas industry and by extension the National economy which has become endemic, the NEC-in-Session resolves with a high sense of responsibility and patriotism that the Federal Government of Nigeria must display political will and commitment to come up with a lasting solution to stem the incidence of Crude Oil theft and Pipeline vandalism.
- The NEC-in-Session demands for a Stakeholders forum with Oil Producers Trade Section (OPTS), Federal Ministry of Petroleum Resources, NNPC, other Regulatory Agencies and Labour Unions to holistically address the menace.

5. DOWNSTREAM SECTOR

- The NEC-in-Session calls for an urgent review of Petroleum Marketers' margin by the Federal Government to accommodate growing overhead cost responsible for the spate of divestment and joblessness in the downstream sector.

6. ANTI-LABOUR ACTIVITIES BY OPERATORS

- The NEC-in-Session mandates the National Secretariat to follow up the VamOnne case in the Court.



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- The NEC-in-Session condemns the indiscriminate outsourcing of core and integral jobs to labour and service providers. The trend is bound to extinct the career plan and prospects in the Oil sector, which flagrantly violates the essence of the local content development. The NEC-in-Session therefore, calls on the Federal Ministry of Labour and Productivity to implement the guidelines on Contract and Casual employment in the Industry.
- The NEC-in-Session demands an urgent review of the 2013 personnel Audit Report by the Ministry of Petroleum Resources, which affected members of the Association in some agencies under the supervision of the Ministry.

7. SECTORIAL DEVELOPMENTS

- The NEC-in-Session demands the implementation of the Gas Master plan in order to harness Gas flared in the development of the Power sector and Domestic Gas usage.

8. DIVESTMENT BY INTERNATIONAL OIL COMPANIES (IOCs)

- The NEC-in-Session reiterates its condemnation of the spate of divestment and its attendant job losses in the Oil and Gas Industry.
- The NEC-in-Session therefore demands that the Government provide enabling and investment-friendly environment to encourage existing and new investment in order to halt the divestment trend.
- NEC-in-Session demands the implementation of the May 12, 2014 resolution, which provides for inclusion of Trade Union's right to organize and participate in Divestment and Transitional Service Agreement as a major stakeholder.

9. NATIONAL HOUSING FUND (NHF) DEDUCTIONS

- The NEC-in-Session demands that all Managements in the Oil and Gas Industry should forthwith stop the deductions of National Housing Fund (NHF) from Union members' salary since the Association already has robust Housing Scheme in place in the various companies.



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- The NEC-in-Session also empowers the leadership of the Association to take all necessary steps including legal action to stop further deductions.

10. ROADS

- The NEC-in-Session requests the immediate remobilization of Contractors handling Eket-Ibena Road by the Akwalbom State Government; the alternate Warri-PPMC Depot Road and other roads leading to Oil and Gas installations across the country.

11. INDEFINITE SUSPENSION OF FOUR RECALCITRANT MEMBERS

- The NEC-in-Session deliberated on the four recalcitrant members of the Association, who continued to flagrantly undermine the laid down process of the Association on internal matters and causing disaffection across the various organs of the Association, despite having been severally engaged to abide by the Association's processes.
- The NEC-in-Session consequently unanimously supports the motion that Messrs Nwanosike John, Oni Abiola, Omare Jonathan be indefinitely suspended from the membership of the Association in PENGASSAN Chevron Nigeria Limited Branch and also reaffirms the indefinite suspension of Victor Udom from the membership of the Association in Mobil Producing Nigeria Unlimited, and further directs that both Chevron and Mobil Producing Managements should stop forthwith the deduction of check off dues and any other obligatory dues from the suspended persons to the Association till further notice.

The NEC-in-Session expresses appreciation and solidarity of members to the Association during its activities in 2014 and solicits for more support in the Year 2015.

Comrade Francis O. Johnson
President

Comrade Bayo Olowoshile
General Secretary