

# GLADIUS

## MARKET REPORT

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**BRENT CRUDE OIL**



**PLATTS GASOLINE**



**ICE GAS OIL**



| LOCATIONS | PMS       | AGO     | DPK  |
|-----------|-----------|---------|------|
|           | [MT]      | [MT]    | [MT] |
| LAGOS     | 1,143,712 | 131,790 | -    |
| P.H.      | 8,921     | -       | -    |
| DELTA     | 21,918    | -       | -    |
| CALABAR   | 20,204    | -       | -    |

| GLOBAL                       | PRICE         |
|------------------------------|---------------|
| BRENT                        | 60.38 \$/bbl  |
| ICE GAS OIL                  | 589.50 \$/mt  |
| PLATTS GASOLINE              | 1.5530 \$/gal |
| PLATTS 3.5% FUEL OIL FOB MED | 261.438 \$/mt |

| PRICE (EX DEPOT) NGN / Litre |           |           |           |              |
|------------------------------|-----------|-----------|-----------|--------------|
|                              | LAGOS     | P.H.      | DELTA     | CALABAR      |
| PMS                          | 132-133.5 | 133.8-134 | 132.9-133 | 133.28-133.8 |
| AGO                          | 182-185   | 188-200   | 189-190   | 189-205      |

| FX RATES              |         |         |         |
|-----------------------|---------|---------|---------|
| 12/09/19              | USD     | GBP     | EUR     |
| NGN (PARALLEL MARKET) | 357/360 | 445/450 | 392/395 |
| NGN (INTER BANK)      | 306.85  | -       | -       |
| NAFEX                 | 361.95  | -       | -       |

**NIGERIA**

Nigerian Liquefied Natural Gas (NLNG) company signed a letter of intent for the Engineering, Procurement and Construction (EPC) contract with SCD Joint Venture (JV) Consortium to build a 7th train at the Bonny LNG plant. The consortium is made up of Saipem of Italy, Japan's Chiyoda and Daewoo of South Korea. Construction of Train 7 will increase its current output from 22 to 30 million mt/year. Nigerian National Petroleum Corporation (NNPC) which holds 49% interest in NLNG said it expects the Final Investment Decision on the project to be taken early in October 2019. Other partners in the project are Shell, Eni and Total.

Eland Oil & Gas announced the completion of the drilling phase of the Gbetiokun-4 development well through its joint-venture subsidiary, Elcrest Exploration and Production Nigeria. The OES Teamwork rig completed drilling operations on the Gbetiokun-4 well; the first well to be drilled on the Gbetiokun field following approval of the Field Development Plan (FDP) by Nigeria's Department of Petroleum Resources. The well will be completed as a dual oil producer on the E5000 and E7000 reservoirs, which have total net pay thicknesses of approximately 63 feet and 49 feet True Vertical Depth (TVD) respectively. The secondary target reservoir, E3000, which encountered 48 feet TVD of net pay will also be perforated and placed behind a sliding sleeve ready for production at a later time. Completion of the Gbetiokun-4 well is expected at the end of September 2019, with production commencing through the recently commissioned Early Production Facility (EPF) immediately thereafter. The EPF is already online and handling production from previous wells Gbetiokun-1 and -3. Gbetiokun-4 should increase throughput from the current 11-12,000 barrels per day bpd (gross) to approximately 16-17,000 bpd (gross). Following the completion of the Gbetiokun-4 well, the OES Teamwork rig will commence operations on the Gbetiokun-5 development well which is scheduled to provide additional drainage points on the D9000 and E2000 reservoir zones.

**CAF**

**GABON**

BW Energy, a subsidiary of BW Offshore, the operator of the Dussafu permit announced it is proceeding with a sidetrack of the DH1B-1 well on the Dussafu Marin Permit, located offshore Gabon as the discovery may be bigger than expected. BW started drilling the Hibiscus Updip well (DH1B-1) in mid-August using the Borr Norve jack-up drilling rig. The well is located about 56 km offshore Gabon in 116 m water depth. At the end of August, BW encountered hydrocarbons at the Hibiscus Updip prospect. BW's partner, Panoro Energy said in an update that the DH1B-1 well was drilled on the Hibiscus Updip prospect and reached a total depth of 3,538 meters. An oil discovery was made in the Gamba formation with an overall hydrocarbon column of 33 meters and average porosities ranging between 21% and 23%. Panoro noted that the initial results of logging the Gamba formation at Hibiscus Updip are highly encouraging. BW's preliminary assessment indicates that the discovery may be larger than the gross pre-drill estimate of 12 million barrels of prospective resources. BW said that Hibiscus will be a separate development to the Ruche complex.

**GLOBAL**

On Thursday 12<sup>th</sup> Sept., oil prices slumped after the Organization of the Petroleum Exporting Countries (OPEC) agreed to cut its oil output and asked Iraq and Nigeria to cut production in an attempt to prevent a glut as U.S. production soars. The U.S. West Texas Intermediate futures fell 1.6% to \$54.83 a barrel at 8:45 AM ET (12:45 GMT), while Brent Oil Futures slumped 1.9% at \$59.66. The U.S. Energy Information Administration (EIA) in its weekly report for Wednesday 11th September showed a fall in crude oil inventories by 6.9 million barrels for the week ending September 6, against analysts' expectation of a drawdown of about 2.7 million.

Oil prices are down about 15% from their peak in April as markets have been under pressure on fears that the Sino-U.S. trade war would drag on. OPEC and non-OPEC members met on Thursday 12<sup>th</sup> Sept. ahead of policy discussions to be held in Vienna in December. Iraq, OPEC's second-largest oil producer, pledged to reduce output by 175,000 bpd by October, while Nigeria agreed to cut 57,000 bpd. OPEC said in a monthly report that oil demand worldwide would expand by 1.08 million bpd in 2020, 60,000 bpd less than previously estimated and indicated the market would be in surplus. Also in the report, OPEC lowered its forecast for world economic growth in 2020 to 3.1% from 3.2% and said next year's increase in oil demand would be outpaced by "strong growth" in supply from rival producers such as the United States.