28th September 2018

GLADIUS

MARKET REPORT

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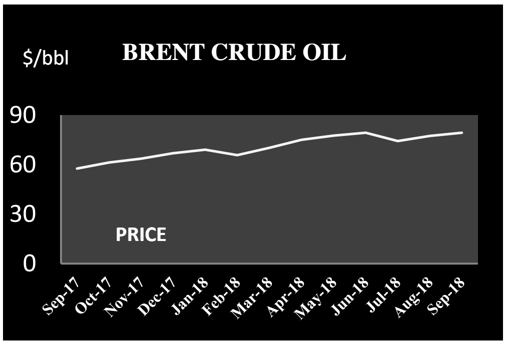

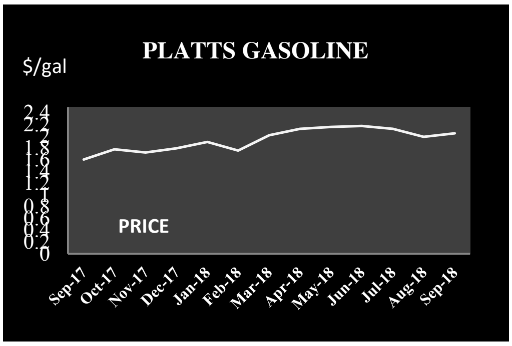

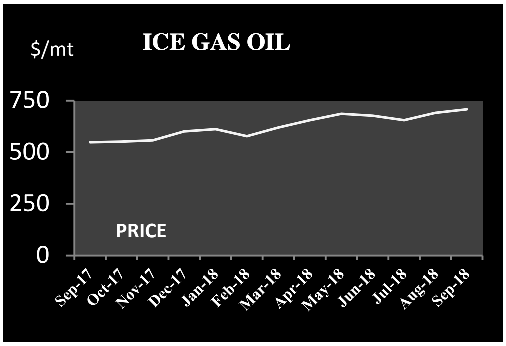

LOCATIONS	PMS	AGO	DPK
LAGOS	[MT] 1,115,591	[MT] 84,645	[MT] -
P.H.	34,960	837	-
DELTA	51,025	-	-
CALABAR	15,063	-	-

GLOBAL	PRICE
BRENT	81.34 $/bbl
ICE GAS OIL	710.75 $/mt
PLATTS GASOLINE	2.0585 $/gal
PLATTS 3.5% FUEL OIL FOB MED	425.549 $/ mt

PRICE (EX DEPOT) NGN / Litre

	LAGOS	P.H.	DELTA	CALABAR
PMS	134	-	134	134-134.50
AGO	213–230	-	230	215-220

FX RATES

27/09/18	USD	GBP	EUR
NGN (PARALLEL MARKET)	358/361	474/480	417/420
NGN (INTER BANK)	306.35	-	-
NAFEX	363.74	-	-

NIGERIA

The Nigerian National Petroleum Corporation (NNPC), TOTAL and OML 130 partners (Sapetro, Cnooc & Petrobras) launched the Egina crude grade during the week of Asia Pacific Petroleum Conference (APPEC), held in Singapore. Alhaji Mele Kyari, Group General Manager, Crude Oil Marketing Division, NNPC represented the Group Managing Director, Dr. Maikanti Baru at the launch of the new Egina crude grade. The crude has an API gravity of 27.3 degrees and has a sulfur content of 0.165 percent. According to the crude assay, the grade is said to have a higher yield of gasoil and vacuum distillates compared with other crude grades. It was announced that Nigeria plans to increase its crude output by 200,000 barrels per day (bpd) with production at the Egina ultra-deepwater field which is expected to start in December 2018. The Egina Floating, Production, Storage and Offloading unit sailed to the Egina oilfield in Oil Mining Lease 130, which is located about 150km offshore the Niger Delta. The Egina field will add 200,000 bpd of crude oil to Nigeria's daily output when it comes on stream.

The Minister of State for Petroleum Resources, Dr. Ibe Kachikwu, has said that the Federal Government will from 2019 commence the revocation of the licences of oil companies that fail to stop gas flaring in their operations in Nigeria. Kachikwu stressed that the quest to discourage gas flaring has led the Federal Government to initiate the gas flare commercialisation programme. He said that future renewals of oil and gas licences would involve the assessments of the gas components and gas flare rate of each company seeking renewals.

WAF

GHANA

Maersk Drilling has signed a contract with Aker Energy for Maersk Viking, an ultra-deepwater drillship to drill the Pecan-4A appraisal well offshore Ghana. The contract covers one firm well with an expected duration of 30-35 days, with options for additional wells. The contract is expected to commence in Q4 2018. Maersk Viking will perform the drilling at an ultra-deepwater depth of 2,674 meters in the Deepwater Tano Cape Three Points (DWT/CTP) block. Aker Energy Chief executive officer Mr. Jan Arve Haugan said: *"We are pleased to achieve this key milestone that will enable us to commence drilling of the important Pecan-4A appraisal well. The main objective of the well will be to test the extension of the Pecan Field. This will give valuable and important input when optimising the Plan of Development for the field and in understanding the wider appraisal potential of the block".* Aker Energy awarded the contract on behalf of the license group and as the Operator of the DWT/CTP block. Aker Energy owns a 50% participating interest, LUKOIL (38%), Ghana National Petroleum Corporation (10%) and Fueltrade (2%).

GLOBAL

On Thursday 27th September, Oil prices surged higher amid looming supply crunch with sanctions set to be re-imposed on major producer Iran on November 4. The New York Mercantile Exchange Crude Futures for November delivery traded 1.2% higher at $72.40 a barrel at 12:15 AM ET (04:15 GMT), while ICE Brent Oil Futures for December delivery gained 0.9% to trade at $81.52 a barrel. The U.S. Energy Information Administration weekly report for Wednesday 26th September showed a rise in crude oil inventories by 1.852 million barrels for the week ending Sept. 21. Market analysts had expected a decline of 1.279 million barrels.

Oil prices had jumped to near four-year highs in the past two weeks, as the prospect of tighter markets due to the upcoming U.S. sanctions against major crude exporter Iran in November were said to be supporting oil prices. Iran exported around 3 million bpd of crude oil at its peak in 2018, equivalent to 3% of global consumption. The impending loss of supply from Iran has seen oil prices rally and the Organization of the Petroleum Exporting Countries and non-OPEC members, including Russia, have little spare capacity to boost output in order to offset falling global supply.