

Price assessments for crude delivered to Shandong

Asia-Pacific's first spot market for crude has emerged in Shandong, China, where over a third of all Chinese crude is imported and over 1mn b/d of spot crude trades. Argus delivered ex-ship (des) Shandong assessments are the first region-specific price signal for Asia Pacific, allowing traders, producers and refiners to shift from risky fixed-price deals to floating-price indexation.

Des Shandong Lula: the first-ever market assessment for Brazil's largest export stream (which does not price at the point of loading); this highly-liquid assessment also provides a much-needed reference price for swap contract settlements

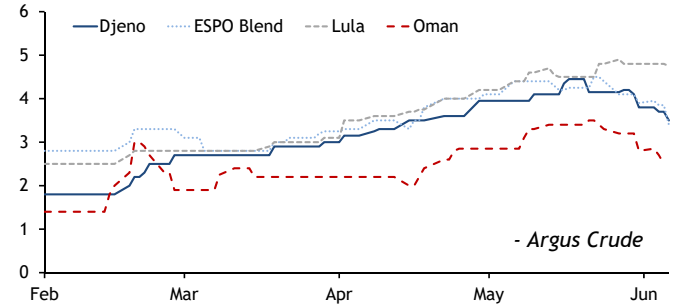
Des Shandong ESPO Blend: complementary to Argus' fob Kozmino assessment for Russia's core export grade to Asia-Pacific, this assessment trades all month-round

Des Shandong Oman: this assessment indicates the value of sour grades traded to China, and the marginal price for competing barrels such as Urals

Des Shandong Djeno: Djeno has emerged as the most-liquid west African grades traded on a delivered basis and provides a reference price for sales of regional grades to northeast Asia

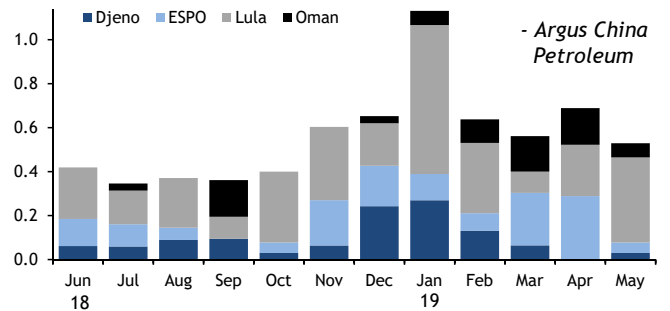
Des Shandong vs Ice Brent

\$/bl



Des Shandong spot trade in assessed grades

mn b/d



Des Shandong trade flows





argusmedia.com

These assessments and correlating data and analysis are available in **Argus Crude** and **Argus China Petroleum**

Contact us to find out more:

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 www.argusmedia.com/en/crude-oil

Delivered ex-ship (des) Shandong crude assessments

Shandong, China: where Asia-Pacific's first spot market for crude has emerged

	des Shandong Lula	des Shandong ESPO Blend	des Shandong Djeno	des Shandong Oman
Origin	Brazil	Russia	Congo (Brazzaville)	Oman
Loadport	Acu, Santos basin FPSO (Brazil); La Paloma (Uruguay)	Kozmino	Nkossa, Djeno	Mina Al Fahal
Destination port	Qingdao, Huangdao, Dongjiakou, Rizhao and Yantai	Qingdao, Huangdao, Dongjiakou, Rizhao and Yantai	Qingdao, Huangdao, Dongjiakou, Rizhao and Yantai	Qingdao, Huangdao, Dongjiakou, Rizhao and Yantai
Average transaction volume ('000 b/d)	320	160	120	100
Description	Differential to front month Ice Brent in the month of delivery	Differential to front month Ice Brent in the month of delivery	Differential to front month Ice Brent in the month of delivery	Differential to Ice Brent M1 in the month of delivery
Quality	API° 29.3 Sulphur 0.36%	API° 35.6 Sulphur 0.48%	API° 27.6 Sulphur 0.34%	API° 33.3 Sulphur 1.06%
How Argus assesses the prices	Average of deals done over the day	Average of deals done over the day	Average of deals done over the day	Average of deals done over the day
Assessment window	50-90 days forward	30-70 days forward	40-80 days forward	30-70 days forward
Benefits	First-ever assessment for Brazilian pre-salt stream at point of sale in its major market	Barometer of regional prices; gives full pricing visibility down the seaborne supply chain	Brings price transparency at the point of sale to trading companies buying or selling west African crude	Clearing price for sour crude in northeast Asia and core grade in the Shandong market
Price assessment name / codes for contracts	PA0025005 (Lula delivered ex-ship Shandong)	PA0025006 (ESPO Blend delivered ex-ship Shandong)	PA0025004 (Djeno delivered ex-ship Shandong)	PA0026713 (Oman delivered ex-ship Shandong month)

