

platts

Methodology and Specifications Guide

China Fuel Oil

REPORTING COVERAGE	2
GUIDELINES FOR REPORTING TRADING ACTIVITY	2
TAX, INSPECTION AND LICENSE FEES	2
CREDIT TERMS	2
LOCATIONS, LOT SIZES, DELIVERY TERMS:	2
SPECIFICATIONS	3

LATEST UPDATE: OCTOBER 2010

REPORTING COVERAGE

Platts assesses 180 and 380 centistoke fuel oil traded in south and eastern China. Platts' 180 CST assessments reflect fuel oil traded in southern China's port of Huangpu, and eastern China's ports of Shanghai and Qingdao. Platts' 380 CST assessment reflects deliveries on a C+F basis into all main ports in southern China from Zhuhai to Xiamen. Precise specifications for the grades of fuel oil assessed are detailed in the tables below. Platts assessments reflect fixed-price deals, floating transactions, bids and offers, and are published in Yuan/mt and US dollars/mt. Platts publishes both a fixed price assessment, and a differential to Mean of Platts Singapore 180CST fuel oil where applicable.

Platts updated its fuel oil assessment descriptions in East China from "LS S/R and M100" to "LS S/R" with effect from April 19, 2010. This assessment refers to the CFR Qingdao and Shanghai premium or discount for imported low-sulfur straight-run fuel oil relative to the Mean of Platts Singapore (MOPS) 180 CST fuel oil assessment. The change was made in order to eliminate a redundancy in the assessment description, as M100 is one specific grade of low sulfur, straight-run fuel oil.

GUIDELINES FOR REPORTING TRADING ACTIVITY

All Platts' China fuel oil assessments reflect trading activity up to 4:30 pm China Standard Time. Singapore and China are in the same time zone. All assessments reflect end-of-day values, and are based on Platts' Market-On-Close methodology for all Asia oil products. For more information on Market On Close methodology, see the section "Platts guidelines for Global Alert page 190 trading activity", in "Asia Products Specifications," located on the "Methodologies and Specifications" section of the Platts website, www.platts.com.

TAX, INSPECTION AND LICENSE FEES

Platts STS Huangpu, FOB Huangpu (in Yuan) FOB Shanghai (in yuan) and FOB Qingdao (in yuan) assessments include value added tax (typically 17%), import tax (1%), consumption tax (Yuan 812/mt), inspection fees and license fees (Yuan 30-40/mt).

CREDIT TERMS

Unless requirements are otherwise stated by either participant before Platts assessment window, buyer shall open an irrevocable standby letter of credit or banker's guarantee from a first class bank in form and substance acceptable to seller and valid for a minimum duration of thirty days from the date of loading. The letter of credit or banker's guarantee shall be open for an amount of at least 105% of the estimated purchase value.

China

Import Grade Fuel Oil:

180 centistoke, 3.5% sulfur, STS Huangpu
180 centistoke, 3.5% sulfur, FOB Huangpu, Shanghai
180 centistoke, 3.5% sulfur, C+F Huangpu, Shanghai
180 centistoke, 2.5% sulfur, C+F Huangpu
180 centistoke, 1.5% sulfur, C+F Shanghai, Qingdao
180 centistoke, 1.5% sulfur, FOB Shanghai, Qingdao
380 centistoke, 3.5% sulfur, C+F South China

Domestic Grade Fuel Oil:

180 centistoke, 2.5% sulfur, STS Huangpu
180 centistoke, 2.5% sulfur, FOB Huangpu
180 centistoke, 1.5% sulfur, FOB Shanghai

LOCATIONS, LOT SIZES, DELIVERY TERMS:

Imported grades:

Platts' ship-to-ship (STS) Huangpu import grade 180 CST, 3.5% sulfur assessment reflects barges of 1,000-5,000 mt for loading ex-ship 3-8 days forward from the day of assessment.

Platts' FOB Huangpu import grade 180 CST, 3.5% sulfur assessments reflect barges of 1,000-5,000 mt loading 3-8 days forward from the day of assessment.

Platts' C+F Huangpu import grade 180 CST, 3.5% sulfur assessment reflects cargoes of 20,000-40,000 mt for delivery 15-35 days forward from the day of assessment.

Platts C+F Huangpu import grade 180 CST, 2.5% sulfur assessment, also known as medium sulfur fuel oil (MSFO), reflects cargoes of 20,000-40,000 mt for delivery 15-35 days forward from the day of assessment.

Platts' FOB Shanghai import grade 180 CST, 3.5% and 1.5% sulfur assessments reflect barges of 300-700 mt loading 3-8 days forward from the day of assessment.

Platts' FOB Qingdao import grade 180 CST, 1.5% sulfur assessments reflect barges of 20,000-40,000 mt loading 3-8 days forward from the day of assessment.

Platts' C+F Shanghai import grade 180 CST, 3.5% and 1.5% sulfur assessment reflects cargoes of 15,000-30,000 mt for delivery 15-35 days forward from the day of assessment.

Platts' C+F Qingdao import grade 180 CST, 1.5% sulfur assessment reflects cargoes of 15,000-30,000 mt for delivery 15-35 days forward from the day of assessment.

Platts assesses import grade 380 CST 3.5% sulfur cargoes C+F main ports in southern China, including Huangpu and

Shenzhen. The assessments reflect cargoes of around 30,000mt for delivery 15-35 days forward.

Domestic grades:

Platts' ship-to-ship (STS) Huangpu 180 CST, 2.5% sulfur assessment reflects barges of 500-700 mt for loading ex-ship 3-8 days forward from the day of assessment.

Platts' FOB Huangpu 180 CST, 2.5% sulfur assessment reflects barges of 500-700 mt for loading 3-8 days forward from the day of assessment.

Platts' FOB Shanghai 180 CST, 1.5% sulfur assessment reflects barges of 500-1,000 mt for loading 3-8 days forward from the day of assessment.

SPECIFICATIONS

IMPORT GRADE 180 CENTISTOKE, 3.5% SULFUR

Cracked
 Sulfur max: 3.5%
 Kinematic viscosity max 180CST
 Specific gravity at 15 C kg/l max 0.98
 Flash point min 66 deg C
 Pour point max 24 deg C
 Ash on weight basis max 0.10%
 Water by distillation volume max 0.50%
 Total existent sediment 0.10%
 Vanadium max 150 ppm
 Sodium max 100 ppm
 Aluminum and silicon max 80 ppm with Al not exceeding 30 ppm

IMPORT GRADE 180 CENTISTOKE, 2.5% SULFUR

Straight-run
 Sulfur max: 2.5%
 Kinematic viscosity max 180CST
 Specific gravity at 15 C kg/l max 0.98
 Flash point min 66 deg C
 Pour point max 24 deg C
 Ash on weight basis max 0.10%
 Water by distillation volume max 1%

Total existent sediment 0.10%
 Vanadium max 150 ppm
 Sodium 100 ppm
 Aluminum and silicon max 80 ppm with Al not exceeding 30 ppm

IMPORT GRADE 180 CENTISTOKE, 1.5% SULFUR

Straight-run
 Sulfur max: 1.5%
 Kinematic viscosity max 180CST
 Specific gravity at 15 C kg/l max 0.98
 Flash point min 66 deg C
 Pour point max 24 deg C
 Ash on weight basis max 0.10%
 Water by distillation volume max 2%
 Total existent sediment 0.10%
 Vanadium max 50 ppm
 Sodium 50 ppm

DOMESTIC GRADE 180 CENTISTOKE, 2.5% SULFUR

Cracked
 Sulfur Max: 2.5%
 Kinematic viscosity max 180CST
 Specific gravity at 15 C kg/l max 0.985
 Flash Point min 60 deg C
 Pour point max 20 deg C
 Ash on weight basis max 0.10%
 Water by distillation volume max 0.50%
 Total existent sediment 0.10%
 Vanadium max 50 ppm

DOMESTIC GRADE 180 CENTISTOKE, 1.5% SULFUR

Cracked
 Sulfur Max: 1.5%
 Kinematic viscosity max 180CST
 Specific gravity at 15 C kg/l max 0.98
 Flash Point min 66 deg C
 Pour point max 24 deg C
 Ash on weight basis max 0.10%
 Water by distillation volume max 1%
 Total existent sediment 0.10%
 Vanadium max 150 ppm