

Crude Oil and Refined Products Shipping Operations and Trading

**1, 2 or 3 Days Mix and Match Course
1st, 2nd and 3rd February 2012
Geneva**



**Consilience Energy Advisory
Group Limited
and
Thomson Reuters**

CEAG is a specialist consultancy with in-depth knowledge of all aspects of global energy markets and trading. Founded in 1999, it is 100% owned by its founding partners and its team of consultants enjoy vast experience of all aspects of the energy industry. Its scope of practice covers:

- Trading practices and trading policy formation;
- Litigation support;
- Education and training; and,
- Articles and publications.

Clients include oil majors, independent E&P companies, utilities, trading market authorities, financial institutions and energy trading companies. Based in London, it also works extensively with businesses in Europe, Africa, USA and the Far East, reflecting the global nature of the energy industry. See www.ceag.org.

Training Courses are offered across all areas of the company's operations. These courses can be run both on a "be-spoke" basis for individual customers and on an "Available to Market" basis, such as this one.

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This course follows the successful running of similar courses previously hosted by Thomson Reuters in both Geneva and London. It lasts for 3 days so that the operational and trading aspects of crude oil, petroleum products, refining, swaps and freight, can all be fully covered. The course is split in to 2 distinct parts. Day 1 covers mainly shipping operations whilst Days 2 and 3 cover mainly trading. Day 1 will provide useful background for Days 2 and 3 and delegates are encouraged to attend all 3 days. The "Mix and Match" nature of the course means that delegates may however attend either just Day 1 or just Days 2 and 3 depending on their needs.

The Course will be led by **Liz Bossley, Nigel Harris and Catherine Jago.**

Liz is CEO of CEAG and has a 30-year career in international energy markets, spanning trading and marketing, management of marketing departments and extensive experience of negotiating transportation, lifting and joint venture agreements. Her theatres of experience include the UK, Norwegian, Danish and Dutch sectors of the North Sea, Africa, the Gulf of Mexico, the Mediterranean market and the Far East. She began her career at the British National Oil Corporation trading state participation, royalty and equity oil on behalf of the British Government. After a brief spell in the City of London as an oil analyst, she joined Enterprise Oil plc as Head of Marketing, where she was responsible for selling the group's crude oil and related products, amounting to 10% of total UK North Sea production. She is the principal author of "The Hole in the Barrel", "Trading Natural Gas in the UK", "Bossley's Guide to Energy Conversions", "BFO: The Future Market", "Project Finance Using the Forward Oil Curve", "Climate Change and Emissions Trading: What Every Business Needs to Know" and two studies commissioned by the City of London Corporation entitled "Emissions trading and the City of London" and "UK Emissions Policy Options". In addition to providing business advisory services, Liz acts regularly as an expert witness before international courts and arbitration panels in a wide range of trading disputes.



Nigel is a Senior CEAG Associate. He has more than 35 years of oil trading and broking experience. An economist by training, Nigel has worked in supply trading and refining for BP and as a crude oil broker, for 3 different companies – First National Oil Consultants, Amerex Petroleum and most recently Tullett Prebon. He has witnessed first hand the gradual commoditisation of the oil market and was one of the first brokers to become involved in the dated to paper 'CFD' market. With vast execution experience Nigel is able to advise clients on the working of the physical, futures and derivatives market and to assist their entry into and ongoing participation in the market. His recent activities with CEAG have included advising E and P Companies on the marketing of their crude oil, involving the negotiation of spot sales and both the setting up of term contracts with major oil companies and the monitoring of their operation from both a commercial and operational point of view. He has provided input and analysis for litigation cases and also advised national petroleum tax authorities on the implications of suggested changes to their established mechanisms. He has been a regular presenter of training courses on oil trading both in the UK and overseas.



Catherine is a senior associate with CEAG. During her 30 years of oil industry experience she has worked for a major oil company in price forecasting and refinery operations, as a price reporter, a broker, a trader, a management consultant, a lecturer and as an oil expert witness, all primarily but not exclusively in the oil products market. She is a director of CJH Energy Limited a company which offers a variety of advisory services to other companies on oil trading, price risk management, strategy, organisation and performance improvement. She specialises in expert witness work in oil products and shipping litigation, working closely with lawyers to resolve disputes arising from issues such as contract discrepancies, off specification material, shipping delays and oil and shipping standard industry practice. She therefore brings a wealth of hands-on experience to this course.



DAY ONE 1st February 2012

Crude Oil and Refined Products Shipping Operations

The course will provide an in-depth understanding of shipping operations, nomination procedures, cargo documentation and demurrage. It will explain the structure of contracts and the content of industry standard general terms and conditions of trade, including the use of letters of credit to guarantee payment. It will demonstrate how shipping operators and traders can work together to achieve the best results.

DAYS TWO and THREE 2nd and 3rd February 2012

Crude Oil and Refined Products Trading

The course will provide a unique, practical and comprehensive analysis of the world of the oil trader. It details trading techniques and contracts and examines the oil price formation process. The course explains trader jargon, itemizes the trading instruments and contracts encountered in the market place for trading physical from onshore terminals, from offshore terminals and on dedicated tankers. It demonstrates the use of the forward, futures and derivatives markets to hedge the physical oil price and lock in a refining margin. It analyses the different types of basis risk encountered in the market.

Who Can Benefit from Attending the Course?

Day One is designed to assist new members of staff to climb the operations learning curve. It will provide a sound appreciation of what motivates traders and how operators can work with traders to achieve the best overall results for your company.

Who Can Benefit from Attending the Course?

Days Two & Three are an ideal introduction to oil trading for new traders and for shipping operators. For trading managers they are a useful refresher, a helpful support for training new staff and an invaluable aid for briefing colleagues from other disciplines. For senior managers, lawyers, finance personnel and auditors they lift the lid on the activities of oil trading departments.

The mix and match nature of the course means that delegates may choose to attend just day one, covering mainly Operations or just days two and three, covering mainly Trading. To derive maximum benefit though it is strongly recommended that all three days are attended.

CRUDE OIL & REFINED PRODUCTS SHIPPING OPERATIONS

DAY ONE – TIMETABLE – WEDNESDAY 1st FEBRUARY 2012

	0900 – 0930	Coffee and Registration	
Section I	0930 – 1000	International Oil Supply and Demand Overview	<i>Nigel Harris</i>
Section II	1000 – 1100	Contract Generation. What needs to be agreed when doing a deal and producing a contract? Case study to compare different GTC's	<i>Nigel Harris</i>
	1100 – 1115	Coffee	
Section III	1115 – 1230	Key Contract Clauses for Operations Price & payment procedures, delivery, shipping issues, cargo inspection, inspector's. Documentation and nomination procedures. Operational tolerance, quality specifications, ETA, EVA and EDP, co-loads. B/Ls, certificates of quantity/quality/origin, terminal timesheets, distribution of documents.	<i>Liz Bossley</i>
Section IV	1230 – 1300	Special issues for Equity Producers, Agreements for Licence, Production Sharing, Transportation, Lifting	<i>Liz Bossley</i>
	1300 – 1400	Lunch	
Section V	1400 – 1430	Credit Terms. Credit lines, exposure & monitoring. Open credit, parent company guarantees, letters of credit, letters of indemnity.	<i>Catherine Jago</i>
Section VI	1430 – 1515	Freight and demurrage. Ship sizes, Incoterms, charter parties, voyage/time charters, the role of Worldscale, laytime and demurrage calculation	<i>Liz Bossley</i>
	1515 – 1530	Tea Break	
Section VII	1530 – 1600	Crude oil marker grades. Brent, WTI, Dubai, Tapis, ESPO, ASCI	<i>Nigel Harris</i>
Section VIII	1600 – 1650	Special issues for Refined Products	<i>Catherine Jago</i>
	1650 – 1700	Question Time	

While every effort will be made to maintain this programme, CEAG reserves the right to make amendments and substitutions in the event of unforeseen circumstances.

CRUDE OIL AND REFINED PRODUCTS TRADING (PART 1)

DAY TWO – TIMETABLE – THURSDAY 2ND FEBRUARY 2012

	0900 – 0930	Coffee and Discussion of Day One	
Section I	0930 – 1015	Introduction to Crude Oil and Refining	<i>Liz Bossley</i>
Section II	1015 – 1100	Key Product Streams	<i>Catherine Jago</i>
	1100 – 1115	Coffee	
Section III	1115 – 1200	Changing Legislation, sulphur initiatives and the impact on refining and trading. Carbon dioxide emissions	<i>Catherine Jago</i>
Section IV	1200 – 1300	Product Blending and case study.	<i>Catherine Jago</i>
	1300 – 1400	Lunch	
Section V	1400 – 1445	Price Formation. The different elements of price: Absolute Price (A); Time Differential (T); Grade Differential (G). The principles of hedging	<i>Liz Bossley</i>
Section VI	1445 – 1530	21-day BFOE market. Liquidity, nominations, chains, sulphur de-escalator. Potential changes. BFOE chain exercise.	<i>Nigel Harris</i>
	1530-1545	Tea Break	
Section VII	1545-1645	Futures Market. The contracts, open outcry, screen trading, the bid/offer spread, margins, expiry, settlements EFPs, clearing. First hedging exercise	<i>Nigel Harris</i>
	1645 - 1700	Question Time	

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CRUDE OIL AND REFINED PRODUCTS TRADING (PART 2)

DAY THREE – TIMETABLE – FRIDAY 3RD FEBRUARY 2012

	0900 – 0930	Coffee and Discussion of Day Two	
Section I	0930 – 1000	Price Assessments and what they mean. The markets, Thomson Reuters, Platts, Argus, LOR.	<i>Nigel Harris</i>
Section II	1000-1045	Swaps. Fixed/Floating legs. The most liquid crude/products swaps and their use.	<i>Catherine Jago</i>
Section III	1045 - 1115	CFDs- a particular type of swap	<i>Nigel Harris</i>
	1115– 1130	Coffee	
Section IV	1130 – 1215	CFD Case Study- second hedging exercise	<i>Nigel Harris</i>
Section V	1215 – 1300	Freight. Worldscale, benchmark voyages, FFAs and Imarex	<i>Liz Bossley</i>
	1300 – 1400	Lunch	
Section VI	1400 – 1515	Refining margins and case study. How to lock in a refining margin.	<i>Catherine Jago</i>
	1515 – 1530	Tea Break	
Section VII	1530 – 1645	Options. Puts, calls, strike price and option premium. Work Group Examples.	<i>Liz Bossley</i>
	1645-1700	Question Time	

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Cancellation Policy

In the event of cancellation before 16th December 2011, delegates will be offered the choice of a place on a subsequent CEAG run course or a full refund. For cancellations after 16th December 2011, delegates will be offered the choice of a place on a subsequent CEAG run course or a 50% refund.

BOOKING FORM					
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Oil Course	3 Days - Operations and Trading	1 st , 2 nd & 3 rd Feb		2300	
Oil Course	2 Days - Trading	2 nd & 3 rd Feb		1700	
Oil Course	1 Day - Operations	1 st Feb		800	
Discounts, 5% multiple bookings on the same course, 10% bookings confirmed and paid before 30 November 2011					
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