



Bunker Oil Assessment Methodology

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Relevance of Rim Assessment Methodology

The purpose of all price assessments in reports issued by Rim Intelligence is to provide an indication to energy market players as to the levels at which transactions can take place so that trades can be done with high transparency and at reasonable prices. To achieve this purpose, we have set up “General Procedures for Price Assessment” as follows, and “Price Assessment Methodology” for each report. Detailed in the “General Procedures for Price Assessment” and “Price Assessment Methodology” for each report are processes and standards that we deem are necessary to achieve the above purpose. By following these processes and standards in making price assessments, we consider our Assessment Methodology to be appropriate.

Chapter 1: General Procedures for Price Assessment

Article 1: Purpose of price assessment

The purpose of all price assessments in our reports is to provide an indication to energy market players as to the levels at which transactions can take place so that trades can be done with high transparency and at reasonable prices.

Article 2: Conducting price assessment

To achieve the purpose outlined in Article 1, we have set up the following guidelines in our “General Procedures for Price Assessment”, and “Price Assessment Methodology” for each report. We follow these guidelines in making price assessments.

- Trades considered for price assessment
- Assessment window
- Priority in price assessment
- Selection of players providing market information
- Method of information gathering
- System of review by supervisor
- Reliability and adequacy of market information
- Policy of maintaining consistency in price assessment
- Trades not considered for price assessment
- Process of regular reviews and amendments to Assessment Methodology
- Changes/Amendments to price assessments
- Quantity
- Reasons for using specific units for quantity (barrel etc.)

Article 3: Transactions considered for price assessment

For each price index, our price assessment is based on quantities, delivery period and areas with the most liquidity. Further, details such as the value and quantity on which the assessment is based, market information which is used as a reference, and other platforms such as the Rim Trading Board and specific markets including trades carried out in Exchanges are included in the methodology of each report.

Article 4: Assessment window

For each price index, the time window considered appropriate for our price assessment is that which is deemed to be the most convenient and effective during trading hours in Asia, including Japan.

Article 5: Priority in price assessment

For each price index, among traded prices in transactions that take place between agreed parties or in other markets, bids and offers, the priority as to which price is considered first for assessment is determined and details are given in the methodology of each report.

Article 6: Selection of players providing market information

When selecting players to obtain information from, we take into account the quantity handled and the amount of influence on the market, without any bias towards buyers or sellers. We gather market information from many players including Majors, oil and gas producers, oil companies, traders, dealers and end-users. Each report team determines that there is no bias in the players it obtains information from in terms of area and the type of information they have. Should the player be deemed biased, the reporter and team leader may, after obtaining approval from the president, remove him from the list of players providing market information.

Article 7: Method of information gathering

Our reporters possess suitable quality and skill from a fair and neutral standpoint. Reporters carry out information gathering mainly by telephone but also by email and chat. To ensure the credibility of the player from whom information is gathered, the reporter will call the player's company directly to confirm that the player is indeed working for that company.

Article 8: Role of Supervisor

Two or more supervisors are assigned to each report. Before each report is issued, at least one of the supervisors checks if the price assessment and its basis are in line with the Assessment Methodology and to ensure that consistency is maintained. After the review is conducted, a proof of the review in the form of an email sent by the supervisor to each report team is kept in the folder of each team.

Article 9: Selection of supervisor

When assigning a supervisor other than the president, in principle, the supervisor is selected from outside the relevant report team and has knowledge and experience in the product and market for which price assessment is conducted. The selection of supervisors requires approval from the board of directors.

Article 10: Maintaining quality of supervisor review

For reports for which the supervisor is not the president, the president conducts spot checks to maintain the quality of the supervisor's review. After a spot check, a proof of the spot check in the form of a PDF document signed by the president will be kept in the president's folder.

Article 11: Maintaining consistency in price assessment

Besides reviews by supervisors, assessment simulation is conducted regularly to maintain consistency among reporters in price assessment.

Article 12: Reliability and adequacy of market information

Each reporter performing price assessment determines whether information obtained from market players is adequate, whether the trade was done by the parties involved, whether the information was suspicious by checking with the relevant parties and other multiple parties, with further investigation carried out if necessary. If a piece of information is found to be suspicious, additional information gathering will be carried out before making a judgment as to whether or not to remove the information for consideration for price assessment. Major issues are to be reported promptly to the supervisor and the president. Of these, important professional judgments will be recorded in each report team's information gathering memo, assessment process sheet etc. If it is necessary to check whether the information provided is suspicious, we may consider obtaining information from the back office.

For certain markets with low liquidity, market information for price assessment may be

obtained from a single source. Even in such a situation, we follow processes detailed in our Assessment Methodology to determine if such market information can be used for price assessment. We do not disregard the information in making price assessment merely because it is obtained from a single source.

Players giving market information are expected to provide all relevant information that meets the conditions for price assessment stated in our Assessment Methodology, which is published on our website.

Article 13: Making our Assessment Methodology available

The Assessment Methodology approved by the board of directors is published on our website, whereby external market players involved in trading, players providing market information and our subscribers can access.

Article 14: Regular review of Assessment Methodology

Our Assessment Methodology is reviewed at least once a year (during the board of directors' meeting held in October) or when substantial changes have taken place in the market. After each review, we may consider making amendments to our Assessment Methodology if deemed necessary. When reviewing our Assessment Methodology, we may consider views obtained from external market players and our subscribers.

Article 15: Amendments to Assessment Methodology

If amendments to our Assessment Methodology that affect the price assessment process are deemed necessary, discussions are conducted within each report team and amendments are submitted to the board of directors for approval. After the amendments are approved, a notice of the amendments and the effective date will be placed in our reports in principle one month before, but at least two weeks prior to the effective date.

After the amendments are approved, the Assessment Methodology with the amendments reflected has to be approved by the board of directors by the effective date.

When making amendments to our Assessment Methodology that affect the price assessment process, we accept inquiries regarding such amendments from external market players and our subscribers. These inquiries are, in principle, published in our reports or on our website, but if the party making the inquiries requests us not to do so, we may not disclose the details for confidentiality reasons.

For amendments to our Assessment Methodology that do not affect the price assessment process, after approval by the board of directors, the amendments will be announced in our reports and effected promptly.

Article 16: Amendments/Changes to price assessment

Price assessments in our reports will not be amended after they are published, except for typing and spelling mistakes.

Chapter 2: Price Assessment Methodology for Bunker Oil Report

Price Assessment Principle

Rim price assessments indicate the current range in which a standard spot transaction could take place on the day of publication.

Rim understands values of commodities change even in the absence of deals. Rim defines prices as measures to indicate fluctuating values of commodities.

Rim understands values of commodities are determined by a variety of factors such as supply-demand fundamentals, production costs, conditions in other markets and players' speculation.

Rim understands the latest transactions, bids/offers and buying/selling interest represent current values of commodities. Priority is given in the following order: latest transactions, bid/offers, buying/selling interest.

Rim understands values of commodities are determined by competition among sellers and competition among buyers. Rim considers higher bids to be closer to the current values than lower bids. Rim considers lower offers to be the closer to current values than higher offers.

Rim understands prices for each transaction reported from any party are to be translated into prices based on standard terms and conditions such as cargo sizes, timing of delivery or loading, product specifications and payment terms.

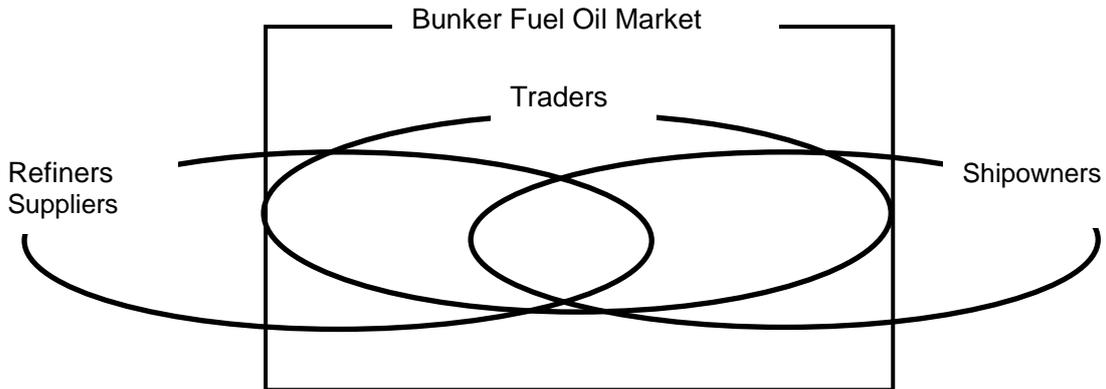
Rim assesses prices for bunker fuel oil traded in the spot market in main ports in North America, South America, Asia, Africa, Middle East and Europe. All prices are assessed based on information collected in the course of market research by Rim reporters each business day.

All units of measurement for bunker fuel prices are in US dollar per metric ton (\$/mt). The bunker oil market typically trades based on this unit of measurement and Rim follows this convention.

Bunker Fuel Price Assessments

Rim assesses bunker fuel oil prices for lots traded on a spot basis at main ports in North America, South America, Asia, Africa/ Mideast, and Europe. All prices are assessed based on information collected in the course of market research by Rim reporters each business day. Rim also quotes posted prices for bunker fuel by dominant suppliers in certain ports.

STRUCTURE of the BUNKER FUEL OIL MARKET



Rim understands that the bunker fuel oil markets are structured with three groups of business parties: Refiners/Suppliers, Traders, and Shipowners. Rim assesses bunker fuel oil prices at which a standard spot transaction could take place.

Rim defines a standard spot transaction as follows:

Case 1	A refiner or supplier sells a bunker fuel cargo to a trader who is buying on behalf of a shipowner on a spot basis.
Case 2	A refiner or supplier sells a bunker fuel oil cargo directly to a shipowner on a spot basis.
Case 3	A trader sells on behalf of a refiner or supplier to a shipowner on a spot basis.

Rim defines the three business parties as follows:

Refiner/Supplier	A company that produces or imports bunker fuel and sells into the bunker fuel markets.
Trader	A company that sells bunker fuel on behalf of a refiner/supplier and buys bunker fuel on behalf of a shipowner.
Shipowner	A company that buys bunker fuel for consumption by its own ships or ships it operates.

<North America>

Rim Assesses bunker fuel oil prices for cargoes to be traded in Vancouver BC, Seattle/Tacoma, Portland, Los Angeles, New York, Philadelphia, Norfolk, Houston, and New Orleans.

The delivery basis and grades for prices assessed are as follows:

Port	Basis	Grade			
Vancouver BC	Ex-Wharf	180cst	280cst	380cst	MGO
Seattle/Tacoma	Ex-Wharf	180cst	280cst	380cst	MGO
Portland	Ex-Wharf	180cst	280cst	380cst	MGO
Los Angeles	Ex-Wharf	180cst	280cst	380cst	MGO
New York	Ex-Wharf	180cst	280cst	380cst	MGO
Philadelphia	Ex-Wharf	180cst	280cst	380cst	MGO
Norfolk	Ex-Wharf	180cst	280cst	380cst	MGO
Houston	Ex-Wharf	180cst	280cst	380cst	MGO
New Orleans	Ex-Wharf	180cst	280cst	380cst	MGO

*Assessments for LS380cst were abolished in January 2015 due to a change in ECA sulfur regulation.

Assessment Window	Rim's assessment window for North America bunker fuel oil prices closes at 12:30 Tokyo time.
Price Unit	All Rim North America bunker fuel oil prices are in \$/mt
Time Window	All Rim North America bunker fuel oil prices are for lots to be delivered to ships during the period from 3 to 7 days ahead of the publication day. *Assessment for bunker fuel oil delivery shifts to the following month during the last five days of the current month.
Standard Size	All Rim North America bunker high sulfur fuel oil prices are for 200-2,000mt lots, that Rim considers standard. Prices for smaller or larger cargoes are to be translated into estimated values that the prices could be if the cargoes were within the standard volumes.
Quality Specifications	All Rim North America bunker fuel oil prices are for cargoes of which quality is equivalent to the ISO standard for each grade (See "Quality Specifications" at the bottom).

<South America>

Rim Assesses bunker fuel oil prices for cargoes to be traded in Panama.

The delivery basis and grades for prices assessed are as follows:

Port	Basis	Grade			
Panama	Ex-Wharf	180cst	280cst	380cst	MGO

Assessment Window	Rim's assessment window for South America bunker fuel oil prices closes at 12:30 Tokyo time.
Price Unit	All Rim South America bunker fuel oil prices are in \$/mt
Time Window	All Rim South America bunker fuel oil prices are for lots to be delivered to ships during the period from 3 to 7 days ahead of the publication day. *Assessment for bunker fuel oil delivery shifts to the following month during the last five days of the current month.
Standard Size	All Rim South America bunker fuel oil prices are for 200-2,000mt lots, that Rim considers standard. Prices for smaller or larger cargoes are to be translated into estimated values that the prices could be if the cargoes were within the standard volumes.
Quality Specifications	All Rim South America bunker fuel prices are for cargoes of which quality is equivalent to the ISO standard for each grade (See "Quality Specifications" at the bottom).

Rim quotes the posted prices by Petrobras for the following Brazilian ports.

Port	Basis	Grade			
Rio De Janeiro	Delivered	180cst	280cst	380cst	MGO
Santos	Delivered	180cst	280cst	380cst	MGO

*Assessments for LS380cst were abolished in January 2015 due to a change in ECA sulfur regulation.

<Asia>

Rim Assesses bunker fuel oil prices for cargoes to be traded in Japan, South Korea, Russian Far East, Hong Kong, Singapore, Thailand, China and Sri Lanka.

The delivery basis and grades for prices assessed are as follows:

Port	Basis	Grade			
Japan, Tokyo Bay	Delivered	180cst	280cst	380cst	MDO
Japan, West Japan	Delivered	180cst	280cst	380cst	MDO
Japan, Ise Bay	Delivered	180cst	280cst	380cst	MDO
South Korea (Southern ports)	Delivered	180cst	280cst	380cst	MGO
Russian Far East (Nakhodka, Vostochny, Vladivostok)	Delivered	180cst	-	380cst	MGO
Hong Kong	Delivered	180cst	280cst	380cst	MGO
Singapore	Delivered	180cst	280cst	380cst	MGO
Thailand	Delivered	180cst	280cst	380cst	MGO
China, Dalian	Delivered	180cst	--	--	MGO
China, Shanghai	Delivered	180cst	--	380cst	MGO
China, Qingdao	Delivered	180cst	--	380cst	MGO
Sri Lanka, Colombo	Delivered	180cst	--	--	MGO

*Assessments for LS380cst were abolished in January 2015 due to a change in ECA sulfur regulation.

Assessment Window	Rim's assessment window for Asia bunker fuel oil prices closes at 18:30 Tokyo time the day before the report is published.
Price Unit	All Rim Asia bunker fuel oil prices are in \$/mt
Time Window	All Rim Asia bunker fuel oil prices are for lots to be delivered to ships during the period from 3 to 7 days ahead of the day the report is published. *Singapore bunker fuel oil prices are for lots to be delivered to ships during the period from 3 to 10 days ahead. *Assessment for bunker fuel oil delivery shifts to the following month during the last five days of the current month.
Standard Size	All Rim Asia bunker fuel oil prices are for volumes in the range of 300-2,000mt lots, that Rim considers standard. Prices for smaller or larger cargoes are to be translated into estimated values that the prices could be if the cargoes were within the standard volumes.
Quality Specifications	All Rim Asia bunker fuel prices are for cargoes of which quality

	is equivalent to the ISO standard for each grade (See “Quality Specifications” at the bottom).
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Rim quotes posted prices of CPC in Taiwan

Port	Supplier	Basis	Grade			
Taiwan (Kaohsiung)	CPC Corp, Taiwan	Delivered	180cst	--	380cst	MGO

<Africa/Middle East>

Rim Assesses bunker fuel oil prices for cargoes to be traded in Suez, Kuwait, Fujairah, Dammam/Ras Tanura and Jeddah/Yanbu.

The delivery basis and grades for prices assessed are as follows:

Port	Basis	Grade			
Suez	Delivered	180cst	--	380cst	MGO
Kuwait	Delivered	180cst	--	380cst	MGO
Fujairah	Delivered	180cst	--	380cst	MGO

Assessment Window	Rim's assessment window for Africa/Mideast bunker fuel oil prices closes at 12:30 Tokyo time.
Price Unit	All Rim Africa/Mideast bunker fuel oil prices are in \$/mt
Time Window	All Rim Africa/Mideast bunker fuel oil prices are for lots to be delivered to ships during the period from 3 to 10 days ahead of the publication day. *Assessment for bunker fuel oil delivery shifts to the following month during the last five days of the current month.
Standard Size	All Rim Africa/Mideast bunker fuel oil prices are for a 200-2,000mt portion lots, that Rim considers standard. Prices for smaller or larger cargoes are to be translated into estimated values that the prices could be if the cargoes were within the standard volumes.
Quality Specifications	All Rim Africa/Mideast bunker fuel prices are for cargoes of which quality is equivalent to the ISO standard for each grade (See "Quality Specifications" at the bottom).

Rim quotes posted prices of Saudi Aramco for the ports below

Port	Basis	Grade			
Dammam/ Ras Tanura	Delivered	180cst	--	--	MGO
Jeddah/Yanbu	Delivered	180cst	--	--	MGO

<Europe>

Rim Assesses bunker fuel oil prices for cargoes to be traded in Rotterdam, Antwerp, and Hamburg.

The delivery basis and grades for prices assessed are as follows:

Port	Basis	Grade			
Rotterdam	Delivered	180cst	280cst	380cst	MGO
Antwerp	Delivered	180cst	280cst	380cst	MGO
Hamburg	Delivered	180cst	280cst	380cst	MGO

*Assessments for LS380cst were abolished in January 2015 due to a change in ECA sulfur regulation.

Assessment Window	Rim's assessment window for the Europe bunker fuel oil prices closes at 12:30 Tokyo time.
Price Unit	All Rim Europe bunker fuel oil prices are in \$/mt
Time Window	All Rim Europe bunker fuel oil prices are for lots to be delivered to ships during the period from 3 to 10 days ahead of the publication day. *Assessment for bunker fuel oil delivery shifts to the following month during the last five days of the current month.
Standard Size	All Rim Europe bunker fuel oil prices are for a 200-2,000mt portion lots, that Rim considers standard. Prices for smaller or larger cargoes are to be translated into estimated values that the prices could be if the cargoes were within the standard volumes.
Quality Specifications	All Rim Europe bunker fuel prices are for cargoes of which quality is equivalent to the ISO standard for each grade (See "Quality Specifications" at the bottom).

[Quality Specifications]

All bunker fuel prices in Rim Bunker Reports are for cargoes of which quality is equivalent to the following ISO standard.

380cst : RMG380

Density at 15 degree Celsius	Maximum 991.0kg/m ²
Kinematic Viscosity	Maximum 380
Flash Point	Minimum 60 degree Celsius
Upper Pour Point	Maximum 30 to the twenty first power degree Celsius
Carbon Residue Content	Maximum 18%
Ash Content	Maximum 0.15%
Water Content	Maximum 0.5%
Sulfur Content	Maximum 3.5%
Vanadium Content	Maximum 300mg/kg
Aluminum plus Silicon Content	Maximum 80mg/kg
Total Sediment Content	Maximum 0.1%

180cst : RME180

Density at 15 degree Celsius	Maximum 991.0kg/m ²
Kinematic Viscosity	Maximum 180
Flash Point	Minimum 60 degree Celsius
Upper Pour Point	Maximum 30 to the twenty first power degree Celsius
Carbon Residue Content	Maximum 15%
Ash Content	Maximum 0.10%
Water Content	Maximum 0.5%
Sulfur Content	Maximum 3.5%
Vanadium Content	Maximum 200mg/kg
Aluminum plus Silicon Content	Maximum 80mg/kg
Total Sediment Content	Maximum 0.1%

280cst Quality in between 180cst and 380cst.

MDO: ISO specification

Kinematic Viscosity at 100 degree Celsius	Maximum 10.0mm ² /s
Flash Point	Minimum 60 degree Celsius
Upper Pour Point	Maximum 24 to the thirty first power degree Celsius
Carbon Residue Content	Maximum 10%
Ash Content	Maximum 0.01%
Water Content	Maximum 0.3%
Sulfur Content	Maximum 2.0%

MGO: ISO specification

Kinematic Viscosity	Maximum 10.0mm ² /s
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at 100 degree Celsius	
Flash Point	Minimum 60 degree Celsius
Upper Pour Point	For the Winter spec, Maximum 0 degree Celsius For the Summer spec, Maximum 6 to the thirty first power degree Celsius
Carbon Residue Content	Maximum 10%
Ash Content	Maximum 0.01%
Water Content	Maximum 0.3%
Sulfur Content	Maximum 1.5%