

SEPTEMBER 2018

US Gulf Coast Export Crudes FAQ

What US crude oil does S&P Global Platts assess for export?

S&P Global Platts has assessed US crude for export out of Houston and Corpus Christi since February 2016. Platts now assesses four grades of crude oil for export out of the US Gulf Coast: Midland-grade West Texas Intermediate (WTI), Bakken crude, Eagle Ford 45 and Eagle Ford 52.

What has changed from previous assessments?

Platts has renamed the WTI FOB Houston assessment to WTI FOB USGC. The Eagle Ford FOB Corpus Christi assessments have also been renamed to Eagle Ford FOB USGC, while the Eagle Ford FOB Houston assessments were discontinued September 4. The assessments also could reflect crude oil loading from other ports, such as Port Arthur or the Louisiana Offshore Oil Port (LOOP), provided it meets the relevant quality specifications.

Why is Platts changing its US crude export assessments?

Platts launched assessments in February 2016 to reflect the value of WTI loaded onto vessels in Houston, and Eagle Ford crude and condensate loaded at Houston and Corpus Christi. These assessments were designed to bring transparency to the new export market.

The US now exports as much as 2.5 million barrels per day, mainly out of the US Gulf Coast. Houston and Corpus Christi are two of the largest sources of crude oil exports, and with

additional infrastructure on the way, expected to grow even further.

Given the increased exports of WTI out of Corpus Christi and the expected growth in other ports, Platts believes that the best indication of value for US crude oil purchasers on an FOB basis would be a generic US Gulf Coast price point, regardless of port. In an FOB environment, the most competitive port should set the price for the region.

How will you assess US crude exports?

Platts will consider bids, offers and trades reported at any number of ports along the US Gulf Coast, including terminals in the Houston, Corpus Christi and Beaumont areas.

The most competitive value on an FOB basis at those ports will be used to set the value for the FOB US Gulf Coast price assessment.

What do the assessments reflect?

The assessments will reflect the value of crude oil available for loading onto a typical Aframax sized vessel 15-45 days forward from the date of publication.

The assessments will be published as a flat price and as a spread to a NYMEX light sweet crude forward strip aligned to the 15-45 day loading window.