



TRANSFORMING NIGERIA'S DOWNSTREAM SECTOR

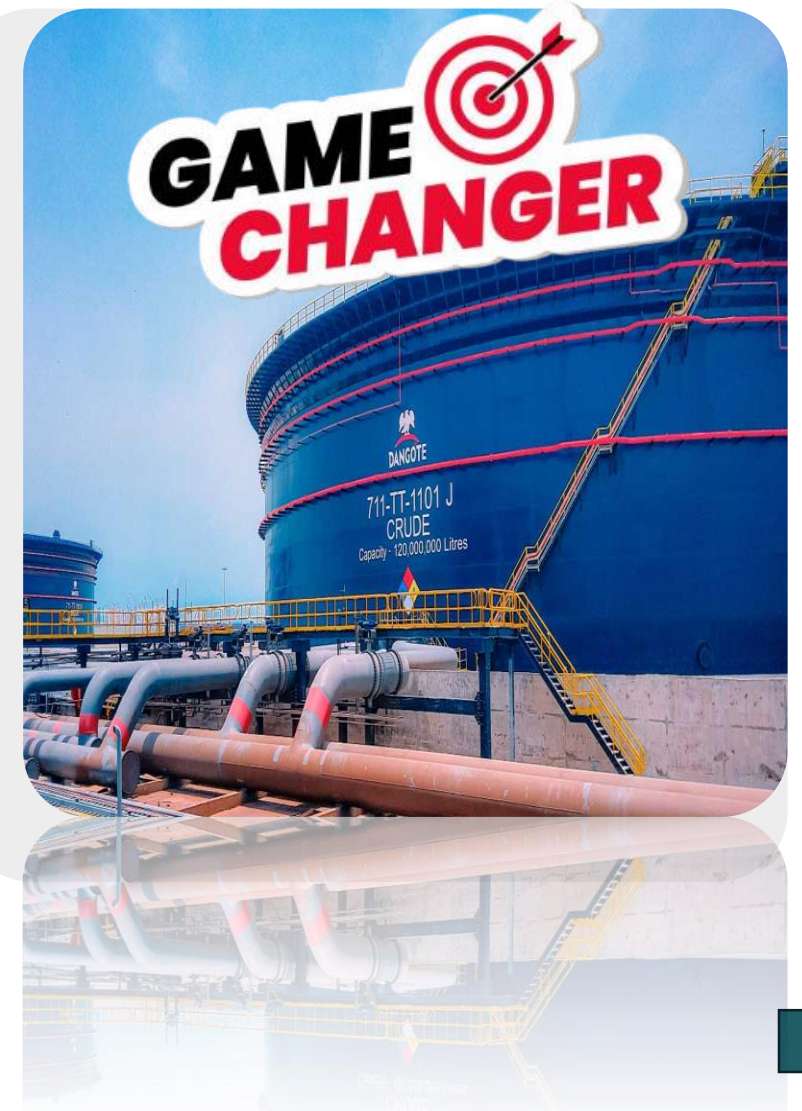
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DANGOTE REFINERY - THE GAME CHANGER

❑ **Dangote cuts PMS price again from N880/litre to N840/litre**

- **Dangote Refinery to introduce uniform pricing across the Federation by August 15**
- **Will offer credit facilities to dealers purchasing a minimum of 500,000 litres, allowing them to obtain an additional 500,000 litres**



THE PETROL PICTURE - SUPPLY HAS IMPROVED

BEFORE



AFTER





IMPACT OF THE NEW DISTRIBUTION STRUCTURE

BEFORE (Legacy System – PEF Era)	NOW (Dangote Refinery Model)
Perennial fuel scarcity	No more fuel scarcity
Adulterated fuel	High-quality fuel supply
Price discrimination	Uniform pricing
Bridging costs (via PEF)	No bridging costs
Inflation at 33%	Inflation down to 23%
GDP growth at 2%	GDP growth at 3.4%
Smuggling & subsidy abuse	Smuggling minimized
Dormant fuel stations	Dominant Fuel stations resuscitated
Environmental pollution	Cleaner energy

**THE NEW
STRUCTURE
GUARANTEES
COST EFFICIENCY
& SCALE
ECONOMIES**



DANGOTE'S INITIATIVE - MEANING & IMPACT

What Dangote is doing

4,000 CNG Trucks

Nationwide logistics fleet for clean transport

₦720bn CapEx

On trucks, CNG stations (Mother & Daughter model)

₦1.07tn Annual Logistics Cost

Borne fully by Dangote Refinery

Free Distribution of 65m Litres/Day

Covers Nigeria's refined fuel demand (PMS, Diesel, Jet A1)

Features of the new structure

- ✓ Uniform fuel pricing
- ✓ No bridging cost
- ✓ Resurrected fuel depots/stations
- ✓ Efficient, modern distribution network
- ✓ Clean energy logistics backbone
- ✓ PEF made redundant

THE NIGERIAN MIDSTREAM STRUCTURE

REFINERIES

- 1 Private mega-refinery (Dangote – 650,000 bpd)
- 4 Government-owned (Port Harcourt I & II, Warri, Kaduna)
- 30 Modular refineries, with 5 currently operational (e.g., Waltersmith, OPAC, etc.)

TOTAL REFINING CAPACITY (INSTALLED)

- Government + Modular = 450,000 bpd
- Dangote Refinery = 650,000 bpd
- Combined = 1.1 million barrels per day
- Import dependence used to cover refining shortfall

MARKET DYNAMICS (PRICE LEADERS & FOLLOWERS)

- Price leader determines quantity & price
- Consumer protection agency ensures no gouging & collusion

IT'S TIME TO **CARE** ABOUT **YOUR SALT**

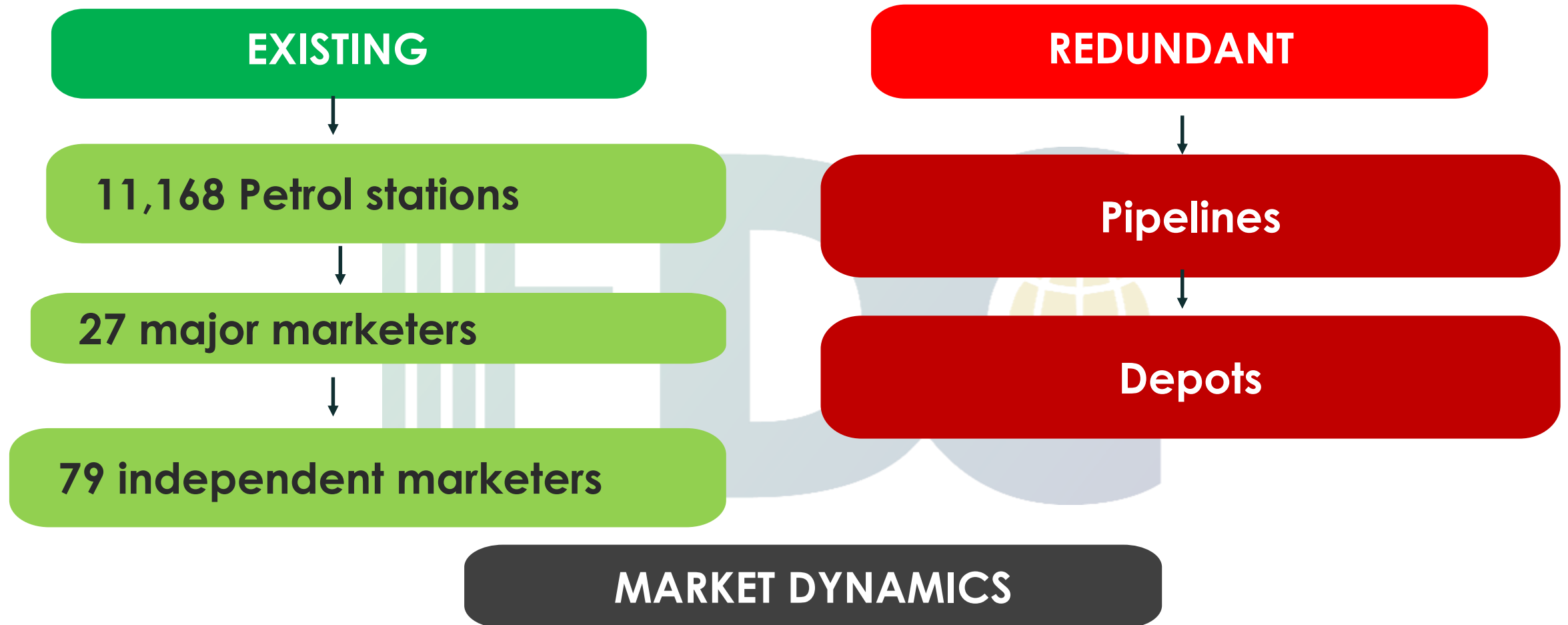
Refined, Iodized & Purified



CHOOSE QUALITY, CHOOSE DANGOTE SALT

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STRUCTURE OF THE NIGERIAN DOWNSTREAM PETROL SECTOR



- Price discrimination
- Petroleum Equalization Fund



OUTLOOK – PIPELINES & DEPOT REVIVAL

- Pipeline network revival could further reduce road logistics
- Pipeline investment of approximately \$4bn could reduce ~~₦~~1.07tn (\$10.8bn) logistics burden
- Privatisation of pipeline investment
- There's an opportunity to consolidate price transparency, eliminate remaining arbitrage

