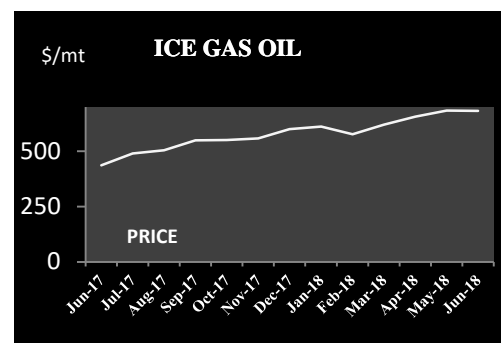
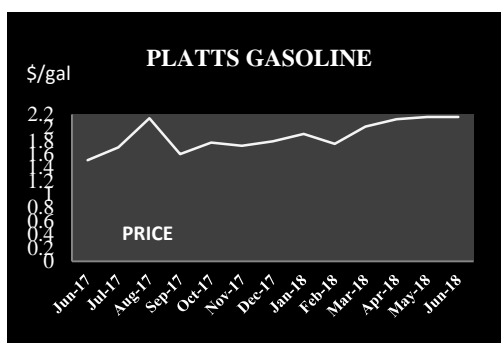
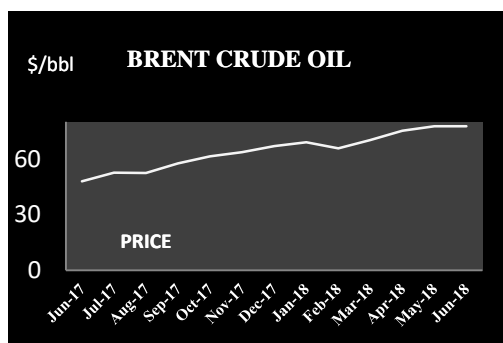


MARKET REPORT

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LOCATIONS	PMS	AGO	DPK
LAGOS	[MT] 825,115	[MT] 129,236	[MT] 15,155
P.H.	37,962	-	-
DELTA	22,950	19,461	-
CALABAR	9,999	-	-

GLOBAL	PRICE
BRENT	73.05 \$/bbl
ICE GAS OIL	634.50 \$/mt
PLATTS GASOLINE	2.0123 \$/gal
PLATTS 3.5% FUEL OIL FOB MED	414.862 \$/mt

PRICE (EX DEPOT) NGN / Litre

	LAGOS	P.H.	DELTA	CALABAR
PMS	134-134.5	-	133.7- 134	134.5
AGO	209.5-212	-	212	217-225

FX RATES

21/06/18	USD	GBP	EUR
NGN (PARALLEL MARKET)	360/362	480/486	416/ 420
NGN (INTER BANK)	305.80	-	-
NAFEX	361.14	-	-

NIGERIA

On Wednesday 20th June, Dr. Ibe Kachikwu, the Minister of State for Petroleum Resources, disclosed in Abuja that the Nigerian National Petroleum Corporation (NNPC), is expected to sign agreements with third-party financiers and contractors for the refurbishment of its 445,000 barrels per day (bpd) combined capacity refineries in Kaduna, Warri, and Port Harcourt by October 2018. Kachikwu stated that the necessary processes for the revamping of the refineries to 90% combined production capacities have been largely concluded and some third-party financiers with an appropriate debt structure model have been identified. He also said that the government has issued licences for 40 new modular refineries, with two 17,000 bpd capacity refineries planning to commission their plants between the last quarter of 2018 and first quarter of 2019. Additionally, apart from the anticipated 650,000 bpd Dangote refinery expected to come on stream in 2020, the Nigeria Agip Oil Company plan to build a 150,000 bpd refinery in Bayelsa State. Kachikwu concluded by saying that he expects all these to result in Nigeria becoming a destination for crude oil refining in Africa, adding that this would ensure that the country leads the continent's oil refining market.

On Thursday 21st June, Dr. Maikanti Baru, the Group Managing Director of the NNPC, while serving as a round-table panellist at the ongoing OPEC International Seminar in Vienna, Austria delivered a speech on Investment in the Nigerian Oil Industry. Baru outlined the benefits that oil investors stand to gain by investing in the country's oil sector, stating that the current administration of President Muhammadu Buhari has tackled issues bordering on policy instability, environmental problems, and insecurity. Additionally, he revealed how the current NNPC management has been able to get communities in the oil-rich Niger Delta to cooperate with the Federal Government as well as oil companies and stakeholders. According to Baru, investors have been cooperating in the upstream and downstream sectors to give the oil industry the boost that it requires.

CAF

GABON

On Tuesday 19th June, Vaalco Energy Inc. announced the completion of the workover operations on the Avouma 2H well located 17km south-east of the Etame field offshore Gabon and replacement of the Electrical Submersible Pump (ESP) system. The workover operations began on the Avouma platform on May 17 to replace ESPs in the Avouma 2-H and South Tchibala 1-HB wells. The well is online, producing at rates in excess of pre-shutdown levels and is expected to stabilize around 2,000 bpd gross or 540 bpd net to the company. A floating production, storage, and offloading vessel is used for production on the Etame Marin block, which includes Southeast Etame and North Tchibala fields. Furthermore, a third workover has proactively commenced to upgrade the ESP system in the South Tchibala 2H well, while the company has the hydraulic workover unit on the platform. The proactive replacement of the system ensures the company mitigates the potential for a premature ESP failure by installing a system with design enhancements that are expected to extend the run life of the ESP. Cary Bounds, the Chief Executive Officer of Vaalco, commented: "We are pleased to have restored significant production from the Avouma 2H well. We are realizing significant cash flow generation at current Brent pricing, and have decided to lock in cash generation at \$74 per barrel on approximately 400,000 barrels over the next 13 months in anticipation of a possible development drilling campaign on our offshore Gabon asset in 2019."

GLOBAL

On Thursday 21st June, oil prices settled lower as major oil producers neared a deal to hike oil production by about one million bpd to avert a possible supply shortage and stabilise prices. The US West Texas Intermediate crude for August delivery was down 4 cents at \$65.71 a barrel at 10:44 AM ET (14:44 GMT), while Brent crude futures fell by \$1.18 to \$73.56 a barrel. The U.S Energy Information Administration weekly report for Wednesday 20th June showed a fall in crude oil inventories by 5.914 million barrels in the week ending June 15, topping expectations for a draw of 2.1 million barrels. Therefore, making the U.S. firmly positioned as the second largest oil producer behind Russia.

OPEC and non-OPEC members including Russia are set to meet in Vienna on June 22, where they are expected to decide whether or not to increase supply by one million bpd. Saudi Arabia and Russia, both of which have the ability to increase production, had been pushing for increases in output to cover shortfalls seen by Iran and Venezuela. However, OPEC members including Iraq, Iran, and Venezuela had shown their preference to keep the supply limits in place.