GLADIUS
MARKET REPORT

$/bbl
BRENT CRUDE OIL

PRICE

$/gal
PLATTS GASOLINE

PRICE

$/mt
ICE GAS OIL

PRICE

LOCATIONS

LAGOS

P.H.

DELTA

CALABAR

GLOBAL

PMS

AGO

DPK

PRICE (EX DEPOT) NGN / Litre

LAGOS

133.5-135

P.H.

–

DELTA

134

CALABAR

134.5-135.5

30

AG0

201-212

420,843 / mt

GABON

Total Gabon, a subsidiary of French oil and gas giant Total, has agreed to sell its entire stake of 32.9% interest in the onshore Rabi-Kounga field in Gabon to Assala Energy for $100 million. UK-based Assala Energy is carrying out the transaction through its subsidiary Assala Upstream Gabon, further consolidating its ownership in the onshore Gabon block. The Rabi-Kounga field is located in southern Gabon and has been operated by Assala Energy since November 2017, after its acquisition of Shell’s onshore assets in Gabon in a $628 million deal. Assala Energy, which is owned by alternative asset manager The Carlyle Group, stated that the acquisition will support the firm’s efforts to consolidate its investments in Gabon. The transaction will be subject to receipt of customary regulatory approvals and is anticipated to be completed in the fourth quarter of 2018. Total Gabon, which has been present in Gabon for more than 85 years, operates the offshore Anguille-Ile Mandji and Terpille fields along with the onshore Clogo Oil terminal in the Central African country with a stake of 100% each. The Total subsidiary also owns an operated stake of 42.5% in the deep offshore Diaba exploration permit along with a 65.3% non-operated stake in the offshore Grondin sector.

GLOBAI

On Tuesday 31st July, Shell Nigeria’s production unit announced that negotiation on a commercial framework for the expansion of the Bonga deepwater oil field will be concluded soon, after which a Final Investment Decision (FID) will be taken to start the project, which is expected to add around 1 billion barrels to Nigeria’s oil reserves. Shell disclosed that it expects to take the FID on the Bonga Southwest/Apapa (BSWA) field development project in 2019. Mr. Bayo Olujari, the Managing Director of Shell Nigeria Exploration and Production Co said, “A timeframe for the FID will be announced after the conclusion of commercial discussions with the Nigerian government, and the discussions are ongoing and may be concluded soon”. The BSWA project includes the construction of a new Floating Production, Storage and Offloading unit with an expected peak production of 225,000 barrels of oil per day (bpd). The bulk of Bonga Southwest’s resources are located in an area referred to as OML 118, but also extends into OMLs 132 and 146, areas operated by Chevron, where the field is called Apapa. Other partners in the project are Total, Eni and Sasol Petroleum.

The Federal Government and the management of the Nigerian National Petroleum Corporation (NNPC) have been commended for the improved security situation in the Niger Delta, which has helped with improved relations with and operations by international oil companies. This commendation was given by the Chief Operating Officer, Upstream, Eni, Mr. Antonio Vella, during a courtesy visit, with the management team of the Nigerian Agip Oil Company (NAOC), to see Dr. Malikani Baru, the Group Managing Director of the NNPC. Mr. Vella said the prevailing peace and security in the region had increased investors’ confidence in Nigeria’s petroleum industry, adding that the company was considering doubling its investment in the country. Mr. Vella disclosed that NAOC is rebuffing efforts on the ongoing expansion of the Okpai Independent Power Project (IPP) and the Zababazza Project to achieve early completion as a result of the improved operating environment. According to Vella, the Okpai IPP expansion will be completed by the second quarter of 2019, with the goal of raising the power generating capacity of the plant by over 50%. Baru expressed optimism that an increase in production, by Agip would boost the nation’s chances of meeting production and reserve target, adding that his management is focused on making the operating environment safe and conducive for more investors to come in.

NGERIA

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GLOBAI

On Thursday 2nd August, oil prices settled higher after rebounding from sharp loss a day earlier as crude supplies reportedly fell at a domestic delivery hub at Cushingo, Oklahoma. The U.S. West Texas Intermediate crude oil futures gained 72 cents at $68.38 a barrel and Brent crude futures traded up 34 cents at $72.73 a barrel. The U.S. Energy Information Administration weekly report for Wednesday 1st August showed a rise in crude inventories by 3.803 million barrels for the week ending July 27, covingning expectations for a draw of 2.794 million barrels. The report also showed that the unexpected build in crude supplies came as imports rose by about 1.352 million bpd and exports fell by 1.373 million bpd.

A survey by Reuters showed that OPEC hiked production by 70,000 bpd and further supply increases could offset production outages and pressure prices. OPEC, Russia and other non-members agreed to return to 100% compliance with the oil output cuts that began in January 2017, after months of underproduction elsewhere had pushed adherence above 160%. Even though output continued to decline in Iran, Libya and Venezuela, the survey suggested that compliance had only fallen to 111% in July, suggesting more room for increasing production from the likes of Saudi Arabia or Russia.

30/07/2018

GLOBAL

IGN

(REFERENCE MARKET)

IGN (INTER BANK)

NAFX

357/360

305.95

362.31

470/478

412/418

420/421

GBP

EUR

USD

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