18th March 2022

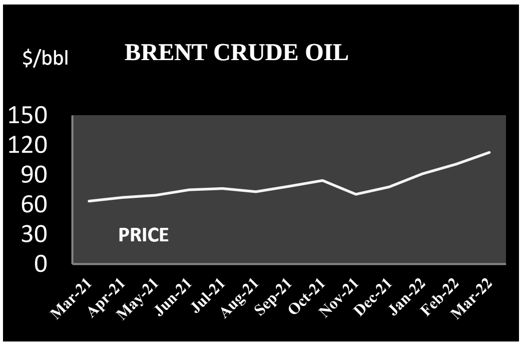
GLADIUS

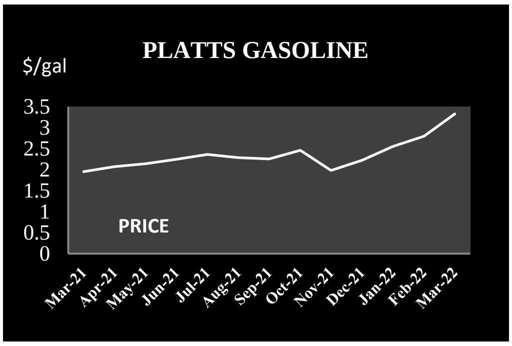
MARKET REPORT

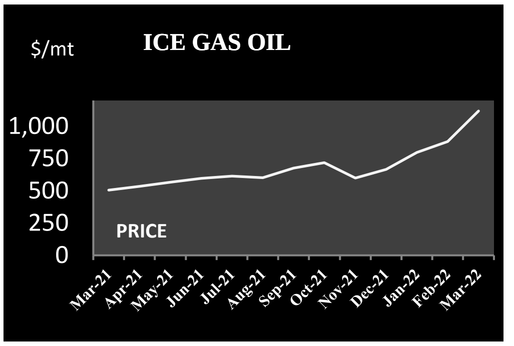
Gladius Energy Desk

research@gladiuscommodities.com

Tel: **+234-1-2931855**







LOCATIONS	PMS	AGO	DPK
	[MT]	[MT]	[MT]
LAGOS	805,498	144,893	-
P.H.	-	-	-
DELTA	99,000	-	-
CALABAR	13,000	-	-

GLOBAL	PRICE
BRENT	106.64 $/bbl
ICE GAS OIL	1056.5 $/mt
PLATTS GASOLINE	3.2166 $/gal
PLATTS 3.5% FUEL OIL FOB MED	613.480 $/mt

PRICE (EX DEPOT) NGN / Litre, (LPG/ton 10^3)

	LAGOS	P.H.	DELTA	CALABAR
PMS	157-160	180	162	176-182
AGO	592-602	590-615	600	-
LPG	-	550	550	-

FX RATES (BUYING/SELLING)

18/03/2022	USD	GBP	EUR
NGN (CBN RATE)	415/416	546/547	458/459
NGN (INTER BANK)	-	-	-
NAFEX	416.50	-	-

NIGERIA

The Nigerian National Petroleum Company (NNPC) Ltd and the House of Representatives have brokered an interim agreement between oil marketers and Airline operators to resolve the current aviation fuel situation in the country. The Group Managing Director NNPC, Alhaji Mele Kyari said in three days, representations from MOMAN, DAPPMA and the Airline Operations of Nigeria should have a resolution on a transparent basis of pricing that will bring about the closure in the price discrepancies. Alhaji Kyari also granted licences to Nigerian Airline Operators to import petroleum products, especially ATK to help benchmark the sale for other customers and bring in cheaper products when possible.

The Minister of State for Petroleum Resources speaking at the ground-breaking of the ERASKON 64,000 Litres/Day Lubricant and Chemical Blending Plant and product Launch ceremony in Gbarain, Yenagoa Bayelsa State, said Nigeria consumes about 250 million litres of engine oil yearly and this consumption grows at more than 5% every year due to the addition of new vehicles and machinery. Chief Sylva said the Federal Government is determined to deepen local content and reduce the importation of products we could produce locally. The Executive Secretary of the Nigerian Content Development and Monitoring Board (NCDMB), Simbi Kesiye Wabote who was also present at the ground-breaking said the partnership with ERASKON is in line with the agency's mandate to develop local capacity in the oil and gas sector. Wabote commended the vision of ERASKON management in setting up the lubricant plant, which would provide jobs for over 200 persons and 800 indirectly. ERASKON Lubricant and Chemical Blending Plant have the capacity to produce industrial chemicals such as drilling and production chemicals as well as transformer and turbine oil, as well as household products such as detergents and aerosols.

WAF

GUINEA BISSAU

FAR Limited said it would withdraw from its offshore blocks in Guinea Bissau after failed farm-out attempts. It had started steps to withdraw from its interests in the Esperanca Blocks 4A & 5A and Sinapa Block 2 offshore Guinea Bissau. FAR has provided its notice of withdrawal to the Government of Guinea Bissau and operator Petronor under the relevant agreements. Joint efforts by FAR and Petronor to collaboratively farm-down have been unsuccessful. FAR has already met the minimum financial commitments associated with the license, and there are no 2022 commitments in place. Therefore, FAR does not expect to incur any new material expenses related to these interests. FAR has impaired $2.7 million of capitalized costs associated with the Guinea Bissau project in 2021. It had previously disclosed a contingent liability of up to $13 million payable in the event of production, and a contingent withholding tax liability of $568k in the event of development, relating to the Guinea Bissau interests. As for withdrawals, FAR will not participate in any future development and production relating to these interests (the contingent liabilities will no longer exist).

GLOBAL

On Thursday 18th March, oil prices climbed 8%, extending a series of wild daily swings as the market rebounded from several days of losses with a renewed focus on supply shortages in the coming weeks due to sanctions on Russia. The U.S. West Texas Intermediate (WTI) crude futures settled up $7.94 at $102.98 a barrel, while Brent crude futures settled up $8.62 at $106.64 a barrel. The U.S. Energy Information Administration (EIA) weekly report on Wednesday 16th March showed a rise in crude oil inventories by 4.3 million barrels from the week ending March 11. At 415.9 million barrels, U.S. crude oil inventories are about 12% below the five-year average for this time of year.

Oil benchmarks in recent weeks have undergone their most volatile period since mid-2020. After sliding as buyers cashed in on the run-up, prices resurged on expectations that shortages might squeeze the energy market. Meanwhile, numerous nations have banned purchases of Russian oil to punish Moscow for its invasion of Ukraine nearly three weeks ago. Adding to the upward pressure, Paris based International Energy Agency (IEA) said that some 3 million barrels a day (bpd) of Russian production could be shut in from April due to the difficulty of finding buyers. Also, prices were supported by evidence suggesting that China's lockdowns to contain the latest outbreaks of Covid-19 may not be as severe as those seen two years ago. Sentiment brightened after China pledged policies to boost financial markets and economic growth. A decline in new COVID-19 cases spurred hopes of lifted lockdowns and resumption of production factories.

GLADIUS COMMODITIES LIMITED **Website: www.gladiuscommodities.com**

Address: Elephant House, 214 Broad Street, Lagos – Marina, NIGERIA; RAKEZ Amenity Center (T2-TF-2F), Al Hamra Industrial Zone-FZ, Ras Al Khaimah, United Arab Emirates; 192, Old Bakery Street, Valletta VLT 1455, MALTA