

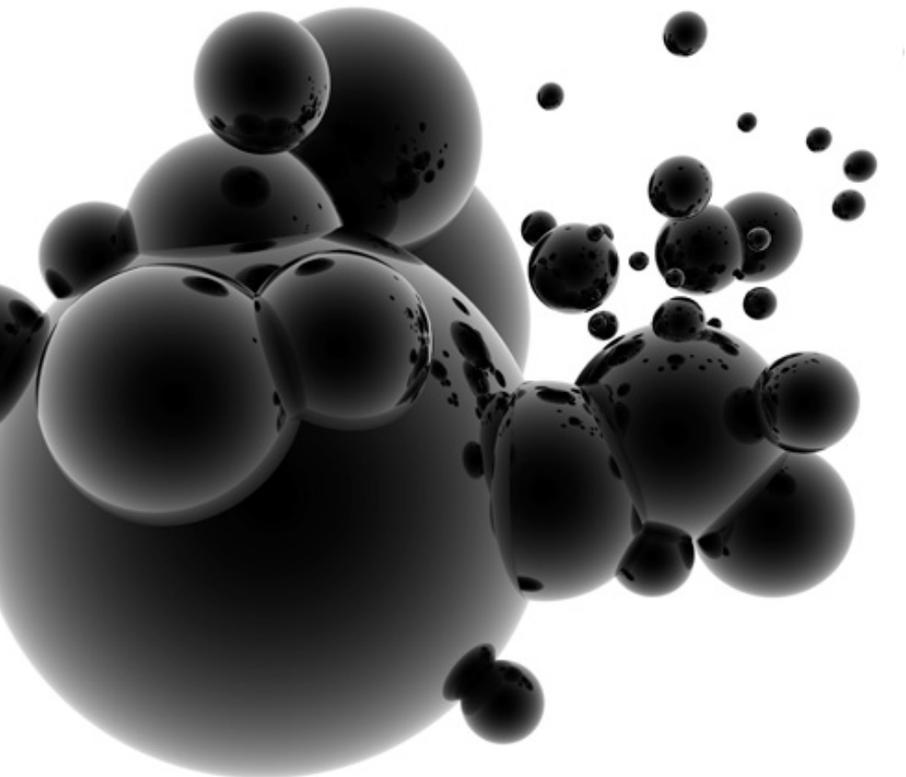


PLATTS

McGRAW HILL FINANCIAL

FREQUENTLY ASKED QUESTIONS

West African crude assessments



WWW.OIL.PLATTS.COM

WHY IS PLATTS ASSESSING NEW WEST AFRICAN CRUDE GRADES?

West Africa is a significant producer of crude oil and oil from this region is exported all over the world. This, in part, demonstrates the global importance of this region in the international oil markets.

Platts is constantly looking to expand its coverage across relevant sectors, and these new assessments provide extensive coverage of different crude oil grades produced in the region and reinforce Platts' commitment to providing greater market understanding, real time news and analysis and more insightful and relevant information to its subscribers.

WHAT NEW GRADES HAVE PLATTS BEGUN TO ASSESS?

Platts started publishing daily assessments for four new West African crudes from August 3, 2015. These new assessments complement Platts' previous coverage of 17 West African crudes, with eight from Nigeria, eight from Angola and one grade produced from the Republic of Congo. In 2013 Platts added five more crudes to its West African suite, further supporting its commitment to the critical crude producing region.

The new assessments include two more Nigerian grades, one grade from Ghana and one from Chad.

NIGERIA: ERHA AND USAN

Erha is a light sweet crude oil grade produced offshore Nigeria. Production is currently around 100,000 b/d from the Erha FPSO.

New West African Crude Assessments		
Grade	Outright price	Differential
Erha	AAXU000	AAXUP00
Usan	AAXUQ00	AAXUR00
Jubilee	AAXUS00	AAXUT00
Doba	AAXUU00	AAXUV00
Existing West African Crude Assessments		
Agbami	AAQZB00	AAQZC00
Akpo	PCNGA00	PCNGB00
Bonga	PCNGC00	PCNGD00
Bonny Light	PCAIC00	AAGXL00
Brass River	AAEJB00	AAGXV00
Cabinda	PCAFD00	AAGXT00
Dalia	AAQYX00	AAQYY00
Djeno	PCNGE00	PCNGF00
Escravos	AAEIZ00	AAGXR00
Forcados	PCABC00	AAGXP00
Girassol	AASNLO0	AASJD00
Hungo	AASLJ00	AASJF00
Kissanje	AASLK00	AASJE00
Nemba	AAQYZ00	AAQZA00
Pazflor	PCNGG00	PCNGH00
Plutonio	PCNGI00	PCNGJ00
Qua Iboe	PCAID00	AAGXN00

Usan is a medium sweet grade with a current production rate of around 110,000 b/d. It is produced offshore Nigeria from the Usan FPSO, which has a capacity of 180,000 b/d.

GHANA: JUBILEE

Jubilee is a sweet crude and currently has a production of around 100,000 b/d. It is produced and loaded from the Kwame Nkrumah FPSO.

CHAD: DOBA

Doba is a heavy sweet acidic crude oil grade produced primarily in the south of the country. Its production is currently around 100,000 b/d, loaded from the Kome-Kribi terminal offshore Cameroon.

WHAT SPECIFICATIONS AND PHYSICAL LOGISTICS DEFINE THESE NEW ASSESSMENTS?

Much of West Africa's oil production is of a very high quality; light and sweet in characteristic, with a high yield of middle distillates and light-end products.

The specifications of these new assessments are largely similar to other West African grades already assessed by Platts and a representation of their most recent specifications can be found at the following location:

<http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/crudeoilspecs.pdf>

The standard size of these cargoes range between 920,000 barrels and 1,000,000 barrels.

WHAT ASSESSMENT METHODOLOGY WILL DEFINE THE NEW WEST AFRICAN ASSESSMENTS?

Platts' West African crude assessments reflect a loading range of 25-55 days after date of publication. While a cargo size of 950,000 barrel is the standard in the daily assessed grades, part-cargoes and larger cargoes are occasionally traded and may be factored into the assessment process. Underlying market dynamics may also play a role in determining the value of grades. Structure, such as backwardation or contango, within the 25-55 loading range will be taken into account during the assessment process.

All of Platts' new West African crude daily assessments are underpinned by Platts' rigorous and well defined Market on Close assessment process. Platts' reflects cargo bids and offers that are submitted in full to Platts before 15.45 London time. The prices of these bids and offers may be adjusted at a rate of a maximum of 5 cents/barrel per minute. The last price change must be submitted to Platts ahead of 16.25 London time. Platts assessments reflect value at 16.30 London time precisely.

More information on the timing guidelines that underpin the MOC process can be found at the following location:

<http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/timingincrementguidelines.pdf>

HOW ARE PLATTS DIFFERENTIAL ASSESSMENTS PRICED?

Platts West African crude differential assessments are priced against the 30-60 day Dated Strip, which is a daily Forward Dated Brent assessment that Platts publishes. This forward Dated Brent strip represents the value of Dated Brent 30 to 60 days ahead of the day of publication, in line with Platts West African crude assessments reflecting 25 to 55 days forward and the typical pricing for the region of five days after the Bill of Lading.

This pricing mechanism allows Platts to accurately reflect the value of crude oil trading today but due to lead and price on a future date.

WHERE ARE PLATTS WEST AFRICAN CRUDE ASSESSMENTS PUBLISHED?

Platts' West African crude assessments are published through Platts Global Alert, a real-time oil price and news wire service as well as in Platts Crude Oil Marketwire and Platts Oil Price Report, daily market reports that provide detailed market information on global crude oil prices, trade updates, market commentary and analysis, futures settlement prices, and much more.

WHERE CAN I FIND MORE INFORMATION ON PLATTS WEST AFRICAN CRUDE ASSESSMENT METHODOLOGY?

More about Platts' European and African crude methodology and specifications can be found at the following location:

<http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/crudeoilspecs.pdf>

WHAT ARE THE BENEFITS OF USING PLATTS WEST AFRICAN CRUDE ASSESSMENTS?

- Platts is a respected market leader in publishing daily price information, including the most transparent bids, offers, deals and market-moving news, in real-time as they are verified.
- Platts is price-neutral and assesses the actual tradable value for physical West African crude cargoes each day.
- Platts West African crude assessments reflect market activity every single trading day.
- Platts' editors cover a wide variety of oil markets and regions, and the resulting cross-region and cross-sector understanding and expertise translates into better information for our subscribers.
- Platts is completely independent.
- Platts Dubai and Platts Dated Brent are recognized by the global oil industry as benchmarks against which other oil grades and refined products are referenced.



FOR MORE INFORMATION, PLEASE CONTACT THE PLATTS SALES OFFICE NEAREST YOU:

Web www.platts.com
E-mail support@platts.com

NORTH AMERICA
+1-800-PLATTS8 (toll-free)
+1-212-904-3070 (direct)

EMEA
+44-(0)20-7176-6111

LATIN AMERICA
+54-11-4121-4810

ASIA-PACIFIC
+65-6530-6430

RUSSIA
+7-495-783-4141

© 2015 Platts, McGraw Hill Financial. All rights reserved.

Reproduction of this publication in any form is prohibited except with the written permission of Platts. Because of the possibility of human or mechanical error by Platts' sources, Platts does not guarantee the accuracy, adequacy, completeness, or availability of any Platts information and is not responsible for any errors or omissions or for the use of such Platts information. Platts gives no express or implied warranties, including, but not limited to, any implied warranties of merchantability or fitness for a particular purpose or use. In no event shall Platts be liable for any direct, indirect, special, or consequential damages in connection with subscribers' or others' use of this publication.