

Appendix 'I'



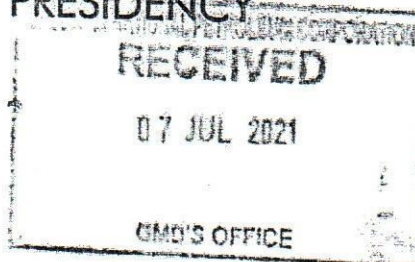
Office of the Secretary to the Council  
**NATIONAL ECONOMIC COUNCIL**  
THE PRESIDENCY

The Chairman of Council

His Excellency,

**Prof. Yemi Osinbajo, SAN, GCON**

*Vice President, Federal Republic of Nigeria*



GGM FRAC  
GGM A/C

*Figure*

*8/7/21*

MBNP/AB/SEC/2301/I/105

6<sup>th</sup> July 2021

The Group Managing Director,  
Nigeria National Petroleum Corporation,  
NNPC Towers,  
Abuja.

**PRESENTATION OF THE REPORT OF THE NEC AD-HOC COMMITTEE REVIEWING THE REPORT OF THE INTERN-MINISTERIAL AND AGENCIES COMMITTEE ON THE REVIEW OF THE IMPACT OF THE TERMINATED STRATEGIES ALLIANCE AGREEMENTS AND REQUEST FOR APPROVAL OF RECOMMENDED SOLUTIONS.**

Please find attached Extract of the Emergency virtual meeting of the National Economic Council (NEC), decisions and conclusions held on Friday 2<sup>nd</sup> July, 2021 as it affects the above presentation.

2. Please accept the assurances of Mr. Vice President's warm regards.

**Olusola O. Idowu (Mrs.)**

**Permanent Secretary/Secretary, National Economic Council**





**NATIONAL ECONOMIC COUNCIL**

## **Office of The Secretary to the Council**

### **EXTRACT OF THE NATIONAL ECONOMIC COUNCIL**

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#### **PRESENTATION OF THE REPORT OF THE NEC AD-HOC COMMITTEE REVIEWING THE REPORT OF THE INTERN-MINISTERIAL AND AGENCIES COMMITTEE ON THE REVIEW OF THE IMPACT OF THE TERMINATED STRATEGIES ALLIANCE AGREEMENTS AND REQUEST FOR APPROVAL OF RECOMMENDED SOLUTIONS.**

The Chairman of the NEC Ad-Hoc Committee on the above subject and Governor of Ogun briefed Council as follows:

- That Council may recall that at its 117<sup>th</sup> (6<sup>th</sup> in 2021) NEC meeting held on Thursday 17<sup>th</sup> June 2021, it was briefed on the status of the Terminated Strategies Alliance Agreements entered into by the Nigerian Petroleum Development Company Limited (NPDC) in 2011 and 2013 and the impact of further delays of the assets recovery on the finances of NPDC, First Bank and the Nigerian Economy.
- Summarizing the exposure to First Bank USD688.798million and NPDC to DPR of USD1.57bn. NPDC is unable to function as a proper operating/production Development company because of its debt overhang whilst First Bank a legacy bank cannot be allowed to fail in view of the ripple effect this would cause the entire banking sector.
- Consequently, Council directed that the presentations be circulated to all members for their consideration. As a follow-up action, Council set up an Ad-hoc Committee chaired by the Governor of Ogun State to review the presentation and advise it accordingly. Other members of the Committee included the Governors of Imo, Nasarawa, Kwara, Yobe, Ekiti, Sokoto, Rivers States. Others co-opted include the Governor of CBN, Group Managing Director (GMD, NNPC), and Managing Director AMCON.

- Speaking further, the Chairman stated that the Committee met on Thursday 1<sup>st</sup> July, 2021 to review the report and after exhaustive deliberations, it was agreed that NEC should proceed with the approval of the prayers as contained in the presentation namely;
  - That CBN/AMCON, First Bank/NNPC, after separate virtual meetings with CBN and AMCON and in view of the fact that a collateral asset has been given to First Bank by the NNPC, the CBN has agreed the will intervened in managing the situation with First Bank and to see that First Bank loan obligation is fully liquidated.
  - That NNPC, NEC/ DPR post approval of NEC (which will clean up the financial books of NPDC with a view of making the assets attractive to investors), identify potential partner investors that would invest in those assets and increase production, so that royalties can accrue to the Federation Account.

#### Decision

- Council approved the Committee's report and adopted the prayers
- Council also resolved that the Ministers of Finance, Budget and National Planning, and Justice should join the Ad-hoc Committee in interfacing with NNPC in the selection of a credible investor (s) to operate the assets.
- That the Federation Account will begin to recover its exposure through the payment of signature bonuses by the shortlisted investors, royalties, taxes and dividend payments.

You are please requested to note particularly the decisions and conclusions as they affect your Organization and implement accordingly.

Please acknowledge receipt.

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