

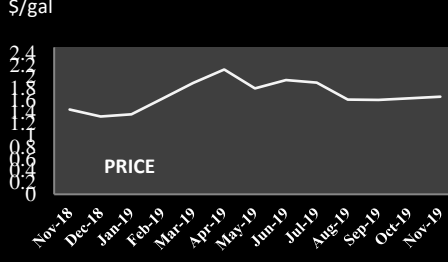
## MARKET REPORT

**Gladius Energy Desk**

research@gladiuscommodities.com

Tel: +234-1-2931855

**BRENT CRUDE OIL**

**PLATTS GASOLINE**

**ICE GAS OIL**


LOCATIONS	PMS	AGO	DPK
	[MT]	[MT]	[MT]
LAGOS	1,128,171	166,832	-
P.H.	19,654	20,062	-
DELTA	11,053	-	-
CALABAR	49,919	-	-

**NIGERIA**

The Nigerian National Petroleum Corporation (NNPC), has said it will continue to expand and integrate gas pipeline network systems to meet domestic demand. The corporation's ongoing reforms include the transformation from a traditional oil and gas entity into an integrated energy outfit with interest in power generation and transmission. The Group Managing Director NNPC, Alhaji Mele Kyari, said the move has made the corporation intensify bio-fuels development through a partnership with core investors to create a low-carbon economy, and link oil and gas to the agricultural sector. Alhaji Kyari stated that the decision to diversify into the power sector is necessary to bridge the huge energy gap in Nigeria.

President Muhammadu Buhari has signed the Offshore and Inland Basin Production Sharing Contract (PSC) bill into law. Two more revenue streams were added to the 1993 Deep Offshore and Inland Basin PSC to add about \$1.5 billion to government reserves in 2 years. One is a flat 10% royalty on all projects over 200 meters deep and the other is a 7.5% royalty on frontier and inland basins.

Total is seeking to sell its 12.5% stake in a major deep-water oilfield off the coast of Nigeria. Total's stake in Oil Mining Lease (OML) 118 known as the Bonga field is located 120 kilometers off the Niger Delta with a value of up to \$750 million. Total's plan to sell \$5 billion of assets around the world by 2020. OML 118 is Nigeria's first deep-water project. Discovered in 1996, the federal government approved its development in 2002 and began production in 2005. It produced around 225,000 barrels of oil per day (bpd) and 150 million standard cubic feet of gas per day at its peak. The field produces both petroleum and natural gas which are offloaded to tankers and pipelines. The natural gas is then exported via an LNG plant. OML 118 is operated by Royal Dutch Shell, 55%, Exxon Mobil 20%, Italy's Eni and Total each hold 12.5%. Total Nigeria recently partnered with NNPC to grow daily crude oil and gas production and reserves to meet the national target of 40 billion barrels.

**CAF/WAF**
**GABON**

At the Africa Oil Week conference held in Cape Town, Petronas announced that its appraisal well on the deep-water Boudji pre-salt oil and gas discovery off Gabon has shown preliminary positive indications. The Boudji-1 discovery well was drilled on Block F14 (Likuale) in 2800 meters of water, hitting 90 meters of gross high-quality hydrocarbon-bearing pre-salt sands in Gamba and Dentale horizons. In August 2019, Petronas was also awarded two other blocks in the region – F12 (Yitu) and F13 (Meboun) both of which are up-dip from Boudji. One prospect on the radar on F13 is called Jove Marine. Petronas is currently doing high-end seismic reprocessing on the block and is set on spudding the well in the fourth quarter of 2020. Jove Marine is located about 50 kilometers north-west of Boudji. It is larger than the Boudji area and it is also in water depths that are 700 meters shallower. It shares somewhat similar trap configurations (i.e. it is a simple four-way dip closure). On F12, Petronas is looking at a prospect called Mbama, due for drilling in the third quarter of 2021. It is around 70 kilometers from Boudji and is also larger in area, while situated in 500 meters of water.

**SENEGAL**

Senegal's oil minister Mahamadou Makhtar Cisse announced the launching of a new oil and gas licensing round for three offshore blocks. The licensing round will be promoted at international oil conferences in London, Houston, and Dakar during the first phase of the process, while energy companies will be able to check the blocks' potential between late January and late July 2020. Senegal expects all its offshore projects to come online between 2022 and 2026.

**GLOBAL**

On Thursday 7<sup>th</sup> November, oil prices rebounded on renewed trade deal optimism between the U.S.-China which hopes to end the trade war that has depressed global growth and energy demand outlook. The U.S. West Texas Intermediate crude futures were up 76 cents at \$57.09 per barrel at 08:11 AM ET (01:11 GMT), while Brent crude was up 77 cents at \$62.51. The U.S. Energy Information Administration in its weekly report for Wednesday 6<sup>th</sup> November showed a rise in crude inventories by 7.9 million barrels in the week ending Nov. 1, compared with expectations from analysts for an increase of about 1.5 million barrels.

Oil prices have been underpinned by a deal between the Organization of the Petroleum Exporting Countries (OPEC) and allies, including Russia, to limit supplies until March 2020. A meeting has been scheduled for Dec. 5-6 in Vienna to review the policy. OPEC Secretary-General Mohammad Barkindo said he was more optimistic about the outlook for 2020 because of developments on trade disputes, appearing to downplay any need to cut output more. Oil prices were also aided by optimism that trade tensions between the U.S. and China are easing and alleviating downward pressure on the global economy. However, the signing of the deal might be delayed until December as discussions continued over terms and venue.

GLOBAL	PRICE
BRENT	62.29 \$/bbl
ICE GAS OIL	586.75 \$/mt
PLATTS GASOLINE	1.6355 \$/gal
PLATTS 3.5% FUEL OIL FOB MED	219.064 \$/mt

**PRICE (EX DEPOT) NGN / Litre**

	LAGOS	P.H.	DELTA	CALABAR
PMS	131.5-133.3	133.8	132.9-133	133.28-133.5
AGO	189.5-196	191-200	188-192	189.5-192

**FX RATES**

07/11/19	USD	GBP	EUR
NGN (PARALLEL MARKET)	358/360	458/463	393/398
NGN (INTER BANK)	306.90	-	-
NAFEX	362.67	-	-

**GLADIUS COMMODITIES LIMITED**

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

 Website: [www.gladiuscommodities.com](http://www.gladiuscommodities.com)

192, Old Bakery Street, Valletta VLT 1455, MALTA

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.