

Southern African fuel import pricing and trends in crude market

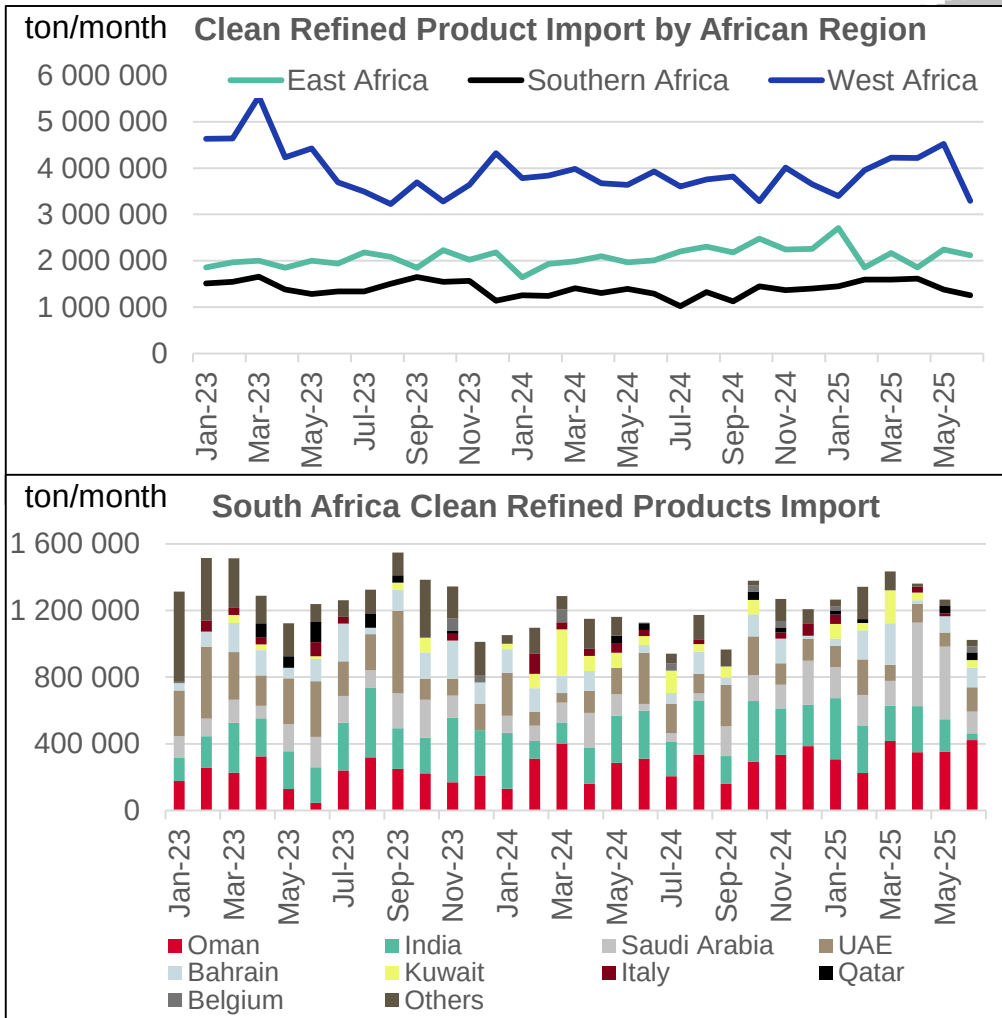
An S&P Global Presentation

Dexter Wang

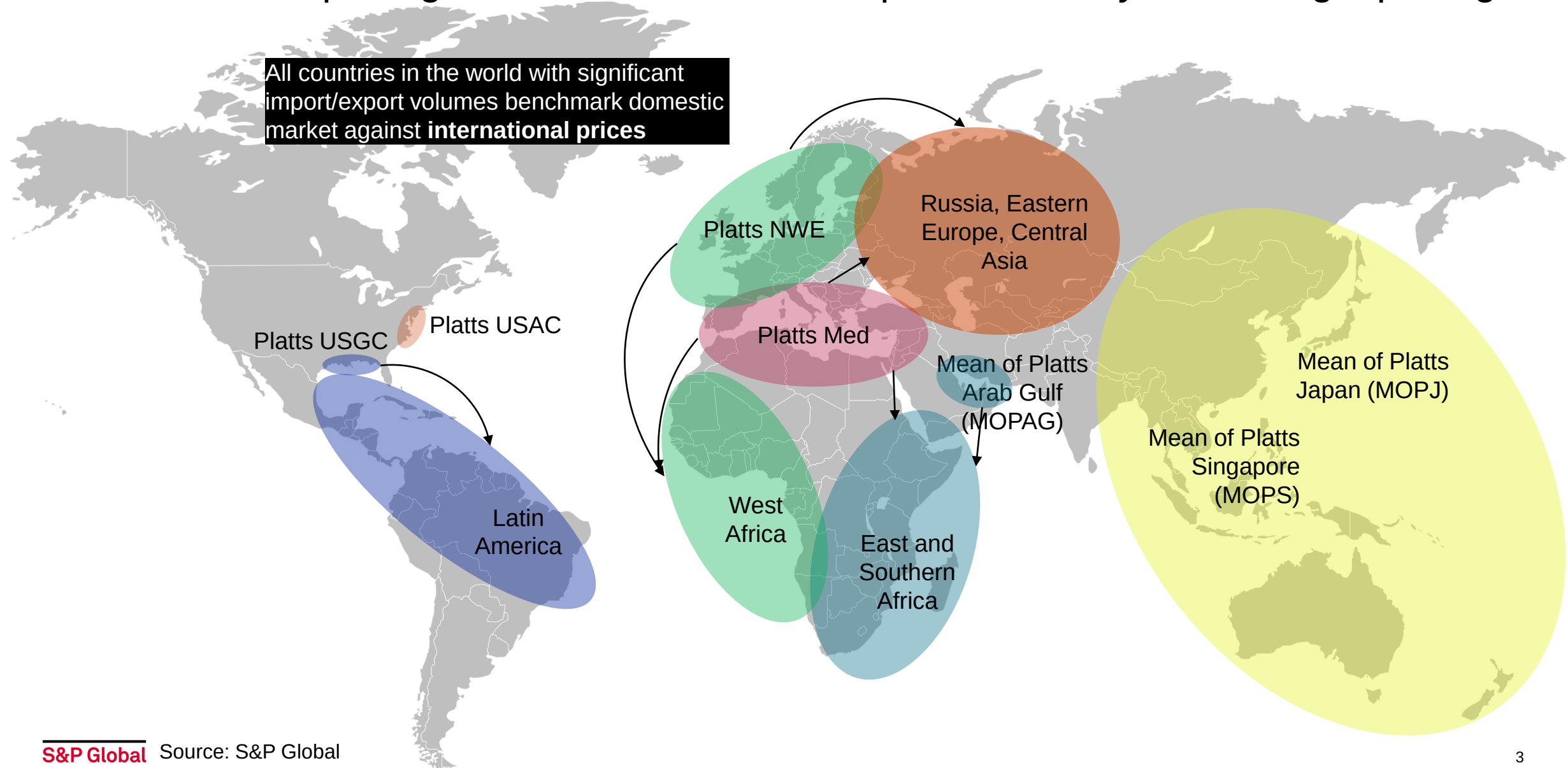
Senior Director of Strategy Development

24 July 2025

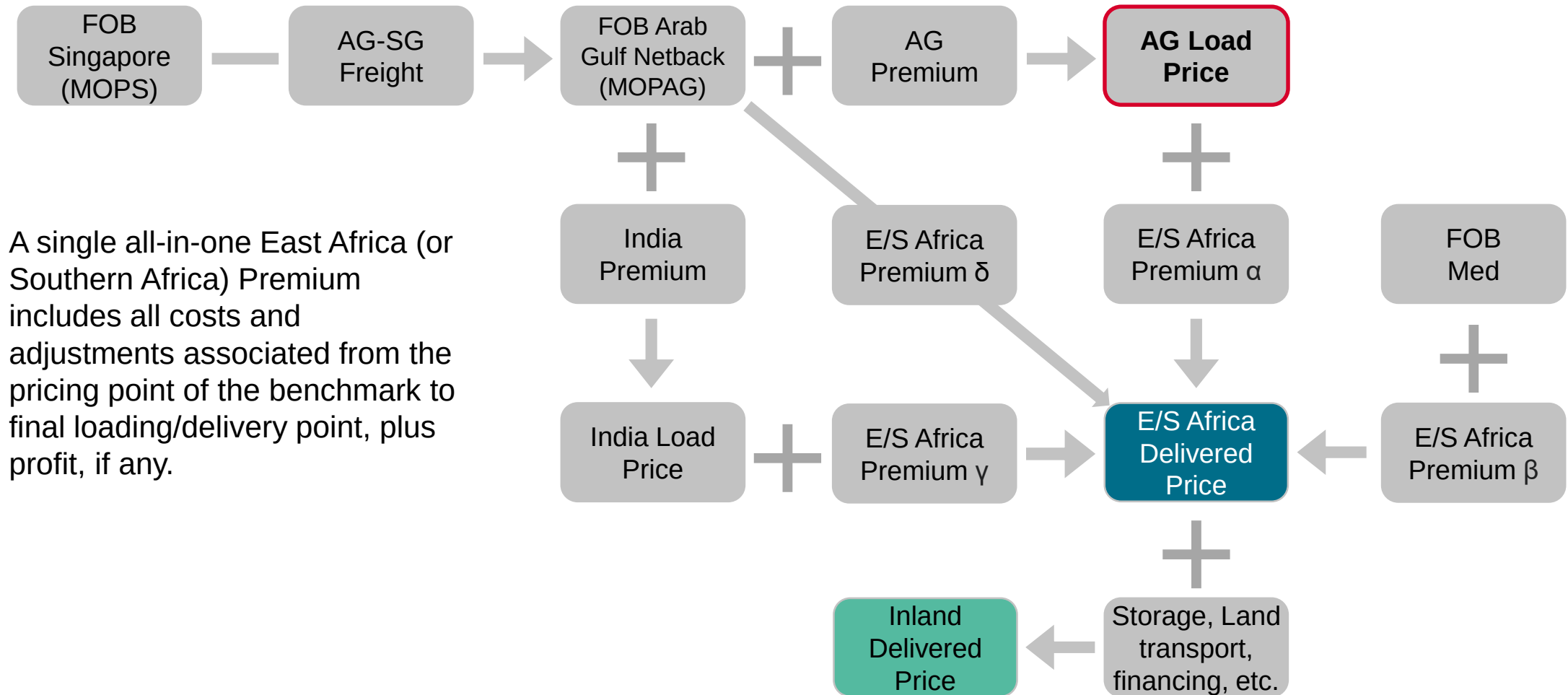
Refined products flow to Africa – many suppliers compete for African outlets, but European flows will decrease as refining capacities continue rationalisation



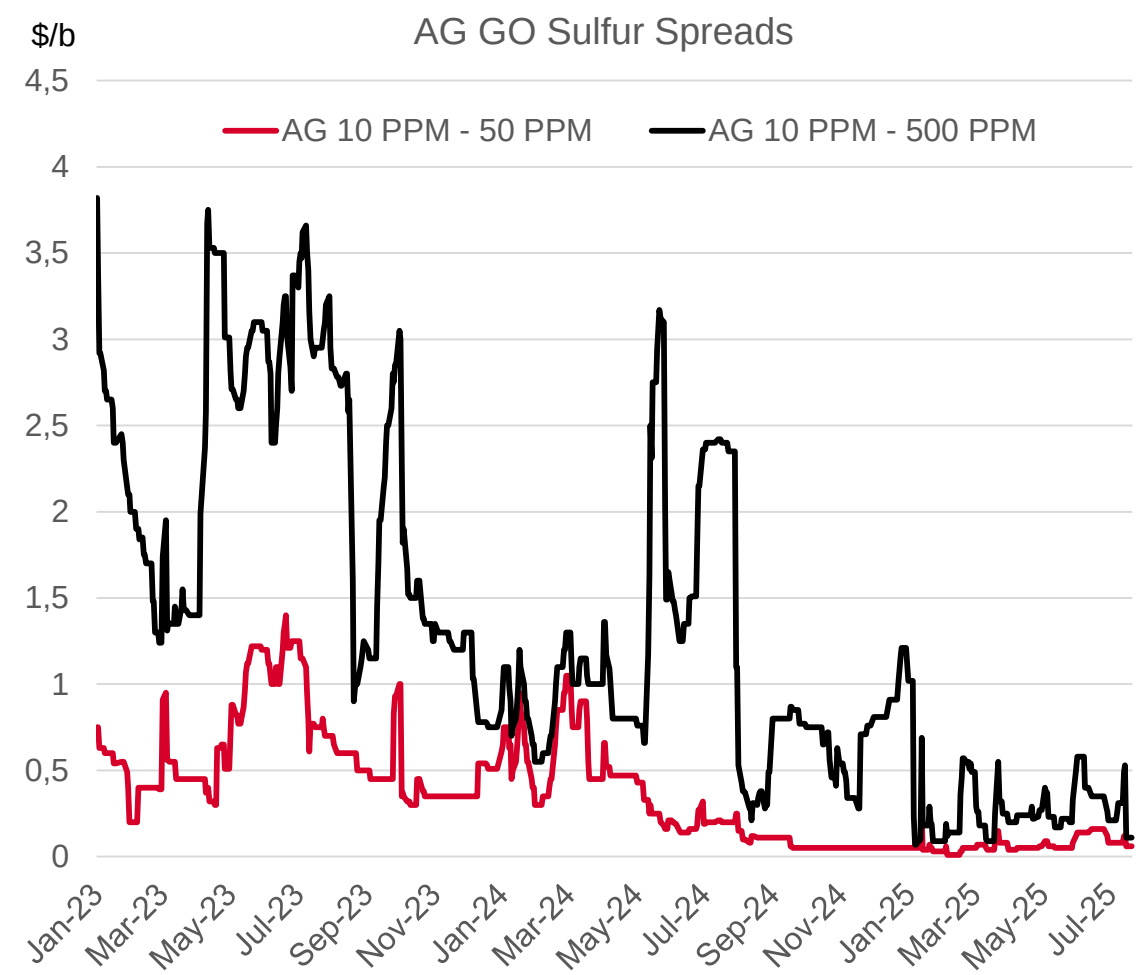
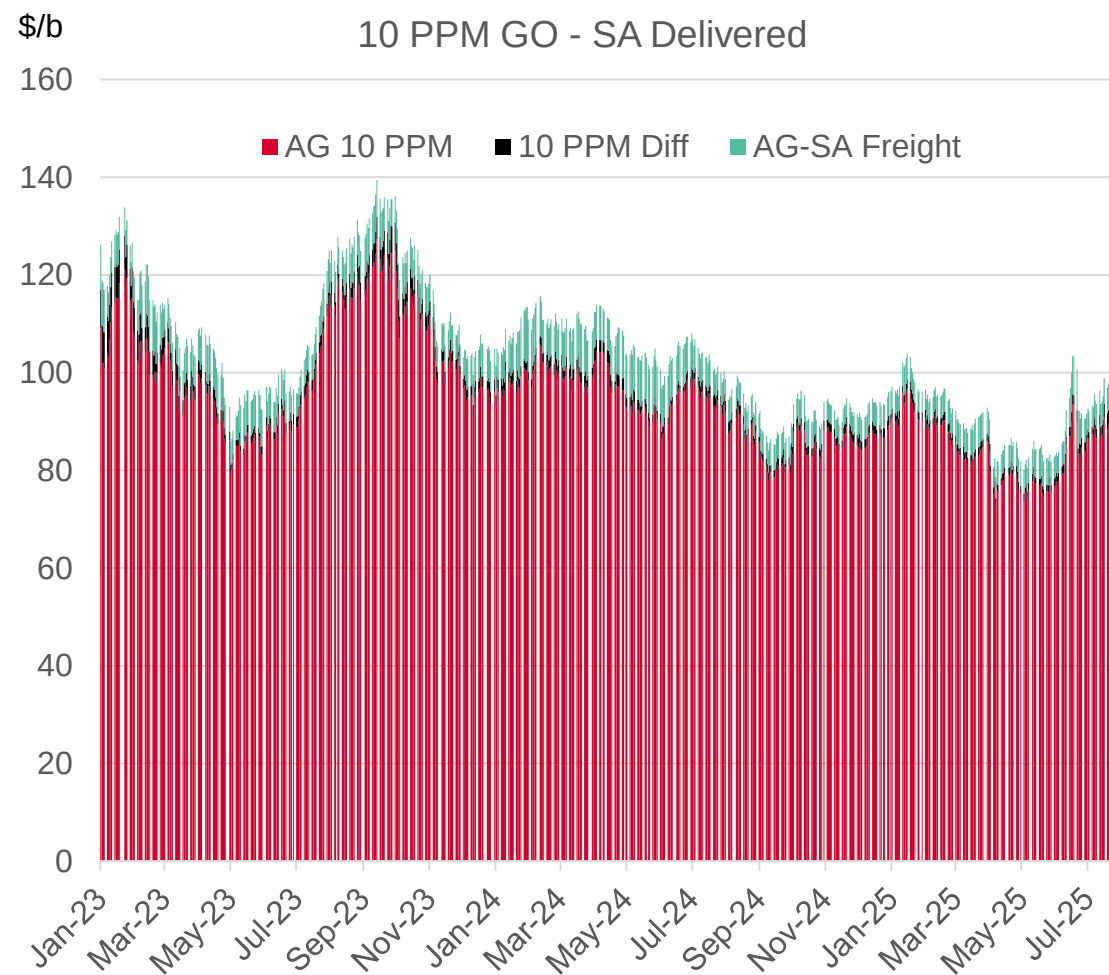
Worldwide fuel pricing benchmark – African imports currently follow origin pricing



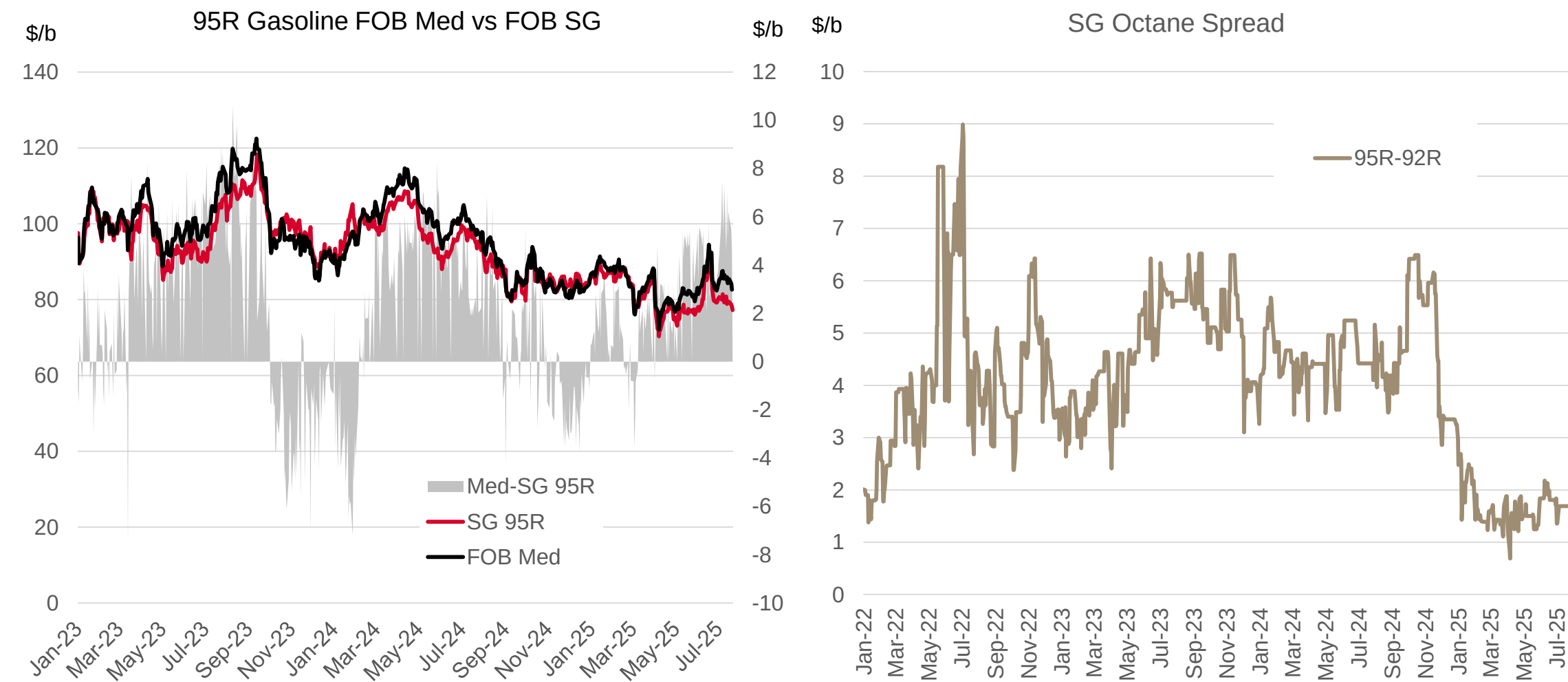
Pricing cargoes to Eastern Africa/Southern Africa



Middle East spot premiums at loading and freight continue to be major component of delivered gasoil price; quality spreads greatly narrowed

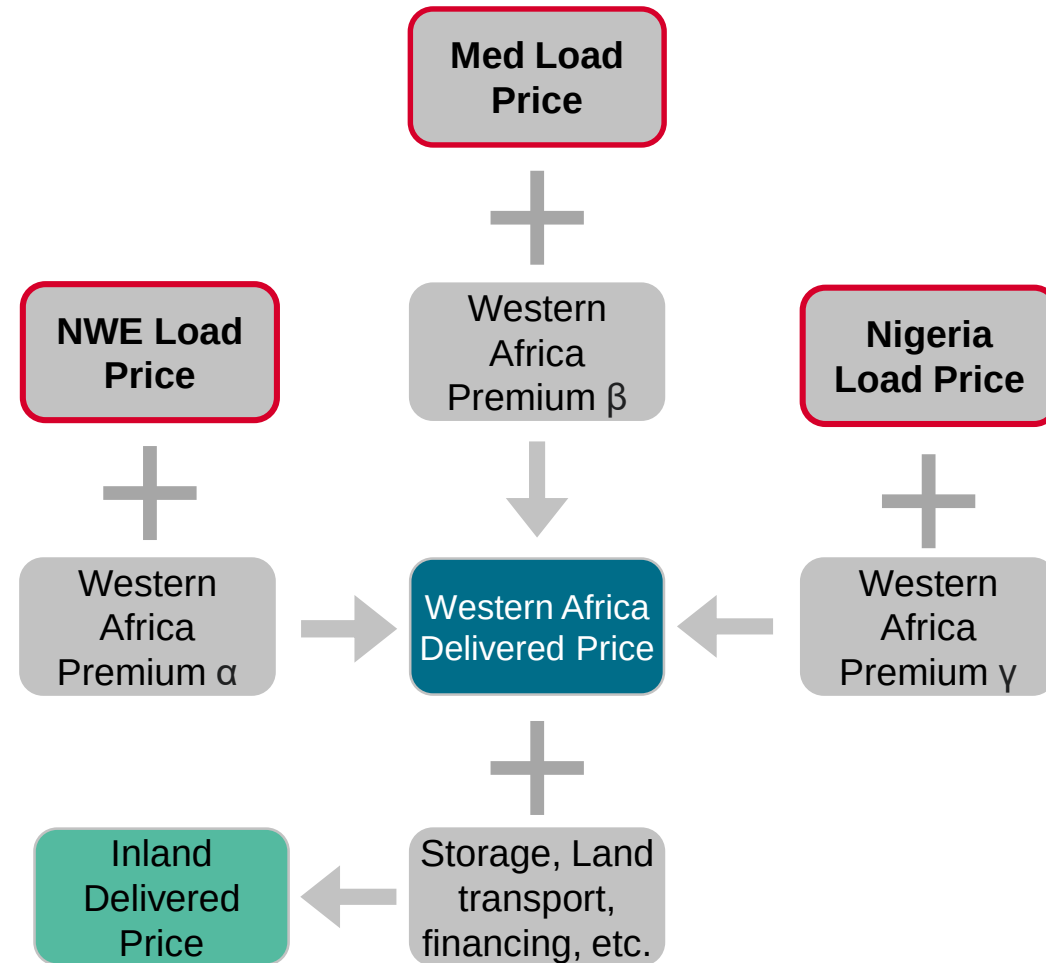


Med gasoline typically price higher than Asia; RON spread collapsed

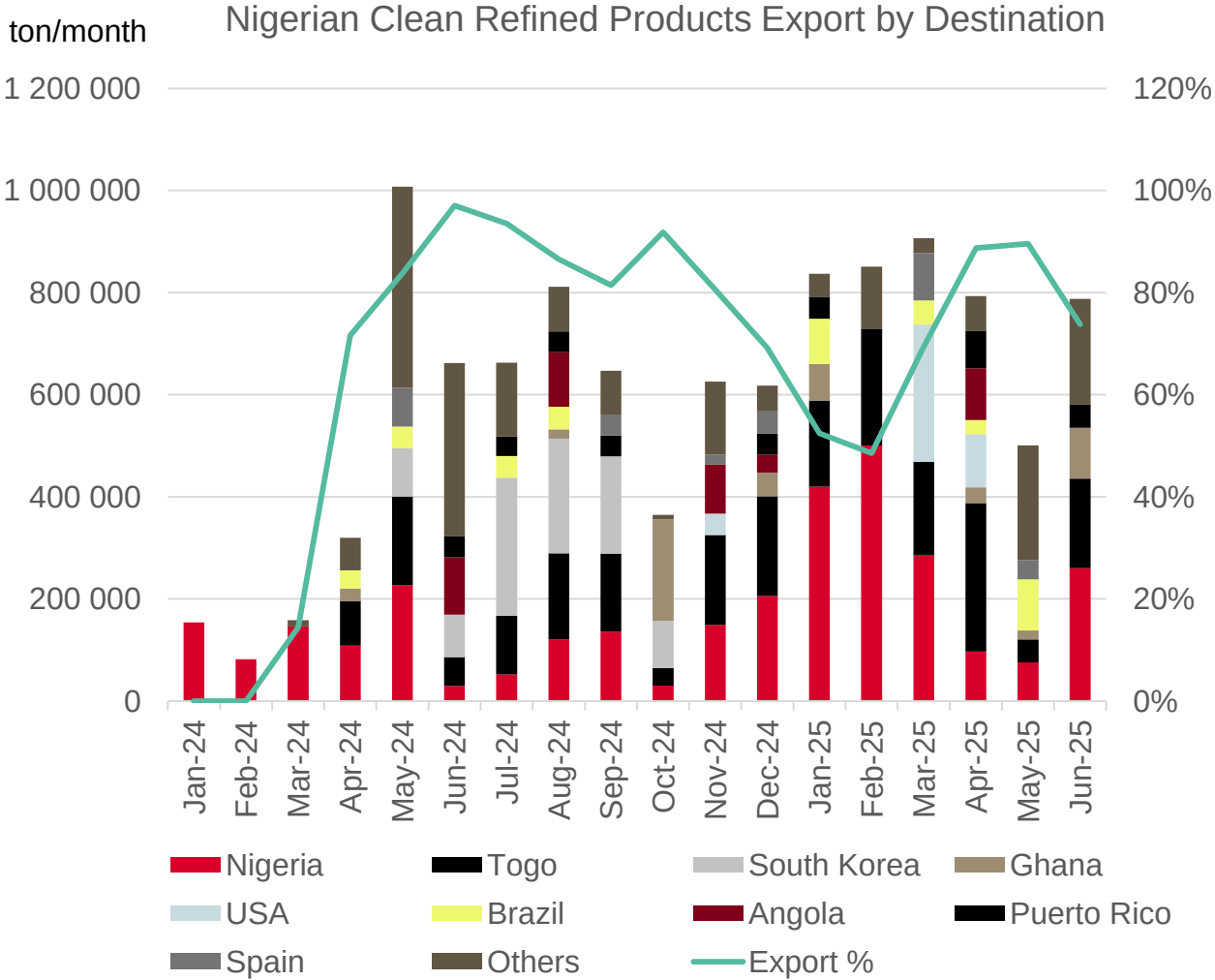


Pricing cargoes to Western Africa from western origins

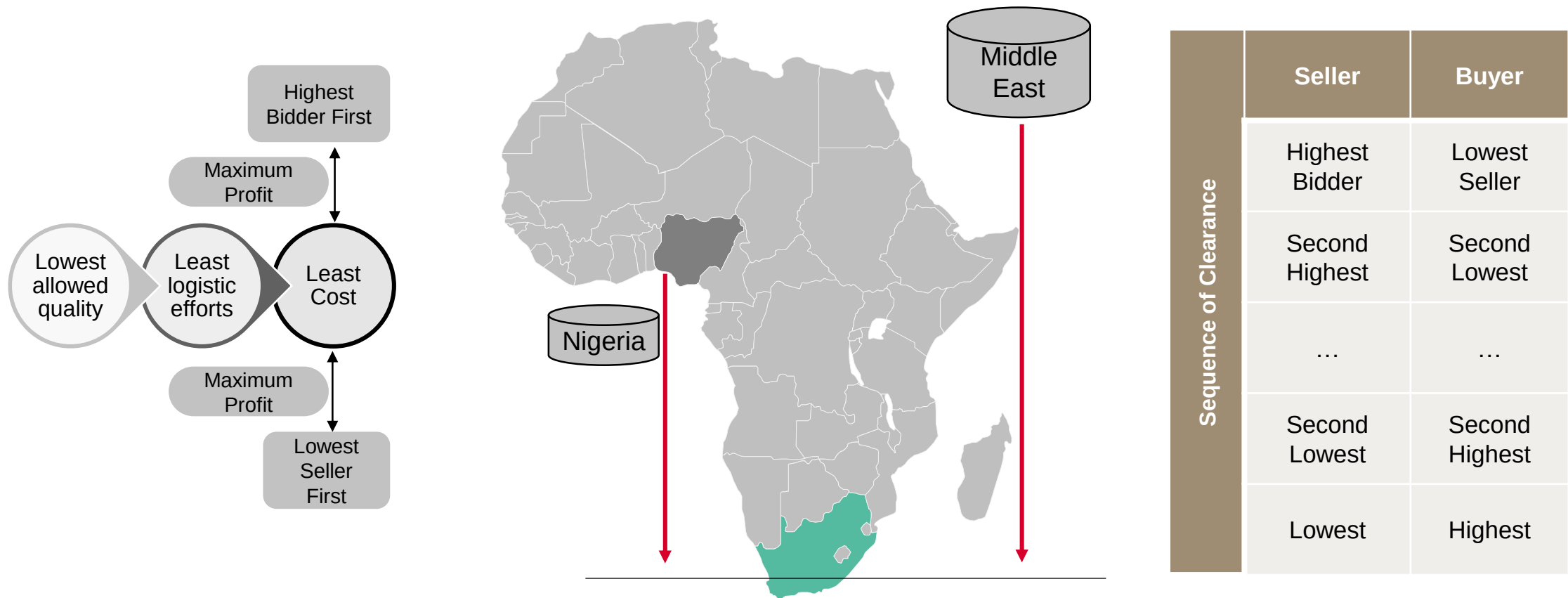
A single all-in-one Western Africa Premium typically includes all costs and adjustments associated from the pricing point of the benchmark to final loading/delivery point, plus profit, if any.



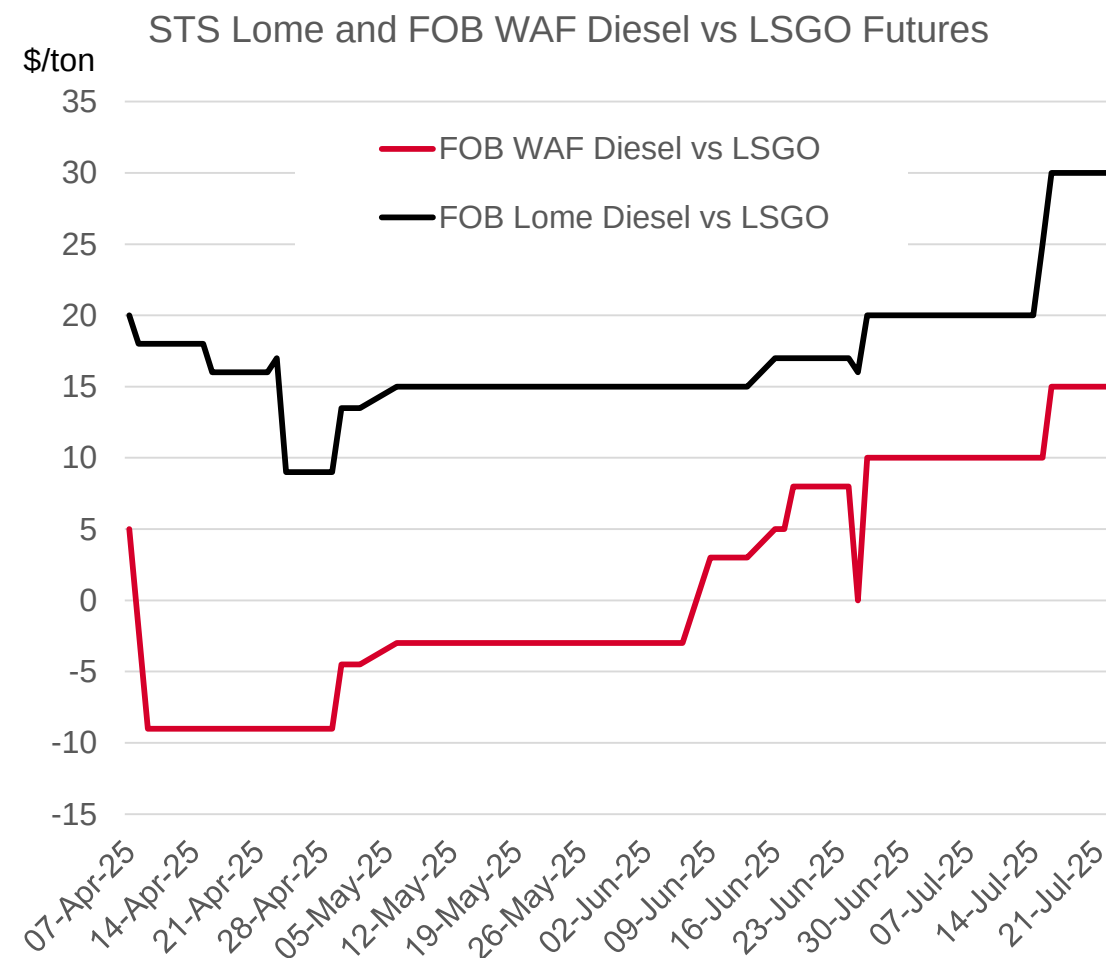
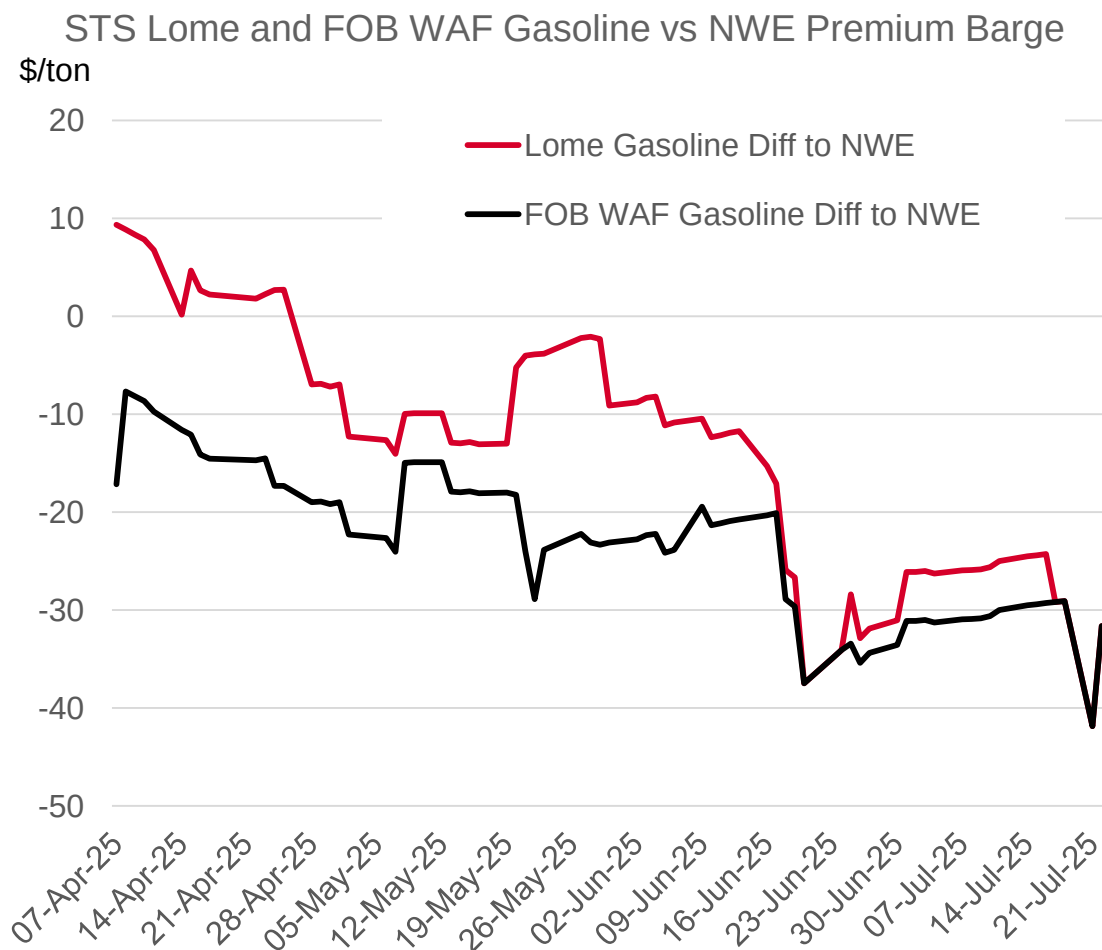
Changes in fundamentals and pricing dynamics in Western Africa



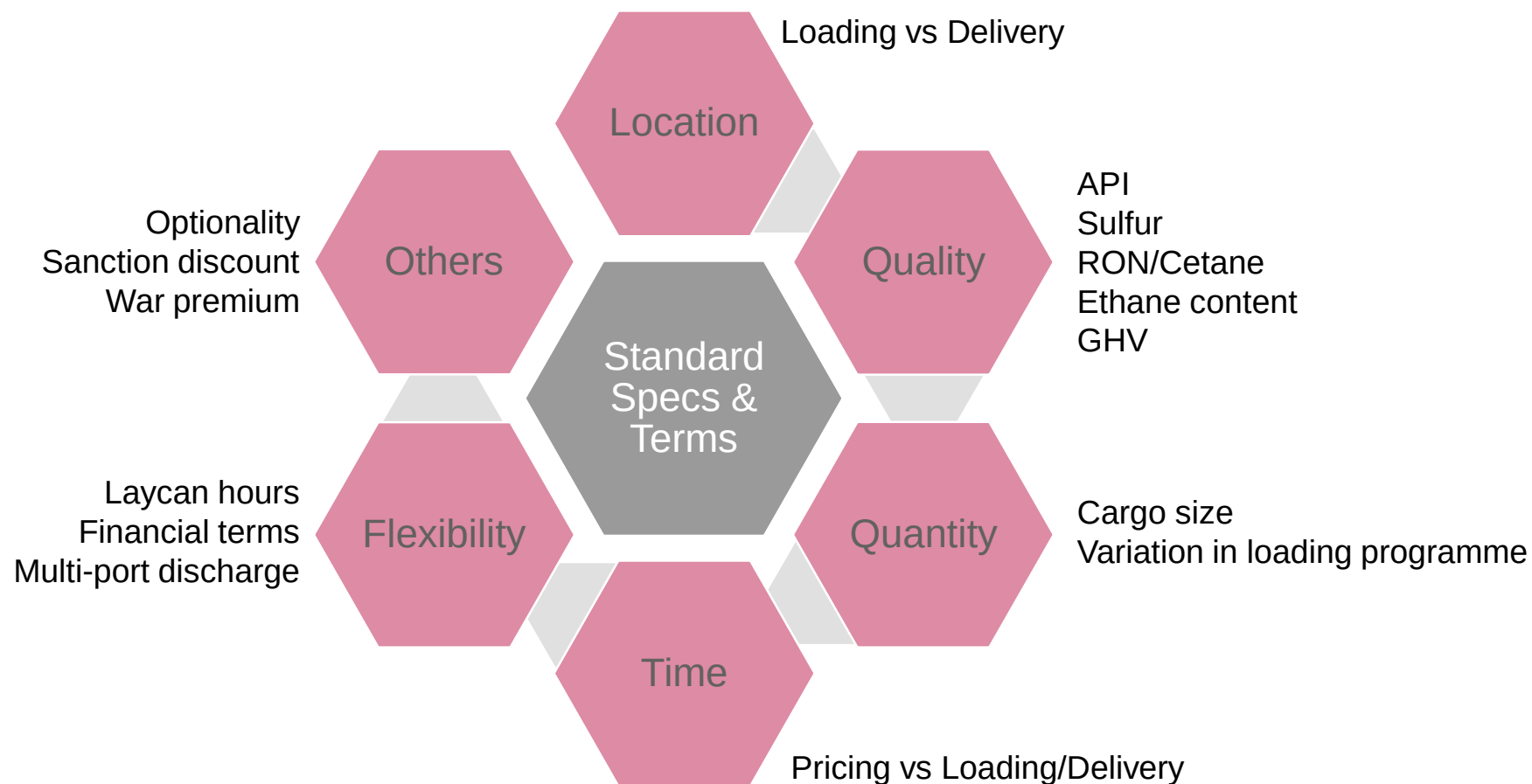
Competition from WAF supplies will impact Middle Eastern placement of refined products in Southern Africa when WAF exports reach SA shore



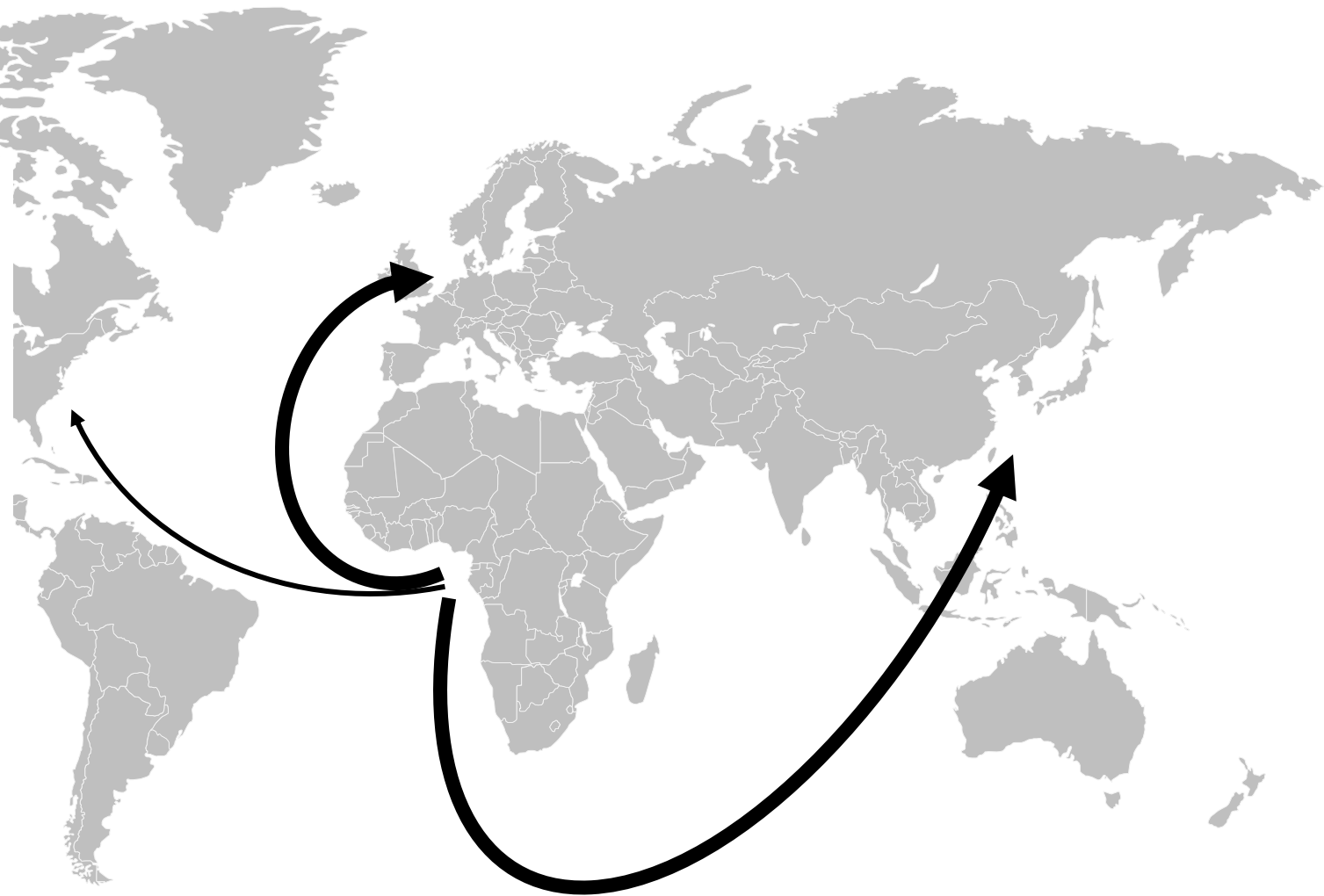
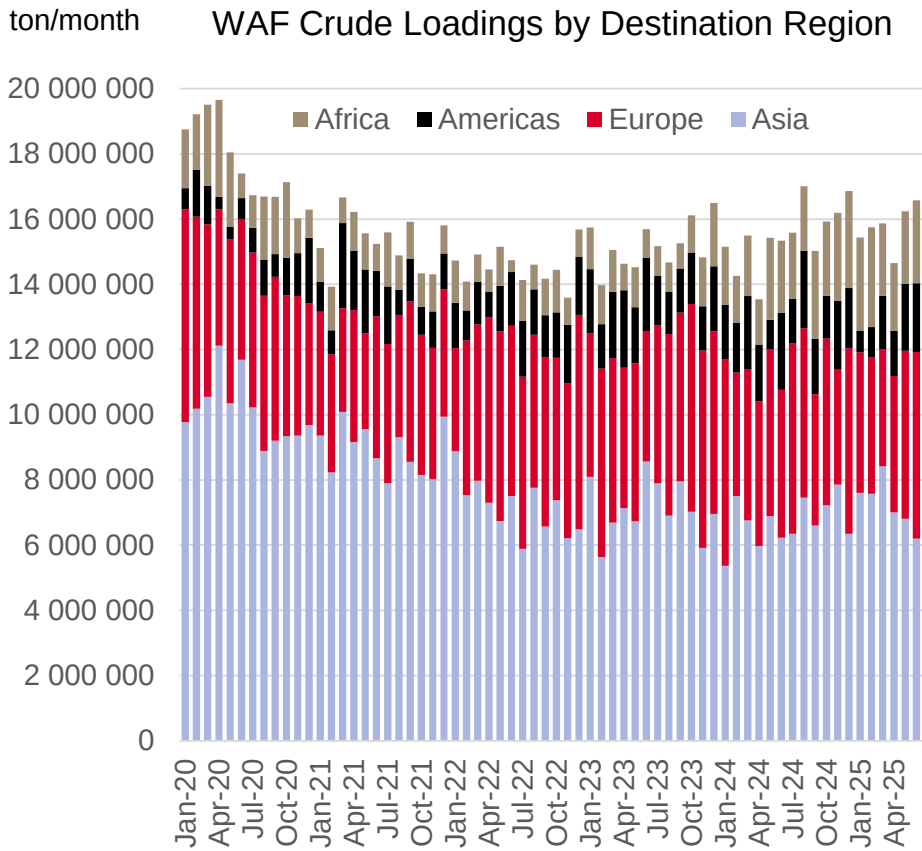
Nigerian pricing is becoming deciding factor in WAF economics; Will impact Southern Africa, and even Eastern Africa, if future exports arrive shore



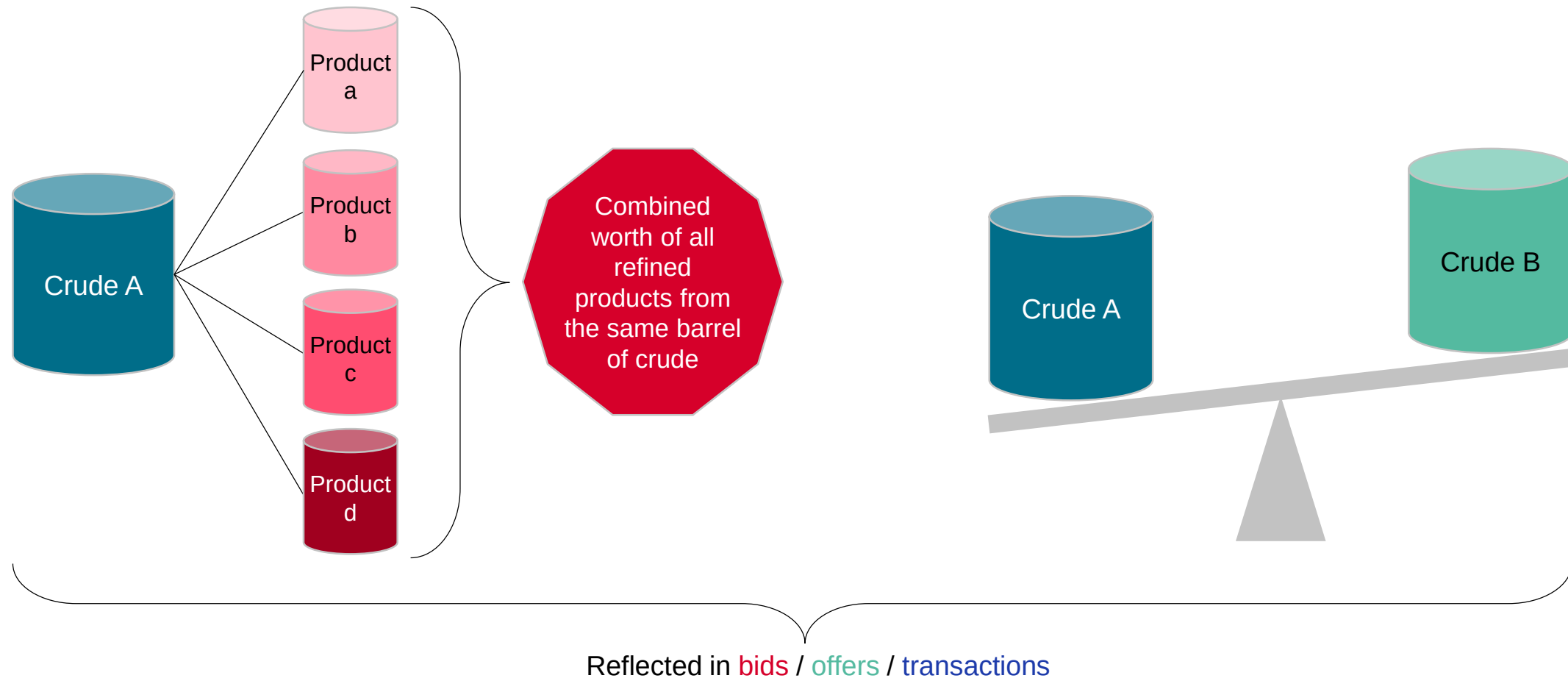
Factors affecting differentials to benchmarks – crude, refined, gas, metals, etc



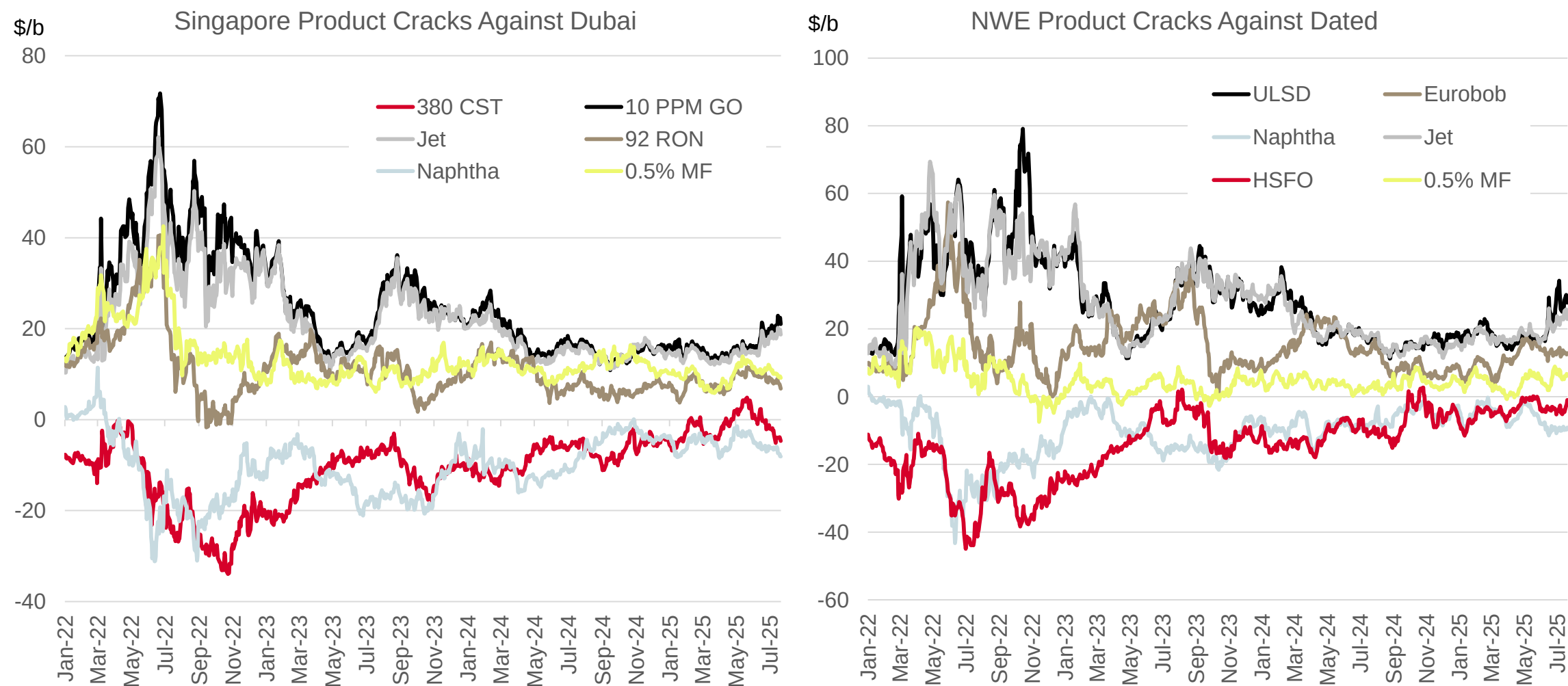
Crude flow from Western Africa



Crude values – behind supply and demand: Changes in gross product worth and related crude prices

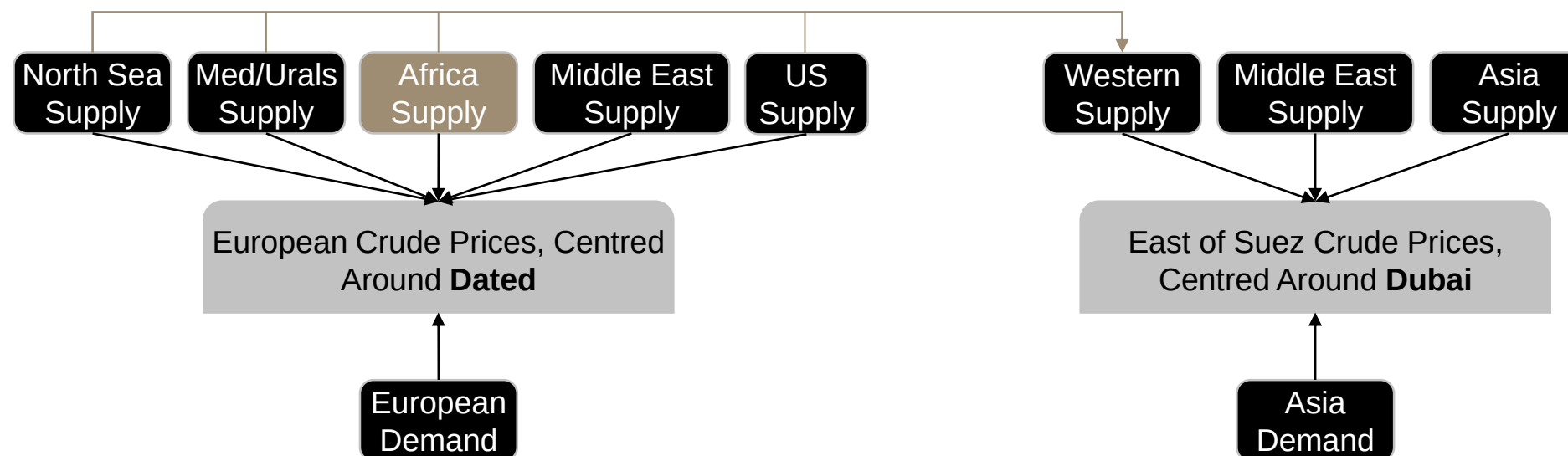


Clean refined products cracks remain weak



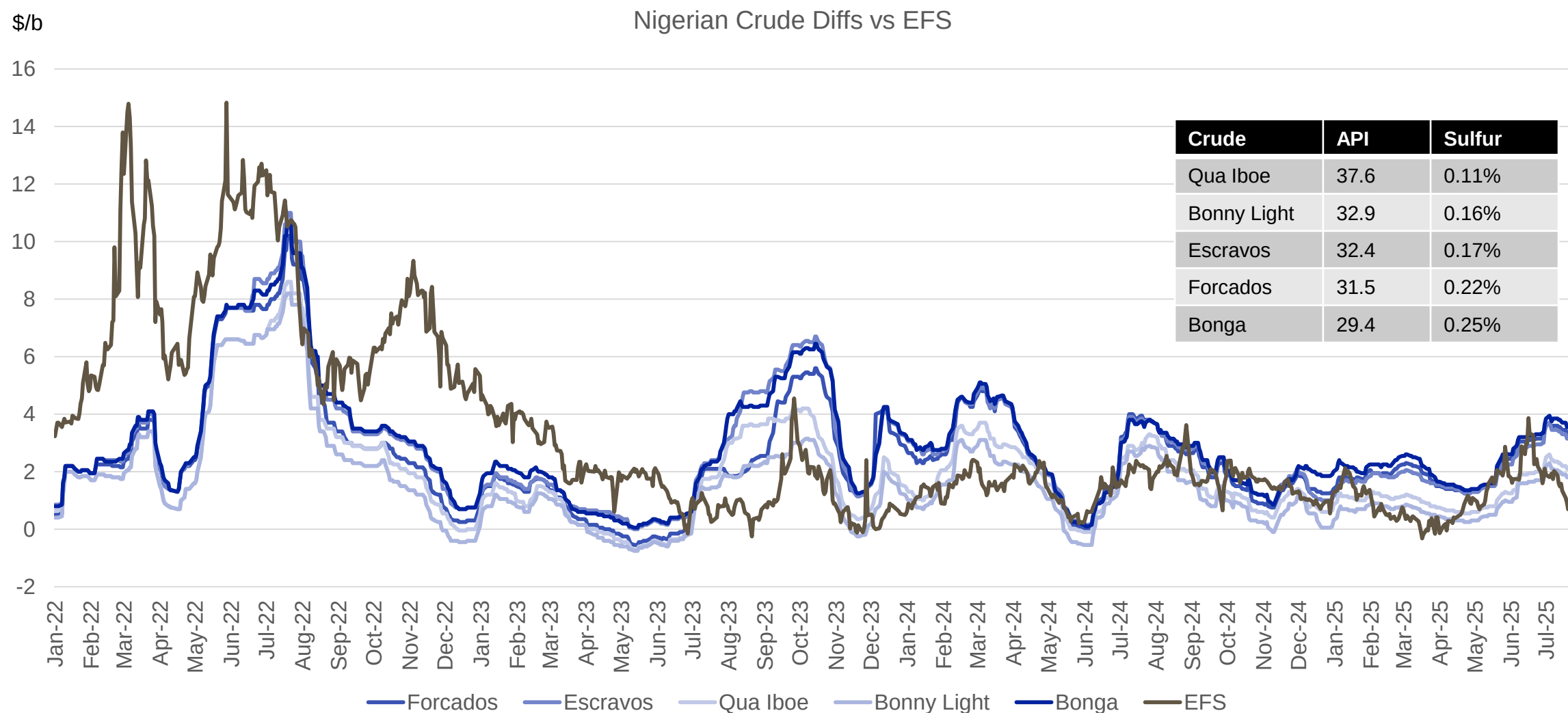
Understanding competing supplies and alternative outlets

- WAF crudes do not trade on isolated economics alone;
- Competing supplies and demand play central role in WAF crudes' values

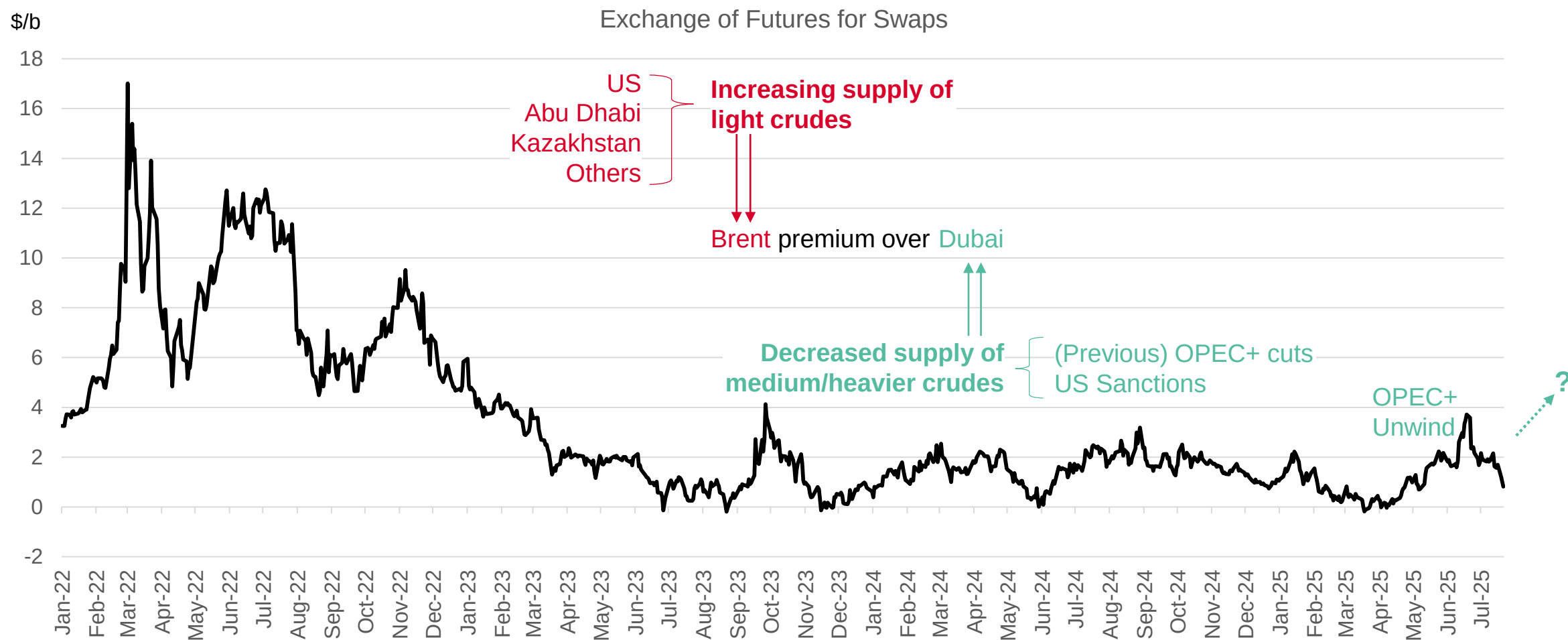


- Weaker fundamentals in Europe pushes crudes to Asia
- Stronger fundamentals in Asia pulls crudes to Asia

EFS vs WAF crude diffs – correlation and impact



Suppressed Brent/Dubai spread may rebound with weakening sour complex



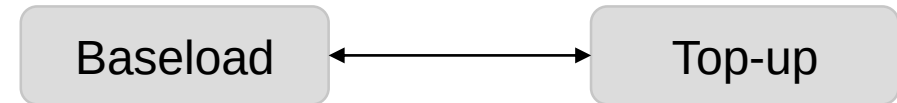
Lessons from WAF crudes vs Middle Eastern and North Sea grades

Comparing two countries that mainly sell to Europe

	Nigeria	Norway
Voyage	Longer	Shorter
Trading cycle	More forward	Prompter
Quality	Light/Medium sweet	Mainly Medium sour
End-user profile	Varies across the world	Mainly European refiners
Perception	Baseload and Top-up grade	Baseload
Pricing	Dated	Dated

Comparing two countries that mainly sell to China

	Angola	Oman
Voyage	Longer	Shorter
Trading cycle	Prompter	More forward
Quality	Medium sweet	Medium sour
End-user profile	Mainly independents	Mainly SOEs
Perception	Top-up grade	Baseload
Pricing	Dated or reprice to Dubai or ICE	Dubai



- Stability in loading programme
- Predictability in changes
- Ease in logistics and payments
- Adherence to international norm
- ...

Nigeria and Angola may be better off by supplying regular barrels to refiners closer to home than to buyers thousands of miles further away