



**PETROGAS
ENERGY**

C O R P O R A T E P R O F I L E



ABOUT PETROGAS

Petrogas Energy is an integrated energy and infrastructure firm with activities spanning across the Upstream, Midstream and Downstream sectors of the petroleum industry. Since inception, the company focus on providing energy solutions through trading of Crude Oil, Natural Gas Liquids (NGLs), Liquefied Petroleum Gas (LPG), Refined Petroleum Products and associated intermediate and by-products i.e. Naphtha & Fuel oils.

Registered under the Federal Republic of Nigeria, we invest in strategic energy infrastructure projects in Nigeria and beyond, aimed at providing logistics solutions required for efficient Local and Regional petroleum supply and distribution.

Our strength lies in understanding the regional and global market place and ability to identify supply and demand gaps and opportunities. Effective management and synchronization of trade, finance and operations enables us maximize efficiency and profitability while minimizing risks.

Regionally and Internationally, we invest in partnerships that provide us presence and access to strategic facilities in key trading hubs globally. Through these ventures, Petrogas has presence in Athens, Geneva, Singapore, Beirut, Harare, Kuala Lumpur, Brisbane, Huston, London, Dubai, Istanbul and Moscow.

We aspire to be a leading global trading outfit, while proudly flying the Nigerian Flag!

VISION

To be a premier energy company and top-tier performer by creating value through sustainable and efficient growth.'

MISSION

To be a focused energy company that delivers value to our clients through transformation, Innovation, creative thinking and action.

CULTURE

Our core values drive us to continually to go the extra mile in the pursuit of value for our clients.

CORPORATE GOVERNANCE & VALUES



To support our commercial activities, we created an organizational platform founded on talented people who ensure operational excellence, precise risk management, and meticulous financial controls. Through all our endeavors we maintain the very highest standards.

Petrogas values health, safety and the environment, employee rights, compliance with local and international laws, and being a committed partner to governments and communities.

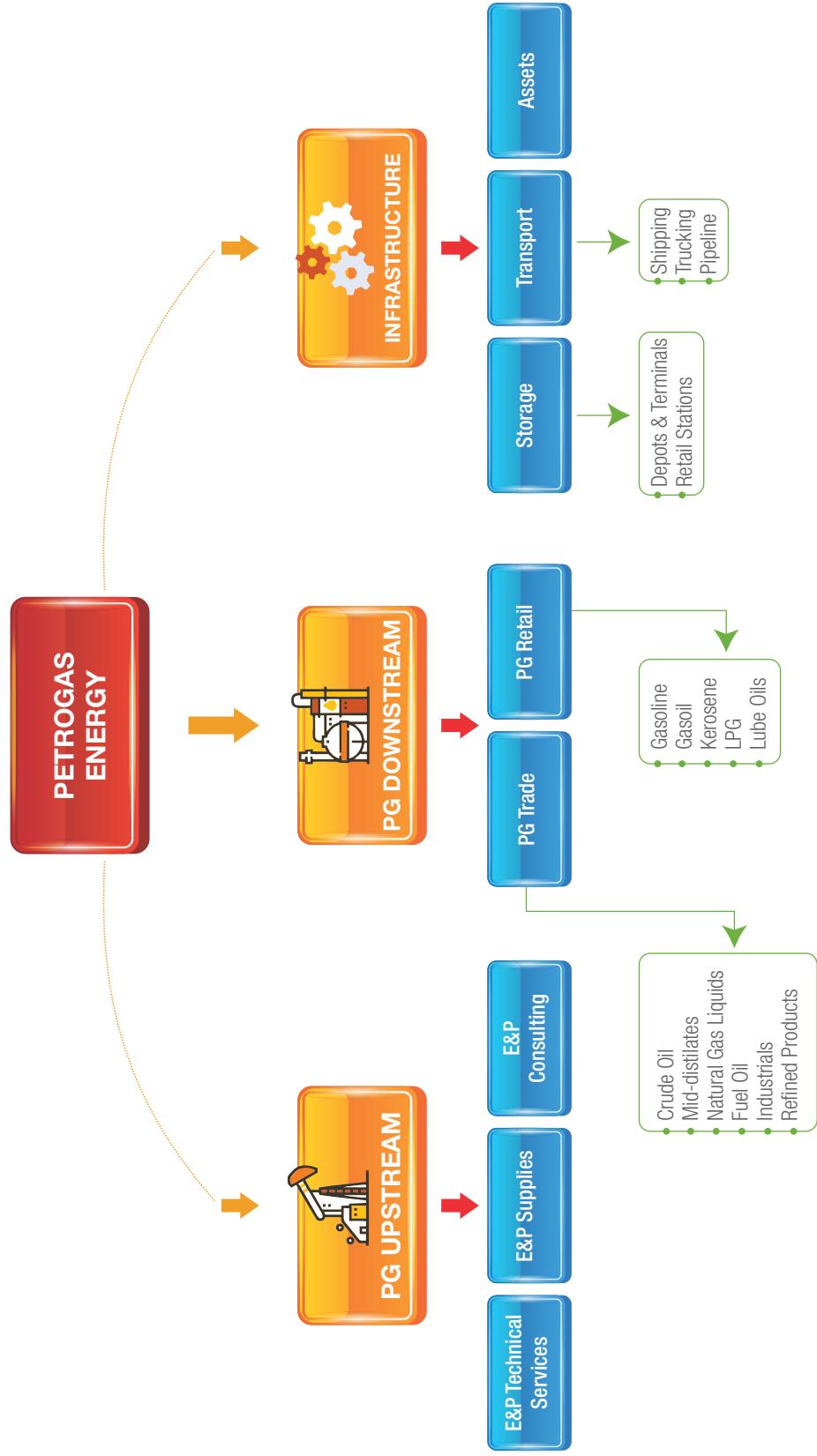
COMPLIANCE

Petrogas has rigorous policies and procedures in place to ensure that it complies with all relevant national and international legislation and regulation. The policies and their implementation are overseen by the Compliance Committee, which reports directly to the Executive Management Committee.

RISK MANAGEMENT, SYSTEMS AND CONTROLS

Our business is built upon understanding and managing risk. Our ownership structure incentivizes the preservation of capital and a measured approach to risk, and creates a culture of responsibility and accountability.

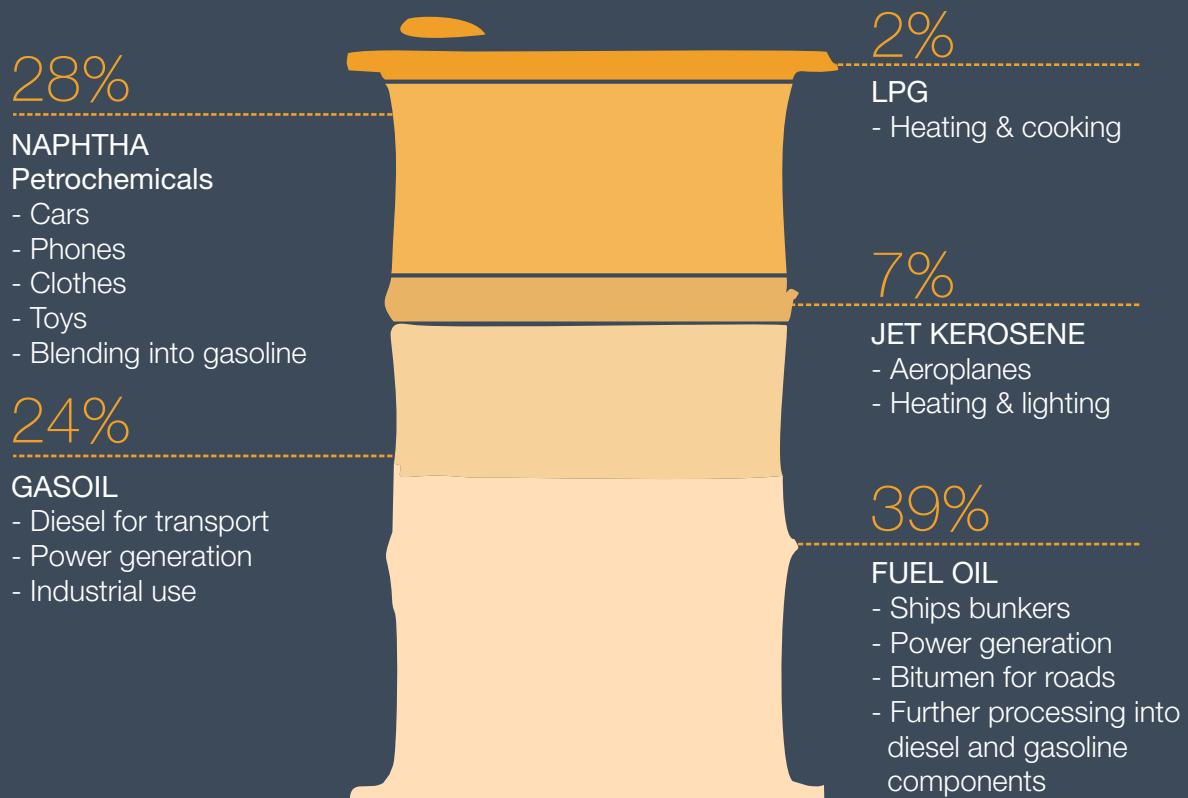
ORGANIZATIONAL STRUCTURE



Infographics



What is in a barrel crude oil?



BUSINESS OPERATIONS

A GLOBAL BUSINESS

Petrogas's activities along the energy supply chain provide detailed insights into the nature of the marketplace locally, regionally and globally. Such information supports our ability to identify and capture trading opportunities and enhances our business profitability.

Wherever we operate we establish long-term partnerships based on transparency and mutual respect. We aim to share expertise, provide training and build local capabilities so that our trading and investments deliver benefits to the people, communities and businesses we partner with and serve.





E&P



Refining



Storage



Trading



Logistics



Retail



UPSTREAM:



ACTIVITIES AND STRATEGY

We aim to develop a sizeable upstream portfolio through the acquisition of proven reserves and near-term assets. Our current activities primarily focus on West and Sub-Saharan Africa. Our strategy on asset acquisition focuses on;

- **IOCs DIVESTMENT**
- **MERGER AND ACQUISITION**
- **GOVERNMENT BID ROUNDS**
- **MARGINAL FIELD PROGRAMMES**

EXPLORATION AND PRODUCTION (E&P) SERVICES

Petrogas E&P provides Engineering, Procurement, Construction, Installation, Commissioning and start-up services both onshore and offshore to the Oil and Gas Industry.

As an indigenous company, we partner with international Exploration and Production service companies to develop assets and enhance production. Through these partnerships, we access leading E&P technologies and provide E&P Technical services and Supplies to various local and regional players.

Basins/area Assessment	Prospects Definition/Discovery	Reservoir Delineation & Modelling	Development	Production	Abandonment
Regional Studies	Seismic Survey & Interpretation	Appraisal Drilling	Development Plan & Environmental Aspects	Production Management & Optimization	Wells Plugging
Geological Modelling	Drilling	Reservoir Studies	Drilling & Completion	Reservoir Management	Plant Removal
Bid Evaluation	Subsurface Geology	Reservoir Modelling & Reserves Definition	Surface Facilities Construction & Installation	Wells Intervention	Environmental Restoration
Farm In/out Opportunities	Production Tests	Feasibility Studies			

MIDSTREAM:



REFINING

We partner with regional and international refineries to source and secure refined petroleum products through spot/term contracts, processing contracts and Swaps (crude for products). These along with our access and relationships with various blending/storage facilities ensures our flexibility to meet up with our various customers need, in an efficient and timely manner.

Petrogas is committed to the development of local refining capacity within our areas of operations. We are currently engaged in various modular refinery projects in West Africa, with the projects at various stages of evaluation.

TRADING

Trading is at the heart of our business. Our trading portfolio include the global sourcing and delivery of Crude Oil, Refined Petroleum products, LPG, Natural Gas and LNG and other associated products. From our main trading offices, we originate and implement physical, single and multi-commodity trading solutions that create value and commercial advantages for our customers and counterparties.

We move commodities from where they are sourced or stored to where they are needed most. The trust of our customers is based upon our proven track record for creating trading solutions that mitigate risk while safely and efficiently delivering quality, value and convenience.

Our success as a physical commodities trader is built upon a foundation of excellence. We combine the core competencies of marketing, logistics, financing, risk management and compliance with the knowledge and insights gained from sustainable supplier and customer relationships. Leveraging this foundation enables us to identify and realize arbitrage opportunities in the global commodities marketplace.

We are a major supplier of West African crude grades, and recently signed an off-take agreement with Nigerian National Petroleum Corporation (NNPC) for the sale and purchase of Nigerian crude grades until 2020.



The many parameters of Petroleum Trading

Negotiating the transaction

- Product quality
- Delivery terms
- Incoterms
- Price formula
- Credit terms
- Logistics

Watching for opportunities

- In regular contact with customers
- Prices and forward curves
- Shipping availability
- Logistics optimization
- Timing
- Market intelligence
- News - weather

Managing the risk

- Futures
- Swaps
- Physical forwards

Risk Monitoring

- Absolute price
- Quality differentials
- Inter-products
- Calendar spread
- Freight

How?

- Brokers
- Exchanges
- Electronic trading
- Over the counter

Managing risk and securing trading margins

The objective of the business model is to initiate physical commodity transactions while securing the margin through appropriate risk management

Respond to the customer's needs using its market expertise and skills

- Sourcing the product/supplier
- Finding the appropriate quality
- Shipping
- Storage/blending
- Logistics (pipeline, transfer...)
- Market information
- Price consideration

Managing the various risks that naturally arise as part of the transaction process

Financial risks

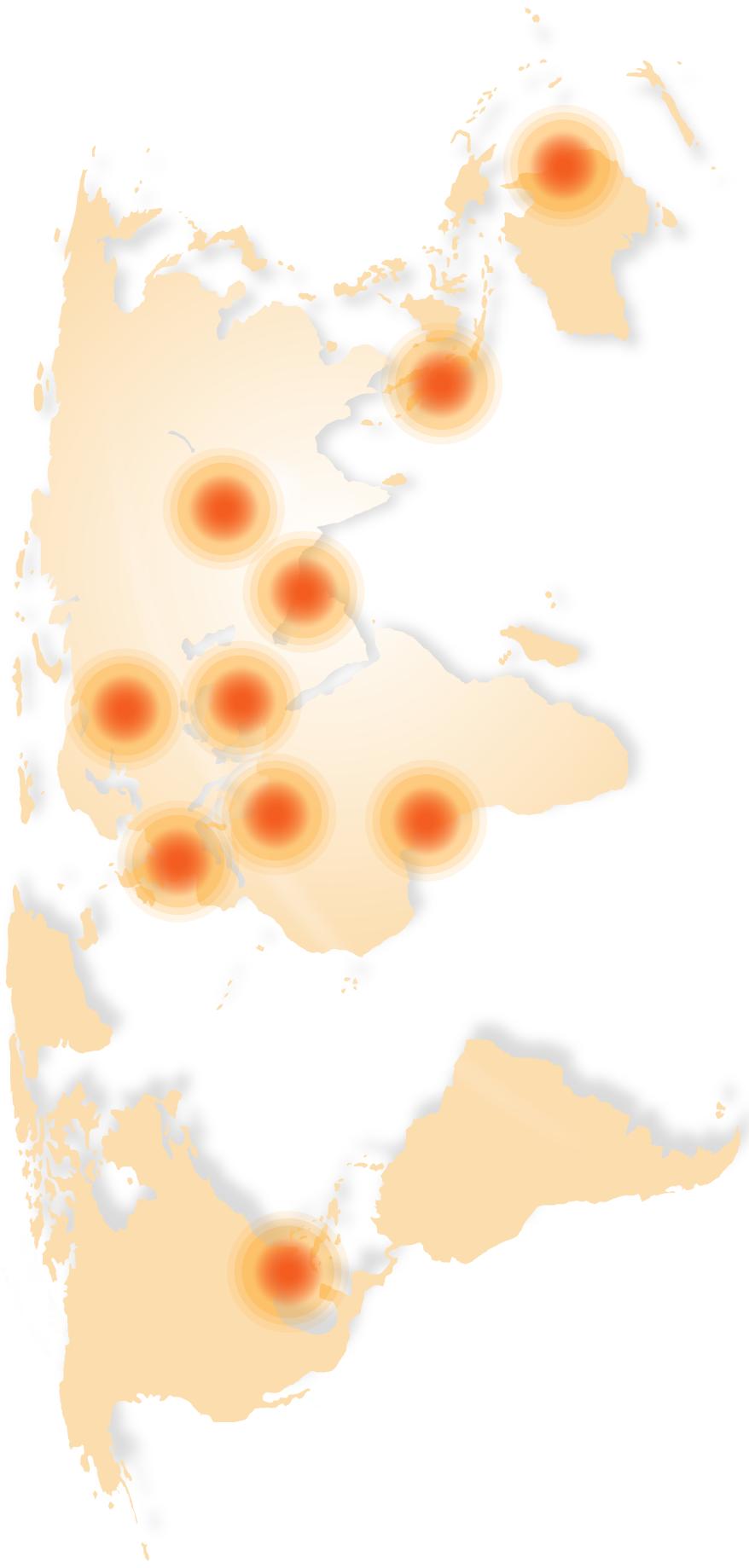
- Price risk (hedges: futures, swaps & forward)
- Credit risk (letters of credit & credit insurance)
- Financing

Operational risks

- Quality risk (3rd party inspectors)
- Shipping risk (through vetting & insurance)
- Storage and logistics

Operational risk management + Price risk management = Secured margin

OUR LOCATIONS:



• Athens • Beirut • Brisbane • Dubai • Geneva • Harare • Houston • Istanbul
• Kabul • Kuala Lumpur • London • Moscow • Nigeria • Singapore

DOWNSTREAM:



SUPPLY & DISTRIBUTION

Petrogas presence and activities spans across the whole supply chain of the downstream sector. We Supply, Store and Distribute petroleum products across Nigeria. Petrogas engages in;



REFINED PRODUCTS IMPORT:

We are licensed (DPR) importer of petroleum products into the Nigerian market.

COASTAL MARKETING:

We supply vessel sized cargos to offshore locations, and/or coastal depots for onward distribution.





RETAIL SUPPLIES:

We supply products through our various outlets across Nigeria, and to location using specialized peddler trucks.

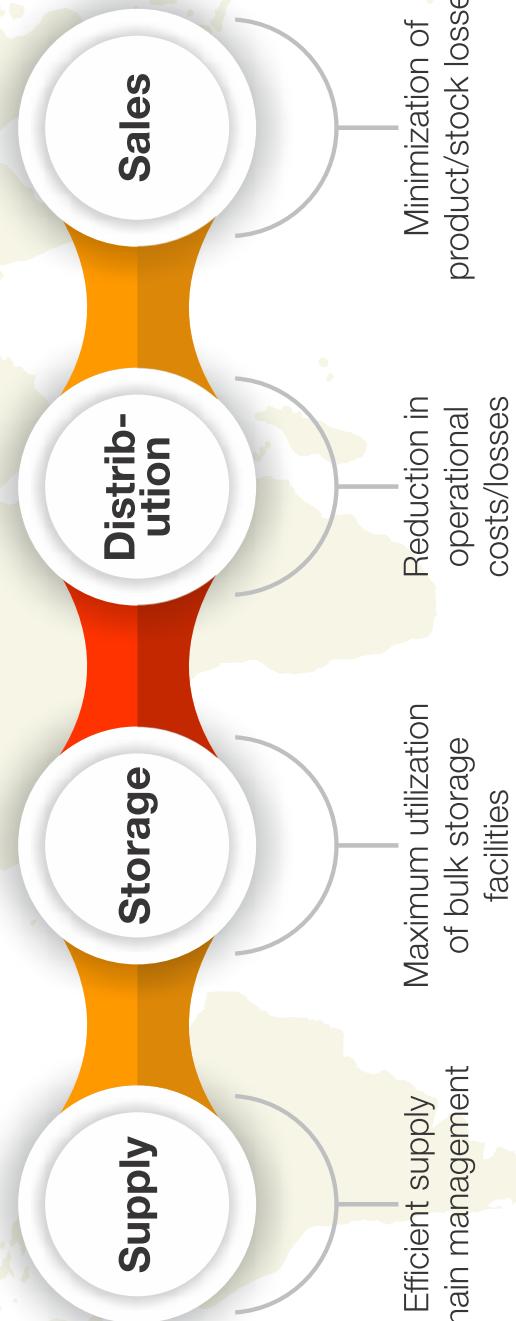


BULK INLAND SUPPLIES:

We supply products to industrial customers on Ex-depot and/or delivery basis.

STRATEGY

Petrogas creates value in commodity trading





LOCATIONS IN NIGERIA



FINANCE:



Central to the success of our business are the long-term relationships we have built within the finance sector. Petrogas is known and trusted for its pragmatic, carefully structured approach to financial management.

From inception, Petrogas has been successful in building longterm relationships in the financial sector and diversifying its banking partnerships. Today we work with leading global financial institutions. Our culture is one of financial prudence. We maintain a strong liquidity position and our assets are optimally financed.

RISK MANAGEMENT

Our ability to effectively manage the risk inherent in commodities trading is fundamental to Petrogas's continued development and stability. It contributes to our positive financial performance and helps mitigate earnings volatility.

Financial, operational and market risks are an integral element of commodities trading and physical supply.

They cannot be wholly avoided but can be planned for and managed. Petrogas maintains sophisticated risk management systems, processes and controls. Risk policies are determined centrally, exposures are analyzed daily, and our procedures are continuously reviewed and updated.

Petrogas applies a range of risk management tools to minimize overall exposure at any one point in time. These include:

- Financial derivative instruments to hedge commodity price and foreign currency exchange rate risks
- Insurance to hedge various operational risks including freight-related and political risks.
- Due diligence prior to acquisition and good management after acquisition to hedge environmental risks
- Ready access to sufficient capital and funding to hedge liquidity risk
- Strict policies and procedures to hedge counterparty relationships, fraud and regulatory risks

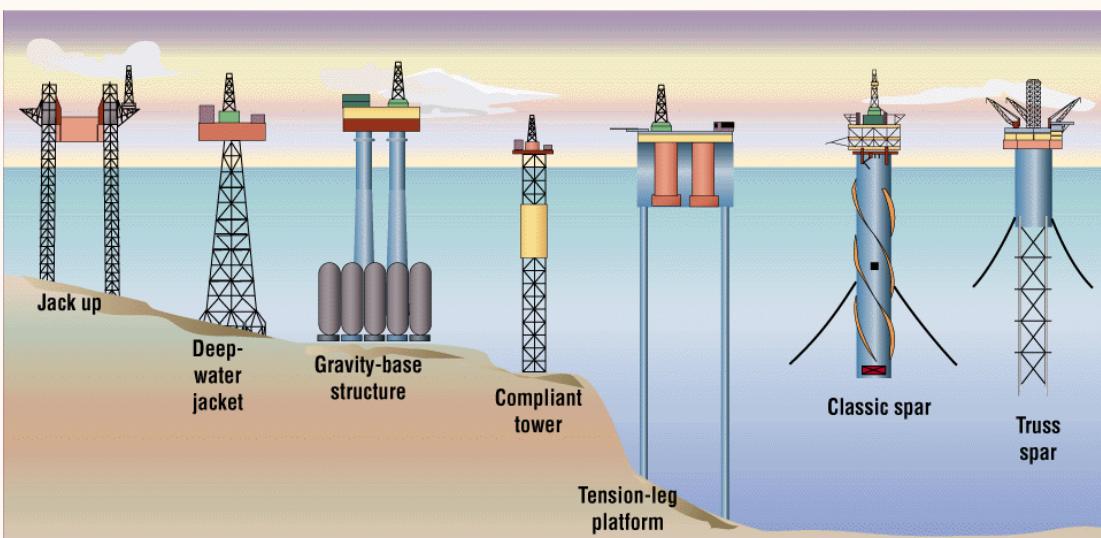


OIL PETROLEUM platform

Infographics



Platform Options



FACILITIES:

Petrogas bulk storage facility projects aims to develop, construct, operate and manage state of the art storage depot to service its clients.

Upon completion, the strategic positioning of storage sites across major airports, seaports, and inland will enable the company maintain healthy stock of refined products. From this locations, the company will facilitate distribution to end-users through barges, road tankers, and aviation fuel browsers.

Petrogas Energy ownership (100%) and stake-holding (partnership) in strategic storage and logistics facilities provide us a leverage in trading of petroleum both locally and globally. Some of the facilities instrumental to our trading activities include;

BULK STORAGE:

Location	Total Capacity	Product Mix
Kano, Nigeria	500,000 m3- Gasoil	White products
Ijegun Egba, Lagos, Nigeria	34,069,983 (L) - Gasoline 22,713,292 (L) - Gasoil 11,356,646 (L) - Kerosene	White products
Lebanon	80,000 CBM	White products
Mackay, Queensland, Australia	75,000 CBM	Gasoil
Mersin, Turkey	12,500 CBM	Bitumen



PETROLEUM & CRUDE OIL VESSELS:

Through our partnerships with various brokers both locally and internationally, Petrogas has access to a verity of Medium and Long-Range oil tankers of 5,000 – 50,000MT (products) and 80,000 – 159,000 DWT (Crude) capacity. These vessels are available on Time-charter and Spot basis. They play an integral part in our trading activities, and provides us with logistics flexibility to meet up with market demands.



Infographics

Average Freight Rate Assessment

Cargo type	Vessel class, capacity (thousand deadweight metric tons)
Refined products	 GP (General Purpose) 10-25DWT
	 MR (Medium Range) 25-45DWT
Refined products of crude oil	 AFRA (AFRAMAX) 80-120DWT
	 LR2 (LongRange2) 80-160DWT
Crude Oil	 VLCC (Very Large Crude Carrier) 160-320DWT
	 ULLC (Ultra-Large Crude Carrier) 320-550DWT

BULK ROAD VEHICLES (BRVS):

Petrogas Energy owns and operate a fleet of BRVs for petroleum products distribution all over Nigeria. Through our contractual partnership with various transporting companies, Petrogas has access to a fleet of over 150 BRVs.



ONGOING / PROPOSED PROJECTS



RETAIL OUTLETS:

Location	Units	Status
Kano	5	Active & Under construction
Katsina	3	Active & under construction
Abuja	2	Active & under construction
Other Locations	17	Affiliates
Total		27



Kano



Abuja

OUR PEOPLE



The talented people we employ at every level and in each part of our business align growth and profitability with a commitment to good corporate governance.

Petrogas attributes our continuing growth and success to our employees, who provide a tremendous level of commercial and technical expertise across the global energy markets. They are dynamic and engaging, and strive for the opportunities Petrogas provides for growth and development. They further maintain the highest levels of integrity.

Petrogas is very selective and our standards of performance are high. We encourage creativity and independence, and strive to maintain a diverse working environment.

We further believe in developing individuals who have the professional and interpersonal skills to help drive our continuing success. We offer opportunities for professional and personal development, and enable employees to take ownership of their personal growth.

**“Innovative and dedicated,
Pragmatic and responsible”**

Our social, environmental and governance commitments make us responsible to our society, people and environment.

SOCIETY



ENVIRONMENT



CONDUCT



PEOPLE



We work to ensure that neighbouring communities benefit from our presence constantly.

We support human rights within our areas of influence

We make a positive contribution to the protection of the environment.

We go beyond compliance with local environment regulation to meet international standards.

Petrogas has rigorous policies and procedures in place to ensure it complies with all relevant national and international legislations and regulations

We act with integrity, fairness and a great deal of transparency.

We treat people with respect, fairness and decency.

We assist employees to develop their potentials.

**Cardinal Points
of our ESG Framework**

WE BELIEVE IN CREATING VALUES FOR OUR BUSINESS, OUR STAKEHOLDERS AND OUR COMMUNITIES



DEEP RELATIONS

Leveraging alliances that have been built over the years with various key stakeholders across West Africa to seek out early mover opportunities



STRATEGIC ACQUISITIONS

We have the capacity to identify and undertake acquisitions that add strategic value and increase the perceived value of assets



UNPARALLELED LOCAL KNOWLEDGE

We have unique insight into the energy market across West Africa and have managed leading operations in the market for many years.



STRONG TECHNICAL & MANAGEMENT EXPERTISE

Leadership is provided by an experienced board and a team of enterpreneurially minded managers who are capable of developing and deploying innovative solutions

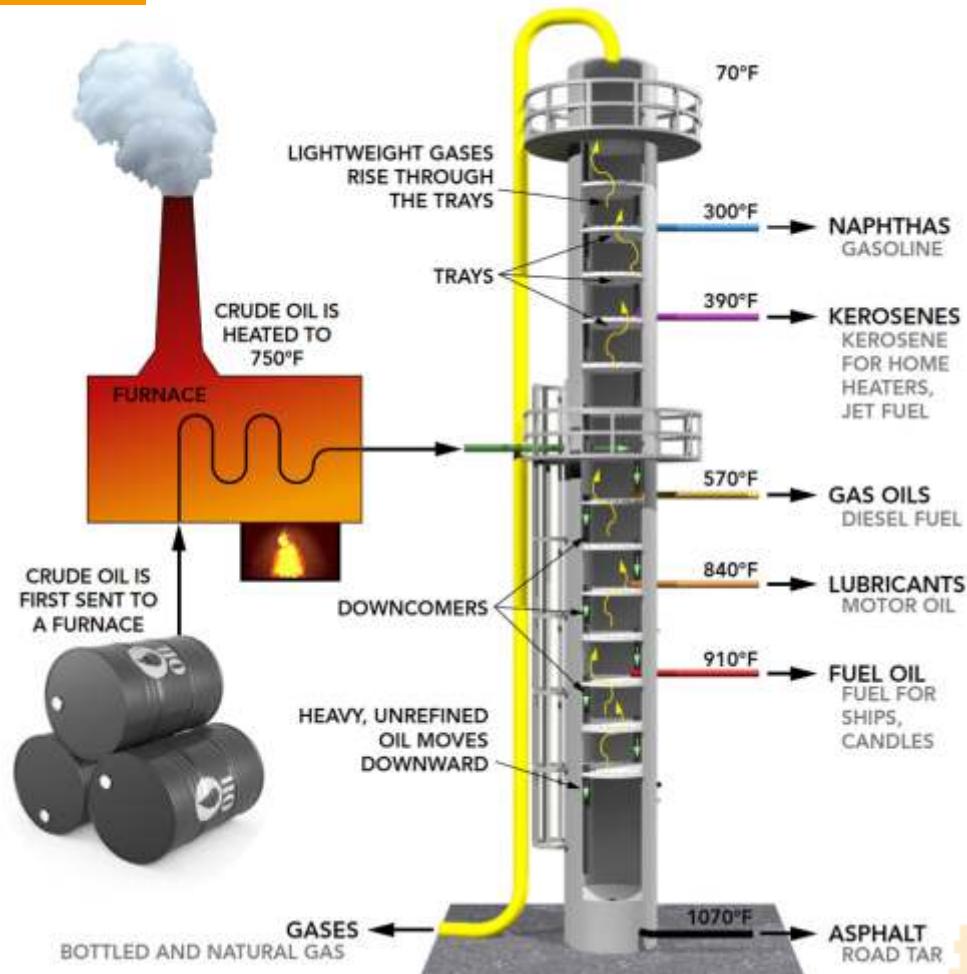


SUSTAINABLE PARTNERSHIPS WITH HOST COUNTRIES

Petrogas has a firm belief that our host communities are equal partners in the business which in turns leads to long term alliances

Infographics

Refining



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This Document is incomplete without reference to, and should be viewed solely in conjunction with the oral briefing provided by Petrogas Energy Trade West Africa Ltd.

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