TECHNICAL AND FINANCIAL CRITERIA FOR THE SELECTION OF NNPC LIMITED'S CRUDE-OIL OFF-TAKERS

NNPC Limited applies transparent technical and financial criteria in the selection of crude-oil off-takers. The criteria are designed to ensure that selected buyers possess the financial strength, operational capability, market access and integrity required to purchase and lift crude oil reliably while protecting the commercial interests and integrity of NNPC Limited and the Federation.

TECHNICAL CRITERIA

S No.	CRITERIA	WEIGHT
1	**Industry experience and performance record:** Prospective buyers must demonstrate verifiable experience in crude-oil trading, refining or petroleum marketing, including a record of successful cargo purchases and deliveries under term or spot contracts.	25%
2	**Operational and logistics capability:** Buyers must possess the capacity to manage vessel nomination, cargo scheduling, terminal coordination, inspection, shipping documentation, marine insurance, demurrage and delivery to approved destinations.	20%
3	**Contractual capability:** Buyers must demonstrate the ability to comply with the applicable Sales and Purchase Agreement, including lifting schedules, payment terms, vessel requirements, destination conditions and reporting obligations. Previous contractual breaches or performance failures are considered during the evaluation	20%
4	**Market access:** Refiners are required to demonstrate operational refining capacity, while trading companies must provide evidence of access to established end users and international markets. Buyers should be capable of placing Nigerian crude competitively and without avoidable delays.	20%
5	**Systems and controls:** Buyers must maintain adequate systems for transaction recording, cargo tracking, sanctions screening, invoice reconciliation, risk management and regulatory reporting. They must also be capable of providing accurate information on cargo volumes, payments and destinations.	15%
	TOTAL	**100%**

FINANCIAL CRITERIA

S No.	CRITERIA	WEIGHT
1	**Financial capacity:** Prospective buyers are required to demonstrate adequate working capital, liquidity, credit facilities or other financial resources proportionate to the value and volume of the proposed crude-oil allocation.	25%
2	**Creditworthiness:** NNPC Limited evaluates the buyer's audited financial statements, profitability, net worth, cash flow, debt profile, banking relationships, credit rating and history of meeting financial obligations. Material defaults, insolvency concerns and adverse credit events are considered during the assessment.	25%
3	**Payment security:** Buyers must be able to provide acceptable payment security where required. This may include an irrevocable letter of credit, standby letter of credit, payment undertaking, bank guarantee, parent-company guarantee or another approved instrument issued by a reputable financial institution.	20%
4	**Trade-finance capability:** Buyers are required to demonstrate access to sufficient trade-finance facilities to support their expected cargo allocations, including evidence of available facility limits and experience in financing large crude-oil transactions.	15%
5	**Payment performance:** For existing or previous buyers, NNPC Limited considers the history of timely invoice settlement, compliance with credit limits and fulfilment of financial obligations. Repeated late payments, outstanding balances, disputed invoices and previous defaults may affect eligibility or allocation limits.	15%
	TOTAL	**100%**

Evaluation and disclosure

NNPC Limited applies approved eligibility requirements and evaluation thresholds to determine the technical, financial and integrity suitability of prospective off takers. Applications are supported by verifiable documentation and may be subject to enhanced due diligence where higher risks are identified.

The evaluation and approval process is documented, and any material deviation from the approved selection procedure is subject to appropriate review and authorisation.