

Platts' approach to oil price reporting

AFM+E Annual Meeting 2013

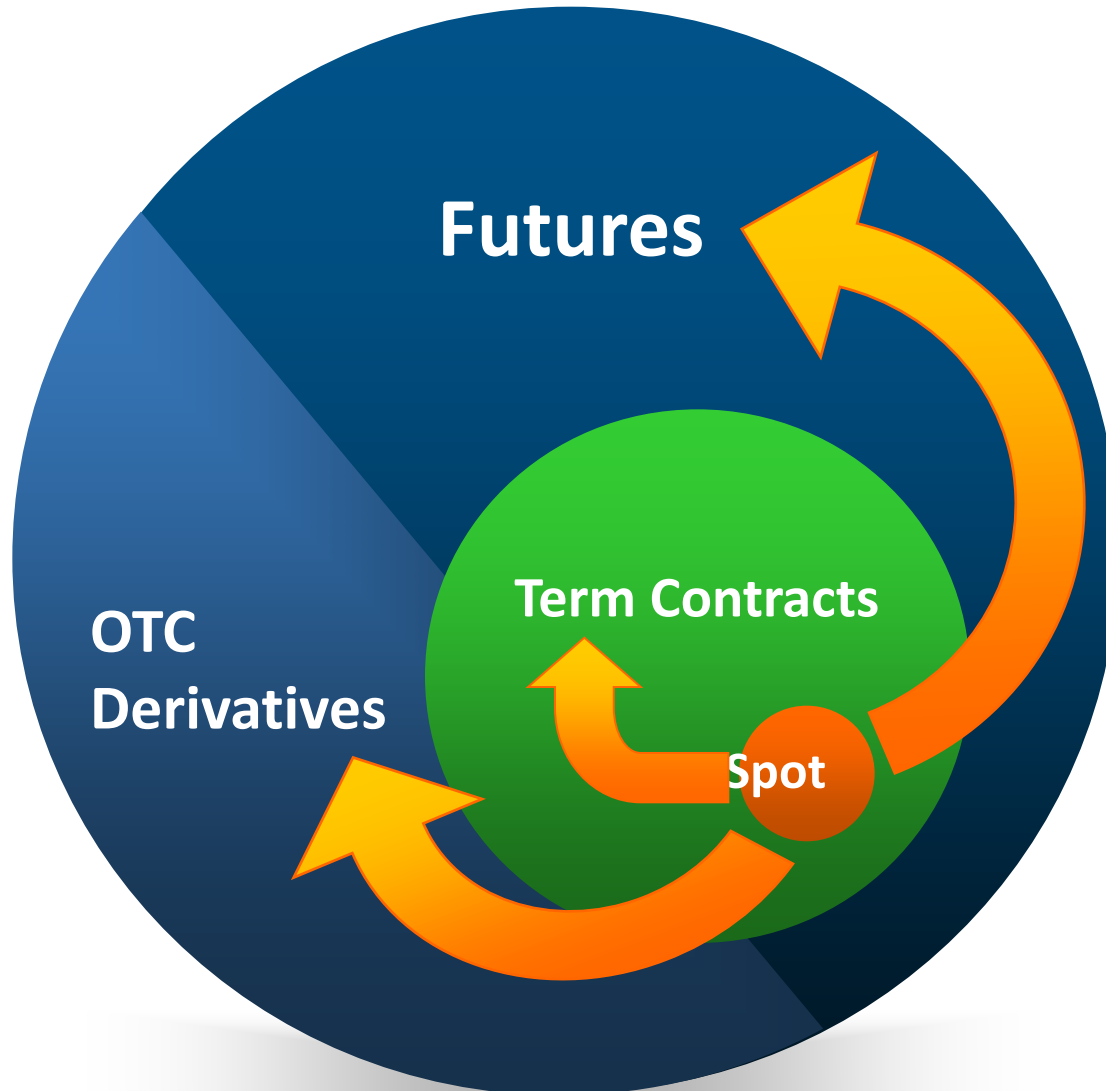
Porto, Portugal

May 24, 2013

Dave Ernsberger, Global Editorial Director – Oil, Platts



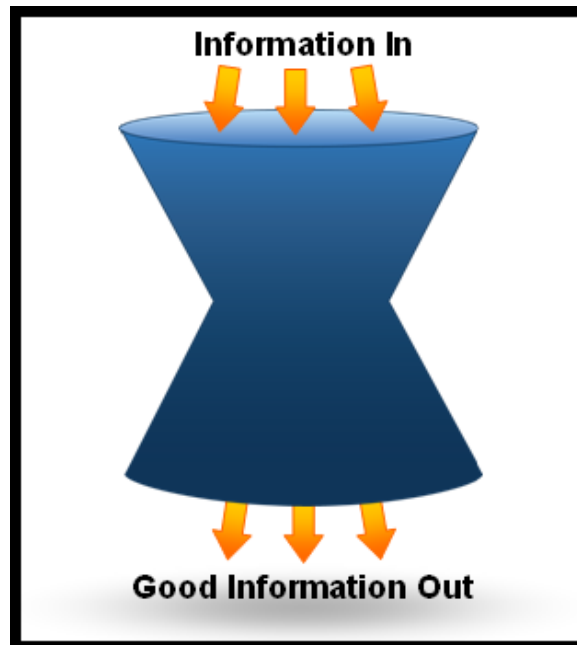
Platts' Focus, Impact and Relevance









- Platts benchmarks are used to price term contracts
- Futures settlements are often tied to spot market Platts covers
- Derivatives “price out” against Platts spot price assessments or futures settlements

A robust methodology must define:

- (1) Specifically *what* is being assessed (specifications guide)
- (2) Exactly how data is collected (the price discovery process)
- (3) How data is analyzed to produced a final value



-  Named companies
-  Firm bids/offers
-  Open to market at large
-  Real-time price formation
-  Defined audit trail
-  Performance-based

(1) What Is Being Assessed: Specifications

platts

[OIL]

METHODOLOGY AND SPECIFICATIONS GUIDE

European Products

(Latest Update: February 2012)

GENERAL TERMS AND CONDITIONS	2	APPENDIX I: EXAMPLE OF EN228 DEFINITION (2002)	33
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AAWZA00 PREMIUM GASOLINE 10 PPM CARGOES FOB MED

Quality: The Mediterranean unleaded cargo assessments represent EN 228 95 RON meeting Italian, French, and Spanish specifications. The RON is 95 and the MON is 85. The specific gravity for Mediterranean assessments is 0.755 g/ml. Aromatics limit is 35 max.

Size: Cargo assessments reflect parcels of 25,000-30,000mt each, though FOB cargoes of up to 33,000 mt may be considered when arbitrage opening mean these are a significant market factor.

Location: FOB basis Italy but with other origins considered in the assessment on the basis that neither buyer nor seller is disadvantaged by additional costs incurred if non-Italy origin.

Platts also reflects sales of gasoline that occur across the berth at jetties within the Platts FOB Med gasoline assessment. Should the seller elect to deliver a cargo that has loaded across the jetty, the binding quantity and quality would be established on a ship's composite basis in the final delivering vessel.

Timing: Reflects material for loading 10-25 days from date of publication, with prices normalized to the mid-point of this delivery window.

(2) How Data Is Collected

5/17/2012 11:4...	PGA	000003	3--Crude 225: ~CASH BFOE: MOC DEAL SUMMARY: Jul 108.82 x100 Arcadia-Total; Jul 108.82 x100 Hetco-Total; Jul 108.82 x100 He
5/17/2012 11:3...	PGA	000003	3--Crude 223: ~CASH BFOE: OUTSTANDING INTEREST: Shell offers Jul 108.77
5/17/2012 11:3...	PGA	000003	3--Crude 219: Platts Cash BFOE Partial Jul12, STASCO offers on \$108.77 for 100 15:29:59.485 GMT
5/17/2012 11:3...	PGA	000003	3--Crude 218: Platts Cash BFOE Partial Jul12, TOTSAs BUYS FROM STASCO \$108.77 for 100 15:29:54.99 GMT
5/17/2012 11:3...	PGA	000003	3--Crude 217: Platts Cash BFOE Partial Jul12, STASCO offers on \$108.77 for 100 15:29:50.37 GMT
5/17/2012 11:3...	PGA	000003	3--Crude 216: Platts Cash BFOE Partial Jul12, TOTSAs BUYS FROM STASCO \$108.77 for 100 15:29:42.767 GMT
5/17/2012 11:3...	PGA	000003	3--Crude 215: Platts Cash BFOE Partial Jul12, STASCO lowers offer \$108.77 for 100 15:29:41.21 GMT
5/17/2012 11:3...	PGA	000003	3--Crude 214: Platts Cash BFOE Partial Jul12, STASCO lowers offer \$108.80 for 100 15:29:38.662 GMT
5/17/2012 11:3...	PGA	000003	3--Crude 213: Platts Cash BFOE Partial Jul12, STASCO offers on \$108.83 for 100 15:29:35.27 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 212: Platts Cash BFOE Partial Jul12, TOTSAs BUYS FROM STASCO \$108.83 for 100 15:29:32.914 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 211: Platts Cash BFOE Partial Jul12, STASCO lowers offer \$108.83 for 100 15:29:31.82 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 210: Platts Cash BFOE Partial Jul12, TOTSAs BUYS FROM HETCO \$108.82 for 100 15:29:28.789 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 209: Platts Cash BFOE Partial Jul12, STASCO offers on \$108.86 for 100 15:29:26.723 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 208: Platts Cash BFOE Partial Jul12, HETCO offers on \$108.82 for 100 15:29:26.620 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 207: Platts Cash BFOE Partial Jul12, PHIBROCOM withdraws bid \$108.76 for 100 15:29:25.688 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 206: Platts Cash BFOE Partial Jul12, TOTSAs BUYS FROM STASCO \$108.86 for 100 15:29:23.955 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 205: Platts Cash BFOE Partial Jul12, STASCO lowers offer \$108.86 for 100 15:29:21.939 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 204: Platts Cash BFOE Partial Jul12, TOTSAs BUYS FROM HETCO \$108.82 for 100 15:29:21.858 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 202: Platts Cash BFOE Partial Jul12, HETCO offers on \$108.82 for 100 15:29:19.759 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 203: Platts Cash BFOE Partial Jul12, STASCO lowers offer \$108.89 for 100 15:29:19.764 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 201: Platts Cash BFOE Partial Jul12, COP withdraws bid \$108.76 for 100 15:29:17.600 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 200: Platts Cash BFOE Partial Jul12, STASCO lowers offer \$108.92 for 100 15:29:17.81 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 199: Platts Cash BFOE Partial Jul12, HETCO lowered offer and traded 15:29:15.377 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 198: Platts Cash BFOE Partial Jul12, HETCO SELLS TO TOTSAs \$108.82 for 100 15:29:15.375 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 197: Platts Cash BFOE Partial Jul12, STASCO lowers offer \$108.95 for 100 15:29:14.857 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 196: Platts Cash BFOE Partial Jul12, TOTSAs bids on \$108.82 for 100 15:29:14.853 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 195: Platts Cash BFOE Partial Jul12, HETCO lowers offer \$108.84 for 100 15:29:13.640 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 193: Platts Cash BFOE Partial Jul12, STASCO lowers offer \$108.97 for 100 15:29:09.561 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 194: Platts Cash BFOE Partial Jul12, ARCADIASUISSE SELLS TO TOTSAs \$108.82 for 100 15:29:10.652 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 192: Platts Cash BFOE Partial Jul12, TOTSAs lowers bid \$108.82 for 100 15:29:08.954 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 191: Platts Cash BFOE Partial Jul12, HETCO lowers offer \$108.87 for 100 15:29:05.354 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 190: Platts Cash BFOE Partial Jul12, PHIBROCOM raises bid \$108.76 for 100 15:29:04.231 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 188: Platts Cash BFOE Partial Jul12, PHIBROCOM raises bid \$108.73 for 100 15:29:02.287 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 189: Platts Cash BFOE Partial Jul12, HETCO lowers offer \$108.90 for 100 15:29:03.330 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 187: Platts Cash BFOE Partial Jul12, TOTSAs lowers bid \$108.84 for 100 15:29:02.198 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 186: Platts Cash BFOE Partial Jul12, HETCO lowers offer \$108.93 for 100 15:29:01.143 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 185: Platts Cash BFOE Partial Jul12, COP raises bid \$108.76 for 100 15:29:00.585 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 184: Platts Cash BFOE Partial Jul12, PHIBROCOM raises bid \$108.70 for 100 15:28:59.407 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 183: Platts Cash BFOE Partial Jul12, PHIBROCOM raises bid \$108.67 for 100 15:28:55.443 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 181: Platts Cash BFOE Partial Jul12, TOTSAs raises bid \$108.88 for 100 15:28:54.633 GMT
5/17/2012 11:2...	PGA	000003	3--Crude 182: Platts Cash BFOE Partial Jul12, HETCO lowers offer \$108.96 for 100 15:28:54.892 GMT

European MOC Snapshot

IntercontinentalExchange™ (ICE) - dernasberger @ Platts



View Admin Help Logout

platts 15:25:58

Kill All Activate All **Live Only** Hold Bids Hold All Hold Offers Excel

Ideas

PLATTS SG REGRADES			PLATTS SG GASOIL TIME SPREADS			PLATTS MID DIST SWAPS (ALL)			PLATTS EUROPE GASOLINE			PLATTS BRENT		
ICE Singapore Fuel Swaps			UK NBP	Platts Singapore FO Spreads MOC		Platts Singapore FO Outrights MOC			PLATTS SG GASOIL OUTRIGHTS			PLATTS SG JET OUTRIGHTS		
Orders	Deals	UDS	Platts Fuel oil swaps MOC		Brent Futures		Gas Oil Futures		Coal Futures	Options	Platts Asia crude window		Platts Asia Naphtha	
Platts Variable HSFO			Platts EUROPEAN MID DIST			Low Sulphur Gasoil		Platts Portfolio29		Platts SING MID DIST SWAPS			Brent NX	
ICE GASOIL FUTURES FOR ASSESSMENT			Brent time spreads		Platts NWE	PLATTS SG JET TIME SPREADS			Platts US Fuel Oil		Platts ASIA GASOLINE		Platts European Fuel Oil	

Hold All On Hit/Lift
 Hold Bids On Hit
 Hold Offers On Lift
 Re-Link Agents History Formulas

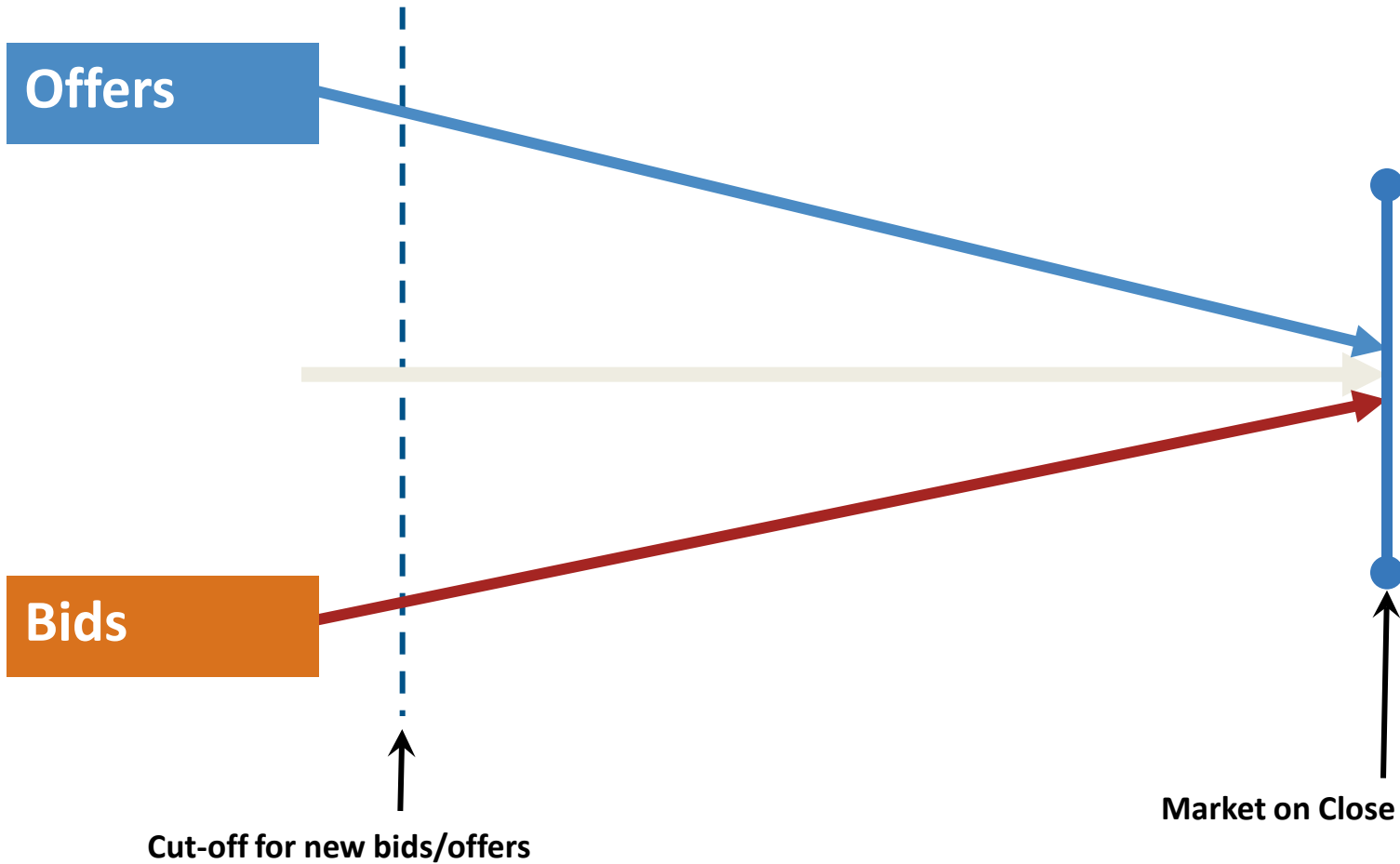
Product	Hub	Begin ...	End D...	Strip	+ - ...	Sell	Buyer	Qty	Bid	Offer	Qty	Seller	Buy	Offer Terms
Platts FO	1% Brg	4May12	8May12	FE	-	Take	VITOL/VITOLBRK	5	737.00	739.00	1	BPBV	Take	
						Take	TRAFBV	1	737.00	739.00	1	CHEMEURBV	Take	
						Take	NSGBUNK	1	728.00	739.00	1	LITASCO	Take	
						Take	BPBV	1	726.00	739.00	1	OWTRDSA	Take	
						Take	CHEMEURBV	1	725.00					
Platts FO	1% Brg	8May12	12May12	MWV	-	Take	CPCSL	2	738.00	739.00	1	BPBV	Take	
						Take	VITOL/VITOLBRK	5	737.00	739.00	1	LITASCO	Take	
						Take	TRAFBV	1	736.00					
						Take	NSGBUNK	1	734.00					
						Take	BPBV	1	726.00					
Take	CHEMEURBV	1	725.00											
Platts FO	1% Brg	12May12	16May12	BE	+	Take	VITOL/VITOLBRK	5	737.00	739.00	1	BPBV	Take	
Platts FO	3.5% Brg	4May12	8May12	FE	+	Take	TOTSA	2	694.00	695.00	2	BPBV	Take	
Platts FO	3.5% Brg	8May12	12May12	MWV	+	Take	KOCHSARL	2	693.50	695.75	2	AEGEAN	Take	
Platts FO	3.5% Brg	12May12	16May12	BE	+	Take	KOCHSARL	2	693.25	696.00	2	BPBV	Take	
Platts FO (balmo)	1% NWE FOB Cargo ...	1May12	31May12	Bal Mo...	+	Take	BP	5	40.00	47.00	5	VILMAOSL	Take	
Platts FO (balmo)	1% NWE FOB Cargo ...	1May12	31May12	Bal Mo...	+									
Platts FO (balmo)	3.5% MED FOB Carg...	1May12	31May12	Bal Mo...	+					-9.00	5	MERCURIASA	Take	
Platts FO	3.5% MED FOB Carg...	1Jun12	30Jun12	Jun12						-7.50	5	LIAOIL	Take	
Platts FO	1% NWE FOB Cargo ...	1Jun12	30Jun12	Jun12	+									
Platts FO Spr	1% NWE FOB Cargo ...	1May12	30Jun12	Bal Mo...	+	Take	BP	5	3.50	3.75	5	TOTSA	Take	

**Time stamps
allow for true
reflection of
spreads**

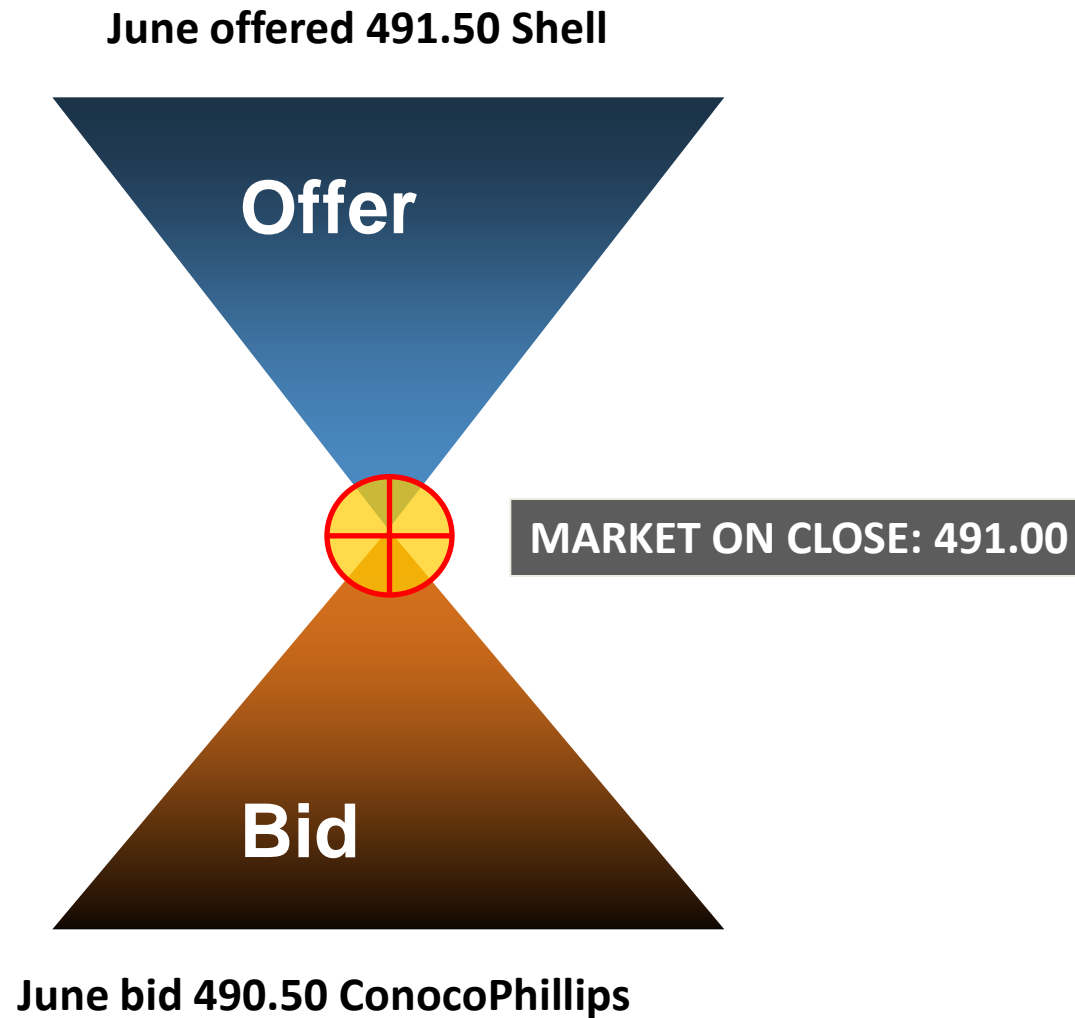
**Platts
assessments
are time
sensitive and
clearly time-
stamped**

Asia crude / products	1630 Singapore
Middle East crude / products	1230 Dubai
Europe crude / products	1630 London
US crude / products	1515 New York 1415 Houston

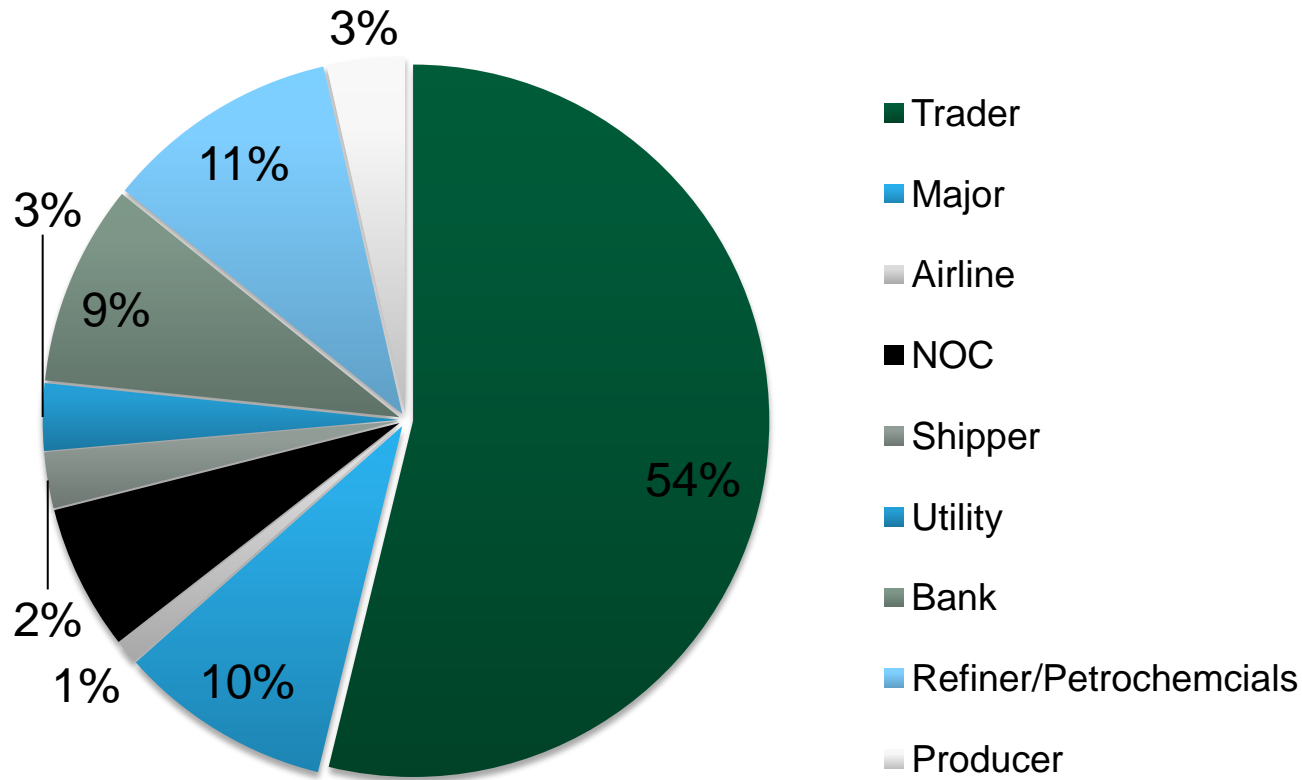
Market on Close Assessment Process



Market Forces Determine Price



Strong Diversity of Trading Sources



Data: Platts

Over 240 trading companies participate in the Platts MOC

ABC	Bominflot	Daelim	Gavilon	IPG	Macquarie Bank	Noble	Petrotrade	Shell	Toyota
Abengoa	BP	Daxin	Gekol	Itochu	Mann Financial	Nomura	Petroval	Sinanen	Tradeline
Addax	Brightoil	DCP	Glencore	J Aron	Marathon	Northville	Petrus	Sinclair	Trafigura
ADM	British Airways	Delek	Global	JP Morgan	Martin	NSP	Phibro	SinoChem	Transcor
AFT	Buckeye	Deutsche Bank	Gloen	Kangqi	Marubeni	Occidental	Placid	Sinopec	Tupras
AIC	Calyon	Dow	Golden Island	KDB	Masefield	Oil Chart	Plains	SJB	Unipet
Alcodis	CAO	DS Mineral	Great Island	Kildair	MasterChemoil	OMV	PMI	SK Energy	Valero
Allegheny	Cargill	Dufour	Greenery	KLM	Mercuria	Onyx	Polimeri	Societe General	Van Raak
Antos	Cepsa	ENI	GS Caltex	Koch	Merrill Lynch	OPET	Postoils	S-Oil	VDS
ANZ Bank	Chemium	ENOC	Gulf Oil	Kolmar	Metropex	ORL	PowerSeraya	SPC	Vector
AOT	Chemoil	ERG	Gunvor	KPC	Mieco	OW Bunker	Preem	Sprague	Verbeke
Apache	Chevron	ExxonMobil	Hanwa	KPI	Mitsubishi	Paz Oil	PSM	Standard Bank	Vertical
Apex	Chimbusco	Fal Oil	Hanwha	KTB Oil	Mitsui	Petraco	PTT	Standard Chartered	ViewSino
Arcadia	ChinaOil	Famm	Helm AG	Kuo Oil	Mocoh	Petredex	RBS	Statoil	Vilma
Argos	Choil	FC Stone	Hess	Lansing	Morgan Stanley	Petrobras	Reliance	Storme	Vinmar
Asia Marine Services	Citibank	Ferrel	Hetco	LGI	Murex	PetroChina	Repsol	STX Pan Ocean	Vitol
Astra Oil Trading	CMT	Flint Hills	Hin Leong	Lia Oil	Musket	Petrocom	Risol	Sumitomo	Warrex
Bakri	CNOOC	Formosa	Holt	Licorne	Natixis	Petrodiamond HK	Rixo	Sunoco	Wawa
Barclays	Coffeyville	Frisoil	Husky	Lion Oil	NCRA	Petrol Ofisi	Sabic	Tauber	Wells Fargo
Barony	Colonial Oil	Fritz Meyer	HWTR	Louis Dreyfus	NeoPetro	Petronas	Samsung	Tenergy	Westport
BASF	ConocoPhillips	Futura	Hyundai Oilbank	Lufthansa	Neste	Petroned	Saracen	Teppco	Wiljo
BB Energy	Copersuca	Galaxy	Ineos	Lukoil	Nexen	Petroplus	Saras	Tesoro	Winson Oil
Belgomine	CP Chemical	Gary Williams	Interchem	Lyondell	Nidera	Petropuma	SASOL	Tidal	World Fuel
BNP Paribas	Credit Suisse	Gaselys	Interoil	Mabanaft	NIOC	PetroSummit	Sempra	Total	Yoo Jun