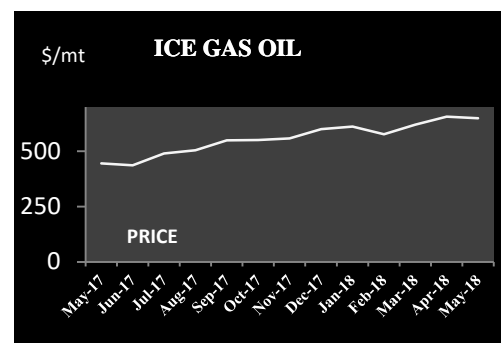
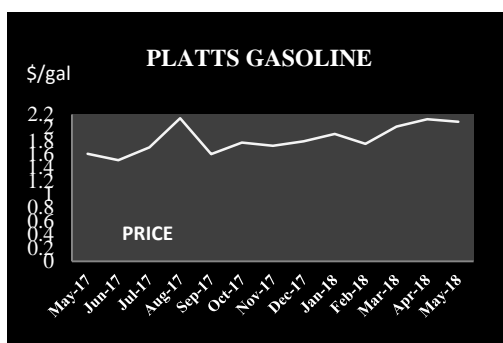
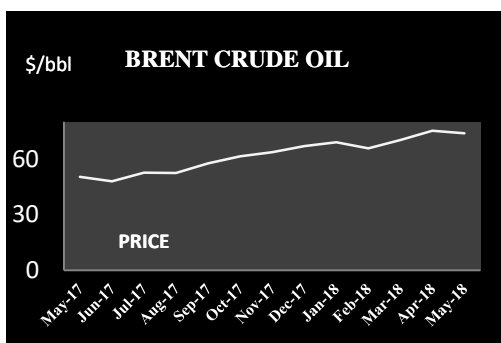


MARKET REPORT

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LOCATIONS	PMS	AGO	DPK
LAGOS	[MT] 1,208,145	[MT] 22,829	[MT] -
P.H.	-	21,042	-
DELTA	53,242	-	-
CALABAR	22,958	-	-

GLOBAL	PRICE
BRENT	79.28 \$/bbl
ICE GAS OIL	684.50 \$/mt
PLATTS GASOLINE	2.2499\$/gal
PLATTS 3.5% FUEL OIL FOB MED	416.306 \$/mt

PRICE (EX DEPOT) NGN / Litre				
	LAGOS	P.H.	DELTA	CALABAR
PMS	134-135	134-134.5	134.5-135	135-135.5
AGO	224-225.5	218	217-218	216

FX RATES				
17/05/18	USD	GBP	EUR	
NGN (PARALLEL MARKET)	361/363	493/500	423/ 428	
NGN (INTER BANK)	305.85	-	-	
NAFEX	361.22	-	-	

NIGERIA

On Wednesday 16th May, Dr. Maikanti Baru, the Group Managing Director of the Nigerian National Petroleum Corporation (NNPC), at the public hearing organized by the House of Representatives' Committee on the Petroleum Industry Administrative Bill (PIAB), Petroleum Industry Fiscal Bill and the Petroleum Industry Host Community Bill recommended that petroleum licences be divided into two components (exploration and production phases). Baru stated that the proposed split would prevent a situation where operators would sit continuously on oil acreages. The recommendation under the PIAB seeks the break-up of Petroleum Licence into Petroleum Exploration Licence (PEL) and Petroleum Lease (PL), which would be created to cover the production phase to search for, win, work, carry away and dispose of petroleum. The corporation also pushed for a re-think of the duration of licences as proposed in the PIAB which stipulates initial duration of 25 years for onshore and shallow water petroleum licence and 30 years for deep water and frontier acreages. The NNPC, however, proposed five years prospecting licence for onshore and shallow fields and a duration of 10 years for deep offshore and frontier basins. The corporation also recommended 20 years production lease for onshore and shallow fields as well as deep offshore and frontier basins. The corporation noted that only the production lease period should be renewed for a period not exceeding 20 years.

The NNPC awarded at least 50 indigenous and foreign companies crude oil lifting and offtake contracts for the years 2018 to 2020. The contract awardees include Gladius Commodities, Eterna, AMG, Bono, Glencore, BP, Total, Vitol, Mocoh, Trafigura and NNPC's oil trading arm Duke Oil Inc. The crude export contract is to run for a two-year period as opposed to the usual one-year period. The 50 companies are among 254 companies that submitted bids in January 2018 in response to the NNPC's Invitation to Tender for the Sale and Purchase of Nigerian Crude Oil Grades. According to Baru, the crude oil allocation exercise was to promote greater participation of Nigerian enterprises, while preserving world-class standards in the oil sector.

WAF

GHANA

On Thursday 17th May, Emmanuel Boakye Agyarko, Ghana's Minister of Energy, announced that Ghana is set to award nine new upstream oil blocks for commercial exploration off its western coast. Six of the nine blocks will be awarded in 2018 while the remaining three will be given out next year through a mix of open competitive tender and direct negotiations. The six blocks range in size from 1,000 to 1,500 square kilometres in the Western Basin. Two of the blocks are ultra-deep-water at 3,000-4,500m. 2D and 3D seismic data were taken in the blocks between 2000 and 2013 with very promising interpretations indicating "mostly oil". State oil company, Ghana National Petroleum Corporation (GNPC) will acquire one of the blocks to explore in partnership with a strategic partner to develop its technical capacity and become an operator. The government has set up a 23-member committee to oversee the allocation of oil blocks to local and international companies in the upcoming first exploration licensing round in Q4. The Ministry is currently in the preparation stage for the licensing round with promotional activities including a roadshow, in London and Houston. Invitations to bid will be sent in November for a December pre-qualification deadline scheduled for September and October 2018. The pre-qualified bidders will submit applications in January 2019 for evaluation in February. Ghana began commercial crude production in late 2010 and currently produces around 180,000 barrels per day (bpd) mainly from three fields offshore the western coast, including its flagship Jubilee reserves operated by the UK's Tullow Oil Plc.

GLOBAL

On Thursday 17th May, oil prices surged due to increased tensions over Iranian oil exports and the economic situation in Venezuela as data showed that U.S. crude and gasoline stockpiles have fallen. The West Texas Intermediate crude futures was up 45 cents at \$71.94 a barrel at 10:19 AM ET (14:19 GMT) while the ICE Futures Exchange in London Brent crude futures was up 66 cents at \$79.94 a barrel. The U.S Energy Information Administration (EIA) weekly report for Wednesday 16th May showed a fall in crude inventories by 1.4 million barrels in the week ending May 11, compared with expectations of a 763,000 barrel decrease.

Oil prices climbed above \$80 a barrel for the first time in three-and-a-half years amid simmering global tensions over Iran. The International Energy Agency report also revised its global outlook for 2018 down from 1.5 million to 1.4 million bpd due to the expected increase in prices. The looming sanction against OPEC-member, Iran contributed to rising oil prices and the market is expected to tighten for the rest of 2018. Oil prices have jumped to over 70% in the last year due to a rise in demand and restricted supply by OPEC.

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