

Methodology and Specifications Guide

Petroleum Products & Gas Liquids: US, Caribbean and Latin America

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GENERAL METHODOLOGY

Units: Product prices in the US are in US cents per gallon for gasoline, jet fuel and diesel. Residual fuel oils are priced in US dollars per barrel in the US with the exception of the US West Coast pipeline 180 and 380 CST fuel oils, which are assessed in US dollars per metric tonne.

Specifications: Product specifications for motor fuels vary across the US depending on prevailing regulations and trading practices. The specifications also change due to existing pipeline requirements. Pipelines may typically request the delivery of specifications tighter than those contractually agreed to deliver at the end of the pipeline. Platts grades reflect the quality delivered into the pipeline. The guide will provide a listing of the quotations and the main specifications reflected in the Platts assessments. Gasoline specifications vary widely depending on the time of the year and the location. General gasoline specifications follow:

Reid vapor pressure (RVP): RVP can vary from a current low of 7.0 pounds per square inch (summer), to a high of 15.0 psi (winter). Allowable RVP will vary seasonally, depending on the area. Platts makes announcements during the course of the year regarding the specification changes.

Oxygenated gasoline: The US Environmental Protection Agency requires oxygenated gasoline during the winter months in carbon monoxide non-attainment areas. The definition of winter months may start as early as October and run through March. In general, the EPA requires the non-attainment areas to use gasoline with a minimum 2.7% oxygen by weight. Both reformulated and conventional grades of gasoline may be oxygenated during the winter months to aid in compliance with carbon monoxide standards as prescribed by the Clean Air Act.

Reformulated gasoline (RFG): Nine metropolitan areas in the US were designated "extreme" or "severe" in terms of atmospheric ozone levels by the US Environmental Protection Agency. Provisions in the Clean Air Act of 1990 require those areas to use reformulated gasoline. Oxygen content of RFG is a minimum of 1.5% to a maximum of 2.7%. However, in areas where oxygenated gasoline is required during the winter months such as the New York metropolitan area, RFG oxygen content is required to be 2.7-2.9%.

Conventional Gasoline: All gasoline not considered RFG is conventional. Under the Clean Air Act provisions, conventional gasoline produced or sold in the US after Jan 1, 1995 must be at least as clean as gasoline produced or sold during the 1990 baseline period, as specified by the Clean Air Act. Benzene content is limited to a maximum of 1.3%.

Reformulated Blendstock for Oxygenate Blending (RBOB): RBOB is an unfinished gasoline product that lacks an oxygenate. The oxygenate in question is always ethanol, because ethanol can not be transported in a pipeline. Ethanol is blended into RBOB at the wholesale rack terminal. A California version of

RBOB is generally known as CARBOB.

Regions of coverage: In the Americas products market, Platts covers the New York cargoes and barges, Boston cargoes, Chicago, Group 3, Buckeye pipeline, gas liquids for Mount Belvieu, Mount Belvieu TET and Conway, Gulf Coast waterborne and pipeline, West Coast pipeline prices for Los Angeles, San Francisco, Seattle, Portland and Phoenix and West Coast waterborne. Platts also covers cargo markets in the Caribbean. A list of sample assessments follows and you can jump to the section that interests you by following the links provided.

Trading Platforms: Platts' policy on electronic platforms is that it will treat firm trading positions and deals from Internet platforms as it does any other information from principals or from intermediaries such as voice brokers. Platts cannot make any guarantee in advance about how and whether the information will be incorporated in its final assessment. All trading positions and deals submitted to Platts need to meet general requirements on openness, transparency and repeatability and then makes an assessment based on published assessment parameters, using all the information available. Platts always seeks direct verification from the principals to a bid/offer deal, and will not disintermediate the actual market-maker, whether a deal is done on- or off-line.

PLATTS POLICY ON UNSCHEDULED NYMEX CLOSURES

Platts established in late 2001, in the wake of the September 11-related closure of the New York Mercantile Exchange, a policy on price assessments should a similar incident occur, or should the NYMEX close as a result of another unplanned event.

All US crude assessments will be produced. Platts believes there will be adequate OTC trade in the Brent/WTI market and the market for grade differentials to produce an accurate assessment. That policy also will apply to Latin American crudes.

Based on past history, Platts does not believe there will be adequate flat price OTC trade in the markets for light ends in the US Gulf Coast, US Atlantic Coast and the US Midcontinent to serve as a substitute for an outright NYMEX settlement. Instead, those markets will be assessed by adjusting the prior day's NYMEX settlement up or down by an amount equivalent to the equalized per gallon price of the \$/bbl movement in the Platts' WTI assessment for Gulf Coast and Midcontinent, and its 15-day Brent assessment for the US Atlantic Coast. New assessments of market differentials will then be applied against those prices to determine the final assessment. West Coast light ends, residual fuel, bunker fuel, LPG, MTBE and other blendstocks will be produced as normal.

PLATTS ALSO RESERVES THE RIGHT TO SUSPEND ASSESSMENTS SHOULD THERE BE A MAJOR CALAMITY, SUCH AS THE EVENTS OF SEPTEMBER 11, 2001.

US ATLANTIC COAST

Platts covers markets in New York and Boston for both cargoes and barges, barrels loading into the Buckeye Pipeline at Linden, New Jersey, and barrels loading into the Laurel Pipeline at Boothwyn, Pennsylvania.

Assessment time: New York, Boston, Buckeye and Laurel assessments reflect market activity up to 1630 Eastern Standard Time (2030 GMT).

Loading/delivery time: Cargo assessments are 5-15 days from date of publication. Barge, Buckeye and Laurel Pipeline assessments reflect loading 3-7 days away from date of publication. Platts had previously assessed barges and Buckeye deliveries for 3-10 days out, but changed that practice Aug 6, 2001, to reflect typical industry activity. Although the Buckeye assessment is a pipeline grade, it is scheduled on a basis similar to barges.

Volume: Cargo assessments reflect parcels with a minimum of 150,000 bbl up to normal vessel size limitation. Most products parcels delivered into the US markets are carried in medium range vessels, with occasional deliveries using long range vessels. Barge assessments, Buckeye and Laurel deliveries reflect volumes of 10,000 bbl minimum up to 100,000 bbl.

GASOLINE & DISTILLATES

Platts covers five unleaded octane gasoline grades in the US Atlantic Coast: 87, 89 and 93 Octane. RBOB grade Octanes are UNL 83.7 and PREM 91.3 Octane is defined as RON plus MON divided by two. Platts reflects various RVP grades depending on the time of the year. Platts assessments are for conventional gasoline as well as reformulated gasoline (RFG).

Regular unleaded: 87 octane, R+M/2, lead content 0.01 grams per gallon, gravity 62 API. Sometimes referred to as 48 grade.

Unleaded midgrade: 89 octane, R+M/2, lead 0.01 grams per gallon, gravity 62 API.

Super premium unleaded: 93 octane, R+M/2, lead 0.01 grams per gallon, gravity 62 API.

Effective November 3, 2003, Platts launched daily spot price assessments for New York Harbor and Buckeye Pipeline **Conventional Unleaded 87,89 and 93 that will reflect specifications limiting the gasoline to a 0.3 vol% max MTBE.** The new gasoline blend will be required as New York and Connecticut ban MTBE as a gasoline additive from January 1, 2004.

Eff. November 3, 2003, Platts discontinued existing daily spot price assessments for New York Harbor and Buckeye Pipeline Conventional Unleaded 87, 89 and 93 which contained MTBE.

Effective November 3, 2003, Platts launched daily spot price assessments for regular (83.7 octane) and premium (91.4 octane) **RBOB gasoline for barges delivered into New York Harbor, and for delivery into the Buckeye pipeline at Linden, New Jersey.** Platts' new Buckeye RBOB assessments will effectively replace Platts' current Buckeye reformulated (RFG) gasoline assessments. The existing RFG Buckeye Pipeline Unleaded 87,89 and 93 assessments were discontinued after November 14, 2003.

Jet Kero: The cargo assessments reflects jet-A1 meeting latest DERD 2494 specifications. The barge assessment reflects Colonial Pipeline reference 54 grade, the sulfur content is 0.3% sulfur; 37-51 API gravity; **108° F min flash**; and freeze point -40° F max.

Low Sulfur Jet Kerosene: For cargoes and barges, the assessments reflect Colonial Pipeline 55 grade with 37-51 API gravity, 123° F flash point, minus 40° F freeze point, 42 cetane and 0.04% sulfur. Low sulfur jet kerosene is typically used a low sulfur blendstock to mix with diesel.

No.2 oil: The assessment reflects 40 cetane, sulfur content 0.2% maximum at New York Harbor, and up to 0.5% outside New York, gravity 34 API, 130° F minimum flash.

Low Sulfur Diesel (formerly known as Low sulfur No. 2 oil) : The assessment reflects 42 cetane, 0.05% sulfur. 130 F minimum flash

GASOLINE RVP CHANGES

RVP levels are effective for gasoline in New York harbor, Boston, Buckeye and Laurel Pipeline.

January through most of February: 15.0 RVP for all grades.

February 28: RVP changes to 13.5 RVP for all grades.

With prices effective around mid-March, Platts begins quoting supplemental 7.1 RVP RFG unleaded prices. Also effective at that time, Platts will add the supplemental 9.0 RVP conventional unleaded prices. The date fluctuates on the basis of market liquidity.

The 13.5 RVP conventional and RFG unleaded prices will continue to appear as the main assessments and be carried through mid-April or when liquidity ends.

In mid-April, when the 13.5 RVP assessments end, the 7.1 RVP RFG and 9.0 RVP conventional unleaded become the main assessments and will run through summer.

Near the first week of September, the precise date dependent upon liquidity, Platt's will add 13.5 RVP assessments for RFG and conventional gasoline. The 7.1 RVP RFG and the 9.0 RVP conventional prices will appear as supplemental assessments until mid -September.

At that time, precise date to be determined, Platts will stop assessing supplemental 7.1 RVP RFG and the 9.0 RVP conventional prices. At that time, Platts will only assess the 13.5 RVP for both RFG and conventional gasoline. Near the end of October, Platts will change the basis for its gasoline assessments to 15.0 RVP.

MTBE

Specifications are for material with minimum 95% MTBE, 1,500 ppm maximum water and 500 ppm maximum methanol. RVP is 8-10 psi. Octane is 109 R+M/2. Oxygen is 18.2% by weight. US Gulf Coast assessments include volumes of 25,000 bbl or greater traded FOB Houston-Texas City. Smaller volume transactions and deals done outside of the Houston-Texas City area are used only as a guide in the assessment process. Assessments focus on deals lifting 2-15 days from date of publication, excluding prompt business for immediate lifting. Assessments cover physical spot trade and not paper deals. Platts FOB New York Harbor MTBE assessment is for the same spec material as the US Gulf Coast but volumes are 10,000 bbl or greater. Both US Gulf Coast and New York Harbor assessments are made at 1600 CST (2200 GMT).

RESIDUAL FUEL

Assessment Schedule: No initial bids/offers considered after 3:30pm ET. No trades considered after 4:30pm ET

Size: Cargo 200,000bbls and up (one or multiple bottoms).
Barge: 25-140,000bbls.

Location: Cargo price assessment is delivered, in a Boston-Maryland range. Barge price assessment is delivered basis New York Harbor.

Timing: Cargo — Platts considers in its assessment process cargoes bid/offered/traded with a 5 day delivery range within the 5-15 days forward assessment delivery window. Barge – delivery 3-10 days out.

Platts assessments reflect verified, repeatable, on-spec deals reported prior to deadline. Platts also takes into account firm, credible bids and offers reported by brokers and principals. In the absence of deals, bids and offers, Platts will assess what in its editorial opinion reflects a transactable value of fuel oil delivered 5-15 days forward based on an interpolation along the forward fuel oil curve and by taking into account prevailing physical premiums or discounts. Additionally, Platts will utilize the forward curve for deals done on a 50-50 basis, with half of the deal fixed and the other half floating. The implied value of the floating portion of the transaction will be calculated.

Below is an example:

First and second month swaps are used; the assessed values are

assigned to the midpoint of each month. The inter-month spread is divided by the number of days to calculate the rate of change in cts/day. Since physical is assessed 10 days out (midpoint of 5-15 day cargo range), the rate of change is multiplied by the number of days between the first month swap and the physical.

For example, on November 21, Dec 1% paper was assessed at 15.30, and Jan at 15.80. Those values are plotted at December 15 and Jan 15, respectively. There are 31 days between the two points, and 50 cts, or 1.61 cts/day. 10 days out from November 21 is Dec 1, which is 14 days from Dec. 15. $1.61\text{cts/day} * 14 = 22.54$. $15.30 - .2254 = 15.0746$, rounded to 15.075. The range would be 14.95-15.20.

SPECIFICATIONS

0.3% S: Maximum sulfur 0.3%. Pour: 60° F max for low pour; high pour typically 100° F but up to 110° F is acceptable. (Will frequently be referenced as Con Ed or New York City Spec). Viscosity: 250-1000 ssu for low pour, 50-200 ssf for high pour, (25-300ssf may be acceptable with penalty applied). 20-22 API gravity.

0.7% S: Maximum sulfur 0.7%. Pour: low pour 60° F. max. High pour typical 100° F up to 105° F usually acceptable. Gravity: 12 API is most common. Penalty for BTU loss usually incurred if over 15 API. Viscosity: 200-300 ssf.

1.0% S: Maximum sulfur 1.0%. Pour: low pour 60° F. max. High pour typical 100° F up to 105° F usually acceptable. Gravity: 12 API is most common. Penalty for BTU loss usually incurred if over 15 API. Viscosity: 200-300 ssf.

2.2% S: Maximum sulfur 2.2%. Pour not usually specified, viscosity 225-300 ssf. 12 API gravity.

2.2% Boston S: Maximum sulfur 2.2%. Pour not usually specified, viscosity 225-300 ssf. 12 API gravity. Nitrogen spec is often 0.4%, but not required.

3.0% S: Maximum sulfur 3.0%. Pour not usually specified, viscosity 200-250 ssf, 12 API gravity.

FEEDSTOCKS & BLENDSTOCKS

Vacuum Gasoil: VGO assessments reflect material CIF 50,000 bbl and higher, north of Hatteras. The timing range is 7-21 days. Three sulfur grades are assessed: Under 0.5%, 1.0% and over 2%. The Aniline point is generally 180 minimum. Conradson carbon residue is generally 0.7% maximum.

Straight Run: Straight run assessments reflect material CIF 50,000 bbl and higher, north of Hatteras. The timing range is 7-21 days. Low Sulfur: 0.3% sulfur, approximately 20-22 degrees

API gravity and viscosity is 1,000 ssu or approximately 100 ssf. The product generally is low pour with a pour point of 60° F. High Sulfur: 2.0 to 3.5% sulfur and approximately 15-20 degrees API gravity.

US GULF COAST

PIPELINE GRADES

Pipeline prices are for product moving on the Colonial Pipeline with input at Pasadena, Texas. Pipeline assessments reflect southern grade products on the Colonial Pipeline with the exception of the supplemental northern grade gasoline, which represents northern grade material.

Shipments on the Colonial Pipeline system are scheduled according to cycles. There are typically three cycles per month for a total of 36 cycles per year. For example, cycles 1, 2, and 3 are for January, cycles 4, 5, and 6 are for February, cycles 7, 8, and 9 are for March, etc. Each cycle lasts approximately ten days and is divided into two five-day sections known as the front-half and the back-half of the cycle. For practical purposes, there is a new product shipment every five days, leading to about 72 shipments per year. Due to market conditions, cycles may carry premiums or discounts versus the next shipment. The cycle schedule is dictated by Colonial Pipeline, and is subject to change during the course of the year. Hence, rollover dates for the Platts assessments cannot be announced in advance. The cycles among products differ. Gasoline 13th cycle and distillate 13th cycle will not necessarily be in alignment.

Effective Jan. 2, 2002, the primary Platts assessment for pipeline grades has consisted solely of the prompt half cycle, front or back. In addition, Platts publishes assessments for half cycle shipments, going out to three full cycles. Before Jan 2, 2002, Platts' main assessments reflected a full prompt cycle, except when only the back half of that prompt cycle was available for scheduling, in which case that back half would constitute the assessment.

Waterborne barrels represent different locations depending on product, and locations are noted within product categories below. Assessments for fuel oil generally reflect product being lifted within the next 7 to 14 days. Waterborne assessments for gasoline and distillates are concurrent with the pipeline cycles. Waterborne assessments for light ends cover barge (minimum 50,000 bbl) and cargo movements being shipped out of ports located anywhere from Houston, Texas, to the Mississippi River. Product can be moving from a US Gulf Coast location to another US port or for export. Prices are on an FOB basis.

GASOLINE & DISTILLATES

See general section under Products - US for information on conventional, RFG and oxygenated requirements.

Regular unleaded: 87 octane R+M/2; lead, 0.01 grams per gallon; 62 API gravity.

Unleaded midgrade: 89 octane R+M/2; lead, 0.01 grams per gallon; 62 API gravity.

Super premium unleaded: 93 octane R+M/2; lead, 0.01 grams per gallon; 62 API gravity.

Ultra Low Sulfur 30 unleaded 87 ("Atlanta" grade): 87 octane R+M/2; lead, 0.01 grams per gallon; 62 API gravity, 30ppm max sulfur.

Ultra Low Sulfur 30 unleaded 93 ("Atlanta" grade): 93 octane R+M/2; lead, 0.01 grams per gallon; 62 API gravity, 30ppm max sulfur.

Effective November 3, 2003, Platts launched daily spot price assessments for regular (83.7 octane) and premium (91.4 octane) **RBOB gasoline for delivery into the Colonial Pipeline** at Pasadena, Texas. Platts will initially assess only the prompt Colonial pipeline cycle, but will add forward cycle assessments as liquidity develops. Initial indications suggest that two grades of RBOB will be available for shipping, 5.7% ethanol blendable RBOB and 10% ethanol blendable RBOB, but only 10% ethanol blendable RBOB will be actively traded.

GASOLINE RVP CHANGES

Specific dates for the changing of RVP specifications can not be projected, because the actual dates of shipping cycles on the Colonial Pipeline varies. However, below is a projected schedule for conventional gasoline, based on past practice.

Conventional gasoline on the Colonial Pipeline is the "M" grade, with a numerical designation that applies to the RVP level.

Beginning in early March, when the 7th cycle becomes prompt, Platts will begin assessing M3 gasoline, which carries an RVP of 11.0.

Beginning mid-March, when the 8th cycle becomes prompt, Platts will begin assessing M2 gasoline, which carries an RVP of 9.0.

Beginning early April, when the 10th cycle becomes prompt, Platts will begin assessing M1 gasoline, which carries an RVP of 7.8. At this time, Platts will also begin to assess its summer supplemental quote, which carries an RVP of 9.0. This will last until early September.

(Please note that Platts' primary gasoline assessment will always be the grade with the lowest RVP regulations. As a result, the 9.0 RVP summer grade for northern destinations is considered the supplemental assessment, and the 7.8 assessment is considered the primary assessment. The Platts data code for Gulf Coast pipeline gasoline will reflect the 7.8 RVP grade, not the 9.0 RVP grade, which has its own date code.)

In early September, or at the end of the 26th cycle, Platts will cease its 9.0 RVP summer supplemental assessments. The primary assessment will then correspond to M3, which carries a RVP of 11.5.

Beginning in mid-October, and running through February, Platts will begin assessing M4 gasoline, with an RVP of 13.5.

Beginning early March or whenever the 7th cycle becomes prompt, Platts will begin assessing M3 gasoline with an RVP of 11.5.

Beginning mid March or whenever the 8th cycle becomes prompt, Platts will begin assessing M2 gasoline with an RVP of 9.0.

Beginning early April or whenever the 10th cycle becomes prompt through early September, Platts will begin assessing M1 gasoline with an RVP of 7.8. At this time Platts will also begin publishing a summer supplemental quote and will lower the RVP on RFG unleaded and RFG premium from 7.8 to 7.1. The summer supplemental quote will hold an RVP of 9.0.

In early September or at the end of the 26th cycle 7.1, 7.8 and 9.0 RVP will cancel out and Platts will begin assessing M3 gasoline with an RVP of 11.5 through the next four cycles. The summer supplemental assessment will end. 11.5 RVP will cancel out in October or at the end of the 30th cycle.

MTBE

Specifications are for material with minimum 95% MTBE, 1,500 ppm maximum water and 500 ppm maximum methanol. RVP is 8-10 psi. Octane is 109 R+M/2. Oxygen is 18.2% by weight. US Gulf assessments include volumes of 25,000 bbl or greater traded FOB Houston-Texas City. Smaller volume transactions and deals done outside of the Houston-Texas City area are used only as a guide in the assessment process. Assessments focus on deals lifting 2-15 days from date of assessment, excluding prompt business for immediate lifting. Assessments cover physical spot trade and not paper deals. Assessments are made basis 1600 CST.

NAPHTHA

Standard naphtha assessments represent product moving into and out of the Gulf Coast. Imports are assessed on an inside duty basis. The assessment reflects 40 N+A, typically a reforming

grade, with a gravity of 56-60 API.

Heavy naphtha: Effective Feb 3, 2003, Platts added a daily spot price assessment for heavy naphtha in the US Gulf Coast, with a typical API gravity of 52 to 53, and an initial boiling point of 180F, intended for reforming.

DISTILLATES

Jet Kerosene: Jet/Kero 54 reflects material with 37-51 API gravity, 108° F flash point, minus 40° F freeze point, and 0.3% sulfur. Jet/Kero 55 grade reflects product with 37-51 API gravity, 123° F flash point, minus 40° F freeze point, 42 cetane and 0.04% sulfur.

No. 2 Oil: No 2 Oil reflects material with 40 cetane, 0.2% sulfur, 30 API gravity and 130° F min flash point.

Low Sulfur Diesel: Low Sulfur No. 2 oil specifications reflect 40 cetane, 0.05% sulfur, 30 API gravity and 130° F min flash point.

RESIDUAL FUEL

Assessments are FOB and represent product basis Houston or New Orleans, 4-12 days out from the day of assessment. Both barge lots and cargoes are covered by the assessments.

Platts reserves the right to not strictly include charter party differentials between other Gulf Coast points and one of those two cities if it believes there are other factors that are more important, such as if a cargo is being exported on a Worldscale basis.

Assessments may be influenced by blending costs associated with bringing off-specification material to the correct specification. Also, assessments take into consideration the value of different end users for the same material, e.g. straight-run fuel used as a feedstock.

The typical quantity for barge assessments is 40,000 bbl to 125,000 bbl. However, the inability of a terminal to receive certain standard barge sizes may exclude certain sales from the Platts assessment, even if a sale is made within the specified quantities. Cargo sizes are up to 50,000mt.

Metals: There is no metals specification for Platts' 3% assessment. The assessment for 3.5% sulfur minimum is a standard bunker metals specification, e.g RMG.

Gravity: Listed by Gravity, Viscosity and Maximum sulfur content.

No.6 1.0%: 6.0 225 1.0% (changed from 10.5 API effective Jul 1, 2002). The respective assessment is based on a 6 API min gravity. The viscosity range is 25-225 ssf and includes a 0.4 max

nitrogen, 50max calcium, 200max vanadium and a 120max aluminium and silicon content.

No.6 1.0%: 8.0 225 1.0%

No.6 3.0%: 10.5 150-250 3.0% max

No.6 3.5%: 10.5 150-250 3.5% or higher

Platts discontinued its US Gulf Coast 0.7%S residual fuel assessment on Jan 1, 2003.

Forward curve and Fixed/Floating Trades: Platts will seek the value of a floating transaction by extrapolating prices along the forward curve. For example, in assessing the value of a transaction completed in a backwardated market that was done on a floating basis, Platts will seek to determine the market's valuation of fuel oil loading on those days in advance, and work any differentials off that number. The resulting number will not be strictly viewed as the value of the transaction, but will be taken into account in the assessment process.

FEEDSTOCKS & BLENDSTOCKS

Vacuum Gasoil: VGO assessments reflect material CIF 50,000 bbl and higher, basis Gulf Coast. The timing range is 7-21 days. Three sulfur grades are assessed: Under 0.5%, 1.0% and over 2%. The Aniline point is generally 180 minimum. Conradson carbon residue is generally 0.7% maximum.

Straight Run: Straight run assessments reflect material CIF 50,000 bbl and higher, basis Gulf Coast or East Coast. The timing range is 7-21 days, Gulf Coast. Low Sulfur: 0.3% sulfur, approximately 20-22 degrees API gravity and viscosity is 1,000 ssu or approximately 100 ssf. The product generally is low pour with a pour point of 60° F. High Sulfur: 2.0 to 3.5% sulfur and approximately 15-20 degrees API gravity.

Alkylate: The alkylate assessment reflects waterborne FOB liftings 50,000 bbl and higher, basis Houston. Delivery range is 7-21 days. The alkylate assessment reflects material 5.5 RVP, with 92-93 octane.

Reformate: The reformate assessment reflects waterborne FOB liftings 50,000 bbl and higher, basis Houston. Delivery range is 7-21 days. Reformate is 30-55 API, 0.5-2.5 RVP, 0.5 Sulfur, 95-110 RON.

Raffinate: The raffinate assessment reflects waterborne FOB liftings 50,000 bbl and higher, basis Houston. Delivery range is 7-21 days. Raffinate is 60-70 API, 2.0-6.0 RVP, 0.5 Sulfur, 55-65 RON.

US ATLANTIC & GULF COAST RESIDUAL FUEL PAPER MARKETS

Platts publishes paper market price assessments for 1.0% sulfur fuel oil on the US Atlantic Coast and 3.0% sulfur fuel oil on the

US Gulf Coast:

The paper price assessments are for the immediate forward month and the next three forward months. The immediate forward month assessment expires on the last business day of the month. For example: in any given March, the paper months assessed will be April, May, June and July.

The quarterly paper market is based on the calendar quarters: January-March, April-June, July-September and October-December. The next four quarters are assessed. Quarterly paper markets are assessed until the last business day of the preceding calendar quarter. On the first business day of a new quarter, the assessment will reflect the next calendar quarter. For example, between any given January 1 through March 31, the first quarter to be assessed will be the second quarter, April-June.

CHICAGO

Assessments are made on an FOB Chicago Area Pipeline basis, a grouping of Chicago pipelines that includes the West Shore, Badger and Wolverine lines. This system takes product off the Explorer pipeline, which runs from the Gulf Coast into the Midwest. Platts has established cycle changes every ten days, on the 5th, 15th, and 25th of the month. The assessments reflect product moving on the prompt cycle.

GASOLINE & RBOB

Regular unleaded: 87 octane R+M/2; lead, 0.01 grams per gallon; 62 API gravity.

Midgrade unleaded: 89 octane R+M/2; lead 0.01 grams per gallon; 62 API gravity.

Premium unleaded: 93 octane R+M/2; lead, 0.01 grams per gallon; 62 API gravity.

RBOB (Reformulated Blendstock for Oxygenated Blending): 84.6 octane R+M/2; 62 API gravity.

For all grades of gasoline, Reid Vapor Pressure varies during the year from 9.0 psi in the summer to 15.0 psi in the winter. The RVP conversion schedule is as follows, though it is approximate:

■ February 25 (or beginning of 1st cycle March trade): Platts assessment of 15.0 RVP unleaded will convert to 13.50 RVP unleaded.

■ March 15 (or beginning of 3rd cycle March trade): Platts assessment of 13.50 RVP unleaded will convert to 9.0 RVP unleaded.

■ September 16: Platts assessment of 9.0 RVP unleaded will

convert to 11.50 RVP unleaded.

■ October 1: Platts assessment of 11.50 RVP unleaded will convert to 13.50 RVP unleaded.

■ December 1: Platts assessment of 13.50 RVP unleaded will convert to 15.0 RVP unleaded.

The Platts assessment of RBOB in the Chicago market will switch to summer-grade VOC material on March 25, the start of first-cycle April trade, in line with seasonal Explorer pipeline specification changes.

DISTILLATES

Jet/kero: Assessments reflect material with 0.3% sulfur, 37-51 API gravity and 108 degrees F minimum flash point.

Low Sulfur Jet Kero: This is also known as No. 1 oil. It is an assessment that runs from approximately October 15 to April 1, depending on seasonal refinery production changes. Specifications include 0.04% sulfur and 37-51 API gravity.

No. 2 Oil: Assessments reflect material with 0.29% sulfur, 40 centane, 34 API gravity and 130 degrees F minimum flash point.

Low Sulfur Diesel: Assessments reflect material with 0.05% sulfur and 42 centane.

ETHANOL

Assessments reflect FOB Chicago area terminals, 5-10 day delivery. Assessments are for a typical refinery grade ethanol, 115 octane, 18 RVP.

GROUP THREE

Assessments are made on an FOB Tulsa, Oklahoma, basis for product moving on the Williams Pipeline. The Williams pipeline system runs from Tulsa, north through the US Midcontinent, and terminates in Minnesota and Wisconsin. Assessments reflect prompt cycle barrels scheduled into the line. Trade is assessed against the front month futures contract though the penultimate day of each month. On the last day of the month, trade is normally assessed against the second month futures contract to reflect the majority of cash activity on that day. However, spot trade can be assessed against the front month contract on this day if it reflects the majority of trades or cash positions in the market.

GASOLINE

Regular unleaded: 87 octane R+M/2; lead, 0.01 grams per gallon; 62 API gravity

Premium unleaded: 91 octane R+M/2; lead, 0.01 grams per gallon; 62 API gravity

For all grades of gasoline, Reid Vapor Pressure ranges from 9.0 psi for summer months to 13.5 for winter months. The Platts RVP conversion schedule is as follows:

■ February 1: Platts assessment of 15.0 RVP unleaded will convert to 13.5 RVP unleaded.

■ February 16: Platts assessment of 13.50 RVP unleaded will convert to 10.0 RVP unleaded.

■ March 1: Platts assessment of 10.0 RVP unleaded will convert to 8.50 RVP unleaded.

■ May 1: Platts assessment of 8.50 RVP unleaded will convert to 9.0 RVP unleaded.

■ September 16: Platts assessment of 9.0 RVP unleaded will convert to 10.0 RVP unleaded.

■ October 1: Platts assessment of 10.0 RVP unleaded will convert to 11.50 RVP unleaded.

■ November 1: Platts assessment of 11.50 RVP will convert to 13.5 RVP unleaded.

■ December 1: Platts assessment of 13.50 RVP will convert to 15.0 RVP unleaded.

DISTILLATES

Jet Kerosene: Assessments reflect material with 0.3% sulfur, 37.5 API gravity and 110 degrees F minimum.

Low-sulfur Jet Kerosene: Also known as Y grade. This is a seasonal assessment that runs from approximately October 15 through April 1, depending on seasonal refinery production changes. Specifications are 0.047% sulfur, 37 degrees minimum. The assessment is published when spot trading begins. API gravity, minimum 125 degrees F to maximum 160 degrees F flash point.

No. 2 Oil: Assessments reflect material with 0.5% sulfur, 40 centane, 30 API gravity and 140 degrees F flash point.

Low Sulfur Diesel: Assessments reflect material with 42 centane, 0.05% sulfur, 30 API gravity and 140 degrees F flash point.

US WEST COAST

Pipeline volumes are generally 10,000-25,000 bbl, with 10,000 bbl the minimum lot size for inclusion in Platts assessments. Assessments are for product moving on the Kinder Morgan Energy Partners Pipeline (formerly the Santa Fe Pacific Pipeline) system in California and the Olympic Pipeline system in the Northwest.

Platts assesses the most prompt barrel that can be scheduled for delivery on Kinder Morgan's pipeline. Shipments on the Kinder Morgan Energy Partners Pipeline system are scheduled according to cycles. There are typically four cycles every month for a total of 48 cycles per year. For example, cycles 1, 2, 3 and 4 are for January, cycles 5, 6, 7 and 8 are for February, etc. Each cycle lasts approximately 7.5 days, but changes in the schedule may occur and are decided by the pipeline company. Shipments on the Olympic Pipeline system also are scheduled according to cycles. There are typically five cycles every month with the exception of February, which has four, for a total of 59 cycles per year. Each cycle lasts approximately six to seven days, but changes in the schedule may occur and are decided by the pipeline company.

Platts does not assess include distressed trades within its assessments. Specifically, distressed deals include barrels that must be accepted within eight days or less. Distressed deals also include barrels that are bought and sold within the Kinder-Morgan "pipeline freeze." The freeze is defined as the period of time for which the pipeline shipper will no longer accept changes to its scheduled deliveries.

Waterborne: Jet and gasoline waterborne cargoes generally are in barge lots, while non-CARB diesel, the so-called EPA diesel (see below), generally trades as cargoes. Cargoes are for delivery 14-21 days out from date of publication. Cargoes cover export or import at any location from Los Angeles to Seattle, but the market keys off Los Angeles prices. Barges or cargoes with delivery dates less than two weeks is considered prompt and possibly distressed. Domestic but offshore-lightered barrels are treated as if they were domestic.

Timing: Effective Feb 3, 2003 Platts extended its reporting deadline for US West Coast gasoline and distillate oil products to 3:30 p.m. PST (2330 GMT), at which point pipeline scheduling is due and the spot market tends to close for the day. Previously, the deadline for collecting price information was 2 p.m. PST (2200 GMT). Assessments are made within half an hour of the assessment window closing, at or before 4 p.m. PST (2400 GMT).

GASOLINE & CARBOB

Gasoline: Conventional standard gravity is 57-58 API. Sulfur specifications are very stringent in California with 0.03% maximum for unleaded gasoline. Bromine is less than 30 parts per million at Los Angeles. RVP ranges from 7.0 to 13.5 for Los Angeles, 7.0 to 15.0 for San Francisco and 9.0 to 15.0 for Seattle

and Portland.

Unleaded 84: R&M/2; lead content 0.01 grams/gal. The Unleaded 84 assessment is for product moving to Arizona from Los Angeles. The assessment is made on an FOB Los Angeles basis. This assessment replaces the Arizona RFG assessment which was discontinued in October 1998.

Unleaded 87: R+M/2; lead content 0.01 grams/gal.

Premium Unleaded: 92 octane, R+M/2; lead content 0.01 grams/gal.

Effective November 3, 2003, Platts discontinued its US West Coast **CARB-grade gasoline** assessments. With MTBE banned effective January 1, 2004, in California, the only grades that will be traded are CARBOB grades, which are blended with ethanol downstream to produce finished CARB-grade gasoline, and conventional gasoline for other markets. The discontinued assessments are: CARB unleaded pipeline, Los Angeles and San Francisco; and CARB premium pipeline, Los Angeles and San Francisco.

CARBOB: CARBOB is a non-oxygenated blendstock meeting California gasoline specifications. It is blended with ethanol to produce finished gasoline that meets CARB specifications. On Dec 2, 2002, Platts introduced four new physical CARBOB gasoline assessments for the US West Coast market. The assessments apply to the Los Angeles and San Francisco markets and cover both lower octane and premium grade versions of CARBOB gasoline. CARBOB gasoline does not contain MTBE as an oxygenate, and is instead intended to be blended with ethanol.

All products must be deliverable into Kinder Morgan's California pipeline system for done deals to warrant inclusion in the Platts daily assessment. The conventional grade CARBOB has an octane level of 85.5 and the premium CARBOB has an octane level of 90.0. Both grades of gasoline must be blendable to 5.7 percent ethanol. All CARBOB gasoline deals must involve product which meets the California Air Resources Board requirements as well as Kinder Morgan's specifications for CARB phase 3 gasoline.

Paper CARBOB assessments follow physical CARBOB requirements and consist of a one, two and three month out assessment; a one and two quarter out assessment; and a one year out assessment.

Arizona/Las Vegas: Platts assesses several grades of gasoline that trade in the Arizona/Phoenix and Las Vegas markets, respectively. Arizona and Las Vegas markets generally are supplied out of the US West Coast, but consume gasoline with specifications designed specifically for their areas. Both the AZBOB and the LVBOB are blendstocks that are blended with ethanol.

In **Arizona**, Platts assesses a Clean Burning Gasoline grade (CBG) between March 1 and October 14. After October 14, an Arizona Blendstock for Oxygenate Blending (AZBOB) is assessed until

March 1. This is consumed in the Phoenix metropolitan area.

In **Las Vegas**, Platts assess a winter grade Las Vegas Blendstock for Oxygenate Blending (LVBOB) between Oct 1 and March 24. A conventional gasoline is consumed during the remainder of the year.

SPECIFICATIONS

Arizona CBG: 87 and 91 octane grades; sulfur, 89 ppm max; lead, 0.03 gm/gal.

AZBOB: 87 and 91 octane grades; sulfur 89 ppm max; lead, 0.03 gm/gal.

LVBOB: 87 and 91 octane grades; sulfur 80 ppm max; lead, 0.03 gm/gal

GASOLINE RVP CHANGES

The various grades of gasoline on the West Coast have a variable series of RVP changes.

Los Angeles CARBOB: Jan 1, 12.5; Mar 6, 5.78; Nov 1, 10.5; Dec 1, 12.5.

Los Angeles conventional and CARB: Jan 1, 13.5; Feb 14, 7.0; Nov 1, 11.5; Dec 1, 13.5.

San Francisco Conventional and CARB: Jan 1, 15.0; Feb 1, 13.5; Mar 6, 6.8 for premium and 7.0 for regular; Apr 14, 7.0; Nov 1, 13.5; Dec 1, 15.0.

San Francisco CARBOB: Jan 1, 15.0; Mar 6, 5.78; Nov 1, 12.5; Dec 1, 14.0.

Arizona CBG: Mar 1, 8.0; Apr 7, 7.0; Sep 23, 8.0; assessment withdrawn on October 14.

Arizona BOB: (AZBOB) : Oct 14-Mar 1, 8.0

Las Vegas LVBOB: Oct 1 through Mar 24, 8.0; assessment withdrawn on that date.

Portland/Seattle: Jan 1, 15.0; Mar 1, 13.5; Mar 24, 11.5; Apr 1, 9.0; Sep 14, 11.5; Oct 1, 13.5; Dec 1, 15.0.

DISTILLATES

Jet Kero: Pipeline assessments reflect material Jet-A 0.3%S 51-37 API, delivered on the Kinder Morgan Pipeline System, with an option to deliver at Los Angeles International Airport (LAX). Physical assessments roll with the Kinder Morgan Pipeline Schedule. Waterborne assessments reflect DERD 2494 0.3%S 51-

37 API.

Low Sulfur Diesel (“EPA diesel”): 40-45 cetane, 30-31 API gravity and 0.05% maximum sulfur content. This diesel meets federal environmental specifications, but not specifications of the California Air Resources Board. It is acceptable for use in some off-road applications.

CARB Diesel: Meets the specifications of the California Air Resources Board. It also reflects the Kinder Morgan Pipeline spec for aromatics of 35% by volume maximum. Other specs are cetane 40 minimum and 45 maximum, 30-31 API gravity and 0.05% maximum sulfur content.

Gasoil: Assessment reflects material with 45 cetane, 0.5% sulfur; typically 32-33 API gravity. This is a waterborne assessment only.

FUEL OIL

Industrial fuel oil 380 and IFO 180 assessment in the US West Coast reflect trade in the marine fuel (bunker) market. IFO 380 has viscosity of 380 CST, 2.5-4.0% sulfur, 150-600 mg/kg vanadium, 0.5-1.0% water and 0.1-0.2% ash. IFO 180 is the same as IFO 380 in all respects except viscosity, which is 180 CST.

No 6, 0.5%S and 1.0%S: Percentages relate to content of sulfur as a percent by weight. Power generation units, i.e. electric utility companies, usually use the low sulfur grades. This quote is used to distinguish larger volumes, whether for import or export.

ETHANOL

Effective November 3, 2003, Platts launched two daily spot price assessments for **Ethanol in the Los Angeles Area**. The assessments reflect 800 bbl rail car deliveries into the Gardena, Wilmington and Carson terminals, 7-14 and 15-30 days ahead of publication date. Other terminals may be included in the future as this new spot market develops. The assessments are quoted in cents per gallon and reflect full-day market activity for typical refinery grade ethanol, 115 octane, 18 RVP.

US GAS LIQUIDS

Platts assessments are based primarily on confirmed deals on the day of business. In addition, account is taken of firm bids and offers, as well as supply/demand fundamentals, reported in the market. However, price assessments will ultimately be weighted toward the most recent confirmed business.

Timing: US prices reflect business done only on barrels for any days in the specified delivery month – also known as “any barrels” — and product loading at least three days from the date of the report. Wet and prompt bbls are not reflected in Platts

price assessments. Platts assesses the current month until 3 calendar days until the end of the month before switching its assessment forward by one month.

Daily NGL spot price assessments are based on market activity during the period of 2:00-5:00 EST.

Size: In the US Gulf Coast, typical parcel size is considered to be 25,000 barrels (around 3,000mt depending on product) at Mont Belvieu and South Louisiana. In the Midwest (Conway or Bushton, Kansas), typical parcel size is 10,000 barrels. Hattiesburg, Mississippi typically trades in 5,000-10,000 bbl lots.

Location: Platts publishes assessments on a FOB Mont Belvieu, Texas basis, and FOB Conway, Kansas basis for all gas liquids. Platts also assesses propane at Bushton, Kansas and Hattiesburg, Mississippi and natural gasoline on various points of the Mississippi River in Louisiana. Product specifications are the same for Mont Belvieu and Conway assessments. Product specifications are the same for all locations.

Ethane (C2): Platts publishes an assessment for purity ethane and another for ethane/propane mix. Ethane assessments reflect material with a specific gravity of 0.3546 and a boiling point of -89° C. Purity ethane is 95% pure or better. Ethane/propane mix is comprised of 80% ethane and 20% propane. Conversion rate is 7.42 US gallons per MT.

Propane (C3): Propane is assessed at Mont Belvieu on a non-TET and TET basis. TET material moves on the former Texas Eastern Transmission pipeline, now owned by Texas Eastern Products Pipeline Co, which runs from South Texas northward and terminates near Albany, New York and Philadelphia, Pennsylvania. Despite the new ownership, the terms TET and non-TET are still widely used by the industry. Product specifications are the same for both Mont Belvieu and Conway. Assessments reflect material with a specific gravity of 0.5077 and a boiling point of -43° C. Conversion rate: 5.21 US gallons per metric tonne.

Normal Butane (C4): Butane is assessed at Mont Belvieu on a non-TET and TET basis. TET material moves on the former Texas Eastern Transmission pipeline, now owned by Texas Eastern Products Pipeline Co, which runs from South Texas northward to Ohio and terminates in Massachusetts. Despite the new ownership, the terms TET and non-TET are still widely used by the industry. Product specifications are the same for both Mont Belvieu and Conway.

Assessments reflect material with a specific gravity of 0.5844 and a boiling point of -1° C. The conversion rate is 4.53 US gallons per metric tonne.

Iso-butane (IC4): Iso-butane is assessed on a TET and non-TET basis. Iso-butane assessments reflect material with a specific gravity of 0.5631 and a boiling point of -12° C. The conversion rate is 4.70 US gallons per metric tonne. Product specifications are the same for Mont Belvieu and Conway.

Natural Gasoline (C5): Natural gasoline is reported on a non-Dynege and a Dynege basis. Dynege is a major terminal in the Mont Belvieu area. Platts also assess a TET-location natural gasoline price, and a natural gasoline assessment for “the River”. This assessment covers various points on the Mississippi River in Louisiana, including (but not limited to) Napoleonville, Terrebonne and Norco. Assessments reflect material with a specific gravity of 81 degrees API, RVP 12-14, boiling point of 90° F, sulfur 0.1% and octane in the low 70s R+M/2. The conversion rate is 3.97 US gallons per metric tonne.

CARIBBEAN CARGOES

Platts defines the Caribbean as including any Caribbean islands. Caribbean prices are assessed on an FOB basis, depending on market conditions. There is no central delivery or loading point for the assessments. Prices reflect business 7-21 days from date of publication.

In the absence of confirmed transactions, assessments for light ends in the Caribbean are based on a spread against corresponding US Gulf Coast light ends pipeline assessments. Gasoil and jet fuel are assessed against No. 2 ad jet assessments, respectively. Naphtha is assessed against USGC waterborne naphtha. Fuel oil is assessed against US Atlantic Coast levels for similar specification material.

Naphtha, jet kerosene and gasoil are assessed as cts/gal, and a conversion to \$/mt is provided. Fuel oil is assessed on a \$/bbl bases.

Naphtha: Assessments reflect material of 40 N+A reforming grade with gravity of 66 API.

Jet Kerosene: Assessments reflect DERD 2494, 0.3% sulfur, 38.9-51.0 API gravity, 38° C minimum flash and minus 47° C maximum freeze point.

Gasoil: Assessments reflect material with 40 cetane, 0.2% sulfur, 30 API gravity and 130° F minimum flash.

Fuel Oil: No 6 2.0% assessments reflect material with 225-300 ssf viscosity and 10-12 API gravity. No 6 2.8% assessments reflect material with 200-250 ssf viscosity and 10-12 API gravity.

LATIN AMERICAN PRODUCTS

All assessments are reported in US dollars per barrel.

Argentina

Gasoil: minimum of 45 cetane, 0.5% sulfur.

Loading port is Buenos Aires. The assessment is FOB/CIF Buenos Aires and takes into consideration only export/import

transactions. Minimum cargo size is 30kmt or about 215,000 bbl.

Gasoline: Unleaded 83 RON minimum, 10 RVP maximum, 0.71-0.74 specific gravity, 0.1% sulfur by weight. This assessment is FOB Buenos Aires. Only exports are considered. Minimum cargo size is 30kmt or about 250,000 bbl.

Fuel Oil: 0.6% sulfur, 14 API, 550 CST.

Fuel oil is assessed FOB Buenos Aires. Only exports are considered. Minimum cargo size 30,000mt or about 190,000 bbl.

BRAZIL

Fuel Oil: 0.4% sulfur, 17 API, 150-200 ssf.

Brazilian fuel oil is assessed FOB Statia or Bahamas, per Petrobras practices. Only exports are assessed. This product is sold in cargo or barge parcels, 50,000 bbl minimum.

COLOMBIA

Fuel Oil: 1.5% sulfur, 6 API, 300 ssf.

Colombian fuel oil is assessed FOB Mamonal (Cartagena), or FOB Covenas, Colombia. Minimum cargo size is 200,000 bbl. Only exports are considered.

ECUADOR

Fuel Oil: 1.9% sulfur, 12-14 API, 250 ssf and 1.5% sulfur 12-14 API, 250 ssf

Ecuadoran fuel oil 1.9%S is assessed FOB Esmeraldas, while fuel oil 1.5%S is assessed FOB La Libertad, Ecuador. Only exports are considered. Minimum cargo size is 150,000 bbl. Typical size is about 190,000 bbl for both ports.

PERU

Naphtha: 49 N+A, full range, 63 API.

Peruvian naphtha is assessed FOB Talara, or Pampilla, Peru, and minimum cargo size is 180,000 bbl.

Fuel Oil: 0.9% sulfur, 15 API, 600 CST and 1.4% sulfur, 12.5 API, 1,000 CST.

Fuel oil 0.9%S is assessed FOB Talara, Peru for a minimum cargo size of 180,000 bbl. Peruvian fuel oil 1.4%S is assessed FOB La Pampilla, Peru. Minimum cargo size is 180,000 bbl. Typical volumes out of La Pampilla are 300-330,000 bbl.

WEEKLY JET FUEL ASSESSMENTS

Platts publishes weekly jet fuel contract price assessments for Jet-A or DERD 2494 (commercial) grade fuel, delivered to major airlines at listed major airports or delivery locations in the US. The assessments are typically adjusted based on spot assessments for jet in the applicable location (e.g., the Houston assessment is adjusted against USGC spot prices). The assessment does not apply to "Fixed base operators" servicing corporate jets, or to truck deliveries to specific operators or terminals. Typical contracts are 50,000-200,000 bbl month. Platts weekly jet fuel assessments are published every Friday in Platts Oilgram Price Report (OPR).

LUBES AND ASPHALT

PLATTS BASE OIL LUBE ASSESSMENTS

Platts assesses base oil lubes once a month, on the last business day of each month, for the following grades: SN100, SN500, and Bright Stock. The assessments are made for the following locations: US Gulf Coast, Europe (Northwest Europe), and Asia (Singapore). Lube assessments are priced in \$/MT and based on market talks throughout the month. Lube assessments are published in Platts Oilgram Price Report (OPR) on the first business day of each month.

PLATTS ASPHALT ASSESSMENTS

Platts assesses US spot asphalt once a month, on the last business day of each month, for the following locations: Arkansas, Colorado, Montana, California, Illinois, Georgia, Minneapolis/St. Paul, Ohio, Oklahoma/Kansas (wholesale), Oklahoma/Kansas (rack), Philadelphia/New York, Texas, and Louisiana. Asphalt assessments are priced in \$/Ton at the rack (unless specified otherwise) and based on market talks/deals throughout the month. Asphalt assessments are published in Platts Oilgram Price Report (OPR) on the first business day of each month.

PLATTS BASE OIL LUBE POSTED PRICES

Platts publishes lube posted prices for the following companies (locations): Sunoco (Mid-Continent), Conoco (US Gulf), Citgo (US Gulf), Motiva (US Gulf), ExxonMobil (East Coast and Gulf Coast), and Chevron (West Coast). Postings are priced in cts/gal and can be found on Platts Global Alert page 277, 278, 279, and in Platts Oilgram Price Report (OPR). Posted prices are updated as soon as a company updates its posted prices, and are published

at the beginning of each month in Platts Oilgram Price Report, even if there are no changes to company posted prices for the respective month.

THE PLATTS INDEX

The Platts Index gives a broad view of the state of the oil industry by putting markets for several different crudes and products on the same footing: a base period between July 1987 and December 1988, and a translation of that base period into the number 100.00. Prices for each index component were averaged for that period, and the result constitutes 100 in the Platts Index.

The index itself first appeared in July, 1990. Each day, Platts spot assessments are incorporated into a weighted formula based on consumption patterns for products, and supply patterns for crude. The result is a single number that can be used for quick comparisons of a product's status, both over time and against other products or crudes. For example, the gasoil/heating-oil index is weighted 42% to Europe, including assessments from Northwest Europe and the Mediterranean, 43% to North America, including assessments from New York, Boston, and the US Gulf Coast; and 15% to the Pacific Rim, including assessments from Singapore and Japan.

- The prices for the base period were averaged, resulting in a base price of approximately 46.5 cts/gal. That equates to 100 on the Platts Index. The ratio between each day's new price and 46.5 cts will be applied to the 100.00 base, and the result is that day's index.