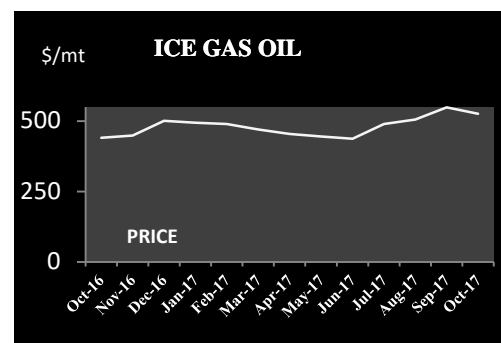
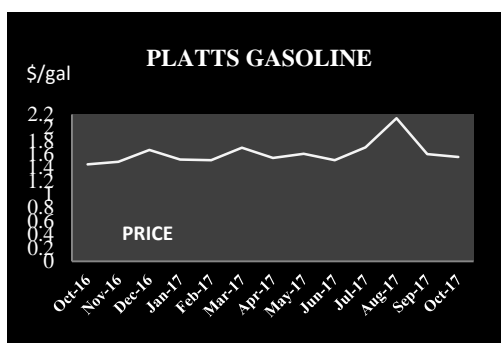
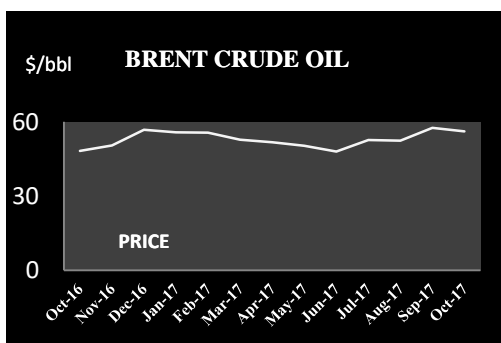


MARKET REPORT

Gladius Energy Desk

research@gladiuscommodities.com

Tel: +234-1-2931855



LOCATIONS	PMS	AGO	DPK
LAGOS	[MT] 719,471	[MT] 99,958	[MT] 7,194
P.H.	-	-	-
DELTA	19,031	13,950	-
CALABAR	22,804	-	-

GLOBAL	PRICE
BRENT	58.15 \$/bbl
ICE GAS OIL	533.00 \$/mt
PLATTS GASOLINE	1.6429 \$/gal
PLATTS 3.5% FUEL OIL FOB MED	312.812 \$/mt

PRICE (EX DEPOT) NGN / Litre				
	LAGOS	P.H.	DELTA	CALABAR
PMS	135.50 – 136	135 – 136	135 – 136	135 – 136.50
AGO	190 – 194	188 – 194	188 – 194	188 – 193.50

FX RATES				
19/10/17	USD	GBP	EUR	
NGN (PARALLEL MARKET)	360 / 363	470 / 474	419 / 425	
NGN (INTER BANK)	305.60	-	-	
NAFEX	360.30	-	-	

NIGERIA

On Wednesday 18th October, the Federal Government mandated the Nigerian National Petroleum Corporation (NNPC), to embark on meaningful efforts to stimulate the country's economic growth and development. This was disclosed by Dr. Maikanti Baru, the Group Managing Director, NNPC, at the Gas Roundtable organised by the Nigerian Gas Association. Baru stated that the directive was to ensure the development of gas infrastructure so as to enhance gas supply in the country. Baru also stressed that it was a critical focal point in the Federal Government's 2016-2019 'Big Wins' for the oil and gas industry, as well as the NNPC's 12 key Business Focus Areas to grow the industry. Baru stated that the gas reform was anchored on a robust strategic framework that focuses on maximum economic growth through gas supply. It also aims to drive linkages with agriculture, manufacturing and small enterprise through power.

A report by the NNPC has revealed the demands for Nigeria's crude oil blends have remained quite high from countries in Western Europe and Asia. According to the July 2017 edition of the Monthly Financials and Operations Report, Western European countries like the Netherlands, Spain, France and Britain, as well as India and Indonesia, have in the last one year, between May 2016 and May 2017, bought more of Nigeria's crude oil. However, recent reports have indicated that India, the biggest buyer of Nigerian crude oil, has started looking to the United States for crude oil purchases. Nigeria produces light sweet crude, a similar grade with the U.S. WTI, which now has increased demand from refiners in Asia due to its competitive price and shorter shipping distance.

WAF

EQUATORIAL GUINEA

Equatorial Guinea's Ministry of Mines and Hydrocarbons, Ophir Energy and National Oil Company of the Republic of Equatorial Guinea (GEPetrol) have signed a new Production Sharing Contract (PSC) for Block EG-24 offshore Rio Muni. Block EG-24 (formerly Block EG-20 and Block M) is one of 20 exploration areas marketed during the EG Ronda 2016 licensing round and is located to the west of producing fields Ceiba and Okume, covering 3537sq km. Ophir Energy will operate the block and have an 80% interest. GEPetrol will have a 20% stake, with the option to increase this by another 10% if a commercial discovery is made. Gabriel Mbagha Obiang Lima, Minister of Mines and Hydrocarbons H.E. said: "Ophir Energy is already an innovative and committed investor in Equatorial Guinea through Block R and the Fortuna FLNG project. We are delighted to welcome our partners to explore Block EG-24, which shows amazing signs of yielding enormous oil and gas reserves. This new deal is a vote of confidence in the oil and gas sector in Equatorial Guinea and the result of a very well received global licensing round for a country like ours that has a drilling success rate above worldwide average. I look forward to Ophir's next drilling campaign and a possible discovery." The Block EG-24 PSC is based on Equatorial Guinea's model PSC and mandates an initial exploration period of two sub-periods of two years each, plus two extensions of one year each.

GLOBAL

On Thursday 19th October, oil prices slipped but held onto its most recent gains, supported by OPEC-led supply cuts, tension in the Middle East and lower U.S. production. The U.S. West Texas Intermediate crude for November contract was down 15 cents at \$51.89 a barrel at 3:35 a.m. ET (07:35 GMT), while the ICE Futures Exchange in London Brent oil for December delivery fell by 18 cents at \$57.97 a barrel. The U.S. Energy Information Administration (EIA) weekly report for Wednesday 18th October showed a fall in crude oil inventories by 5.7 million barrels in the week ending October 13, marking the fourth straight weekly decline. However, gasoline stockpiles were up 900,000 barrels for the week. The EIA report also showed that domestic crude production slumped by 11% from the previous week to 8.4 million, as production had to be shut because of Hurricane Nate, which hit the U.S. Gulf coast earlier in October. Market analysts said crude supply should keep tightening if OPEC and non-OPEC members, led by Russia, agreed to extend production cuts of 1.8 million barrels per day from the current deadline of March 2018 through to December 2018, in a bid to reduce global oil inventories and support oil prices.