



# Products Assessment Methodology

Updated Jan 5, 2024

- Discontinue bunker fuel prices in Far East Russia.

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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
- Establishment and role of supervisors
- Selection of supervisors
- Maintaining quality of review by supervisors
- Maintaining consistency in price assessment
- Reliability and adequacy of market information
- Making Assessment Methodology available
- Regular reviews of Assessment Methodology
- Amendments to Assessment Methodology
- Changes/Amendments to price assessment
- Quantity
- Reasons for using specific units for quantity (barrel etc.)

#### **Article 3: Trades 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: Establishment and 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.

**Article 9: Selection of supervisors**

The supervisor 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. The supervisor is not involved in price assessment and writing of commentary for the report of which he is in charge.

**Article 10: Maintaining quality of review by supervisors**

For reports for which the supervisor is not the president, the president conducts regular spot checks to maintained the quality of the supervisor's review. After a spot check, a proof of the spot check will be kept.

**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 a trade was done by the parties involved and whether the information was suspicious or unusual by checking with the relevant parties and other multiple parties, with further investigation carried out if necessary. If unusual market information regarding a trade by parties involved or suspicious information is found, 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 two or more members of 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 reviews 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 two or more members of the board of directors for approval. After the amendments are approved by two or more members of the board of directors, 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 by two or more members of the board of directors, the Assessment Methodology with the amendments reflected has to be approved by two or more members of 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 two or more members of the board of directors, the amendments will be announced in our reports and effected promptly.

**Article 16: Changes/Amendments 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 Principle for Products Report

### Price Assessment Principle for Products Report

Purpose of price assessment:

The purpose of price assessment is to reflect the actual market in which standard spot buying and selling take place on the day of publication.

Definition of price:

Even if no transactions take place, the value of a commodity may change. The price reflects the changing values of a commodity. The value of a commodity may change depending on supply/demand, production costs, the situation in other markets, and players' perspectives.

Assessment method:

Price assessment basically takes into account information on deals done, bids/offers and supply/demand situation obtained on the day of publication. Top priority is given to the latest deals done and bid/offer levels within the assessment window. In the absence of deals, bids and offers, buying and selling indications are used as a reference.

Values of commodities are determined by competition among sellers and buyers. Higher bids to be closer to market values than lower bids, and lower offers are considered to be closer to market values than higher offers.

Standard conditions such as cargo volume, loading or delivery period, quality and payment period are taken into account in price assessment.

Prices for 180cst in Asia bunker fuel can be assessed based on 380cst prices, and vice versa. For example, in the event only 180cst price information is available on a given day, the assessment for 380cst would be based off a discount to the 180cst assessment. In the event only 380cst price information is available on a given day, the assessment for 180cst would be based off a premium to the 380cst assessment.

A month is divided into two half-months:

First half (H1): first 15 days of the month

Second half (H2): all days after the 15th of the month

Rim uses either barrel (bbl) or metric ton (mt) as units for measurements of transactions based on oil products. Prices are shown in \$/bbl or \$/mt.

- Gasoline, jet/kerosene, gasoil and A-fuel oil prices are \$/bbl.
- Naphtha prices loading in Singapore are \$/bbl; Japan delivered prices is \$/mt.
- Fuel oil, LSWR, and bunker fuel prices are \$/mt.

Volume

Volume is defined below according to grades and loading ports.

Rim Intelligence Co, hereafter referred to as Rim, defines the conversion between barrels and metric tons as follows after taking into consideration actual trading conditions.

- SR-size cargo (30,000-50,000bbl or 5,000-6,000mt)
- MR-size cargo (200,000-300,000bbl or 30,000-35,000mt)
- LR-size cargo (500,000-800,000bbl or 80,000-100,000mt)

## Rim CFR Japan Oil Products Price Assessment Methodology

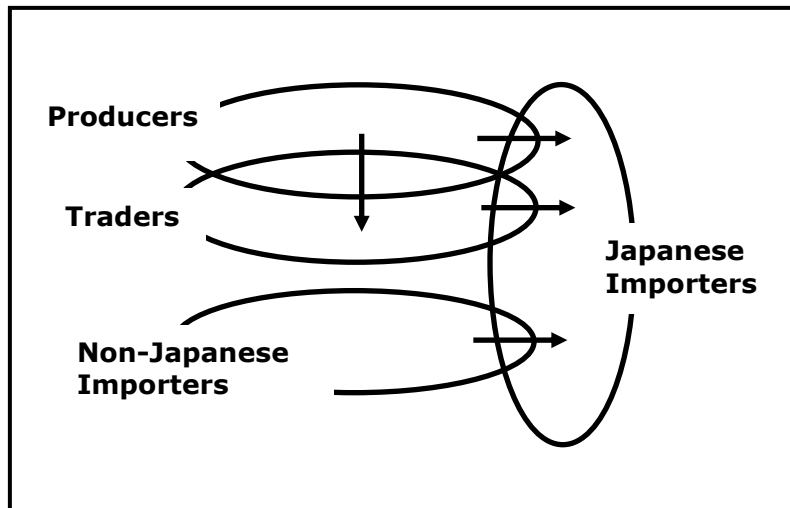
### CFR Japan spot prices for physical cargoes

Rim assesses CFR Japan spot prices for physical cargoes of naphtha, jet/kerosene, gasoil, and fuel oil on a fixed price basis and a floating price basis.

In the absence of information of deals, bids and offers on a fixed price basis, the fixed price assessments indicate the price range in which a transaction on a floating price basis could be locked into with available derivative products, such as futures contracts and paper swaps values.

All prices are assessed based on information collected in the course of market research by Rim reporters each business day.

### Structure of the CFR Japan Oil Products Market



Rim understands that the CFR Japan market is structured with four groups of business parties: Producers, Traders, Non-Japanese Importers and Japanese Importers. Rim assesses physical oil product prices at which a standard spot transaction could take place.

**Rim defines the four business parties in the CFR Japan oil products market as follows:**

Producer	A company that produces and exports oil products.
Trader	A company that buys and sells oil products in the international market.
Non-Japanese Importer	A company outside of Japan that imports oil products for resale into respective domestic markets, and also sells oil products on a CFR Japan basis with an aim to reduce its stocks or to yield profit from the sales.
Japanese Importer	A company of Japan that imports oil products to meet its demanded supply into the domestic markets.

**Rim defines a standard CFR Japan oil products market transaction as follows:**

Case 1	A producer sells an oil products cargo to a Japanese importer on a spot basis.
Case 2	A producer sells an oil products cargo to a trader on a spot basis.
Case 3	A trader sells an oil products cargo to a Japanese importer on a spot basis.
Case 4	A non-Japanese importer sells an oil products cargo to a Japanese importer on a spot basis.

**The Import Conversion Costs are calculated into Yen/kl, based on the following formula as Japan deals with refined oil products on a Yen per kiloliter basis.**

**Naphtha**

Import Conversion Costs =  
CFR Japan MR-size cargo prices (\$/mt) X Yen/\$ X 0.7

**Jet/kerosene**

Import Conversion Costs =  
CFR Japan MR-size cargo prices (\$/bbl) X Yen/\$ X 6.29+ Petroleum tax + Import duty

**Gasoil**

Import Conversion Costs=  
CFR Japan MR-size cargo prices (\$/bbl) X Yen/\$ X 6.29+ Petroleum tax + Import duty

**Fuel Oil**

Import Conversion Costs=  
CFR Japan MR-size cargo prices (\$/mt) X Yen/\$ X 0.975+ Petroleum tax + Import duty

## Naphtha

Rim assesses CFR Japan spot naphtha prices for the open-spec naphtha.

Assessment Window	Rim's assessment window for CFR Japan spot naphtha prices closes at 18:30 Tokyo time.														
Price Unit	CFR Japan spot naphtha prices are \$/mt and Yen/kl.														
Time Window	<p>CFR Japan spot naphtha prices are for cargoes to be delivered during the period shown below:</p> <p>① If publication is in the first half of the month, assessment is for the second half of the next month and the first half and the second half of the month after.</p> <p>② If publication is in the second half of the month, assessment is for the first and the second half of the month after and the first half of the month that is 3 months ahead.</p>														
Standard Size	CFR Japan spot naphtha prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.														
Delivery Port	CFR Japan spot naphtha prices are for cargoes to be delivered into main ports in Japan, such as Tokyo, Osaka, and Nagoya.														
Quality Specifications	<p>CFR Japan spot naphtha prices are for cargoes of which quality is equivalent to "the open specifications".</p> <table border="1"> <tr> <td>Paraffin Content</td> <td>Min 65%</td> </tr> <tr> <td>Sulfur Content</td> <td>Max 0.065%</td> </tr> <tr> <td>Olefin Content</td> <td>Max 1%</td> </tr> <tr> <td>Specific Gravity at 60 degree F</td> <td>0.65-0.74</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p> <p>REFERENCE: Full-range naphtha</p> <table border="1"> <tr> <td>Paraffin Content</td> <td>78-82%</td> </tr> <tr> <td>Olefin Content</td> <td>Max 1%</td> </tr> <tr> <td>Specific Gravity at 60 degree F</td> <td>0.68-0.70</td> </tr> </table>	Paraffin Content	Min 65%	Sulfur Content	Max 0.065%	Olefin Content	Max 1%	Specific Gravity at 60 degree F	0.65-0.74	Paraffin Content	78-82%	Olefin Content	Max 1%	Specific Gravity at 60 degree F	0.68-0.70
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**Jet/Kerosene**

Rim assesses CFR Japan spot jet/kerosene prices. The premiums are to the daily assessment for Singapore paper swaps values (jet/kerosene). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for CFR Japan spot jet/kerosene prices closes at 18:30 Tokyo time.	
Price Unit	CFR Japan spot jet/kerosene prices are \$/bbl and Yen/kl.	
Time Window	CFR Japan spot jet/kerosene prices are for cargoes to be delivered during the period from 30 to 45 days ahead from the publication day.	
Standard Size	CFR Japan spot jet/kerosene prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.	
Delivery Port	CFR Japan spot jet/kerosene prices are for cargoes to be delivered into main ports in Japan, such as Tokyo, Osaka, and Nagoya.	
Quality Specifications	CFR Japan spot jet/kerosene prices are for cargoes of which quality is equivalent to the Joint Fuel System Check List. The JFSCL is issued by International Air Transport Association.	
	Distillation Temperature; Initial Boiling Point 10% Evaporated	Max 205 degree C
	Flash Point	Min 37 degree C
	Sulfur Content	Max 0.3%
	Smoke Point with naphthalene content of maximum 3.0%	Min 19mm
	Copper corrosion 2h at 100 degree C	Max 1.0
	Saybolt color	Min 18
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	

**Gasoil**

Rim assesses CFR Japan spot gasoil prices for gasoil with a sulfur content of 0.001%. The premiums are to the daily assessment for Singapore paper swaps values (0.001%S gasoil). Rim considers that the fixed value is calculated on the following formula:

Premiums + Value of Singapore Paper Swaps = Fixed Values

Assessment Window	Rim's assessment window for CFR Japan spot gasoil prices closes at 18:30 Tokyo time.																	
Price Unit	CFR Japan spot gasoil prices are in \$/bbl and Yen/kl.																	
Time Window	CFR Japan spot gasoil prices are for cargoes to be delivered during the period from 30 to 45 days ahead from the publication day.																	
Standard Size	CFR Japan spot gasoil prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.																	
Delivery Port	CFR Japan spot gasoil prices are for cargoes to be delivered into main ports in Japan, such as Tokyo, Osaka, and Nagoya.																	
Quality Specifications	<table border="1"> <tr> <td>Flash Point</td> <td>Min 60 degree C</td> </tr> <tr> <td>Distillation Temperature; 90% evaporated</td> <td>Max 360 degree C</td> </tr> <tr> <td>Pour Point</td> <td>Max -2.5 degree C</td> </tr> <tr> <td>Cold Filter Plugging Point</td> <td>Max -1 degree C</td> </tr> <tr> <td>Carbon Residue (10% btms)</td> <td>Max 0.1%</td> </tr> <tr> <td>Cetane Index</td> <td>Min 45</td> </tr> <tr> <td>Kinematic Viscosity at 40 degree C</td> <td>Max 4.5 mm<sup>2</sup>/sec</td> </tr> <tr> <td>Sulfur Content</td> <td>Max 0.001%</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p>		Flash Point	Min 60 degree C	Distillation Temperature; 90% evaporated	Max 360 degree C	Pour Point	Max -2.5 degree C	Cold Filter Plugging Point	Max -1 degree C	Carbon Residue (10% btms)	Max 0.1%	Cetane Index	Min 45	Kinematic Viscosity at 40 degree C	Max 4.5 mm <sup>2</sup> /sec	Sulfur Content	Max 0.001%
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Sulfur Content	Max 0.001%																	

**Fuel Oil**

Rim assesses CFR Japan spot fuel oil prices for 0.3% sulfur fuel oil grade and 380cst 3.5% sulfur grade (380cst). The premiums are to the daily assessment for Singapore paper swaps values (0.5%S) for 0.3%S and for Singapore paper swaps values (380cst) for 380cst. Rim considers that the fixed value is calculated on the following formula:

Premiums + Value of Singapore Paper Swaps = Fixed Values

Assessment Window	Rim’s assessment window for CFR Japan spot fuel oil prices closes at 18:30 Tokyo time.																												
Price Unit	CFR Japan spot fuel oil prices are in \$/mt and Yen/kl.																												
Time Window	CFR Japan spot fuel oil prices are for cargoes to be loaded during the period from 30 to 45 days ahead from the publication day.																												
Standard Size	CFR Japan spot fuel oil prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.																												
Delivery Port	CFR Japan spot fuel oil prices are for cargoes to be delivered into main ports in Japan, such as Tokyo, Osaka, and Nagoya.																												
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## Rim FOB Japan Oil Products Price Assessment Methodology

### FOB Japan spot prices for physical cargoes

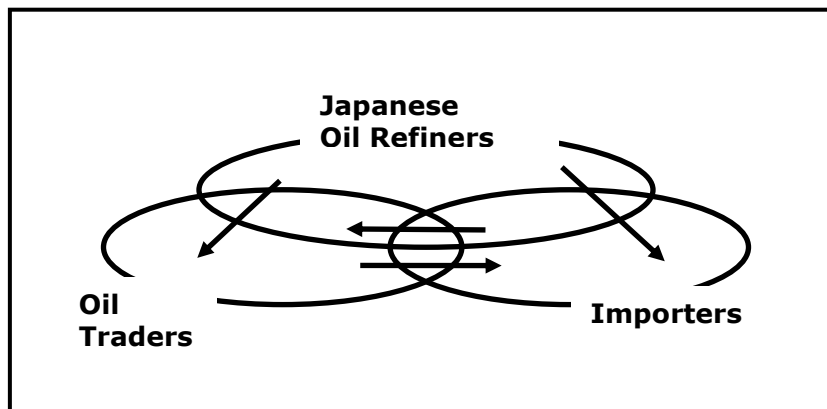
Rim assesses FOB Japan spot prices for MR-size cargoes of gasoline, jet/kerosene, gasoil, and fuel oil on a fixed price basis and a floating price basis.

In the absence of information of deals, bids and offers on a fixed price basis, the fixed price assessments indicate the price range in which a transaction on a floating price basis could be locked into with available derivative products, such as futures contracts and paper swaps values.

All prices are assessed based on information collected in the course of market research by Rim reporters each business day.

### MR-size Cargo Price Assessment

#### Structure of the FOB Japan MR-size Cargo Market



Rim understands that the FOB Japan MR-size cargo oil products market is structured with three groups of business parties: Japanese oil refiners, Oil traders and Importers/refiners. Rim assesses FOB Japan MR-size cargo prices at which a standard spot transaction could take place.

**Rim defines the three business parties in the FOB Japan oil products market as follows:**

Japanese Refiner	A company of Japan that produces and exports oil products at/from its refining facilities in Japan. It also procures oil products when they run short.
Oil Trader	A company that buys and sells oil products in the international market.
Importer	A company that imports oil products and resell into domestic markets. Refiners of countries other than Japan are also considered to be importers.

**Rim defines a standard FOB Japan MR-size cargo spot market transaction as follows:**

Case 1	A Japanese refiner sells an oil products cargo to a trader on a spot basis.
Case 2	A Japanese refiner sells an oil products cargo to an importer on a spot basis.
Case 3	A Japanese refiner sells an oil products cargo to another Japanese refiner on a spot basis.
Case 4	A trader sells an oil products cargo to a Japanese refiner on a spot basis.
Case 5	A trader sells an oil products cargo to an importer on a spot basis.
Case 6	A trader sells an oil products cargo to another trader on a spot basis.
Case 7	An importer sells an oil products cargo to a Japanese refiner on a spot basis.
Case 8	An importer sells an oil products cargo to a trader on a spot basis.
Case 9	An importer sells an oil products cargo to another importer on a spot basis.

**FOB Japan prices are calculated into Yen/kl, based on the following formula as Japan deals with refined oil products on a Yen per kiloliter basis.**

**Gasoline**

FOB Japan=

FOB Japan MR-size cargo prices (\$/bbl) X Yen/\$ X 6.29+Petroleum tax

**Jet/kerosene**

FOB Japan =

FOB Japan MR-size cargo prices (\$/bbl) X Yen/\$ X 6.29+Petroleum tax

**Gasoil**

FOB Japan =

FOB Japan MR-size cargo prices (\$/bbl) X Yen/\$ X 6.29+Petroleum tax

**Fuel Oil**

FOB Japan =

FOB Japan MR-size cargo prices (\$/mt) X Yen/\$ X 0.975+Petroleum tax

**Gasoline**

Rim assesses FOB Japan spot gasoline prices for MR-size cargoes of the 92 research octane number grade (0.001%S). The premiums are to the daily assessment for FOB Singapore spot 92RON gasoline prices. Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore 92RON Gasoline Prices} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB Japan spot gasoline prices for MR-size cargoes closes at 18:30 Tokyo time.																																	
Price Unit	FOB Japan spot gasoline prices are \$/bbl and Yen/kl.																																	
Time Window	FOB Japan spot gasoline prices for MR-size cargoes are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.																																	
Standard Size	FOB Japan spot gasoline prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.																																	
Loading Port	FOB Japan spot gasoline prices are for cargoes to be loaded at major ports in Japan.																																	
Quality Specifications	<table border="1"> <tr> <td>Lead Content</td> <td></td> <td>Max 0.013gpb/l</td> </tr> <tr> <td>Density at 15 degree C</td> <td></td> <td>Min 0.783g/cm3</td> </tr> <tr> <td rowspan="5">Distillation Temperature</td> <td>10% evaporated</td> <td>Max 70 degree C</td> </tr> <tr> <td>50% evaporated</td> <td>Max 110 degree C</td> </tr> <tr> <td>90% evaporated</td> <td>Max 180 degree C</td> </tr> <tr> <td>Final Boiling Point</td> <td>Max 220 degree C</td> </tr> <tr> <td>Residue</td> <td>Max 2.0%</td> </tr> <tr> <td>Copper Corrosion 3h at 50 degree C</td> <td></td> <td>Max 1</td> </tr> <tr> <td>Sulfur Content</td> <td></td> <td>Max 0.001%</td> </tr> <tr> <td>Vapor Pressure at 37.8 degree C</td> <td></td> <td>Max 78</td> </tr> <tr> <td>Existent Gum</td> <td></td> <td>Max 5mg/100ml</td> </tr> <tr> <td>Benzene Content</td> <td></td> <td>Max 1%</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p>		Lead Content		Max 0.013gpb/l	Density at 15 degree C		Min 0.783g/cm3	Distillation Temperature	10% evaporated	Max 70 degree C	50% evaporated	Max 110 degree C	90% evaporated	Max 180 degree C	Final Boiling Point	Max 220 degree C	Residue	Max 2.0%	Copper Corrosion 3h at 50 degree C		Max 1	Sulfur Content		Max 0.001%	Vapor Pressure at 37.8 degree C		Max 78	Existent Gum		Max 5mg/100ml	Benzene Content		Max 1%
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**Jet/Kerosene**

Rim assesses FOB Japan spot jet/kerosene prices for MR-size cargoes. The premiums are to the daily assessment for Singapore paper swaps values (jet/kerosene). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB Japan spot jet/kerosene prices closes at 18:30 Tokyo time.	
Price Unit	FOB Japan spot jet/kerosene prices are \$/bbl and Yen/kl	
Time Window	FOB Japan spot jet/kerosene prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.	
Standard Size	FOB Japan spot jet/kerosene prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.	
Delivery Port	FOB Japan spot jet/kerosene prices are for cargoes to be loaded at major ports in Japan.	
Quality Specifications	FOB Japan spot jet/kerosene prices are for cargoes of which quality is equivalent to the Joint Fuel System Check List. The JFSCL is issued by International Air Transport Association.	
	Distillation Temperature; Initial Boiling Point 10% Evaporated	Max 205 degree C
	Flash Point	Min 37 degree C
	Sulfur Content	Max 0.3%
	Smoke Point with naphthalene content of maximum 3.0%	Min 19mm
	Copper corrosion 2h at 100 degree C	Max 1.0
	Saybolt color	Min 18
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	

### Gasoil

Rim assesses FOB Japan spot gasoil prices for MR-size cargoes of CARB DIESEL and gasoil with a sulfur content of 0.001%. The premiums are to the daily assessment for Singapore paper swaps values (0.001%S gasoil). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB Japan spot gasoil prices closes at 18:30 Tokyo time.																													
Price Unit	FOB Japan spot gasoil prices are \$/bbl and Yen/kl.																													
Time Window	FOB Japan spot gasoil prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.																													
Standard Size	FOB Japan spot gasoil prices are for MR-cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.																													
Loading Port	FOB Japan spot gasoil prices are for cargoes to be loaded at major ports in Japan.																													
Quality Specifications	<table border="1"> <tr> <td>Flash Point</td> <td colspan="2">Min 60 degree C</td> </tr> <tr> <td>Distillation Temperature; 90% evaporated</td> <td colspan="2">Max 360 degree C</td> </tr> <tr> <td>Pour Point</td> <td colspan="2">Max 5 degree C</td> </tr> <tr> <td>Cold Filter Plugging Point</td> <td colspan="2">Max -1 degree C</td> </tr> <tr> <td>Carbon Residue (10% btms)</td> <td colspan="2">Max 0.1%</td> </tr> <tr> <td rowspan="2">Cetane Index</td> <td>CARB DIESEL</td> <td>Min 53</td> </tr> <tr> <td>0.001%S</td> <td>Min 48</td> </tr> <tr> <td>Kinematic Viscosity at 40 degree C</td> <td colspan="2">Max 4.5 mm<sup>2</sup>/sec</td> </tr> <tr> <td rowspan="2">Sulfur Content</td> <td>CARB DIESEL</td> <td>Max 0.0008%</td> </tr> <tr> <td>0.001%S</td> <td>Max 0.001%</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p>		Flash Point	Min 60 degree C		Distillation Temperature; 90% evaporated	Max 360 degree C		Pour Point	Max 5 degree C		Cold Filter Plugging Point	Max -1 degree C		Carbon Residue (10% btms)	Max 0.1%		Cetane Index	CARB DIESEL	Min 53	0.001%S	Min 48	Kinematic Viscosity at 40 degree C	Max 4.5 mm <sup>2</sup> /sec		Sulfur Content	CARB DIESEL	Max 0.0008%	0.001%S	Max 0.001%
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	0.001%S	Min 48																												
Kinematic Viscosity at 40 degree C	Max 4.5 mm <sup>2</sup> /sec																													
Sulfur Content	CARB DIESEL	Max 0.0008%																												
	0.001%S	Max 0.001%																												



### Fuel Oil

Rim assesses FOB Japan spot fuel oil prices for MR-size cargoes of the 380cst with a sulfur content of 3.5%. The premiums are to the daily assessment for Singapore paper swaps values (380cst). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB Japan spot fuel oil prices closes at 18:30 Tokyo time.													
Price Unit	FOB Japan spot fuel oil prices are \$/mt and Yen/kl.													
Time Window	FOB Japan spot fuel oil prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.													
Standard Size	FOB Japan spot fuel oil prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.													
Loading Port	FOB Japan spot fuel oil prices are for cargoes to be loaded at major ports in Japan.													
Quality Specifications	<table border="1"> <tr> <td>Sulfur Content</td> <td>Max 3.5%</td> </tr> <tr> <td>Flash Point</td> <td>Min 66 degree C</td> </tr> <tr> <td>Pour Point</td> <td>Max 24 degree C</td> </tr> <tr> <td>Carbon Residue</td> <td>Max 16%</td> </tr> <tr> <td>Water Content</td> <td>Max 0.5%</td> </tr> <tr> <td>Ash Content</td> <td>Max 0.1%</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p>		Sulfur Content	Max 3.5%	Flash Point	Min 66 degree C	Pour Point	Max 24 degree C	Carbon Residue	Max 16%	Water Content	Max 0.5%	Ash Content	Max 0.1%
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Flash Point	Min 66 degree C													
Pour Point	Max 24 degree C													
Carbon Residue	Max 16%													
Water Content	Max 0.5%													
Ash Content	Max 0.1%													

## Rim FOB Singapore Oil Products Price Assessment Methodology

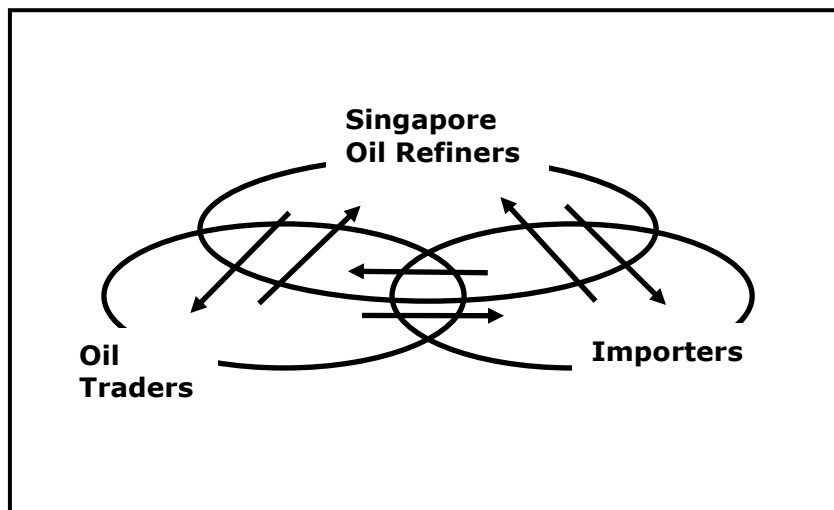
### FOB Singapore spot prices for physical cargoes

Rim assesses FOB Singapore spot prices for physical cargoes of gasoline, naphtha, jet/kerosene, gasoil, and fuel oil on a fixed price basis and a floating price basis. Rim also considers that prices for FOB Malaysia cargoes are equivalent to prices for FOB Singapore cargoes.

In the absence of information of deals, bids and offers on a fixed price basis, the fixed price assessments indicate the price range in which a transaction on a floating price basis could be locked into with available derivative products, such as futures contracts and paper swaps based on periodical average of published quotations.

All prices are assessed based on information collected in the course of market research by Rim reporters each business day.

### Structure of the FOB Singapore Spot Market



Rim understands that the FOB Singapore Physical Oil Products Market is structured with three groups of business parties: Singapore oil refiners, Oil traders and Asian importers/refiners. Rim assesses physical oil product prices at which a standard spot transaction could take place.

### Rim defines the three business parties in the FOB Singapore Physical Oil Products Market as follows:

Singapore Refiner	A company that produces and sells oil products at its refining facilities in Singapore, and also buys oil products to cover occasional shortfalls.
Oil Trader	A company that buys and sells oil products in the international market.
Importer	A company outside of Singapore that buys on an FOB Singapore basis for resale into respective domestic markets. Refiners of countries other than Singapore are also considered to be importers.

**Rim defines a standard FOB Singapore spot market transaction as follows:**

Case 1	A Singapore refiner sells an oil products cargo to a trader on a spot basis.
Case 2	A Singapore refiner sells an oil products cargo to an importer on a spot basis.
Case 3	A Singapore refiner sells an oil products cargo to another Singapore refiner on a spot basis.
Case 4	A trader sells an oil products cargo to a Singapore refiner on a spot basis.
Case 5	A trader sells an oil products cargo to an importer on a spot basis.
Case 6	A trader sells an oil products cargo to another trader on a spot basis.
Case 7	An importer sells an oil products cargo to a Singapore refiner on a spot basis.
Case 8	An importer sells an oil products cargo to a trader on a spot basis.
Case 9	An importer sells an oil products cargo to another importer on a spot basis.

**Gasoline**

Rim assesses FOB Singapore spot gasoline prices for 97 research octane number (RON) grade, 95 RON grade and 92 RON grade. The premiums are to daily assessments for FOB Singapore spot 92 RON prices. Rim considers that the fixed value is calculated on the following formula:

Premiums + Value of Singapore 92RON = Fixed Values

\*Fixed Value of 92RON does not contain premium.

Assessment Window	Rim's assessment window for FOB Singapore spot gasoline prices closes at 18:30 Tokyo time.		
Price Unit	FOB Singapore spot gasoline prices are \$/bbl.		
Time Window	FOB Singapore spot gasoline prices are for cargoes to be loaded during the period from 20 to 35 days ahead from the publication day.		
Standard Size	FOB Singapore spot gasoline prices are for 40,000-60,000bbl, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.		
Loading Port	FOB Singapore spot gasoline prices are for cargoes to be loaded at major ports in Singapore or Malaysia.		
Quality Specifications	Research Octane Number	97, 95, 92	
	Lead Content	Max 0.013gpb/l	
	Distillation Temperature;	10% evaporated	Max 74 degree C
		50%	Max 127 degree C
		90%	Max 190 degree C
		Final Boiling Point	Max 225 degree C
	Residue	Max 2.0%	
	Copper Corrosion 3h at 50 degree C	Max 1	
	Sulfur Content	Max 0.005%	
	Existent Gum	Max 4mg/100ml	
	Benzene Content	Max 5%	
	MTBE Content	Max 10%	
	Color	Undyed, orange	
	*Specifications for other properties are to meet specifications that are commonly required in international trading.		

**Naphtha**

FOB Singapore spot naphtha prices are calculated based on Rim CFR Japan spot naphtha price assessments. The formula is as follows:

Values of CFR Japan naphtha/9–\*freight rates for the Singapore-Japan route=Fixed Values  
 \*The freight rates are for an MR tanker on the Singapore-Japan route.

Premiums + Value of Singapore Paper Swaps = Fixed Values

Assessment Window	Rim’s assessment window for FOB Singapore spot naphtha prices closes at 18:30 Tokyo time.																
Price Unit	FOB Singapore spot naphtha prices are \$/bbl.																
Time Window	FOB Singapore spot naphtha prices in the publications released during H1 of a month are for cargoes to be loaded during the period from the 9 <sup>th</sup> to the 24 <sup>th</sup> of the next month. FOB Singapore spot naphtha prices in the publications released during H2 of a month are for cargoes to be loaded during the period from the 25 <sup>th</sup> of the next month to the 8 <sup>th</sup> of a month after the next.																
Standard Size	FOB Singapore spot naphtha prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.																
Delivery Port	FOB Singapore spot naphtha prices are for cargoes to be loaded at major ports in Singapore or Malaysia.																
Quality Specifications	<p>FOB Singapore spot naphtha prices are for cargoes of which quality is equivalent to “the open specifications”.</p> <table border="1"> <tr> <td>Paraffin Content</td> <td>Min 65%</td> </tr> <tr> <td>Sulfur Content</td> <td>Max 0.065%</td> </tr> <tr> <td>Olefin Content</td> <td>Max 1%</td> </tr> <tr> <td>Specific Gravity at 60 degree F</td> <td>0.65-0.74</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p> <p>REFERENCE: Full-range naphtha</p> <table border="1"> <tr> <td>Paraffin Content</td> <td>78-82%</td> </tr> <tr> <td>Olefin Content</td> <td>Max 1%</td> </tr> <tr> <td>Specific Gravity at 60 degree F</td> <td>0.68-0.70</td> </tr> <tr> <td></td> <td></td> </tr> </table>	Paraffin Content	Min 65%	Sulfur Content	Max 0.065%	Olefin Content	Max 1%	Specific Gravity at 60 degree F	0.65-0.74	Paraffin Content	78-82%	Olefin Content	Max 1%	Specific Gravity at 60 degree F	0.68-0.70		
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Specific Gravity at 60 degree F	0.65-0.74																
Paraffin Content	78-82%																
Olefin Content	Max 1%																
Specific Gravity at 60 degree F	0.68-0.70																

**Jet/Kerosene**

Rim assesses FOB Singapore spot jet/kerosene prices. The premiums are to the daily assessment for Singapore paper swaps values (jet/kerosene) Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB Singapore spot jet/kerosene prices closes at 18:30 Tokyo time.	
Price Unit	FOB Singapore spot jet/kerosene prices are \$/bbl.	
Time Window	FOB Singapore spot jet/kerosene prices are for cargoes to be loaded during the period from 20 to 35 days ahead from the publication day.	
Standard Size	FOB Singapore spot jet/kerosene prices are for 50,000-150,000bbl, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.	
Delivery Port	FOB Singapore spot jet/kerosene prices are for cargoes to be loaded at major ports in Singapore or Malaysia.	
Quality Specifications	FOB Singapore spot jet/kerosene prices are for cargoes of which quality is equivalent to the Joint Fuel System Check List. The JFSCL is issued by International Air Transport Association.	
	Distillation Temperature; Initial Boiling Point 10% Evaporated	Max 205 degree C
	Flash Point	Min 37 degree C
	Sulfur Content	Max 0.3%
	Smoke Point with naphthalene content of maximum 3.0%	Min 19mm
	Copper corrosion 2h at 100 degree C	Max 1.0
	Saybolt color	Min 18
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	

### Gasoil

Rim assesses FOB Singapore spot gasoil prices for grades with a sulfur content of 0.001% and 0.05%. The premiums are to the daily assessment for Singapore paper swaps value (0.001%S gasoil). Rim considers that the fixed value is calculated on the following formula:

Premiums + Value of Singapore Paper Swaps = Fixed Values

Assessment Window	Rim's assessment window for FOB Singapore spot gasoil prices closes at 18:30 Tokyo time.		
Price Unit	FOB Singapore spot gasoil prices are \$/bbl.		
Time Window	FOB Singapore spot gasoil prices are for cargoes to be loaded during the period from 20 to 35 days ahead from the publication day.		
Standard Size	FOB Singapore spot gasoil prices are for 100,000-200,000bbl, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.		
Delivery Port	FOB Singapore spot gasoil prices are for cargoes to be loaded at major ports in Singapore or Malaysia.		
Quality Specifications	Flash Point	Min 60 degree C	
	Distillation Temperature; 90% evaporated	Max 360 degree C	
	Pour Point	Max 5 degree C	
	Cold Filter Plugging Point	Max -1 degree C	
	Carbon Residue (10% btms)	Max 0.1%	
	Cetane Index	Min 48	
	Kinematic Viscosity at 40 degree C	Max 4.5 mm <sup>2</sup> /sec	
	Sulfur content	0.001%S	Max 0.001%
		0.05%S	Max 0.05%
	*Specifications for other properties are to meet specifications that are commonly required in international trading.		

### Fuel Oil

Rim assesses FOB Singapore spot fuel oil prices for the following grades; 0.5%S, 180cst 3.5%S fuel oil and 380cst 3.5%S fuel oil. The premiums for 0.5%S are to the daily assessments for Singapore paper swaps values (0.5%S), the premiums for 180cst are to the daily assessments for Singapore paper swaps values (180cst) and the premiums for 380cst are to the daily assessments for Singapore paper swaps values (380cst). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB Singapore spot fuel oil prices closes at 18:30 Tokyo time.																																				
Price Unit	FOB Singapore spot fuel oil prices are \$/mt.																																				
Time Window	FOB Singapore spot fuel oil prices are for cargoes to be loaded during the period from 20 to 35 days ahead from the publication day.																																				
Standard Size	FOB Singapore spot fuel oil prices are for 20,000-40,000mt, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.																																				
Delivery Port	FOB Singapore spot fuel oil prices are for cargoes to be loaded at major ports in Singapore or Malaysia.																																				
Quality Specifications	<p><b>【0.5%S】</b></p> <table border="1"> <tr> <td>Sulfur Content</td> <td colspan="2">Max 0.5%</td> </tr> <tr> <td>Viscosity</td> <td colspan="2">20~180cst</td> </tr> <tr> <td>Pour Point</td> <td colspan="2">Max 30 degree C</td> </tr> <tr> <td>Density</td> <td colspan="2">0.900~0.985</td> </tr> <tr> <td>Carbon Residue</td> <td colspan="2">Max 15%</td> </tr> </table> <p><b>【3.5%S】</b></p> <table border="1"> <tr> <td>Sulfur Content</td> <td>180, 380cst</td> <td>Max 3.5%</td> </tr> <tr> <td>Flash Point</td> <td>180, 380cst</td> <td>Min 66 degree C</td> </tr> <tr> <td>Pour Point</td> <td>180, 380cst</td> <td>Max 24 degree C</td> </tr> <tr> <td rowspan="2">Carbon Residue</td> <td>180cst</td> <td>Max 16%</td> </tr> <tr> <td>380cst</td> <td>Max 18%</td> </tr> <tr> <td>Water Content</td> <td>180, 380cst</td> <td>Max 0.5%</td> </tr> <tr> <td>Ash Content</td> <td>180, 380cst</td> <td>Max 0.1%</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p>		Sulfur Content	Max 0.5%		Viscosity	20~180cst		Pour Point	Max 30 degree C		Density	0.900~0.985		Carbon Residue	Max 15%		Sulfur Content	180, 380cst	Max 3.5%	Flash Point	180, 380cst	Min 66 degree C	Pour Point	180, 380cst	Max 24 degree C	Carbon Residue	180cst	Max 16%	380cst	Max 18%	Water Content	180, 380cst	Max 0.5%	Ash Content	180, 380cst	Max 0.1%
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Sulfur Content	180, 380cst	Max 3.5%																																			
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Pour Point	180, 380cst	Max 24 degree C																																			
Carbon Residue	180cst	Max 16%																																			
	380cst	Max 18%																																			
Water Content	180, 380cst	Max 0.5%																																			
Ash Content	180, 380cst	Max 0.1%																																			



## Rim FOB Indonesia LSWR Price Assessment Methodology

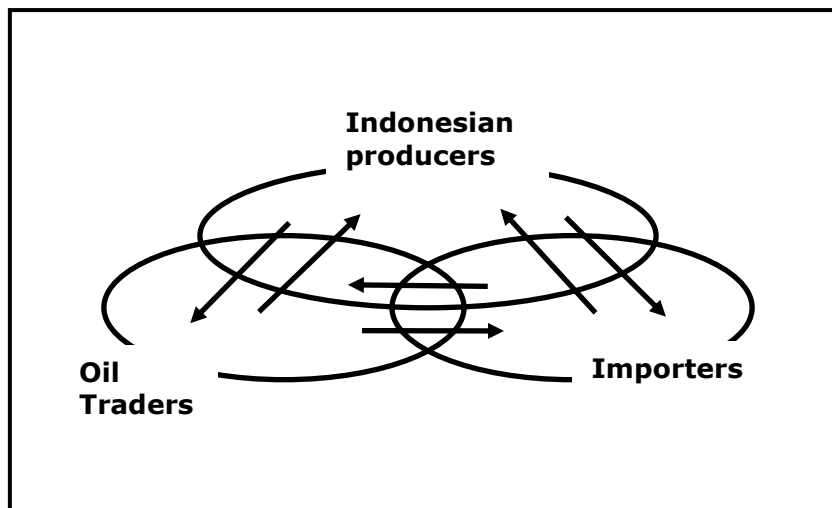
### FOB Indonesia LSWR spot prices for physical cargoes

Rim assesses FOB Indonesia spot low-sulfur waxy residue prices on a fixed price basis and a floating price basis.

In the absence of information of deals, bids and offers on a fixed price basis, the fixed price assessments indicate the price range in which a transaction on a floating price basis could be locked into with available derivative products, such as futures contracts and paper swaps values.

All prices are assessed based on information collected in the course of market research by Rim reporters each business day.

### Structure of the FOB Indonesia Spot LSWR Market



Rim understands that the FOB Indonesia spot LSWR Market is structured with three groups of business parties: Indonesian producers, oil traders, importers/refiners. Rim assesses physical LSWR prices at which a standard spot transaction could take place.

### Rim defines the three business parties in the FOB Indonesia LSWR market as follows:

Indonesian Producer	A company that produces and sells LSWR at its refining facilities in Indonesia. Indonesia's state-owned Pertamina is considered to be the dominant producer of LSWR. Equity holders that receive LSWR through concession rights are also considered to be Indonesian producers.
Oil Trader	A company that buys and sells oil products in the international market.
Importer	A company outside of Indonesia that imports LSWR on an FOB Indonesia basis for its own use or resale into other parties in the domestic market. Refiners that buy LSWR as feedstock for its refining facilities are also considered to be an importer.

**Rim defines a standard FOB Indonesia LSWR market transaction as follows:**

Case 1	An Indonesian producer sells a LSWR cargo to a trader on a spot basis.
Case 2	An Indonesian producer sells a LSWR cargo to an importer on a spot basis.
Case 3	An Indonesian producer sells a LSWR cargo to another Indonesian producer on a spot basis.
Case 4	A trader sells a LSWR cargo to an Indonesian producer on a spot basis.
Case 5	A trader sells a LSWR cargo to an importer on a spot basis.
Case 6	A trader sells a LSWR cargo to another trader on a spot basis.
Case 7	An importer sells a LSWR cargo to an Indonesian producer on a spot basis.
Case 8	An importer sells a LSWR cargo to a trader on a spot basis.
Case 9	An importer sells a LSWR cargo to another importer on a spot basis.

**LSWR**

Rim assesses FOB Indonesia spot LSWR 0.45%S prices for MR-size cargoes. The premiums are to the daily assessment for Singapore paper swaps values (0.5%S) prices. Rim considers that the fixed value is calculated on the following formula:

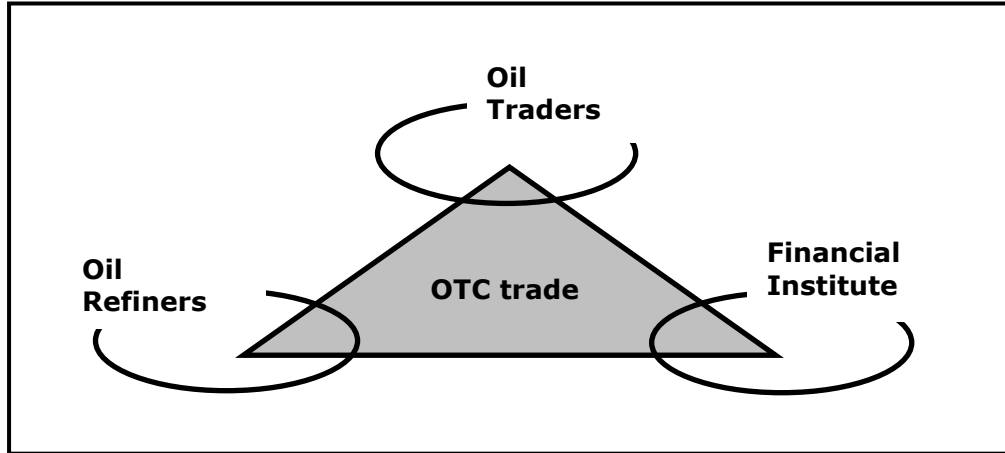
$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

The fixed prices on per barrel basis are calculated from the fixed prices on per metric ton basis.

Assessment Window	Rim's assessment window for FOB Indonesia spot LSWR prices closes at 18:30 Tokyo time.	
Price Unit	FOB Indonesia spot LSWR prices are \$/mt and \$/bbl.	
Time Window	FOB Indonesia spot LSWR prices are for cargoes to be loaded during the period from 30 to 40 days ahead from the publication day.	
Standard Size	FOB Indonesia spot LSWR spot prices are for an MR-size cargo, which Rim considers standard. Values for contracts for smaller or larger volumes may also be considered.	
Loading Port	FOB Indonesia spot LSWR prices are for cargoes to be loaded at major ports in Indonesia.	
Quality Specifications	Specific Gravity at 60 degree F	0.8789-0.9309
	API Gravity at 60 degree F	20.5-29.5
	Viscosity at 140 degree F	100-350
	Pour Point	Max 120 degree F
	Sulfur Content	Max 0.45%
	Carbon Residue	Max 8.0%
	Water Content	Max 0.5%
	Ash Content	Max 0.1%
	Flash Point	Min 166 degree F
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	

## Singapore Products Paper Swaps Values

### Structure of the Singapore Products Paper Swap Markets



Rim understands that the Singapore Products Paper Swaps market is structured with three groups of business parties: Financial Institutes, Oil Traders and Oil Refiners. Rim assesses values of Singapore Products Paper Swaps at which a standard transaction could take place through “over-the-counter” method of trade. Trade takes place as buying interest and selling interest match with each other.

**Rim defines the three Singapore Products Paper Swaps market business parties as follows:**

Oil Trader	A company that trades physical oil products as its main trading item and the Singapore Products Paper Swaps as a hedging tool against risks associated with its trading of physical oil products.
Oil Refiner	A company that produces and sells oil products as its main business operation and trades the Singapore Products Paper Swaps as a hedging tool against risks associated with its production and sales of physical oil products. Oil refiners also buy oil products to cover occasional shortfalls and trade the Singapore Products Paper Swaps to hedge against risks associated with purchases of physical oil products.
Financial Institute	A company that trades the Singapore Products Paper Swaps as one of its trading items. A Financial Institute that trades the Singapore Products Paper Swaps typically holds positions in physical oil products markets as well.

Rim assesses values of Singapore products paper swaps (Naphtha, Kerosene<jet/kerosene>, regrade, 0.001% sulfur gasoil, 0.5% sulfur fuel oil, 180cst 3.5% sulfur fuel oil and 380cst 3.5% sulfur fuel oil) once a day at 17:30 Tokyo time. All prices are assessed based on information collected in the course of market research by Rim reporters each business day.

Assessment Window	Rim's assessment window for Singapore products paper swaps values closes at 17:30 Tokyo time.
Price Unit	Values for naphtha, jet/kerosene, regrade and gasoil are \$/bbl on an FOB Singapore basis. Values for 0.5%S, 180cst and 380cst 3.5%S are \$/mt on an FOB Singapore basis.
Time Window	Rim assesses values of Singapore products paper swaps for three forward months. The front month starts from 20 days before the 1 <sup>st</sup> day of the next month. In case the Singapore market is closed on the day for a national holiday or other reasons, the new front month starts from the next business day of 20 days before the 1st day of the next month. Ex: the January swaps contract is no longer assessed on Jan 12.
Standard Size	Values of naphtha, jet/kerosene, regrade and gasoil paper swaps are for a contract for 50,000bbl, and values of fuel oil paper swaps are for a contract for 5,000mt, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.

### Singapore Crack Margins

Rim assesses values of Singapore crack margins (Naphtha, Kerosene<jet/kerosene>, 0.001% sulfur gasoil, 0.5% sulfur fuel oil, 180cst 3.5% sulfur fuel oil and 380cst 3.5% sulfur fuel oil) once a day at 17:30 Tokyo time. All prices are assessed based on information collected in the course of market research by Rim reporters each business day.

Paper Swaps values for oil products – Paper Swaps values for Dubai crude oil  
= Products crack margins

Paper Swaps values for Dubai crude oil are decided in the course of market research by Rim reporters each business day as of 17:30 Tokyo time and are updated on the English Website of Rim Intelligence.

Assessment Window	Rim's assessment window for Singapore products crack margins closes at 17:30 Tokyo time.
Price Unit	Values for naphtha, jet/kerosene and gasoil are \$/bbl on an FOB Singapore basis. Values for 0.5% sulfur fuel oil, 180cst and 380cst 3.5%S are translated into \$/bbl.
Time Window	Rim assesses values of Singapore products crack margins for three forward months. The front month starts from 20 days before the 1 <sup>st</sup> day of the next month. In case the Singapore market is closed on the day for a national holiday or other reasons, the new front month starts from the next business day of 20 days before the 1st day of the next month. Ex: the January swaps contract is no longer assessed on Jan 12.
Standard Size	Values of naphtha, jet/kerosene, and gasoil crack margins are for a contract for 50,000bbl, and values of fuel oil crack margins are for a contract for 5,000mt, which Rim considers standard. Values of fuel oil are shown in terms of \$/bbl by dividing 6.5. Values for contracts for smaller or larger volumes may be considered.

## Rim FOB South Korea Oil Products Price Assessment Methodology

### FOB South Korea spot prices for physical cargoes

Rim assesses FOB South Korea spot prices for MR-size cargoes and SR-size cargoes. Grades that are assessed are as follows:

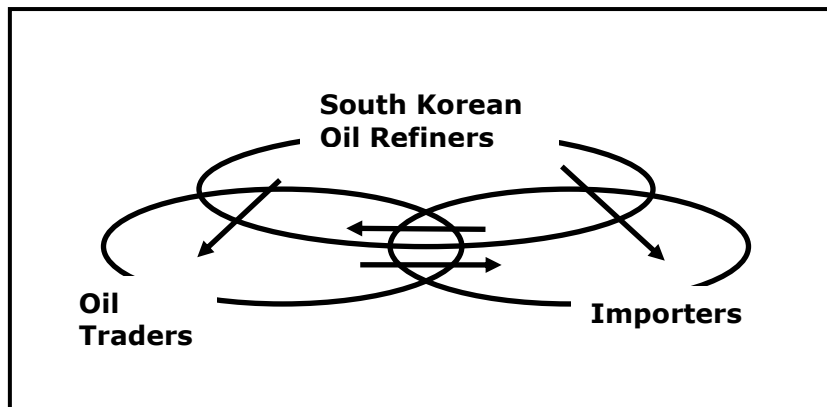
MR-size cargo	SR-size cargo
91RON gasoline (0.001%S)	91RON gasoline
92RON gasoline (0.005%S)	Kerosene
Jet/Kerosene	Gasoil-0.001%S
Gasoil-0.001%S	LS A-fuel oil (LSAFO, 0.1%S)
Gasoil-0.05%S	LSFO-0.3%S
Gasoil-0.25%S	
Gasoil-0.5%S	
FO-0.3%S	
FO-0.5%S	
FO-3.5%S (380cst)	

In the absence of information of deals, bids and offers on a fixed price basis, the fixed price assessments indicate the price range in which a transaction on a floating price basis could be locked into with available derivative products, such as futures contracts and paper swaps values.

All prices are assessed based on information collected in the course of market research by Rim reporters each business day.

### MR-size Cargo Price Assessment

#### Structure of the FOB South Korea MR-size Cargo Market



Rim understands that the FOB South Korea MR-size cargo oil products market is structured with three groups of business parties: South Korean oil refiners, Oil traders and Importers/refiners. Rim assesses FOB South Korea MR-size cargo prices at which a standard spot transaction could take place.

**Rim defines the three business parties in the FOB South Korea oil products market as follows:**

South Korean Refiner	A company of South Korea that produces and exports oil products at/from its refining facilities in South Korea. It also procures oil products when they run short.
Oil Trader	A company that buys and sells oil products in the international market.
Importer	A company that imports oil products and resell into domestic markets. Refiners of countries other than South Korea are also considered to be importers.

**Rim defines a standard FOB South Korea MR-size cargo spot market transaction as follows:**

Case 1	A South Korean refiner sells an oil products cargo to a trader on a spot basis.
Case 2	A South Korean refiner sells an oil products cargo to an importer on a spot basis.
Case 3	A South Korean refiner sells an oil products cargo to another South Korean refiner on a spot basis.
Case 4	A trader sells an oil products cargo to a South Korean refiner on a spot basis.
Case 5	A trader sells an oil products cargo to an importer on a spot basis.
Case 6	A trader sells an oil products cargo to another trader on a spot basis.
Case 7	An importer sells an oil products cargo to a South Korean refiner on a spot basis.
Case 8	An importer sells an oil products cargo to a trader on a spot basis.
Case 9	An importer sells an oil products cargo to another importer on a spot basis.

**Gasoline①**

Rim assesses FOB South Korea spot gasoline prices for MR-size cargoes of the 91 research octane number grade (0.001%S). The premiums are to the daily assessment for FOB Singapore spot 92RON gasoline prices. Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore 92RON Gasoline Prices} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB South Korea spot gasoline prices for MR-size cargoes closes at 18:30 Tokyo time.																																	
Price Unit	FOB South Korea spot gasoline prices are \$/bbl.																																	
Time Window	FOB South Korea spot gasoline prices for MR-size cargoes are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.																																	
Standard Size	FOB South Korea spot gasoline prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.																																	
Loading Port	FOB South Korea spot gasoline prices are for cargoes to be loaded at major ports in South Korea.																																	
Quality Specifications	<table border="1"> <tr> <td>Lead Content</td> <td></td> <td>Max 0.001gpb/l</td> </tr> <tr> <td>Density at 15 degree C</td> <td></td> <td>Min 0.72~0.74 g/cm3</td> </tr> <tr> <td rowspan="5">Distillation Temperature</td> <td>10% evaporated</td> <td>Max 60 degree C</td> </tr> <tr> <td>50% evaporated</td> <td>Max 110 degree C</td> </tr> <tr> <td>90% evaporated</td> <td>Max 180 degree C</td> </tr> <tr> <td>Final Boiling Point</td> <td>Max 210 degree C</td> </tr> <tr> <td>Residue</td> <td>Max 2.0%</td> </tr> <tr> <td>Copper Corrosion 3h at 50 degree C</td> <td></td> <td>Max 1</td> </tr> <tr> <td>Sulfur Content</td> <td></td> <td>Max 0.001%</td> </tr> <tr> <td>Vapor Pressure at 37.8 degree C</td> <td></td> <td>Max 10</td> </tr> <tr> <td>Existent Gum</td> <td></td> <td>Max 5mg/100ml</td> </tr> <tr> <td>Benzene Content</td> <td></td> <td>Max 1%</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p>		Lead Content		Max 0.001gpb/l	Density at 15 degree C		Min 0.72~0.74 g/cm3	Distillation Temperature	10% evaporated	Max 60 degree C	50% evaporated	Max 110 degree C	90% evaporated	Max 180 degree C	Final Boiling Point	Max 210 degree C	Residue	Max 2.0%	Copper Corrosion 3h at 50 degree C		Max 1	Sulfur Content		Max 0.001%	Vapor Pressure at 37.8 degree C		Max 10	Existent Gum		Max 5mg/100ml	Benzene Content		Max 1%
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Vapor Pressure at 37.8 degree C		Max 10																																
Existent Gum		Max 5mg/100ml																																
Benzene Content		Max 1%																																



**Gasoline②**

Rim assesses FOB South Korea spot gasoline prices for MR-size cargoes of the 92 research octane number grade (0.005%S). The premiums are to the daily assessment for FOB Singapore spot 92RON gasoline prices. Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore 92RON Gasoline Prices} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB South Korea spot gasoline prices for MR-size cargoes closes at 18:30 Tokyo time.																																	
Price Unit	FOB South Korea spot gasoline prices are \$/bbl.																																	
Time Window	FOB South Korea spot gasoline prices for MR-size cargoes are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.																																	
Standard Size	FOB South Korea spot gasoline prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.																																	
Loading Port	FOB South Korea spot gasoline prices are for cargoes to be loaded at major ports in South Korea.																																	
Quality Specifications	<table border="1"> <tr> <td>Lead Content</td> <td></td> <td>Max 0.013gpb/l</td> </tr> <tr> <td>Density at 15 degree C</td> <td></td> <td>Min 0.72~0.74 g/cm3</td> </tr> <tr> <td rowspan="5">Distillation Temperature</td> <td>10% evaporated</td> <td>Max 74 degree C</td> </tr> <tr> <td>50% evaporated</td> <td>Max 127 degree C</td> </tr> <tr> <td>90% evaporated</td> <td>Max 190 degree C</td> </tr> <tr> <td>Final Boiling Point</td> <td>Max 225 degree C</td> </tr> <tr> <td>Residue</td> <td>Max 2.0%</td> </tr> <tr> <td>Copper Corrosion 3h at 50 degree C</td> <td></td> <td>Max 1</td> </tr> <tr> <td>Sulfur Content</td> <td></td> <td>Max 0.005%</td> </tr> <tr> <td>Vapor Pressure at 37.8 degree C</td> <td></td> <td>Max 10</td> </tr> <tr> <td>Existent Gum</td> <td></td> <td>Max 5mg/100ml</td> </tr> <tr> <td>Benzene Content</td> <td></td> <td>Max 5%</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p>		Lead Content		Max 0.013gpb/l	Density at 15 degree C		Min 0.72~0.74 g/cm3	Distillation Temperature	10% evaporated	Max 74 degree C	50% evaporated	Max 127 degree C	90% evaporated	Max 190 degree C	Final Boiling Point	Max 225 degree C	Residue	Max 2.0%	Copper Corrosion 3h at 50 degree C		Max 1	Sulfur Content		Max 0.005%	Vapor Pressure at 37.8 degree C		Max 10	Existent Gum		Max 5mg/100ml	Benzene Content		Max 5%
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Vapor Pressure at 37.8 degree C		Max 10																																
Existent Gum		Max 5mg/100ml																																
Benzene Content		Max 5%																																

**Jet/Kerosene**

Rim assesses FOB South Korea spot jet/kerosene prices for MR-size cargoes. The premiums are to the daily assessment for Singapore paper swaps values (jet/kerosene). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB South Korea spot jet/kerosene prices for MR-size cargoes closes at 18:30 Tokyo time.	
Price Unit	FOB South Korea spot jet/kerosene prices are \$/bbl.	
Time Window	FOB South Korea spot jet/kerosene prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.	
Standard Size	FOB South Korea spot jet/kerosene prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.	
Delivery Port	FOB South Korea spot jet/kerosene prices are for cargoes to be loaded at major ports in South Korea.	
Quality Specifications	FOB South Korea spot jet/Kerosene prices are for cargoes of which quality is equivalent to the Joint Fuel System Check List. The JFSCL is issued by International Air Transport Association.	
	Distillation Temperature; Initial Boiling Point 10% Evaporated	Max 205 degree C
	Flash Point	Min 37 degree C
	Sulfur Content	Max 0.3%
	Smoke Point with naphthalene content of maximum 3.0%	Min 19mm
	Copper corrosion 2h at 100 degree C	Max 1.0
	Saybolt color	Min 18
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	

**Gasoil**

Rim assesses FOB South Korea spot gasoil prices for MR-size cargoes of the grades with a sulfur content of 0.001%, 0.05%, 0.25% and 0.5%. The premiums are to the daily assessment for Singapore paper swaps values (0.001%S gasoil). Rim considers that the fixed value is calculated on the following formula:

Premiums + Value of Singapore Paper Swaps = Fixed Values

Assessment Window	Rim’s assessment window for FOB South Korea spot gasoil prices closes at 18:30 Tokyo time.																															
Price Unit	FOB South Korea spot gasoil prices are \$/bbl.																															
Time Window	FOB South Korea spot gasoil prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.																															
Standard Size	FOB South Korea spot gasoil prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.																															
Loading Port	FOB South Korea spot gasoil prices are for cargoes to be loaded at major ports in South Korea.																															
Quality Specifications	<table border="1"> <tr> <td>Flash Point</td> <td colspan="2">Min 60 degree C</td> </tr> <tr> <td>Distillation Temperature; 90% evaporated</td> <td colspan="2">Max 360 degree C</td> </tr> <tr> <td>Pour Point</td> <td colspan="2">Max 5 degree C</td> </tr> <tr> <td>Cold Filter Plugging Point</td> <td colspan="2">Max –1 degree C</td> </tr> <tr> <td>Carbon Residue (10% btms)</td> <td colspan="2">Max 0.1%</td> </tr> <tr> <td>Cetane Index</td> <td colspan="2">Min 48</td> </tr> <tr> <td>Kinematic Viscosity at 40 degree C</td> <td colspan="2">Max 4.5 mm2/sec</td> </tr> <tr> <td rowspan="4">Sulfur Content</td> <td>0.001%S</td> <td>Max 0.001%</td> </tr> <tr> <td>0.05%S</td> <td>Max 0.05%</td> </tr> <tr> <td>0.25%S</td> <td>Max 0.25%</td> </tr> <tr> <td>0.5%S</td> <td>Max 0.5%</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p>		Flash Point	Min 60 degree C		Distillation Temperature; 90% evaporated	Max 360 degree C		Pour Point	Max 5 degree C		Cold Filter Plugging Point	Max –1 degree C		Carbon Residue (10% btms)	Max 0.1%		Cetane Index	Min 48		Kinematic Viscosity at 40 degree C	Max 4.5 mm2/sec		Sulfur Content	0.001%S	Max 0.001%	0.05%S	Max 0.05%	0.25%S	Max 0.25%	0.5%S	Max 0.5%
Flash Point	Min 60 degree C																															
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	0.05%S	Max 0.05%																														
	0.25%S	Max 0.25%																														
	0.5%S	Max 0.5%																														

## Fuel Oil

Rim assesses FOB South Korea spot fuel oil prices for MR-size cargoes of the three grades; fuel oil with a sulfur content of 0.3%, fuel oil with a sulfur content of 0.5%, and 380cst with a sulfur content of 3.5%. The premiums for 0.3%S are to the daily assessment for Singapore paper swaps values (0.5%S), the premiums for 0.5%S are to the daily assessment for Singapore paper swaps values (0.5%S) and the premiums for 3.5%S are to the daily assessment for Singapore paper swaps values (380cst).

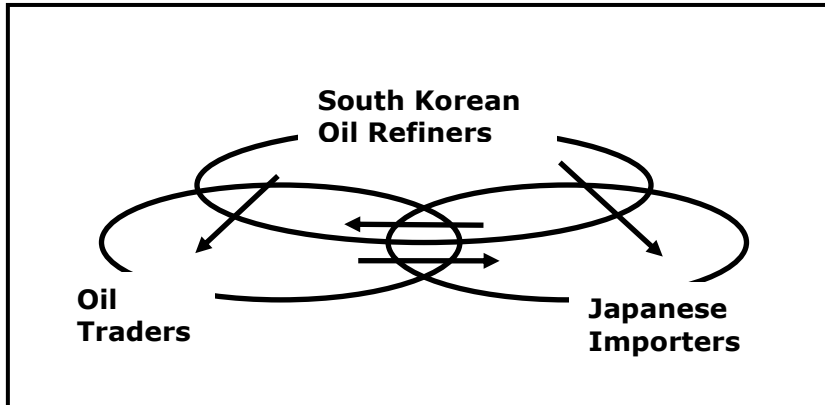
Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB South Korea spot fuel oil prices closes at 18:30 Tokyo time.		
Price Unit	FOB South Korea spot fuel oil prices are \$/mt.		
Time Window	FOB South Korea spot fuel oil prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.		
Standard Size	FOB South Korea spot fuel oil prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.		
Loading Port	FOB South Korea spot fuel oil prices are for cargoes to be loaded at major ports in South Korea.		
Quality Specifications	<b>【0.5%S】</b>		
	Sulfur Content	Max 0.5%	
	Viscosity	20~180cst	
	Pour Point	Max 30 degree C	
	Density	0.900~0.985	
	Carbon Residue	Max 15%	
	<b>【0.3%S and 3.5%S】</b>		
	Sulfur Content	HSFO	Max 3.5%
		LSFO	Max 0.3%
	Flash Point	3.5%S, 0.3%S	Min 66 degree C
	Kinematic Viscosity at 50 degree C	3.5%S	Max 380cst
		0.3%S	Max 180cst
	Pour Point	3.5%S, 0.3%S	Max 24 degree C
	Carbon Residue	3.5%S, 0.3%S	Max 16%
	Water Content	3.5%S, 0.3%S	Max 0.5%
Ash Content	3.5%S, 0.3%S	Max 0.1%	
*Specifications for other properties are to meet specifications that are commonly required in international trading.			

## SR-size Cargo Price Assessment

### Structure of the FOB South Korea SR-size Cargo Market



Rim understands that the FOB South Korea SR-size cargo oil products market is structured with three groups of business parties: South Korean oil refiners, Oil traders and Japanese importers. Rim assesses FOB South Korea SR-size cargo prices at which a standard spot transaction could take place.

**Rim defines the three business parties in the FOB South Korea oil products market as follows:**

South Korean Refiner	A company of South Korea that produces and exports oil products at/from its refining facilities in South Korea. It also procures oil products when they run short.
Oil Trader	A company that buys and sells oil products in the international market.
Japanese Importer	A Japanese company, such as trading houses and refiners, that imports oil products and resell into domestic markets.

**Rim defines a standard FOB South Korea SR-size cargo spot market transaction as follows:**

Case 1	A South Korean refiner sells an oil products cargo to a trader on a spot basis.
Case 2	A South Korean refiner sells an oil products cargo to a Japanese importer on a spot basis.
Case 3	A South Korean refiner sells an oil products cargo to another South Korean refiner on a spot basis.
Case 4	A trader sells an oil products cargo to a South Korean refiner on a spot basis.
Case 5	A trader sells an oil products cargo to a Japanese importer on a spot basis.
Case 6	A trader sells an oil products cargo to another trader on a spot basis.
Case 7	A Japanese importer sells an oil products cargo to a South Korean refiner on a spot basis.
Case 8	A Japanese importer sells an oil products cargo to a trader on a spot basis.
Case 9	A Japanese importer sells an oil products cargo to another Japanese importer on a spot basis.

### Gasoline

Rim assesses FOB South Korea spot gasoline prices for SR-size cargo of the 91 research octane number (RON) grade. The premiums are to the daily assessment for FOB Singapore spot 92RON gasoline prices. Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore 92RON Gasoline Prices} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB South Korea spot gasoline prices for small-tanker cargoes closes at 18:30 Tokyo time.		
Price Unit	FOB South Korea spot gasoline prices are \$/bbl and Yen/kl.		
Time Window	FOB South Korea spot gasoline prices are for cargoes to be loaded during the period from 20 to 35 days ahead from the publication day.		
Standard Size	FOB South Korea spot gasoline prices are for SR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.		
Loading Port	FOB South Korea spot gasoline prices are for cargoes to be loaded at major ports in South Korea.		
Quality Specifications	FOB South Korea spot gasoline prices are for cargoes of which quality is equivalent to the Japan Industrial Standard (JIS) K-2202 specification. The research octane number for gasoline that Rim assesses is greater than 91 and MTBE content of nil, levels that are widely accepted in Japan's oil industry as the standard.		
	Lead Content	Max 0.013gpb/l	
	Density at 15 degree C	Min 0.783 g/cm3	
	Distillation Temperature;	10% evaporated	Max 70 degree C
		50%	75-110 degree C
		90%	Max 180 degree C
		Final Boiling Point	Max 220 degree C
	Residue	Max 2.0%	
	Copper Corrosion 3h at 50 degree C	Max 1	
	Sulfur Content	Max 0.001%	
	Vapor Pressure at 37.8 degree C	0.45-0.80 Kgf/cm2	
	Existent Gum	Max 5mg/100ml	
	Benzene Content	Max 1%	
	Color	Undyed, orange	
	*Specifications for other properties are to meet specifications that are commonly required in international trading.		

**Kerosene**

Rim assesses FOB South Korea spot kerosene prices for SR-size cargoes. The premiums are to the daily assessment for Singapore Paper Swaps values (jet/kerosene). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB South Korea spot kerosene prices closes at 18:30 Tokyo time.	
Price Unit	FOB South Korea spot kerosene prices are \$/bbl and Yen/kl.	
Time Window	FOB South Korea spot kerosene prices are for cargoes to be loaded during the period from 20 to 35 days ahead from the publication day.	
Standard Size	FOB South Korea spot kerosene prices are for SR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.	
Loading Port	FOB South Korea spot kerosene prices are for cargoes to be loaded at major ports in South Korea.	
Quality Specifications	FOB South Korea spot kerosene prices are for cargoes of which quality is equivalent to the Japan Industrial Standard (JIS) K-2203 specification. The Saybolt color scale for kerosene that Rim assesses is greater than 30, a level that is widely accepted in Japan's oil industry as the standard.	
	Flash Point	Min 40 degree C
	Distillation Temperature; 95% evaporated	Max 270 degree C
	Smoke Point	Min 23mm
	Copper Corrosion 3h at 50 degree C	Max 1
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	

**Gasoil**

Rim assesses FOB South Korea spot gasoil prices for SR-size cargoes of the grade with a sulfur content of 0.001%. The premiums are to the daily assessment for Singapore paper swaps values (0.001%S gasoil). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB South Korea spot gasoil prices closes at 18:30 Tokyo time.	
Price Unit	FOB South Korea spot gasoil prices are \$/bbl and Yen/kl.	
Time Window	FOB South Korea spot gasoil prices are for cargoes to be loaded during the period from 20 to 35 days ahead from the publication day.	
Standard Size	FOB South Korea spot gasoil prices are for SR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.	
Loading Port	FOB South Korea spot gasoil prices are for cargoes to be loaded at major ports in South Korea.	
Quality Specifications	FOB South Korea spot gasoil prices are for cargoes of which quality is equivalent to the Japan Industrial Standard (JIS) K-2204 specification for No1 and No2 grades.	
	Flash Point	Min 60 degree C
	Distillation Temperature; 90% evaporated	Max 360 degree C
	Pour Point	Max 5 degree C
	Cold Filter Plugging Point	Max -1 degree C
	Carbon Residue (10% btms)	Max 0.1%
	Cetane Index	Min 48
	Kinematic Viscosity at 40 degree C	Max 4.5 mm2/sec
	Sulfur Content	Max 0.001%
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	



### LSA Fuel Oil

Rim assesses FOB South Korea spot Low-sulfur AFO (with a sulfur content of 0.1%). The premiums are to the daily assessment for Singapore paper swaps values (0.001%S gasoil). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB South Korea spot LSA fuel oil prices closes at 18:30 Tokyo time.	
Price Unit	FOB South Korea spot LSA fuel oil prices are \$/bbl and Yen/kl.	
Time Window	FOB South Korea spot LSA fuel oil prices are for cargoes to be loaded during the period from 20 to 35 days ahead from the publication day.	
Standard Size	FOB South Korea spot LSA fuel oil prices are for SR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.	
Loading Port	FOB South Korea spot LSA fuel oil prices are for cargoes to be loaded at major ports in South Korea.	
Quality Specifications	FOB South Korea spot LSA fuel oil prices are for cargoes of which quality is equivalent to the Japan Industrial Standard (JIS) K-2205 specification for category 1. The sulfur level for LSA fuel that RIM assesses is less than 0.1%, level that is widely accepted in Japan's oil industry as the standard.	
	Flash Point	Min 60 degree C
	Kinematic Viscosity at 50 degree C	Max 20cst
	Pour Point	Max 5 degree C
	Carbon Residue	Max 4%
	Water Content	Max 0.3%
	Ash Content	Max 0.05%
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	

**Fuel Oil**

Rim assesses FOB South Korea spot fuel oil prices for SR-size cargoes of fuel oil with a sulfur content of 0.3%. The premiums are to the daily assessment for Singapore paper swaps values (0.5%S). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB South Korea spot fuel oil prices closes at 18:30 Tokyo time.	
Price Unit	FOB South Korea spot fuel oil prices are \$/mt and Yen/kl.	
Time Window	FOB South Korea spot fuel oil prices are for cargoes to be loaded during the period from 20 to 35 days ahead from the publication day.	
Standard Size	FOB South Korea spot fuel oil prices are for SR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.	
Loading Port	FOB South Korea spot fuel oil prices are for cargoes to be loaded at major ports in South Korea.	
Quality Specifications	FOB South Korea spot fuel oil prices are for cargoes of which quality is equivalent to the Japan Industrial Standard (JIS) K-2205 specification for category 3.	
	Flash Point	Min 66 degree C
	Pour Point	Max 24 degree C
	Carbon Residue	Max 16%
	Water Content	Max 0.5%
	Ash Content	Max 0.1%
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	

## **Import Conversion Costs (FOB South Korea SR-size cargoes)**

The Import Conversion Costs are calculated into Yen/kl, based on the following formula as Japan deals with refined oil products on a Yen per kiloliter basis. The freight rate between South Korea-to-Nagoya is applied. For LS-fuel oil, the freight rate between South Korea-to-Keihin is applied. Methodology for SR-size tanker freight rates is also shown in this Products Assessment Methodology.

### Gasoline

Import Conversion Costs =

$$[(\text{FOB S Korea SR-size cargo prices}) + (\text{Freight})] \times (\text{Yen}/\$) \times 6.29 \\ + \text{Petroleum tax} + \text{Import duty}$$

### Kerosene

Import Conversion Costs =

$$[(\text{FOB S Korea SR-size cargo prices}) + (\text{Freight})] \times (\text{Yen}/\$) \times 6.29 \\ + \text{Petroleum tax} + \text{Import duty}$$

### Gasoil

Import Conversion Costs =

$$[(\text{FOB S Korea SR-size cargo prices}) + (\text{Freight})] \times (\text{Yen}/\$) \times 6.29 \\ + \text{Petroleum tax} + \text{Import duty}$$

### LSA fuel oil

Import Conversion Costs =

$$[(\text{FOB S Korea SR-size cargo prices}) + (\text{Freight})] \times (\text{Yen}/\$) \times 6.29$$

### Fuel oil

Import Conversion Costs =

$$[(\text{FOB S Korea SR-size cargo prices}) + (\text{Freight})] \times (\text{Yen}/\$) \times 0.975 \\ + \text{Petroleum tax} + \text{Import duty}$$

## Rim FOB Taiwan Oil Products Price Assessment Methodology

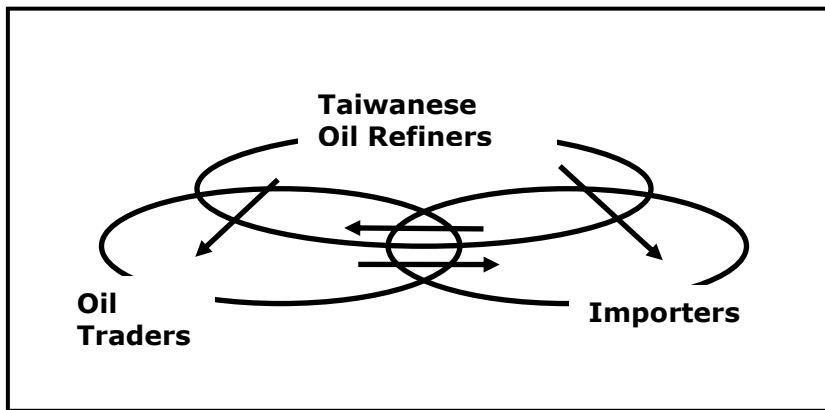
### FOB Taiwan spot prices for physical cargoes

Rim assesses FOB Taiwan spot prices for MR-size cargoes of gasoline, jet/kerosene and gasoil on a fixed price basis and a floating price basis.

In the absence of information of deals, bids and offers on a fixed price basis, the fixed price assessments indicate the price range in which a transaction on a floating price basis could be locked into with available derivative products, such as futures contracts and paper swaps values.

All prices are assessed based on information collected in the course of market research by Rim reporters each business day.

### Structure of the FOB Taiwan MR-size Cargo Market



Rim understands that the FOB Taiwan MR-size cargo oil products market is structured with three groups of business parties: Taiwanese oil refiners, Oil traders and Importers/refiners. Rim assesses FOB Taiwan MR-size cargo prices at which a standard spot transaction could take place.

**Rim defines the three business parties in the FOB Taiwan oil products market as follows:**

Taiwanese Refiner	A company of Taiwan that produces and exports oil products at/from its refining facilities in Taiwan. It also procures oil products when they run short.
Oil Trader	A company that buys and sells oil products in the international market.
Importer	A company that imports oil products and resell into domestic markets. Refiners of countries other than Taiwan are also considered to be importers.

**Rim defines a standard FOB Taiwan MR-size cargo spot market transaction as follows:**

Case 1	A Taiwanese refiner sells an oil products cargo to a trader on a spot basis.
Case 2	A Taiwanese refiner sells an oil products cargo to an importer on a spot basis.
Case 3	A Taiwanese refiner sells an oil products cargo to another Taiwanese refiner on a spot basis.
Case 4	A trader sells an oil products cargo to a Taiwanese refiner on a spot basis.
Case 5	A trader sells an oil products cargo to an importer on a spot basis.
Case 6	A trader sells an oil products cargo to another trader on a spot basis.
Case 7	An importer sells an oil products cargo to a Taiwanese refiner on a spot basis.
Case 8	An importer sells an oil products cargo to a trader on a spot basis.
Case 9	An importer sells an oil products cargo to another importer on a spot basis.

### Gasoline

Rim assesses FOB Taiwan spot 93RON gasoline prices for MR-size cargoes. The premiums are to the daily assessment for FOB Singapore 92RON gasoline prices. Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore 92RON Gasoline Prices} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB Taiwan spot 93RON gasoline prices closes at 18:30 Tokyo time.		
Price Unit	FOB Taiwan spot 93RON gasoline prices are \$/bbl.		
Time Window	FOB Taiwan spot 93RON gasoline prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.		
Standard Size	FOB Taiwan 93RON gasoline prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may also be considered.		
Delivery Port	FOB Taiwan spot 93RON gasoline prices are for cargoes to be loaded at major ports in Taiwan.		
Quality Specifications	Lead Content	Max 0.010gpb/l	
	Density at 15 degree C	Min 0.720 g/cm3	
	Distillation Temperature	10% evaporated	Max 70 degree C
		50% evaporated	Max 115 degree C
		90% evaporated	Max 185 degree C
		Final Boiling Point	Max 210 degree C
	Sulfur Content	Max 0.015%	
	Existent Gum	Max 4mg/100ml	
	Benzene Content	Max 1.5%	
	Color	Yellow	
*Specifications for other properties are to meet specifications that are commonly required in international trading.			

**Jet/Kerosene**

Rim assesses FOB Taiwan spot jet/kerosene prices for MR-size cargoes. The premiums are to the daily assessment for Singapore paper swaps values (jet/kerosene). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB Taiwan spot jet/kerosene prices closes at 18:30 Tokyo time.	
Price Unit	FOB Taiwan spot jet/kerosene prices are \$/bbl.	
Time Window	FOB Taiwan spot jet/kerosene prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.	
Standard Size	FOB Taiwan spot jet/kerosene prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may also be considered.	
Delivery Port	FOB Taiwan spot jet/kerosene prices are for cargoes to be loaded at major ports in Taiwan.	
Quality Specifications	FOB Taiwan spot jet/kerosene prices are for cargoes of which quality is equivalent to the Joint Fuel System Check List. The JFSCL is issued by International Air Transport Association.	
	Distillation Temperature; Initial Boiling Point 10% Evaporated	Max 205 degree C
	Flash Point	Min 37 degree C
	Sulfur Content	Max 0.3%
	Smoke Point with naphthalene content of maximum 3.0%	Min 19mm
	Copper corrosion 2h at 100 degree C	Max 1.0
	Saybolt color	Min 18
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	

### Gasoil

Rim assesses FOB Taiwan spot gasoil prices for MR-size cargoes of the grades with a sulfur content of 0.001%, 0.05%, 0.25% and 0.5%. The premiums are to the daily assessment for Singapore paper swaps (0.001%S gasoil). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB Taiwan spot gasoil prices closes at 18:30 Tokyo time.		
Price Unit	FOB Taiwan spot gasoil prices are \$/bbl.		
Time Window	FOB Taiwan spot gasoil prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.		
Standard Size	FOB Taiwan spot gasoil prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may also be considered.		
Loading Port	FOB Taiwan spot gasoil prices are for cargoes to be loaded at major ports in Taiwan.		
Quality Specifications	Flash Point	Min 60 degree C	
	Distillation Temperature; 90% evaporated	Max 360 degree C	
	Pour Point	Max 5 degree C	
	Cold Filter Plugging Point	Max -1 degree C	
	Carbon Residue (10% btms)	Max 0.1%	
	Cetane Index	Min 48	
	Kinematic Viscosity at 40 degree C	Max 4.5 mm <sup>2</sup> /sec	
	Sulfur Content	0.001%S	Max 0.001%
		0.05%S	Max 0.05%
		0.25%S	Max 0.25%
0.5%S		Max 0.5%	
*Specifications for other properties are to meet specifications that are commonly required in international trading.			



## Rim FOB China Oil Products Price Assessment Methodology

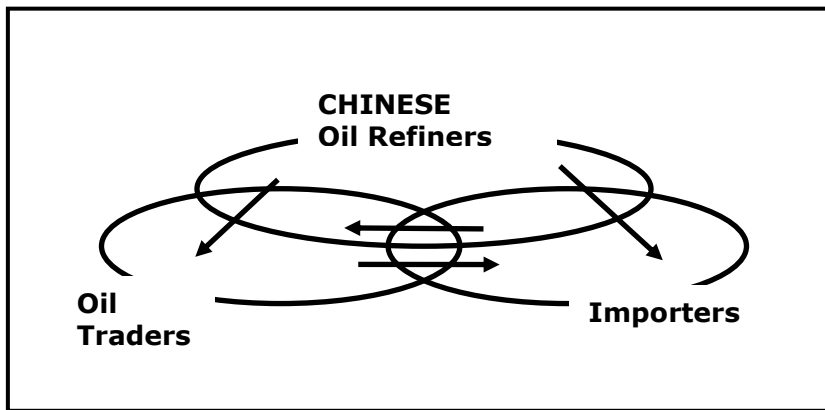
### FOB China spot prices for physical cargoes

Rim assesses FOB China spot prices for MR-size cargoes of gasoline, jet fuel and gasoil on a fixed price basis and a floating price basis.

In the absence of information of deals, bids and offers on a fixed price basis, the fixed price assessments indicate the price range in which a transaction on a floating price basis could be locked into with available derivative products, such as futures contracts and paper swaps values.

All prices are assessed based on information collected in the course of market research by Rim reporters each business day.

### Structure of the FOB China MR-size Cargo Market



Rim understands that the FOB China MR-size cargo oil products market is structured with three groups of business parties: Chinese oil refiners, Oil traders and Importers/refiners. Rim assesses FOB China MR-size cargo prices at which a standard spot transaction could take place.

**Rim defines the three business parties in the FOB China oil products market as follows:**

Chinese Refiner	A company of China that produces and exports oil products at/from its refining facilities in China. It also procures oil products when they run short.
Oil Trader	A company that buys and sells oil products in the international market.
Importer	A company that imports oil products and resell into domestic markets. Refiners of countries other than China are also considered to be importers.

**Rim defines a standard FOB China MR-size cargo spot market transaction as follows:**

Case 1	A Chinese refiner sells an oil products cargo to a trader on a spot basis.
Case 2	A Chinese refiner sells an oil products cargo to an importer on a spot basis.
Case 3	A Chinese refiner sells an oil products cargo to another Chinese refiner on a spot basis.
Case 4	A trader sells an oil products cargo to a Chinese refiner on a spot basis.
Case 5	A trader sells an oil products cargo to an importer on a spot basis.
Case 6	A trader sells an oil products cargo to another trader on a spot basis.
Case 7	An importer sells an oil products cargo to a Chinese refiner on a spot basis.
Case 8	An importer sells an oil products cargo to a trader on a spot basis.
Case 9	An importer sells an oil products cargo to another importer on a spot basis.

### Gasoline

Rim assesses FOB China spot 92RON gasoline prices for MR-size cargoes. The premiums are to the daily assessment for FOB Singapore 92RON gasoline prices. Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore 92RON Gasoline Prices} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB China spot 92RON gasoline prices closes at 18:30 Tokyo time.		
Price Unit	FOB China spot 92RON gasoline prices are \$/bbl.		
Time Window	FOB China spot 92RON gasoline prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.		
Standard Size	FOB China 92RON gasoline prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may also be considered.		
Delivery Port	FOB China spot 92RON gasoline prices are for cargoes to be loaded at major ports in China.		
Quality Specifications	Lead Content	Max 0.005gpb/l	
	Density at 15 degree C	Min 0.72~0.78 g/cm3	
	Distillation Temperature	10% evaporated	Max 70 degree C
		50% evaporated	Max 120 degree C
		90% evaporated	Max 190 degree C
		Final Boiling Point	Max 210 degree C
	Sulfur Content	Max 0.001%~0.05%	
	Existent Gum	Max 5mg/100ml	
	Benzene Content	Max 1.0%	
	*Specifications for other properties are to meet specifications that are commonly required in international trading.		

**Jet/Kerosene**

Rim assesses FOB China spot jet/kerosene prices for MR-size cargoes. The premiums are to the daily assessment for Singapore paper swaps values (jet/kerosene). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB China spot jet/kerosene prices for MR-size cargoes closes at 18:30 Tokyo time.	
Price Unit	FOB China jet/kerosene prices are \$/bbl.	
Time Window	FOB China spot jet/kerosene prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.	
Standard Size	FOB China spot jet/kerosene prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.	
Delivery Port	FOB China spot jet/kerosene prices are for cargoes to be loaded at major ports in China.	
Quality Specifications	FOB China spot jet/Kerosene prices are for cargoes of which quality is equivalent to the Joint Fuel System Check List. The JFSCL is issued by International Air Transport Association.	
	Distillation Temperature; Initial Boiling Point 10% Evaporated	Max 205 degree C
	Flash Point	Min 37 degree C
	Sulfur Content	Max 0.3%
	Smoke Point with naphthalene content of maximum 3.0%	Min 19mm
	Copper corrosion 2h at 100 degree C	Max 1.0
	Saybolt color	Min 18
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	

## Gasoil

Rim assesses FOB China spot gasoil prices for MR-size cargoes of the grades with a sulfur content of 0.001% and 0.005%. The premiums are to the daily assessment for Singapore paper swaps (0.001%S gasoil). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for FOB China spot gasoil prices closes at 18:30 Tokyo time.		
Price Unit	FOB China spot gasoil prices are \$/bbl.		
Time Window	FOB China spot gasoil prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.		
Standard Size	FOB China spot gasoil prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may also be considered.		
Loading Port	FOB China spot gasoil prices are for cargoes to be loaded at major ports in China.		
Quality Specifications	Flash Point	Min 55 degree C	
	Distillation Temperature; 90% evaporated	Max 355 degree C	
	Pour Point	Max 0 degree C	
	Cold Filter Plugging Point	Max 4 degree C	
	Carbon Residue (10% btms)	Max 0.3%	
	Cetane Index	Min 51	
	Kinematic Viscosity at 40 degree C	Max 3.0~8.0 mm <sup>2</sup> /sec	
	Sulfur Content	0.001%S	Max 0.001%
		0.005%S	Max 0.005%
	*Specifications for other properties are to meet specifications that are commonly required in international trading.		

## Rim CFR China Oil Products Price Assessment Methodology

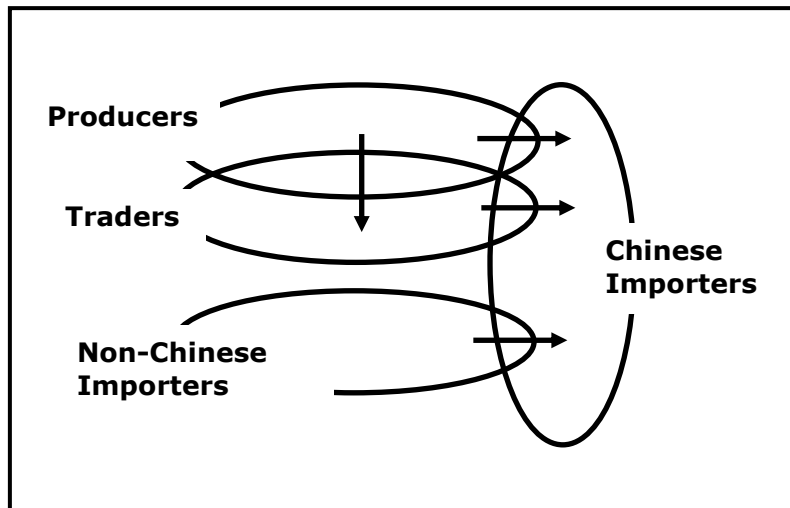
### CFR China spot prices for physical cargoes

Rim assesses CFR China spot prices for physical cargoes of gasoline, gasoil and fuel oil on a fixed price basis and a floating price basis.

In the absence of information of deals, bids and offers on a fixed price basis, the fixed price assessments indicate the price range in which a transaction on a floating price basis could be locked into with available derivative products, such as futures contracts and paper swaps values.

All prices are assessed based on information collected in the course of market research by Rim reporters each business day.

### Structure of the CFR China Oil Products Market



Rim understands that the CFR China market is structured with four groups of business parties: Producers, Traders, Non-Chinese Importers and Chinese Importers. Rim assesses physical oil product prices at which a standard spot transaction could take place.

**Rim defines the four business parties in the CFR China oil products market as follows:**

Producer	A company that produces and exports oil products.
Trader	A company that buys and sells oil products in the international market.
Non-Chinese Importer	A company outside of China that imports oil products for resale into respective domestic markets, and also sells oil products on a CFR China basis with an aim to reduce its stocks or to yield profit from the sales.
Chinese Importer	A company of China that imports oil products to meet its demanded supply into the domestic markets.

**Rim defines a standard CFR China oil products market transaction as follows:**

Case 1	A producer sells an oil products cargo to a Chinese importer on a spot basis.
Case 2	A producer sells an oil products cargo to a trader on a spot basis.
Case 3	A trader sells an oil products cargo to a Chinese importer on a spot basis.
Case 4	A non-Chinese importer sells an oil products cargo to a Chinese importer on a spot basis.

**The Import Conversion Costs are calculated into Yuan/mt, based on the following formula as China deals with refined oil products on a Yuan per metric tons basis.**

**Gasoline**

Import Conversion Costs =  
[CFR China MR-size cargo prices (\$/bbl) X Yuan/\$ X 8.5 X import duty + consumption tax] X value added tax

**Gasoil**

Import Conversion Costs =  
[CFR China MR-size cargo prices (\$/bbl) X Yuan/\$ X 7.5 X import duty + consumption tax] X value added tax

**Fuel oil**

Import Conversion Costs =  
[CFR China LR-size cargo prices (\$/mt) X Yuan/\$ X import duty + consumption tax] X value added tax

### Gasoline

Rim assesses CFR China spot gasoline prices for the 92 research octane number (RON) grade, supplied mainly from South Korea. The premiums are to the daily assessment for FOB Singapore spot prices of 92RON gasoline. Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore 92RON gasoline prices} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for CFR China spot gasoline prices closes at 18:30 Tokyo time.																																							
Price Unit	CFR China spot gasoline prices are \$/bbl and Yuan/mt.																																							
Time Window	CFR China spot gasoline prices are for cargoes to be delivered during the period from 25 to 40 days ahead from the publication day.																																							
Standard Size	CFR China spot gasoline prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.																																							
Delivery Port	CFR China spot gasoline prices are for cargoes to be delivered into main ports in north, east and south China.																																							
Quality Specifications	<table border="1"> <tr> <td>Lead Content</td> <td></td> <td>Max 0.005gpb/l</td> </tr> <tr> <td>Distillation Temperature;</td> <td></td> <td>10% evaporated</td> </tr> <tr> <td rowspan="5">Distillation Temperature; Copper Corrosion 3h at 50 degree C</td> <td>50%</td> <td>Max 70 degree C</td> </tr> <tr> <td>90%</td> <td>Max 120 degree C</td> </tr> <tr> <td>Final Boiling Point</td> <td>Max 190 degree C</td> </tr> <tr> <td>Residue</td> <td>Max 205 degree C</td> </tr> <tr> <td>Max 1</td> <td>Max 2.0%</td> </tr> <tr> <td>Sulfur Content</td> <td></td> <td>Max 0.001%</td> </tr> <tr> <td>Vapor Pressure at 37.8 degree C</td> <td></td> <td>0.75-0.90 Kg/cm2</td> </tr> <tr> <td>Existent Gum</td> <td></td> <td>Max 5mg/100ml</td> </tr> <tr> <td>Olefin Content</td> <td></td> <td>Max 35.0%</td> </tr> <tr> <td>Aromatics Content</td> <td></td> <td>Max 40.0%</td> </tr> <tr> <td>Oxygen Content</td> <td></td> <td>Max 2.7%</td> </tr> <tr> <td>Benzene Content</td> <td></td> <td>Max 2.0%</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p>		Lead Content		Max 0.005gpb/l	Distillation Temperature;		10% evaporated	Distillation Temperature; Copper Corrosion 3h at 50 degree C	50%	Max 70 degree C	90%	Max 120 degree C	Final Boiling Point	Max 190 degree C	Residue	Max 205 degree C	Max 1	Max 2.0%	Sulfur Content		Max 0.001%	Vapor Pressure at 37.8 degree C		0.75-0.90 Kg/cm2	Existent Gum		Max 5mg/100ml	Olefin Content		Max 35.0%	Aromatics Content		Max 40.0%	Oxygen Content		Max 2.7%	Benzene Content		Max 2.0%
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Benzene Content		Max 2.0%																																						



**Gasoil**

Rim assesses CFR China spot gasoil prices for gasoil with a sulfur content of 0.001%, supplied mainly from South Korea. The premiums are to the daily assessment for Singapore paper swaps values (0.001%S gasoil). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for CFR China spot gasoil prices closes at 18:30 Tokyo time.																			
Price Unit	CFR China spot gasoil prices are \$/bbl and Yuan/mt.																			
Time Window	CFR China spot gasoil prices are for cargoes to be delivered during the period from 25 to 40 days ahead from the publication day.																			
Standard Size	CFR China spot gasoil prices are for MR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.																			
Delivery Port	CFR China spot gasoil prices are for cargoes to be delivered into main ports in north, east and south China.																			
Quality Specifications	<table border="1"> <tr> <td>Flash Point</td> <td>Min 60 degree C</td> </tr> <tr> <td>Distillation Temperature; 90% evaporated</td> <td>Max 355 degree C</td> </tr> <tr> <td>Pour Point</td> <td>Max 0 degree C</td> </tr> <tr> <td>Cold Filter Plugging Point</td> <td>Max 4 degree C</td> </tr> <tr> <td>Carbon Residue (10% btms)</td> <td>Max 0.3%</td> </tr> <tr> <td>Cetane Index</td> <td>Min 45</td> </tr> <tr> <td>Acidity</td> <td>Max 7mgKOH/100ml</td> </tr> <tr> <td>Kinematic Viscosity at 20 degree C</td> <td>Min 3.0, Max 8.0 mm2/sec</td> </tr> <tr> <td>Sulfur Content</td> <td>Max 0.001%</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p>		Flash Point	Min 60 degree C	Distillation Temperature; 90% evaporated	Max 355 degree C	Pour Point	Max 0 degree C	Cold Filter Plugging Point	Max 4 degree C	Carbon Residue (10% btms)	Max 0.3%	Cetane Index	Min 45	Acidity	Max 7mgKOH/100ml	Kinematic Viscosity at 20 degree C	Min 3.0, Max 8.0 mm2/sec	Sulfur Content	Max 0.001%
Flash Point	Min 60 degree C																			
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Pour Point	Max 0 degree C																			
Cold Filter Plugging Point	Max 4 degree C																			
Carbon Residue (10% btms)	Max 0.3%																			
Cetane Index	Min 45																			
Acidity	Max 7mgKOH/100ml																			
Kinematic Viscosity at 20 degree C	Min 3.0, Max 8.0 mm2/sec																			
Sulfur Content	Max 0.001%																			

**Fuel Oil**

Rim assesses CFR China spot fuel oil prices for the 380cst 3.5% sulfur grade, supplied mainly from Singapore. The premiums are to the daily assessment for Singapore paper swaps values (380cst). Rim considers that the fixed value is calculated on the following formula:

$$\text{Premiums} + \text{Value of Singapore Paper Swaps} = \text{Fixed Values}$$

Assessment Window	Rim's assessment window for CFR China spot fuel oil prices closes at 18:30 Tokyo time.													
Price Unit	CFR China spot fuel oil prices are in \$/mt and Yuan/mt.													
Time Window	CFR China spot fuel oil prices are for cargoes to be loaded during the period from 25 to 40 days ahead from the publication day.													
Standard Size	CFR China spot fuel oil (380cst 3.5%S) prices are for LR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.													
Delivery Port	CFR China spot fuel oil (380cst 3.5%S) prices are for cargoes to be delivered into main ports in south China.													
Quality Specifications	<table border="1"> <tr> <td>Sulfur Content</td> <td>Max 3.5%</td> </tr> <tr> <td>Flash Point</td> <td>Min 66 degree C</td> </tr> <tr> <td>Pour Point</td> <td>Max 24 degree C</td> </tr> <tr> <td>Carbon Residue</td> <td>Max 16%</td> </tr> <tr> <td>Water Content</td> <td>Max 0.5%</td> </tr> <tr> <td>Ash Content</td> <td>Max 0.1%</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p>		Sulfur Content	Max 3.5%	Flash Point	Min 66 degree C	Pour Point	Max 24 degree C	Carbon Residue	Max 16%	Water Content	Max 0.5%	Ash Content	Max 0.1%
Sulfur Content	Max 3.5%													
Flash Point	Min 66 degree C													
Pour Point	Max 24 degree C													
Carbon Residue	Max 16%													
Water Content	Max 0.5%													
Ash Content	Max 0.1%													

## Rim FOB Middle East Oil Products Price Assessment Methodology

### FOB Middle East spot prices for physical cargoes

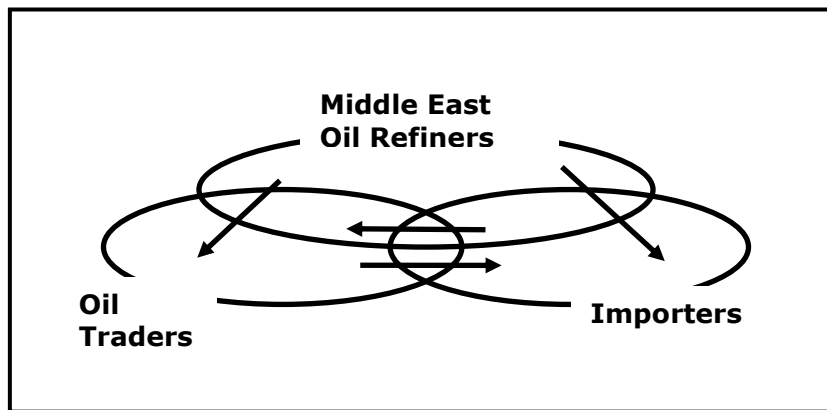
Rim assesses FOB Middle East spot prices for LR-size cargoes of naphtha, jet/kerosene, gasoil oil on a fixed price basis and a floating price basis, and for LR-size cargoes of fuel oil on a fixed price basis.

In the absence of information of deals, bids and offers on a fixed price basis, the fixed price assessments indicate the price range in which a transaction on a floating price basis could be locked into with available derivative products, such as futures contracts and paper swaps values.

All prices are assessed based on information collected in the course of market research by Rim reporters each business day.

### LR-size Cargo Price Assessment

#### Structure of the FOB Middle East LR-size Cargo Market



Rim understands that the FOB Middle East LR-size cargo oil products market is structured with three groups of business parties: Middle East oil refiners, Oil traders and Importers/refiners. Rim assesses FOB Middle East LR-size cargo prices at which a standard spot transaction could take place.

**Rim defines the three business parties in the FOB Middle East oil products market as follows:**

Middle East Refiner	A company of Middle East that produces and exports oil products at/from its refining facilities in Middle East. It also procures oil products when they run short.
Oil Trader	A company that buys and sells oil products in the international market.
Importer	A company that imports oil products and resell into domestic markets. Refiners of countries other than Middle East are also considered to be importers.

**Rim defines a standard FOB Middle East LR-size cargo spot market transaction as follows:**

Case 1	A Middle East refiner sells an oil products cargo to a trader on a spot basis.
Case 2	A Middle East refiner sells an oil products cargo to an importer on a spot basis.
Case 3	A Middle East refiner sells an oil products cargo to another Middle East refiner on a spot basis.
Case 4	A trader sells an oil products cargo to a Middle East refiner on a spot basis.
Case 5	A trader sells an oil products cargo to an importer on a spot basis.
Case 6	A trader sells an oil products cargo to another trader on a spot basis.
Case 7	An importer sells an oil products cargo to a Middle East refiner on a spot basis.
Case 8	An importer sells an oil products cargo to a trader on a spot basis.
Case 9	An importer sells an oil products cargo to another importer on a spot basis.

**Naphtha**

FOB Middle East naphtha is assessed on a netback basis from CFR Japan. Premium/discount is to Middle East paper swaps values and is determined by a variety of information such as transactions, bids/offers and buying/selling interest. Rim does not assess Middle East paper swaps values.

Values of CFR Japan–\*freight rates for the Middle East-Japan route=Fixed Values

\*The freight rates are for an LR tanker on the Middle East-Japan route.

Assessment Window	Rim’s assessment window for FOB Middle East spot naphtha prices closes at 18:30 Tokyo time.														
Price Unit	FOB Middle East spot naphtha prices are \$/mt.														
Time Window	FOB Middle East spot naphtha prices in the publications released during H1 of a month are for cargoes to be loaded during the period from the 9 <sup>th</sup> to the 24 <sup>th</sup> of the next month. FOB Middle East spot naphtha prices in the publications released during H2 of a month are for cargoes to be loaded during the period from the 25 <sup>th</sup> of the next month to the 8 <sup>th</sup> of a month after the next.														
Standard Size	FOB Middle East spot naphtha prices are for LR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.														
Delivery Port	FOB Middle East spot naphtha prices are for cargoes to be loaded at major ports in Middle East.														
Quality Specifications	<p>FOB Middle East spot naphtha prices are for cargoes of which quality is equivalent to “the open specifications”.</p> <table border="1"> <tr> <td>Paraffin Content</td> <td>Min 65%</td> </tr> <tr> <td>Sulfur Content</td> <td>Max 0.065%</td> </tr> <tr> <td>Olefin Content</td> <td>Max 1%</td> </tr> <tr> <td>Specific Gravity at 60 degree F</td> <td>0.65-0.74</td> </tr> </table> <p>*Specifications for other properties are to meet specifications that are commonly required in international trading.</p> <p>REFERENCE: Full-range naphtha</p> <table border="1"> <tr> <td>Paraffin Content</td> <td>78-82%</td> </tr> <tr> <td>Olefin Content</td> <td>Max 1%</td> </tr> <tr> <td>Specific Gravity at 60 degree F</td> <td>0.68-0.70</td> </tr> </table>	Paraffin Content	Min 65%	Sulfur Content	Max 0.065%	Olefin Content	Max 1%	Specific Gravity at 60 degree F	0.65-0.74	Paraffin Content	78-82%	Olefin Content	Max 1%	Specific Gravity at 60 degree F	0.68-0.70
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**Jet/Kerosene**

FOB Middle East jet/kerosene is assessed on a netback basis from FOB Singapore assessment. Premium/discount is to Middle East paper swaps values and is determined by a variety of information such as transactions, bids/offers and buying/selling interest. Rim does not assess Middle East paper swaps values.

Values of FOB Singapore—\*freight rates for the Middle East-Singapore=Fixed Values

\*The freight rates are for an LR tanker on the Middle East-Singapore route.

Assessment Window	Rim's assessment window for FOB Middle East spot jet/Kerosene prices closes at 18:30 Tokyo time.	
Price Unit	FOB Middle East spot jet/kerosene prices are \$/bbl.	
Time Window	FOB Middle East spot jet/kerosene prices are for cargoes to be loaded during the period from 20 to 35 days ahead from the publication day.	
Standard Size	FOB Middle East spot jet/kerosene prices are for LR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.	
Delivery Port	FOB Middle East spot jet/kerosene prices are for cargoes to be loaded at major ports in Middle East.	
Quality Specifications	FOB Middle East spot jet/kerosene prices are for cargoes of which quality is equivalent to the Joint Fuel System Check List. The JFSCL is issued by International Air Transport Association.	
	Distillation Temperature; Initial Boiling Point 10% Evaporated	Max 205 degree C
	Flash Point	Min 37 degree C
	Sulfur Content	Max 0.3%
	Smoke Point with naphthalene content of maximum 3.0%	Min 19mm
	Copper corrosion 2h at 100 degree C	Max 1.0
	Saybolt color	Min 18
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	

**Gasoil**

FOB Middle East 0.001%S gasoil is assessed on a netback basis from FOB Singapore assessment. Premium/discount is to Middle East paper swaps values and is determined by a variety of information such as transactions, bids/offers and buying/selling interest. Rim does not assess Middle East paper swaps values.

Values of FOB Singapore—\*freight rates for the Middle East-Singapore=Fixed Values

\*The freight rates are for an LR tanker on the Middle East-Singapore route.

Assessment Window	Rim's assessment window for FOB Middle East spot gasoil prices closes at 18:30 Tokyo time.	
Price Unit	FOB Middle East spot gasoil prices are \$/bbl.	
Time Window	FOB Middle East spot gasoil prices are for cargoes to be loaded during the period from 20 to 35 days ahead from the publication day.	
Standard Size	FOB Middle East spot gasoil prices are for LR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.	
Delivery Port	FOB Middle East spot gasoil prices are for cargoes to be loaded at major ports in Middle East.	
Quality Specifications	Flash Point	Min 60 degree C
	Distillation Temperature; 90% evaporated	Max 360 degree C
	Pour Point	Max 5 degree C
	Cold Filter Plugging Point	Max -1 degree C
	Carbon Residue (10% btms)	Max 0.1%
	Cetane Index	Min 48
	Kinematic Viscosity at 40 degree C	Max 4.5 mm2/sec
	Sulfur Content	Max 0.001%
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	

**Fuel Oil**

FOB Middle East 380cst 3.5%S fuel oil is assessed on a netback basis from FOB Singapore assessment.

Values of FOB Singapore—\*freight rates for the Middle East-Singapore=Fixed Values

\*The freight rates are for an LR tanker on the Middle East-Singapore route.

Assessment Window	Rim's assessment window for FOB Middle East spot fuel oil prices closes at 18:30 Tokyo time.	
Price Unit	FOB Middle East spot fuel oil prices are in \$/mt.	
Time Window	FOB Middle East spot fuel oil prices are for cargoes to be loaded during the period from 20 to 35 days ahead from the publication day.	
Standard Size	FOB Middle East spot fuel oil prices are for LR-size cargoes, which Rim considers standard. Values for contracts for smaller or larger volumes may be considered.	
Delivery Port	FOB Middle East spot fuel oil prices are for cargoes to be loaded at major ports in Middle East.	
Quality Specifications	Sulfur Content	Max 3.5%
	Flash Point	Min 66 degree C
	Pour Point	Max 24 degree C
	Carbon Residue	Max 16%
	Water Content	Max 0.5%
	Ash Content	Max 0.1%
	*Specifications for other properties are to meet specifications that are commonly required in international trading.	



## SR-size, MR-size, and LR-size cargoes freight rates Assessment Methodology

### SR-size cargoes freight rates

Rim assesses spot freight rates of SR-size clean tankers for South Korea-to-Tomakomai (Hokkaido), South Korea-to-Keihin (Tokyo Bay), South Korea-to-Nagoya, and South Korea-to-Kanmon (Kyushu) routes. Rim also assesses spot freight rates of SR-size dirty tankers for South Korea-to-Tomakomai (Hokkaido) and South Korea-to-Keihin (Tokyo Bay) routes. All freight rates shown in the report are based on information collected in the course of market research by Rim reporters.

### SR-size Tanker Freight Assessment

#### Benchmark

South Korea to Tomakomai	Clean and Dirty tanker
South Korea to Keihin	Clean and Dirty tanker
South Korea to Nagoya	Clean tanker
South Korea to Kanmon	Clean tanker

Assessment Window	Rim's assessment window for SR-size clean tanker freights and SR-size dirty tanker freights closes at 18:30 Tokyo time.
Price Unit	SR-size clean tanker freights are \$/bbl and SR-size dirty tanker freights are \$/mt.
Time Window	SR-size tanker freights are for tankers to be loaded at main ports in South Korea during the period from 20 to 35 days ahead from the publication day.
Standard size	No appropriate volumes
Loading Port	Major ports in South Korea

## MR-size cargoes freight rates

Rim assesses spot freight rates of MR-size clean tankers for South Korea-to-North China, South Korea-to-East China, South Korea-to-South China and North Asia-to-US West coast. Rim also assesses spot freight rates of MR-size clean tankers and MR-size cargo of dirty tankers for South Korea-to-Japan routes. All freight rates shown in the report are based on information collected in the course of market research by Rim reporters.

### MR-size Tanker Freight Assessment

Benchmark
South Korea to North China Clean tanker
South Korea to East China Clean tanker
South Korea to South China Clean tanker
South Korea to Japan Clean and Dirty tanker
North Asia to US West coast Clean tanker

Assessment Window	Rim's assessment window for MR-size clean tanker freights and MR-size dirty tanker freights closes at 18:30 Tokyo time.
Price Unit	MR-size clean tanker freights are \$/bbl and MR-size dirty tanker freights are \$/mt.
Time Window	MR-size tanker freights are for tankers to be loaded at main ports in South Korea and North Asia during the period from 25 to 40 days ahead from the publication day.
Standard size	No appropriate volumes
Loading Port	Major ports in South Korea and North Asia

### LR-size cargoes freight rates

Rim assesses spot freight rates of LR-size clean tankers for the Middle East-to-Singapore route. Rim also assesses spot freight rates of LR-size dirty tankers for the Middle East-to-Singapore route. All freight rates shown in the report are based on information collected in the course of market research by Rim reporters.

#### LR-size Tanker Freight Assessment

<b>Benchmark</b>
Middle East to Singapore Clean tanker
Middle East to Singapore Dirty tanker

Assessment Window	Rim's assessment window for LR-size clean tanker freights and LR-size dirty tanker freights closes at 18:30 Tokyo time.
Price Unit	LR-size clean tanker freights are \$/bbl and LR-size dirty tanker freights are \$/mt.
Time Window	LR-size tanker freights are for tankers to be loaded at main ports in the Middle East during the period from 20 to 35 days ahead from the publication day.
Standard size	No appropriate volumes
Loading Port	Major ports in the Middle East

## Asia Bunker Fuel Price Assessment Methodology

Rim Assesses bunker fuel oil prices for lots to be traded in Tokyo Bay, West Japan, and Ise Bay (Japan), South Korea, Shanghai, Zhoushan (China), Hong Kong, and Singapore.

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

Port	Basis	Grade		
Tokyo Bay	Delivered	380cst	VLSFO	LSMDO
West Japan	Delivered	380cst	VLSFO	LSMDO
Ise Bay	Delivered	380cst	VLSFO	LSMDO
South Korea	Delivered	380cst	VLSFO	LSMGO
Shanghai	Delivered	380cst	VLSFO	LSMGO
Zhoushan	Delivered	380cst	VLSFO	LSMGO
Hong Kong	Delivered	380cst	VLSFO	LSMGO
Singapore	Delivered	380cst	VLSFO	LSMGO

Assessment Window	Rim's assessment window for Asia bunker fuel oil prices closes at 18:30 Tokyo time.
Price Unit	All Rim Asia bunker fuel oil prices are \$/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.  * Assessments for bunker fuel oil delivery up to 6 business days prior to the end of the current month are for the current month of delivery. Assessments for the last 5 business days of the current month are for bunker fuel oil deliveries in the following month.
Standard Size	Asia bunker fuel oil prices for 380cst and VLSFO are for volumes in the range of 100-2,000mt lots and for LSMGO (including MGO or LSMDO) in the range of 30-200mt, that Rim considers standard. Values for contracts for smaller or larger volumes may also be considered.
Quality Specifications	All Rim Asia bunker fuel prices are for lots of which quality is equivalent to the ISO 8215:2005 and later standard for each grade.

Prices below are reference numbers.

Port	Basis	Grade		
Bangkok	Delivered	380cst	VLSFO	LSMGO
Colombo	Delivered	380cst	VLSFO	LSMGO

Rim quotes posted prices of CPC in Kaohsiung, Keelung, Taichung, and Others in Taiwan.

Port	Basis	Grade		
Kaohsiung	Delivered	380cst	VLSFO	LSMGO
Keelung	Delivered	380cst	VLSFO	LSMGO
Taichung	Delivered	380cst	VLSFO	LSMGO
Others	Delivered	380cst	VLSFO	LSMGO

### Quality Specifications (次ページに送る)

The quality of the bunker fuel oil to be assessed in the Product Reports complies with the International Organization for Standardization (ISO) 8217:2005 and later.

**380cst: RMG380**

Density at 15 degree C	Max 991.0kg/m <sup>2</sup>
Kinematic Viscosity at 50 degree C	Max 380mm <sup>2</sup> /S
Flash Point	Min 60 degree C
Pour Point	Max 30 degree C
Carbon Residue	Max 18%
Ash Content	Max 0.15%
Water Content	Max 0.5%
Sulfur Content	Max 3.5%
Vanadium Content	Max 300mg/kg
Aluminum plus Silicon Content	Max 80mg/kg
Total Sediment Content	Max 0.1%

**VLSFO: RMD80/RME180**

Density at 15 degree C	980.0~991.0kg/m <sup>2</sup>
Kinematic Viscosity at 50 degree C	20~180mm <sup>2</sup> /s
Flash Point	Min 60 degree C
Pour Point	Max 30 degree C
Carbon Residue	14~15%
Ash Content	Max 0.10%
Water Content	Max 0.5%
Sulfur Content	Max 0.5%
Vanadium Content	Max 350mg/kg
Aluminum plus Silicon Content	Max 80mg/kg
Total Sediment Content	Max 0.1%

**LSMGO: DMA**

Density at 15 degree C	Max 890.0kg/m <sup>2</sup>
Kinematic Viscosity at 40 degree C	Max 6.0mm <sup>2</sup> /s
Flash Point	Min 60 degree C
Pour Point	For the Winter spec, Max -6 degree C For the Summer spec, Max 0 degree C
Carbon Residue	Max 0.3%
Ash Content	Max 0.01%
Water Content	Max 0.3%
Sulfur Content	Max 0.1%

**MGO: DMA**

Density at 15 degree C	Max 890.0kg/m <sup>2</sup>
Kinematic Viscosity at 40 degree C	Max 6.0mm <sup>2</sup> /s
Flash Point	Min 60 degree C
Pour Point	For the Winter spec, Max -6 degree C For the Summer spec, Max 0 degree C
Carbon Residue	Max 0.3%
Ash Content	Max 0.01%
Water Content	Max 0.3%
Sulfur Content	Max 1.5%

**LSMDO: DMB**

Density at 15 degree C	Max 900.0kg/m <sup>2</sup>
Kinematic Viscosity at 100 degree C	Max 11.0mm <sup>2</sup> /s
Flash Point	Min 60 degree C
Pour Point	For the Winter spec, Max 0 degree C For the Summer spec, Max 6 degree C
Carbon Residue	Max 0.3%
Ash Content	Max 0.01%
Water Content	Max 0.3%
Sulfur Content	Max 0.5%

## **Japan Domestic Products Waterborne Market Assessment Methodology**

### **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.

### **Purpose of price assessment:**

The purpose of price assessment is to reflect the actual market in which standard spot buying and selling take place on the day of publication. Actual market is defined as price levels at which, based on the principle of competition, many players can buy or sell, that is, price levels at which most deals can be concluded.

### **Definition of price:**

Even if no transactions take place, the value of a commodity may change. The price reflects the changing values of a commodity. The value of a commodity may change depending on supply/demand, production costs, the situation in other markets, and players' perspectives.

### **Assessment method:**

Price assessment basically takes into account information on deals done, bids/offers and supply/demand situation obtained on the day of publication. Top priority is given to the latest deals done and bid/offer levels within the assessment window. In the absence of deals, bids and offers, buying and selling indications are used as a reference.

Priority for assessment is basically in the following three categories:

- (1) Deal done prices
- (2) Firm bids and offers
- (3) Buying/selling indications

While we examine the appropriateness of (1), we also place emphasis on (2) and (3). In particular, for (2), priority is enhanced and may be treated in the same way as (1) if the quantity, lifting period and place of lifting are clearly stated.

Explanation of (1) and (2)

- (1) To reflect more realistically actual market conditions, the overall bid-offer range of most market participants and supply/demand fundamentals will be taken into account and deals done at levels far from the bid-offer range of most market participants will not be considered in Rim's assessment.

Information on deals done is classified into 3 types:

- ① Confirmation obtained from both the buyer and the seller
- ② Confirmation obtained from only the buyer or the seller but not both
- ③ Information from several reliable third-party sources

In terms of reliability, ① is the most ideal although, owing to various constraints, many cases fall into ② and ③. In principle, RIM's price assessment is based on ① with ② and ③.

③ also being considered. Further, even when information is obtained directly from the buyer or seller, this will not be considered if found to be untrue.

To reflect the different quantities traded in Rim's assessment, 50% is based on cumulative average and the remaining 50% is the average price taken based on the number of trades.

Rim Japan Domestic Waterborne Price = (Cumulative Average + Average based on deal number)/2

(2) In the spot market, prices of commodities are determined by competition among sellers and buyers. Price assessment takes into account lower offers instead of higher offers and higher bids instead of lower bids.

Changes in supply/demand, and other markets such as crude and overseas products markets, and currency exchange rates are deemed in principle to be reflected in deal prices and bids/offers. When price information is scarce, movements in these other markets may be used as a reference in price assessment.

Price assessment range is, in principle, between Yen 200 and Yen 1,000. Where only offers exist and no bids are posted in response, the price assessment range may be widened to a maximum of Yen 1,000. The same applies to instances where only bids exist.

**Unit Price:**

In line with industry practice, unit prices are in Yen per kiloliter (kl).

**Quality:**

Basically, price assessment applies to imported cargoes or domestically produced cargoes meeting Japan Industrial Standards (JIS) and generally accepted by the oil industry in Japan. For gasoil and fuel oil, however, the following considerations are taken.

Gasoil: As No.1 and No.2 gasoil as specified in JIS are regarded as being generally available in the market, price assessment is based on No.1 and No.2 gasoil. No.3 and special No.3 gasoil used in cold areas during the winter season are not reflected in price assessment per se. Basically, cargoes that are tax-exempted are used for price assessment while cargoes that are taxed are not considered.

AFO-0.5%S: Price assessment is basically for 0.5% sulfur.

AFO-0.1%S: Price assessment is basically for 0.1% sulfur.

LSCFO-0.3%S: Price assessment is basically for 0.2~0.4% sulfur.

HSCFO-3.0%S: Price assessment is basically for 2.5~3.0% sulfur

**Marine Fuel Oil**

VLSFO-0.5%S: Price assessment is basically for 0.5% sulfur.

Sulfur content	Max 0.5%
CCAI	Max 855
Calorific Power(kl/kg)	43,000~44,000
Density(g/cm <sup>3</sup> )	0.88~0.98
Pour Point	Max 30degree C
Kinematic Viscosity at 50 degree C (mm <sup>2</sup> /s)	20~180



HSCFO-3.0%S: Price assessment is basically for 3.0% sulfur.

Sulfur content	Max 3.0%
CCAI	Max 855
Calorific Power(kl/kg)	43,000~44,500
Density(g/cm <sup>3</sup> )	0.92~0.98
Pour Point	-20~-10
Kinematic Viscosity at 50 degree C (mm <sup>2</sup> /s)	50~180

### **Price Assessment for Japan Domestic Products Waterborne Market**

#### **Products to which price assessment applies:**

9 products: Regular gasoline, kerosene, gasoil-0.001%S, A fuel oi 0.5%S, A fuel oi 0.1%S, LSC fuel oil-0.3%S, HSC fuel oil-3.0%S, VLSFO-0.5%S, and HSCFO- 3.0%S.

#### **Assessment Window:**

Price assessment for the current day is for deals done and bids/offers from 10am to 5pm Tokyo time. Further, these trades and bids/offers need to be reported to Rim by 5pm Tokyo time.

#### **Assessment Period:**

Up till the 25th of the current month, trades for lifting in the current month are considered. From the 26th of the current month, price assessment shifts to trades for lifting in the following month. If the 25th is a holiday, then the previous business day will be the last day for trades lifting in the current month to be considered.

#### **Quantity:**

The assessment quantity is 200 kiloliters and above per lot for gasoline, kerosene, and gasoil. For C fuel oil 0.3%S, the standard quantity is 1,000 kiloliters and above per lot. For other fuel oil, the standard quantity is 100 kiloliters and above per lot. Volumes that are different from the standard quantity may also be considered.

#### **Market Structure, Lifting/Delivery Points, and Areas of Assessment:**

Rim assesses wholesale prices on an ex-terminal basis for cargoes from refineries and secondary terminals. For secondary terminals, a clear indication of the loading terminal is desirable. However, prices on a delivered basis may be taken as a reference. In such a case, the actual freight will be used to calculate the ex-terminal price.

Rim assesses two main areas: Tokyo Bay (Keihin and Chiba) and Western Japan (including Hanshin and areas in the Osaka Bay area such as Wakayama, and Oita which is located west of Setouchi).

Regarding price differences between different areas, while supply/demand pertaining to each particular area is taken into account, caution is adopted so that prices do not vary significantly from actual market conditions. To reflect more realistically actual market situations, actual freight is considered. Because of this, even if traded prices and bids/offers are unchanged, price assessment can move up or down due to differences between areas.

#### **Trades Considered in Assessment:**

Outright spot trades with confirmation obtained from the buyer and seller will be taken into account. Traded prices and bids/offers in the OTC (over the counter) market are obtained by Rim reporters in the course of information gathering. Further, traded prices and bids/offers

on (1) the Rim Trading Board (on Rim website) and traded prices and bids/offers in (2) JOX (J-Oil Exchange) ~~and in other markets such as TOCOM Window~~ are also considered for price assessment.

When making assessment on fixed prices, paper swap prices are also used as a reference. In addition, prices in physical forward trades and futures prices for oil products in the Tokyo Commodity Exchange are used as a reference.

Term deals are not considered. Package deals, location swaps and time swaps, barter trades may be used as a reference but the assessment will not be solely reflecting these deals.

For deals done directly to end-users, prices often deviate significantly from actual market levels for various reasons. Consequently, while these prices may be used as a reference, Rim's assessment will not be based entirely on them.

Explanation of (1) and (2)

(1) Prices on Rim Trading Board considered in price assessment

Traded prices and bids/offers shown on Rim Trading Board from 10am to 5pm Tokyo time are considered in price assessment. Bids/offers and traded prices on Rim Trading Board are obtained by phone, email and other communication services, as well as by surveys conducted by Rim reporters.

(2) Physical trades on JOX ~~and TOCOM Window~~ considered in price assessment

Rim's assessment considers bids, offers and deal prices for delivery in the current month that are posted on JOX's screen ~~and TOCOM Window~~ during 2.00-2.30pm Tokyo time. Trades switch to lifting in the following month from the 26th of each month.

#### **Assessment Principles for Market-linked Floating Prices:**

Trades on market-linked floating prices could be based on Rim monthly average waterborne prices, Rim monthly average truck prices and futures prices without limitations. Concerning trades and bids/offers based on these floating prices, if factors such as supply/demand and cost are unchanged, movements in the premium or discount of gasoline, kerosene and gasoil will be reflected in the fixed price. However, when it comes to bids/offers, fixed prices may be given priority.

The premium and discount in floating-price trades is regarded to be reflecting the strength or weakness of the current market and includes the following three factors:

1. Quality differences
2. Area differences
3. Commission

Concerning (1) and (2), assessment will be made separately from the bullish and bearish factors in the general market.

#### **Basic price for trades on market-linked floating prices**

The methods of obtaining Rim monthly average waterborne prices\* and Rim monthly average truck prices\*\* are given below.

Note: \* Prices in Japan Products Report published by Rim

\*\* Prices in Lorry Rack Report published by Rim

#### Rim monthly average waterborne prices

For seven oil products comprising gasoline, kerosene, gasoil, A fuel oil 0.5%S, A fuel oil 0.1%S, LSC fuel oil 0.3%S, and HSC fuel oil 3.0%S, Rim defines Rim Japan Waterborne spot monthly average price which is posted on Rim's Web site as the benchmarks of floating prices of the oil products. The benchmarks are calculated assuming that the prices for the

products on the previous business day will not change until the end of the current month. The floating prices are converted into fixed prices from the second business day of the current month until the 25th of the month (the last day would be the previous business day if the 25th is a holiday). From the 26th (the first day would be the next business day if the 26th is a holiday) of the current month when the price assessments will shift to the next month until the first business day of the next month, the floating prices will not be converted into fixed prices.

#### Rim monthly average truck prices

For gasoline, kerosene, gasoil, A fuel 0.5%S and A fuel oil 0.1%S, from the 2nd business day of the month to the 25th of the month (the previous business day is applied if the 25th is a holiday), average truck prices (assuming prices from the previous day till the 25th of the month are unchanged) will be used. On the first business day of the month, prices on the last business day of the previous month (for delivery in the next month) will be used. From the 26th to the end of the month, as the delivery month for waterborne and truck markets is different, trades linked to Rim truck prices will not be considered for price assessment. Among the Rim truck prices used, the four Rim prices refer to prices from refineries in Chiba, Kawasaki, Chukyo and Hanshin.

### **Assessment principles for Japan domestic products paper swap:**

#### ***Products***

7 products are considered: gasoline, kerosene, gasoil, A fuel oil 0.5%S, A fuel oil 0.1%, LSC fuel oil, HSC fuel oil. A fuel oil-0.5%S, A fuel oil-0.1%, LSC fuel oil, and HSC fuel oil are based on “barge spot price assessments” and have the same values as “barge spot prices” in Tokyo Bay (Keihin) for all months. The assessment price range is, in principle, between Yen 200 and Yen 1,000.

#### **Assessment period**

Assessment is for the nearest 3 months. Assessment for the front month of the 3 months is based on the assessment period for physical cargoes. For example, for June 2020, assessment for the front month June contract ends on June 25th. From June 26th, the front month shifts to the July contract and the new September contract starts.

#### **Assessment Window and Market Structure**

Method of assessment and assessment window

The assessments are made based on deals, offers and bids shown in the over the counter (OTC) market during 14:00-16:00 Tokyo time. Rim also considers deals, offers and bids in the Rim Trading Board (RTB) and deals, offers and bids during 14:00-14:30 Tokyo time in the JOF market for assessment. When no deals, offers and bids are available, assessments would be made based on the methods shown below.

- ① The value of the front month will be the same as that of physical cargoes in Tokyo Bay.
- ② For the second month of gasoline, kerosene, and gasoil, the assessment will be made based on settlement prices of the same month on the Tokyo Commodity Exchange, adding freight rates and tank charges in Tokyo Bay and Osaka Bay. The low side and the high side of the assessments are then set.
- ③ For the second month of A fuel oil-0.5%S, A fuel oil-0.1%, LSC fuel oil, and HSC fuel oil, the intermonth spread of settlement prices of crude oil of the same month on the Tokyo Commodity Exchange will be used as the price spread with the front month.

#### **Quantity**

200 kiloliters and above per lot for gasoline, kerosene, and gasoil, 1,000 kiloliters and above

per lot for C fuel oil 0.3%S, 100 kiloliters and above per lot for A fuel oil 0.5%S, A fuel oil 0.1%S and C fuel oil 3.0%S. Volumes different from the standard quantity may also be used as a reference.

**Area of Assessment**  
Refineries in Japan