

METHODOLOGY. OIL PRODUCTS PRICES OF BUNKER FUEL AT MAJOR RUSSIAN PORTS

Contents

Price assessments of bunker fuel delivered to sea vessels of Russian and foreign operators at the largest Russian seaports. Quotations are published in the Thomson Reuters Information Systems and the "Prices of bunker fuel at major Russian ports" bulletin.

Groups of Marine Fuel Price Assessments

Intermediate Fuel Oil:

- IFO 380 high-sulfur — high-sulfur fuel oil (with a maximum sulfur content of 3.5% and with a maximum viscosity of 380 CST);
- IFO 180 high-sulfur — high-sulfur fuel oil (with a maximum sulfur content of 3.5% and with a maximum viscosity of 180 CST);
- ULSFO (LUKOIL TCЭ-A, RMD 80) - marine ecology fuel oil with a maximum viscosity of 80 CST and sulfur content of 0.1%, for using in SECA area.

Marine Gasoil and Marine Diesel Oil:

- MGO (DMA) (S≤0.1%) — gas oil (diesel fuel with a maximum sulfur content of 0.1%) (Marine Gas Oil);
- MGO (DMA) (S≤0.5%) — gas oil (diesel fuel with a maximum sulfur content of 0.5%) (Marine Gas Oil).

Locations (bases)

26 Russian seaports (see Table 1). Changes in the list of ports that are assessed in Thomson Reuters KORTES monitoring should be reflected in the updated version of this methodology. This list contains all the key Russian ports with the largest number of vessel calls.

Discontinuation of price assessment and changes in quote lists

Price assessments may be added or deleted from the list at any time with the prior notification if the market situation requires such changes.

Blank price assessment

In case if the price assessment is temporarily not updated the current value of the price assessment will be marked as UNQ (UNQUOTED) in the system. In case when Thomson Reuters KORTES spots absence of sales and receives confirmation from the

market participants that there is a lack of trading activity in the market, Thomson Reuters KORTES continues publishing the last relevant quotation during 5 (five) working days and terminates the quotation on the 6th business day.

Typical Size

From 50 tonnes

Bunker Fuel Quality

Prices considered for the assessment include bids, offers and trading prices of bunker fuels supplies that follow specification defined by technical regulations in "Requirements for gasoline and aviation fuel, diesel and marine fuel, jet fuel and fuel oil", as well as the requirements of ISO 8217 (see Table 2).

Supply Location

Delivered on board

Terms of Payment

Cash payment (prepayment)

Shipping Date

Up to 30 calendar days

Price

For Russian vessels in roubles per tonne (RUB/t) with VAT, for foreign vessels in USD per tonne (\$/ton).

Price Range

Usually does not exceed 1000 RUB/tonne or 20 \$/t. The aggregated price value equals to the average price. Whenever significant changes in the market conditions impact the price the difference between the minimum and maximum price levels can be increased. In case of price range expansion additional commentary should be issued by Thomson Reuters KORTES. Price assessments for the bases which combine a number of ports do not include the difference in delivery costs.

Frequency of Update

Daily

Relevance

Prices are effective at the date of publication (since 5 pm Moscow) until the next publication.

Data Sources

Members of the Russian market of bunkering services.



Market Players

Companies engaged in the retail sale of bunker fuel in seaports. Thomson Reuters KORTES price monitoring involves the maximum possible number of market participants (such as representatives of bunker divisions of oil companies in the regions, independent bunker fuel traders and end users).

Data Considered for Assessment

Information about bids and offers provided by the Market Players and/or actual deals. Anonymity of respondents is guaranteed.

Data Collection Methods

Polling of market participants via phone. Getting information through communication channels (e-mail, fax). Survey is carried out by Thomson Reuters KORTES in accordance with the internal procedure for the collection, validation and analysis of pricing information.

Relevance, credibility and accuracy of the price assessments

Is ensured through the collection, validation and expert analysis of pricing information obtained simultaneously from the maximum possible number of credible market sources that have built a reputation as reliable and trusted counterparties in the Russian market. Price assessments are determined on the basis of various types of credible, reliable and representative market data including information about transactions, bids and offers received from credible buyers and sellers:

- relevance means that the pricing information

used to form an assessment is valid for the period since 11 am till 5 pm Moscow time on the date of publication;

- credibility means that the information is obtained from reliable sources, that have proven themselves as reliable counterparties to the market participants and credible market sources to Thomson Reuters KORTES, and various verification tests and expert analysis have been applied by Thomson Reuters KORTES specialists in accordance with the internal procedure of the collection, validation and analysis of pricing information;
- representativeness means that the identical and/or similar pricing information is received from a representative number of independent/unaffiliated market players;
- Thomson Reuters KORTES specialists strictly follow the guidelines of the methodology to avoid inconsistency and inaccuracy in the bunker fuel price assessments;
- corrections. In case if it's required to revise incorrect value of a published price assessment which arose due to technical or other reasons, Thomson Reuters KORTES will update the price assessment, release a client notification, publish a revised bulletin and update the electronic database.

Additional standard notes:
Additional Comments can be published to reflect the changes in the market conditions.

Table 1 — Locations (bases)

No.	Ports
North-Western Administrative Region	
1	Kaliningrad
2	Murmansk
3	Arkhangelsk
4	Saint-Petersburg
5	Vyborg ¹⁾
6	Vysotsk ¹⁾
7	Ust Luga
8	Primorsk
Southern Administrative Region	
9	Novorossiysk
10	Temtyuk
11	Eisk ²⁾
12	Taganrog ²⁾
13	Tuapse
14	Taman
15	Kavkaz
Far Eastern Administrative Region	
16	Vanino ³⁾
17	Sovetskaya Gavan ³⁾
18	Vladivostok ⁴⁾
19	Vostochny ⁴⁾
20	Kozmino ⁴⁾
21	Slavyanka ⁴⁾
22	Possiet ⁴⁾
23	Bolshoi Kamen ⁴⁾
24	Zarubino ⁴⁾
25	Nakhodka ⁴⁾
26	Korsakov

¹⁾ — combined into the Vyborg group;

²⁾ — combined into the Eisk group;

³⁾ — combined into the Vanino group;

⁴⁾ — combined into the Vladivostok group.

Table 2 — Grades of marine fuel

Product	Standards and Specifications
IFO 380 - high-sulfur fuel oil with a maximum viscosity of 380 CST (50°C) mm ² /s	ISO 8217: 2010 (E)
IFO180 - high-sulfur fuel oil with a maximum viscosity of 180 CST (50°C) mm ² /s	ISO 8217: 2010 (E)
MGO – Marine Gas Oil with a maximum viscosity 6 (40°C) mm ² /s	ISO 8217: 2010 (E) GOST P 52368-2005
ULSFO (LUKOIL TCЭ-A, RMD 80) - marine ecology fuel oil with a maximum viscosity of 80 CST (50°C) and sulfur content of 0.1%, for using in SECA area	CTO 00044434-033-2014 ISO 8217: 2010 (E)

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