

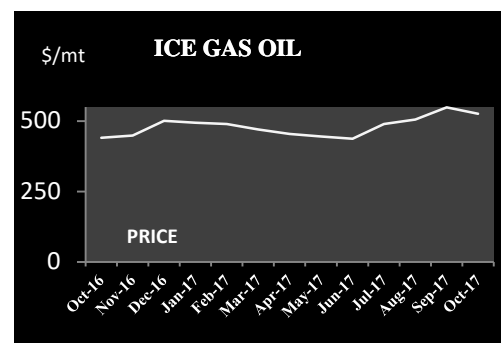
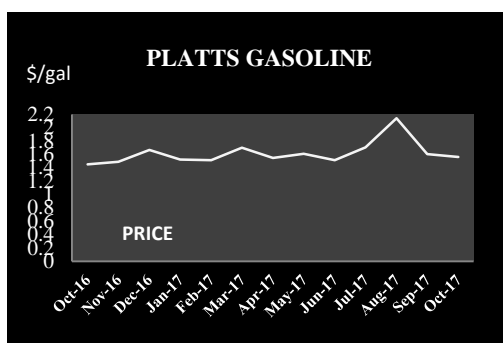
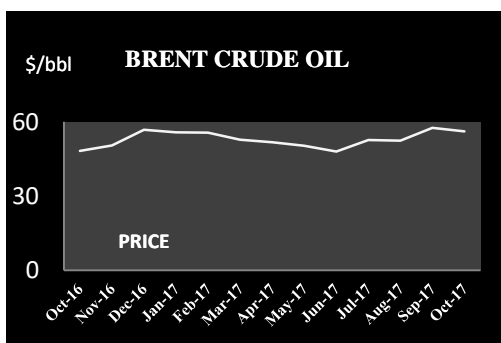
GLADIUS

MARKET REPORT

Gladius Energy Desk

research@gladiuscommodities.com

Tel: +234-1-2931855



LOCATIONS	PMS	AGO	DPK
LAGOS	[MT] 453,375	[MT] 142,190	[MT] -
P.H.	9,977	10,002	-
DELTA	32,914	-	-
CALABAR	14,384	-	-

GLOBAL	PRICE
BRENT	58.44 \$/bbl
ICE GAS OIL	533.50 \$/mt
PLATTS GASOLINE	1.7348 \$/gal
PLATTS 3.5% FUEL OIL FOB MED	314.625 \$/mt

PRICE (EX DEPOT) NGN / Litre				
	LAGOS	P.H.	DELTA	CALABAR
PMS	135.50 – 136	135 – 136	135 – 136	135 – 136.50
AGO	180 – 184	178 – 184	178 – 183	179 – 183.50

FX RATES			
26/10/17	USD	GBP	EUR
NGN (PARALLEL MARKET)	360 / 363	472 / 475	420 / 426
NGN (INTER BANK)	305.75	-	-
NAFEX	360.40	-	-

NIGERIA

On Tuesday 25th October, Dr. Ibe Kachikwu, the Minister of State for Petroleum Resources disclosed at the 24th Africa Oil Week in Cape Town, South Africa that 26 firms have shown interest in the plan to overhaul the nation's oil refineries, a project that will require an investment of \$2 billion. Kachikwu said NNPC is close to finalising the selection process for the overhauling firms and announcement of the selected firms will be made by January or February 2018. A combination of the 450,000 barrels per day (bpd) total capacity of the three refineries and the 650,000 bpd Dangote Refinery underway will reduce reliance on importation of petroleum products. Kachikwu also said that Nigeria aims to increase total oil output from about 1.6/1.7 million bpd to 1.8 million bpd by January 2018, bearing in mind the promise not to breach the OPEC agreement of not exceeding 1.8 million bpd.

The Nigerian National Petroleum Corporation (NNPC) announced that Nigeria's gas production has reached seven billion cubic feet per day (cf/d). Dr. Maikanti Baru, the Group Managing Director of the NNPC disclosed this at a Gas Roundtable organised by Nigerian Gas Association in Lagos. Baru noted that 1.2 billion cf/d of the total production is used for domestic purposes, 3.3 billion cf/d is exported by the Nigerian Liquefied Natural Gas, 2.7 billion cf/d is re-injected into operations, while about 0.75 billion cf/d is flared. Baru also listed areas for investment opportunities in the midstream of the gas value chain to include investment in gas processing facilities, mini Liquefied Natural Gas (LNG) facilities, floating LNG facilities, gas storage facilities, Engineering, Procurement and Construction (EPC) of gas processing facilities, EPC of over 2000 kilometre gas pipelines, EPC of gas metering and monitoring system and fabrication of pipes. Additionally, Baru listed downstream value chain investment opportunities to include investment in LPG bottling and marketing, investment in gas-based industries (fertilizer, methanol, petrochemicals, CNG stations and conversion workshop), EPC of fertilizer and petrochemical plants and manufacturing of LPG cylinders/accessories. Nigeria's natural gas production is about 7.5 billion standard cf/d, of which 43% is exported to Europe and America, mainly through NLNG and a small volume to the West Coast of Africa through the West African Gas Pipeline. Nigeria has only 4,000 kilometres of gas pipelines, which is inadequate to serve the vast Nigerian population.

WAF

EQUATORIAL GUINEA

Three new Production Sharing Contracts (PSC) for Block EG-21, Block S and Block W offshore Rio Muni located offshore Equatorial Guinea, have been signed between the Ministry of Mines and Hydrocarbons of Equatorial Guinea, Kosmos Energy and National oil company, GEPetrol. The deal marks Kosmos' first set of PSCs in Equatorial Guinea. Block EG-21 was offered for tender during the EG Ronda 2016 oil and gas licensing round. Block S and Block W, previously operated by CNOOC Ltd and PanAtlantic Energy respectively, were negotiated directly with Kosmos and were not offered under the open bidding round. Block EG-21 covers 2,495 square kilometres, Block S covers 1,245 square kilometres and Block W is 2,254 square kilometres. In each block, Kosmos will hold an 80 percent stake and GEPetrol will control the remaining 20 percent. Gabriel Mbaga Obiang Lima, Minister of Mines and Hydrocarbons H.E. said "Kosmos Energy has demonstrated extraordinary and consistent success in frontier exploration projects in West Africa. We trust Kosmos will bring important knowledge and technology to Equatorial Guinea, an established oil and gas producer in Africa with proven potential. We look forward to working with Kosmos as we continue to push the boundaries in oil and gas exploration."

GLOBAL

On Thursday 26th October, oil prices edged lower after data from the U.S. Energy Information Administration (EIA) showed domestic crude stockpiles increased for the first time in five weeks. The U.S. West Texas Intermediate crude for November contract was down 20 cents at \$51.98 a barrel at 3:15 a.m. ET (07:15 GMT), while the ICE Futures Exchange in London Brent oil for December delivery fell by 11 cents at \$58.34 a barrel. The EIA weekly report for Wednesday 25th October showed a rise in crude oil inventories by 856,000 barrels in the week ending October 20. The EIA report also showed that domestic production rebounded by 1.1 million bpd to 9.5 million and net imports rose by just over 500,000 bpd, after the falloff due to Hurricane Nate the week before. Gasoline inventories fell by 5.5 million barrels last week, much more than expectations for a decline of 17,000 barrels. For distillate inventories including diesel, the EIA reported a decline of 5.2 million barrels.

Oil prices remained supported by comments from Saudi Arabia's energy minister made on Tuesday 24th October, reiterating its determination to end a global supply glut and as geopolitical turmoil threatened global inventories.

GLADIUS COMMODITIES LIMITED

Address: Elephant House, 214 Broad Street, Lagos – Marina, NIGERIA

This report has been prepared in good faith on the basis of information available at the date of publication without any independent verification. Gladius does not guarantee or warrant the accuracy, reliability, completeness or currency of the information in this publication. Readers are responsible for assessing the relevance and accuracy of the content of this publication. Gladius will not be liable for any loss, damage, cost or expense incurred or arising by reason of any person using or relying on information in this report.

Website: www.gladiuscommodities.com

192, Old Bakery Street, Valletta VLT 1455, MALTA