

Argus Base Oils

Prices at a glance

Asia-Pacific \$/t			
Group 1	Low	High	+/-
SN 150 ex-tank Singapore	1,145.00	1,180.00	+2.50
SN 500 ex-tank Singapore	1,225.00	1,260.00	+2.50
Bright stock ex-tank Singapore	1,310.00	1,340.00	+2.50
SN 150 fob Asia	995.00	1,045.00	+5.00
SN 500 fob Asia	1,070.00	1,105.00	+7.50
Bright stock fob Asia	1,170.00	1,210.00	+5.00
Group 2			
N150 ex-tank Singapore	1,140.00	1,180.00	+2.50
N500 ex-tank Singapore	1,200.00	1,235.00	+2.50
N150 fob Asia	1,010.00	1,040.00	+5.00
N500 fob Asia	1,070.00	1,105.00	+10.00
Northeast Asia \$/t			
Group 1	Low	High	+/-
SN 150 cfr	1,025.00	1,070.00	+2.50
SN 500 cfr	1,100.00	1,140.00	+10.00
Bright stock cfr	1,200.00	1,240.00	+2.50
Group 2			
N150 cfr	1,025.00	1,070.00	+7.50
N500 cfr	1,095.00	1,140.00	+12.50
India and UAE \$/t			
Group 1	Low	High	+/-
SN 150 cfr India	1,045.00	1,085.00	+5.00
SN 500 cfr India	1,080.00	1,120.00	+15.00
Bright stock cfr India	1,160.00	1,200.00	+5.00
SN 150 (LVI) cfr India	1,015.00	1,055.00	+5.00
SN 500 (LVI) cfr India	1,045.00	1,085.00	+15.00
SN 150 cfr UAE	1,040.00	1,070.00	+5.00
SN 500 cfr UAE	1,060.00	1,090.00	+5.00

Europe \$/t			
Group 1	Low	High	+/-
SN 150 fob domestic NWE	1,125.00	1,165.00	+10.00
SN 500 fob domestic NWE	1,145.00	1,175.00	+5.00
Bright stock fob domestic NWE	1,280.00	1,320.00	+10.00
SN 150 fob European export	990.00	1,020.00	+5.00
SN 500 fob European export	1,010.00	1,040.00	+5.00
Bright stock fob European export	1,025.00	1,065.00	+20.00
Group 3			
4cst fca NWE	1,501.00	1,526.00	-9.00
6cst fca NWE	1,526.00	1,545.00	-9.00
8cst fca NWE	1,507.00	1,532.00	-9.00

Russia and FSU \$/t			
Group 1	Low	High	+/-
SN 150 fob Baltic Sea	990.00	1,020.00	+30.00
SN 500 fob Baltic Sea	1,000.00	1,030.00	+30.00
SN 150 fob Black Sea	980.00	1,010.00	+25.00
SN 500 fob Black Sea	950.00	980.00	+10.00

US \$/t			
Group 1	Low	High	+/-
SN 150 fob	994.00	1,042.00	+21.00
SN 500 fob	1,094.00	1,138.00	+22.00
Bright stock fob	1,123.00	1,176.00	+23.50
Group 2			
N100 fob	1,101.00	1,141.00	+11.50
N200 fob	1,113.00	1,153.00	+10.50
N220 fob	1,113.00	1,153.00	+10.50
N600 fob	1,335.00	1,359.00	+0.00
Group 3 (domestic)			
4cst	1,584.00	1,591.00	+0.00
6cst	1,622.00	1,654.00	+0.00
8cst	1,622.00	1,654.00	+0.00

US naphthenic base oils \$/t			
	Low	High	+/-
Pale oil 60 fob	1,031.00	1,108.00	+0.00
Pale oil 100 fob	1,011.00	1,070.00	+0.00
Pale oil 500 fob	1,031.00	1,066.00	+0.00
Pale oil 2000 fob	1,070.00	1,087.00	+0.00

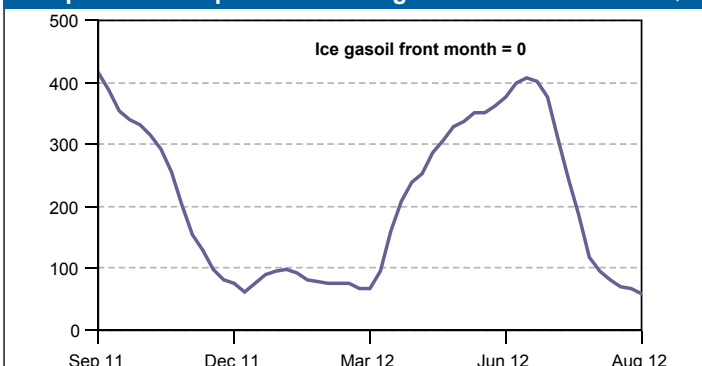
Crude oil and gasoil futures \$/t			
			+/-
Ice Brent front month (\$/b)	112.65		-2.36
Ice gasoil front month (\$/t)	984.25		-11.25

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Overview

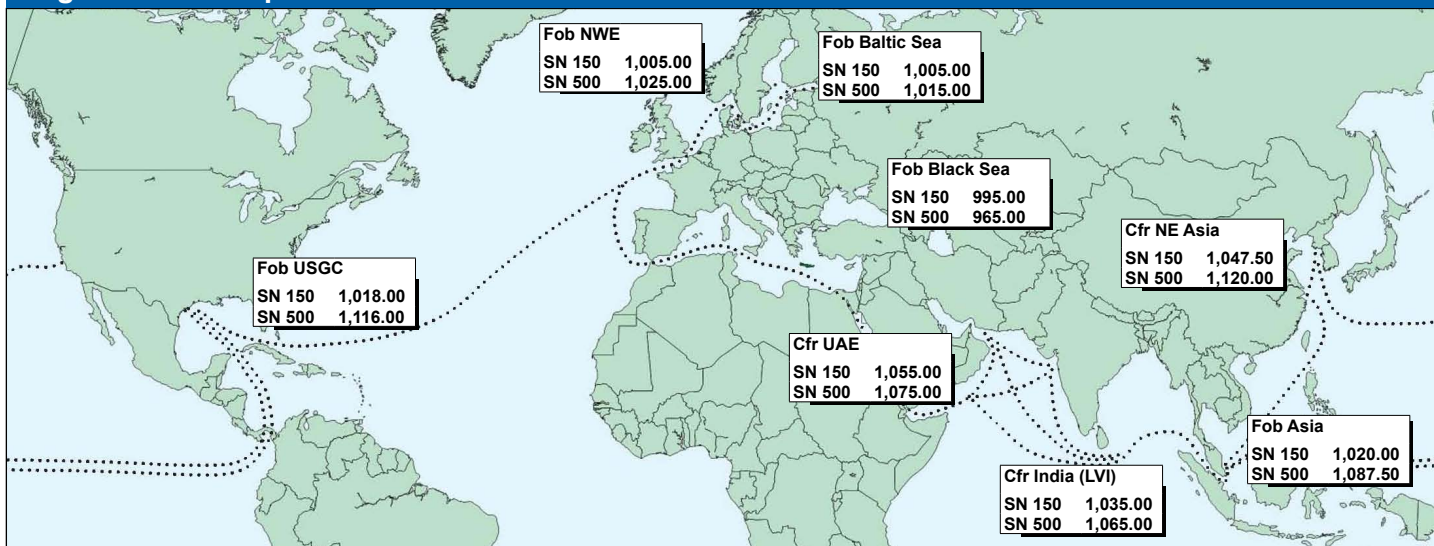
Global base oil prices have firmed. US prices got support amid concerns about disruptions caused by a major storm hitting the US Gulf coast. European prices rose amid reviving buying interest and ahead of several plant shutdowns. Asia-Pacific and Chinese base oil prices rose. Continuing plant shutdowns in Japan have cut supplies, while regional demand is firming, especially for heavy-grade base oils.

European SN 500 premium to Ice gasoil \$/t



Argus market map — SN 150 & SN 500

\$/t



Freight rates (US)						\$/t
Route	1,000t	3,000t	5,000t	10,000t		
US Gulf coast-Rotterdam	75.00	59.00	45.00	40.00		
US Gulf coast-Brazil	95.00	85.00	77.00	68.00		
US Gulf coast-Far East	105.00	75.00	59.00	55.00		
US Gulf coast-India	135.00	120.00	100.00	90.00		
- Rates for July 2012, provided by SPI Marine (www.spimarineusa.com)						

Freight rates (Asia-Pacific)						\$/t	
Route	3,000t	5,000t	Route	3,000t	5,000t		
Singapore-central China	54.00	49.00	S.Korea-US Gulf coast	95.00	85.00		
Singapore-Indonesia	32.50	29.50	S.Korea-WC India	71.00	62.50		
Singapore-Thailand	33.50	30.50	S.Korea-Singapore	34.50	30.50		
Singapore-WC India	48.50	44.00	S.Korea-Japan	24.00	21.50		
Singapore-Japan	62.00	57.00	S.Korea-central China	26.00	22.00		
Japan-central China	32.00	27.00	S.Korea-Taiwan	27.00	22.50		
Mideast Gulf-WC India	40.00	31.00	S.Korea-Europe	146.00	126.00		
Mideast Gulf-central China	69.00	63.00					
- Rates based on one port loading/one port discharge							
- Rates provided at market close on 30 August by SPI Marine (www.spimarineasia.com)							

Feedstock fundamentals

Global base oil prices have stayed weak relative to competing and feedstock fuels. The slump in base oil margins, combined with strong diesel premiums to crude, have maintained a strong incentive for refiners to boost production of the motor fuel.

European SN 150 base oils' premium to Ice gasoil fell below \$185/t, its lowest level since early March. The premium of SN 150 export prices fell below \$45/t, close to its lowest in more than 30 months. Base oils' premium to vacuum gasoil (VGO) fell to close to \$300/t, down from more than \$600/t just two months ago.

US domestic SN 150 base oil price premiums to heating oil held at around \$0.65/USG. But margins remain weak, holding below \$0.80/USG for a sixth straight week. The premium of US base oils over VGO held below \$30/bl for a fifth week.

In Asia-Pacific, ex-tank Singapore SN 150 base oils' premium to Ice gasoil fell to around \$200/t, its lowest since May 2010.

The fall in margins has coincided with a surge in crude and diesel prices since late June, incentivising refiners to boost output of the motor fuel. South Korean diesel production rose in July to its highest level in at least two years. Mexican diesel output in July held close to its highest level in 27 months.

Arbitrage opportunities						\$/t
Second centre less first centre.	SN 150		SN 500			
	This week	Prior week	This week	Prior week		
NWE-Asia	+15.00	+15.00	+62.50	+60.00		
Baltic Sea-Asia	+15.00	+40.00	+72.50	+95.00		
Asia-UAE	+35.00	+35.00	-12.50	-10.00		
NWE-UAE	+50.00	+50.00	+50.00	+50.00		
Asia-USGC	-2.00	-18.00	+28.50	+14.00		
NWE-USGC	+13.00	-3.00	+91.00	+74.00		
Black Sea-India (LVI)	+40.00	+60.00	+100.00	+107.50		
Asia-India (LVI)	+15.00	+15.00	-22.50	-17.50		
Baltic Sea-USGC	+13.00	+22.00	+101.00	+109.00		
Baltic Sea-NWE	+0.00	+25.00	+10.00	+35.00		

The increasingly large disconnection between base oil prices and competing fuels since June has reflected the market's oversupply and weak demand. But the separation also leaves the market exposed to a sudden change in the supply-demand dynamic. Some changes are planned, such as a producer's plan to cut run rates at its Taiwanese base oils plant after it resumes operations next month following maintenance.

Other changes are unexpected, such as the shutdown of several base oil units in Japan in July and August, along with a cut in operating rates at Chevron's Richmond base oils plant in the US after a fire at the refinery in early August. A major storm struck the US Gulf coast on 28 August, affecting more than 1.7mn b/d of refining capacity. The storm was almost exactly seven years after Hurricane Katrina struck the region, causing widespread destruction. This year's US hurricane season is now entering its most active period.

A huge blast on 25 August at PdV's 640,000 b/d Amuay refinery in Venezuela claimed the lives of 48 people. The facility was scheduled to restart by the end of this week. PdV's lubricants complex in its 310,000 b/d Cardon refinery forms part of its 950,000 b/d Paraguaná refining complex in Falcon state, which includes the Amuay refinery.

In a fast-changing market, base oil margins continue to reflect fundamentals that the market was facing in June and July. Demand may be weak, but it is set to get a seasonal boost in the coming weeks after the summer slowdown. European supplies are set to fall because of scheduled plant maintenance. While the anticipated fundamentals have changed, the list of unanticipated factors affecting the market continues to lengthen.

Asia-Pacific

Group 1		\$/t		
	Low	High	+/-	
SN 150 ex-tank Singapore	1,145.00	1,180.00	+2.50	
SN 500 ex-tank Singapore	1,225.00	1,260.00	+2.50	
Bright stock ex-tank Singapore	1,310.00	1,340.00	+2.50	
SN 150 fob Asia	995.00	1,045.00	+5.00	
SN 500 fob Asia	1,070.00	1,105.00	+7.50	
Bright stock fob Asia	1,170.00	1,210.00	+5.00	

Group 2		\$/t		
	Low	High	+/-	
N150 ex-tank Singapore	1,140.00	1,180.00	+2.50	
N500 ex-tank Singapore	1,200.00	1,235.00	+2.50	
N150 fob Asia	1,010.00	1,040.00	+5.00	
N500 fob Asia	1,070.00	1,105.00	+10.00	

Asia-Pacific base oil prices are higher amid increasing demand from regular buyers and traders, along with expectations of tighter supplies.

While a pick-up in stockbuilding has tightened spot availability, continuing plant shutdowns in Japan have already curbed surplus supplies in the market. Buyers there instead have sought extra supplies from markets like South Korea.

The limited availability of heavy-grade base oils in the region has prompted traders to seek to buy supplies from the winner of a tender of Indonesian base oils. The Indonesian producer sold through its 23 August tender 3,500t of base oils to a company of Indonesian origin and based in Singapore but whose core business is fuel oil trading.

The company bought 2,000t of bright stock and 1,500t of SN 500 at around \$950/t fob and around \$1,050/t fob respectively. Other bids for the SN 500 had been at higher levels, above \$1,000/t. The cargo is for loading in first-half September.

The Indonesian producer had also offered in the tender 3,500t of SN 130 and bright stock for late August loading but the cargo was not awarded. The producer in early August sold more than 7,000t of base oils of SN 150 and SN 500 in a \$960-980/t fob range.

The interest in the Indonesian supplies reflects a lack of availability from other sources. Thailand's domestic demand is strengthening, curbing SN 500 supplies for September loading. Thai producers kept their offer levels for SN 150 and bright stock unchanged at \$1,025-1,055/t fob and \$1,225-1,290/t respectively. They again held off offering any SN 500. A Thai producer last week sold 1,000t of SN 500 and 2,000t of bright stock for prompt loading at price levels below these offer levels.

JX Nippon's two base oil units at its Mizushima refineries in Japan remain off line, with one shut since mid-July and the other since the beginning of this month. The subsequent rise in demand from Japanese buyers likely soaked up supplies from markets like South Korea and Thailand. Taiwan also has no spot supplies of Group 1 base oils next month.

Blenders seek extra supplies

A trader in the ex-tank Singapore market has faced brisk sales during the past week with more enquiries and higher volumes booked. It kept its offer for Group 1 SN 150 and SN 500 at \$1,140/t and \$1,170/t ex-tank respectively. It offered bright stock at \$1,310/t. It offered Group 2 N150 and N600 at \$1,150/t and \$1,190/t ex-tank respectively. It cut its offer for Group 3 base oils by \$40/t. It offered 2cst at \$1,395/t, 4cst and 6cst at \$1,425/t and 8cst at \$1,485/t.

Blenders in southeast Asia covered their October requirements

Crude		\$/bl	
			+/-
Dubai crude front month	109.99		-3.24
SN 500 premium to Dubai crude	43.28		+4.30

Oil products		\$/bl	
			+/-
Singapore 0.5% gasoil	132.35		-1.75
Gasoil premium to Dubai crude	22.04		+1.10
SN 500 premium to gasoil	20.92		+2.81

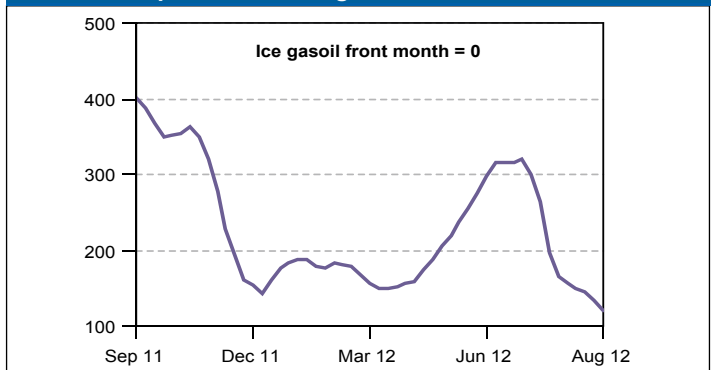
Asia SN 500 forward prices		\$/t		
	Low	High	+/-	
Sep 2012	1,077.50	1,097.50	+7.50	
Oct 2012	1,077.20	1,097.20	+8.00	
Nov 2012	1,073.85	1,093.85	+7.80	
4Q 2012	1,073.55	1,093.55	+7.65	
1Q 2013	1,063.15	1,083.15	+6.20	

The price shows the implied forward-curve base oil price required to maintain its existing profit margin relative to Ice gasoil futures. Refer to www.argusmedia.com for methodology

Asia SN 500 forward premium to gasoil		\$/t	
	Midpoint	+/-	
Sep 2012	124.25	-10.35	
Oct 2012	124.55	-10.85	
Nov 2012	127.90	-10.65	
4Q 2012	128.20	-10.55	
1Q 2013	138.65	-9.05	

The premium shows the implied forward-curve profitability of fob Asia SN 500 relative to Ice gasoil futures. Refer to www.argusmedia.com for methodology

Asia SN 500 premium to Ice gasoil \$/t



several weeks ago. But some of them, with extra storage facilities, were this week attempting to secure additional supplies.

Plant shutdowns and run cuts are easing the supply overhang in the Group 2 base oil market, especially for N500. Taiwan's Formosa Petrochemical is expected to trim its operating rates after it resumes operations around mid-September after a 50-day shutdown for maintenance. The shutdown has already curbed significantly its loadings this month.

A South Korean producer was offering spot supplies of N150 at around \$1,050/t fob, but bid levels from buyers in markets like China and Taiwan were much lower. The producer is supplying term supplies to Thailand next month. It is also moving extra supplies to the US.

South Korean refiner GS Caltex will start building stocks later this year ahead of a full shutdown of its base oils plant early next year for about 35-40 days' maintenance. The maintenance is expected to start within the first two months of next year.

Northeast Asia

Group 1	\$/t		
	Low	High	+/-
SN 150 cfr	1,025.00	1,070.00	+2.50
SN 500 cfr	1,100.00	1,140.00	+10.00
Bright stock cfr	1,200.00	1,240.00	+2.50

Group 2	\$/t		
	Low	High	+/-
N150 cfr	1,025.00	1,070.00	+7.50
N500 cfr	1,095.00	1,140.00	+12.50

Group 3	\$/t		
	Low	High	+/-
4cst cfr	1,095.00	1,125.00	-10.00
6cst cfr	1,105.00	1,135.00	-10.00
8cst cfr	1,090.00	1,120.00	-10.00

Northeast Asian base oil prices have firmed, supported by higher domestic prices and improving demand in China and a shortage of heavy-grade base oils. South Korean base oil producers with lower inventories are also turning down bids deemed too low. Shutdowns or run cuts in other countries are also curbing supplies.

A major Chinese producer is raising its domestic base oil spot prices by 400 yuan/t (\$63/t) from the start of September in response to firmer demand, tighter supply and rising feedstock prices. But it expects its availability of spot supplies to be limited as its own downstream units consume most of the supplies. Another major producer is also set to raise its prices next month.

While domestic blenders remain more cautious with their buying and inventories, traders are seeking supplies more actively. But availability of heavy-grade SN 500 especially remains tight.

Trading prices of domestic SN 150 in northeast China were steady at around Yn8,900/t ex-tank.

An importer raised its prices of SN 150 of Russian origin by Yn100/t to Yn8,700/t. It kept its price offer for SN 650 unchanged at Yn9,700/t. Supplies to China from Rosneft's Angarsk refinery are set to fall by more than half in September to just 4,000t because of a 30-day shutdown of the plant next month for scheduled maintenance.

A Chinese importer received an offer for Group 1 SN 250 of Taiwanese origin at around \$1,050/t cfr. But buyers were more interested in SN 500. A cargo of bright stock of Thai origin was also heard available and offered at a high \$1,100s/t cfr level.

Taiwanese supplies tighten

Taiwanese supplies of Group 2 base oils to China are set to tighten because of continuing refinery maintenance followed by lowered production rates starting next month. A large Group 2 base oils plant in northeast China is also set to be taken off line in late September for planned maintenance to replace a catalyst. Price offers of N150 of Taiwanese origin rose by Yn100/t to Yn9,300/t, while the offer for N500 held at Yn10,300/t ex-tank.

Sinopec's Gaoqiao refinery in east China raised its posted prices for N150 by Yn300/t to Yn9,400/t.

CNOOC's Huizhou refinery raised its posted prices for N100 and N220 by Yn250/t and Yn130/t to Yn9,450/t and Yn9,830/t respectively. Spot supplies of N150 were heard traded in east China

China domestic prices	yuan/t			\$/t		
	Low	High	+/-	Low	High	+/-
Group 1, SN 150						
Northeast						
Daqing	8,800.00	8,900.00	+100.00	1,387.00	1,403.00	+17.50
Dalian	8,900.00	9,000.00	+100.00	1,403.00	1,418.00	+17.50
North						
Yanshan	8,900.00	9,000.00	+100.00	1,403.00	1,418.00	+17.50
South						
Maoming	9,000.00	9,100.00	+100.00	1,418.00	1,434.00	+17.00
Group 1, SN 400						
Northeast						
Fushun	9,200.00	9,300.00	+100.00	1,450.00	1,466.00	+17.50
Dalian	9,300.00	9,400.00	+100.00	1,466.00	1,481.00	+17.50
South						
Maoming	9,300.00	9,400.00	+100.00	1,466.00	1,481.00	+17.50
Group 2, N150						
East						
Gaoqiao	9,300.00	9,400.00	+300.00	1,466.00	1,481.00	+48.50
South						
Huizhou	9,100.00	9,200.00	+200.00	1,434.00	1,450.00	+33.00

China import price calculator *						
	yuan/t			\$/t		
	Low	High	+/-	Low	High	+/-
Group 1 (imported prices)						
SN 150	9,384.00	9,738.00	+11.50	1,479.00	1,535.00	+3.50
SN 500	9,974.00	10,289.00	+70.00	1,572.00	1,621.00	+12.50
Bright stock	10,761.00	11,076.00	+10.50	1,696.00	1,745.00	+3.50
Group 2 (imported prices)						
N150	9,384.00	9,738.00	+51.50	1,479.00	1,535.00	+10.00
N500	9,935.00	10,289.00	+90.50	1,566.00	1,621.00	+15.50

*Inc. 6% customs duty, 17% VAT and 1,126.00 Yuan/t consumption tax.

at Yn9,000/t ex-tank, up by Yn100/t from offer levels last week.

An importer in east China offered N150 of South Korean origin at Yn9,600/t, with Yn10,600/t for N600.

A South Korean producer raised its price offer for spot supplies of Group 2 base oils in September to Chinese and Taiwanese buyers. But the producer could skip such spot sales because of the wide spread between bids and offer levels, currently at around \$100/t.

The producer was comfortable with such a move with its larger volume of term shipments in September, along with its shipment of extra supplies to the US during the next four months.

A typhoon that struck the Korean peninsula this week was likely to have delayed cargo loadings by three to four days.

A Chinese importer is to take delivery of two Group 3 base oil cargoes from South Korea in September. Most of the supplies are moving to its term buyers. Small volumes were offered in a mid-Yn12,000/t ex-tank level, although activity is muted.

Domestic wholesale diesel prices in China rose another Yn100/t during the week to Yn8,200/t in east China and Yn8,300/t in south China, the highest level in three months. But sales have been sluggish.

India

Group 1		\$/t	
	Low	High	+/-
SN 150 cfr	1,045.00	1,085.00	+5.00
SN 500 cfr	1,080.00	1,120.00	+15.00
Bright stock cfr	1,160.00	1,200.00	+5.00
SN 150 (LVI) cfr	1,015.00	1,055.00	+5.00
SN 500 (LVI) cfr	1,045.00	1,085.00	+15.00

Group 2		\$/t	
	Low	High	+/-
N150 cfr	1,060.00	1,110.00	+5.00
N500 cfr	1,150.00	1,190.00	+10.00

Group 3		\$/t	
	Low	High	+/-
4cst cfr	1,055.00	1,095.00	-5.00
6cst cfr	1,060.00	1,100.00	-5.00
8cst cfr	1,045.00	1,085.00	-5.00

Indian base oil prices have increased, amid signs of a gradual pick-up in demand for October-arrival supplies in October, especially for heavy-grade base oils.

The market usually sees a seasonal pick-up in finished lubricating oil demand around October after the monsoon rains have ended. Buyers that have also been covering their requirements through inventories or domestic suppliers are expected to look to replenish stocks.

While buyers remain in no rush to secure cargoes, they face a dwindling choice of options for these supplies. Buyers have during the past two months received offers for supplies from Asia-Pacific, Europe, Russia and the US. Many of these cargoes were offered at unusually low levels as producers sought to clear their high inventories.

Currently two cargoes of European origin are being offered, at a more-than \$100/t premium to European prices. But the market is seeing a lack of offers from other recent suppliers such as South Korea, Thailand, Italy and the US.

A trader offered a 3,000t-4,000t cargo of Group 1 base oils of Greek origin for September arrival. It offered 1,500t-2,000t each of SN 150 and SN 500 at a \$115/t premium to the mean of fob European prices.

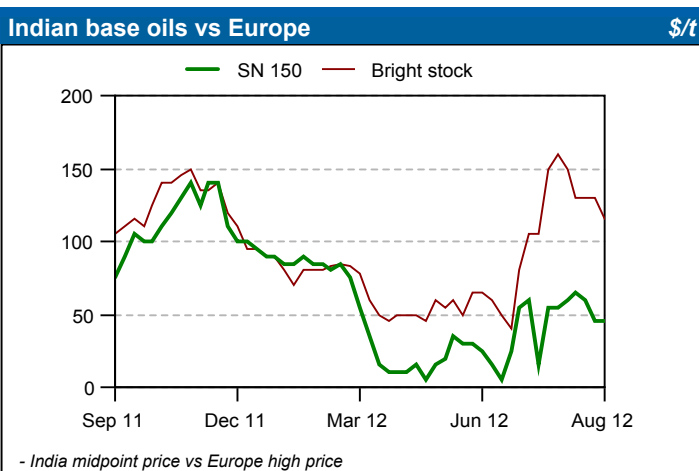
The trader also offered a 4,500-7,000t cargo of Portuguese origin, also for September arrival. It offered 1,500-3,000t of SN 100 at a \$90/t premium. It offered 1,000-1,500t of SN 150 and 2,000-2,500t of SN 500 at a \$110/t premium.

A seller was negotiating the sale of a 10,000t cargo of Russian origin loading from Ukraine's Black Sea port of Feodosiya and bound for India. The cargo consisted of 8,000t of SN 500 and 2,000t of SN 150. The price discussions were \$30/t higher than a Mumbai-bound cargo that left Feodosiya on 28 August. This shipment, a 6,500t cargo of SN 500, was sold about 10 days ago to two Indian blenders at around \$1,050/t cfr.

Pakistan's NRL sold through a tender 4,500t of Group 1 base oils to a trader, which plans to ship the supplies to India. The trader bought the cargoes at a \$25/t discount to fob Asia prices.

NRL had offered through the 23 August tender 2,000t of bright stock for 2 September loading. It had also offered a cargo with 1,500t

Domestic refinery prices				
	Rs/l	+/-	\$/t	+/-
IOC prices, Chennai				
SN 70	71.80	+0.00	1,437.00	-9.00
SN 150	70.50	+0.00	1,411.00	-9.00
SN 500	70.56	+0.00	1,412.00	-9.00
Bright stock	86.95	+0.00	1,740.00	-12.00
IOC prices, Mumbai				
SN 70	73.10	+0.00	1,463.00	-10.00
SN 150	68.90	+0.00	1,378.00	-10.00
SN 500	68.60	+0.00	1,372.00	-10.00
Bright stock	86.00	+0.00	1,721.00	-11.00
- Prices in Rs/l effective from 01 Aug				



of SN 100 and 1,000t of SN 65 for 9 September loading.

Indian supplies head for Turkey

A UAE-based trader is moving a 6,000t cargo of SN 150 and SN 500 of Indian origin to buyers in Turkey and Italy. The trader secured the supplies through an 8 August tender awarded by an Indian refiner. The vessel *Turquoise T* will load the cargo on 30 August. The blender in Turkey is set to receive 1,000t of SN 150 and 2,000t of SN 500. The buyer in Italy will receive 1,500t each of SN 150 and SN 500.

A South Korean producer sold to an Indian buyer 1,000t of 'premium' grade N500 at \$1,075-1,085/t cfr. It also sold 500t of 'premium' grade N150 at \$1,030-1,040/t cfr. It had earlier offered the supplies about \$20/t higher but faced strong resistance from buyers at such levels. The producer has also received more requests from term buyers for extra volumes of its 'super' grade N500 for September. But with its own tight supplies it is unable to meet this request.

The strong demand for heavy grades partly reflects the sharp slowdown in supplies from Iran, which has typically been a major supplier of SN 500 to the country. Supplies in Asia-Pacific are also tight.

Another South Korean producer last week sold about 4,000t of Group 2 base oils for September at levels close to its target price. It sold its N60 at around \$1,050-1,060/t cfr, N150 at \$1,100-1,110/t, N220 at \$1,120-1,130/t and N600 at \$1,180-1,190/t.

A Malaysian producer sold a spot cargo of Group 2+ N70 for September arrival at \$1,050/t cfr. A deferred August shipment separately sold on a formula basis to a term customer will arrive in mid-September.

Mideast Gulf

Group 1				\$/t
	Low	High	+/-	
SN 150 cfr UAE	1,040.00	1,070.00	+5.00	
SN 500 cfr UAE	1,060.00	1,090.00	+5.00	
SN 150 (LVI) cfr UAE	995.00	1,025.00	+2.50	
SN 500 (LVI) cfr UAE	1,020.00	1,050.00	+2.50	

Group 3				\$/t
	Low	High	+/-	
4cst ex-tank UAE	1,275.00	1,325.00	+0.00	
6cst ex-tank UAE	1,265.00	1,315.00	+0.00	
8cst ex-tank UAE	1,255.00	1,305.00	+0.00	

Mideast Gulf base oil prices have nudged higher as producers and traders raise their offers, while Turkish demand attracts more cargoes from the region.

Even as prices firm, the price gains for low-viscosity index (LVI) base oils in the UAE market have lagged the rise in cfr India prices, reflecting the more limited destinations for Iranian base oils because of freight-related complications. By contrast, more Russian base oil cargoes, at higher prices, are being offered into the UAE and have been moving to India

A 5,000t cargo of SN 500 of Iranian origin is likely bound for Turkey after being sold about a week ago. The price level was heard to be around \$950-955/t fob Bushehr. Price levels any higher made such an arbitrage unworkable. The price contrasts with a cargo of SN 500 sold last week at around \$990/t fob. The freight rate from Iran to Turkey was estimated to be around \$100/t. The high rate reflects the increased costs caused by the latest sanctions against Iran.

The shipment to Turkey follows a slowdown in flows to the country in recent months as Turkish demand slowed. Iranian base oil exports to Turkey had previously surged in the three months to end-May.

An Iranian producer is continuing to load cargoes sold through a tender in late July. It sold more than 20,000t in the tender and should complete the loadings by mid-September. The producer is expected to issue another tender by 10 September.

A 5,600t cargo was heard sold at \$965/t fob BIK, bound for the UAE, for late September delivery. Half the cargo consists of SN 500 and the rest is a combination of SN 150 and SN 650.

The sale of a cargo of base oils of Russian origin was close to being finalised. The expected price level for the UAE-bound cargo was around \$1,040-1,050/t cfr.

Prices of SN 500 in the ex-tank Sharjah market nudged up to around \$1,030-1,070/t. Sales are slow, reflecting buyers' resistance to rising prices. Sellers are also comfortable to wait or even delay sales, as they seek to benefit from the price contango in the market. A trader said some vessels are even moving to the UAE unsold.

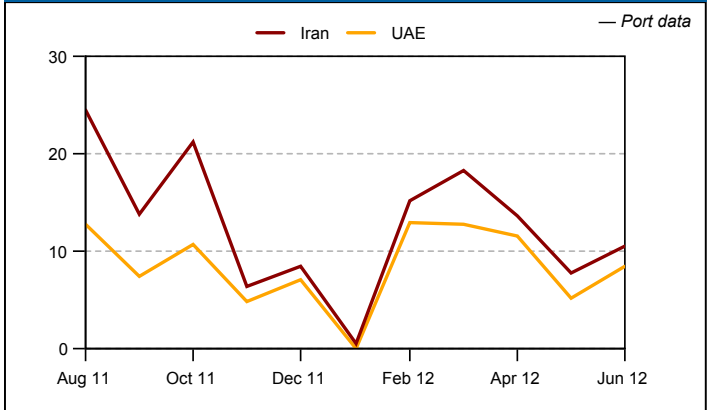
Even with an expected pick-up in demand during the coming weeks, any rebound in LVI base oil prices could be capped by the product's already high price relative to on-specification Group 1 base oils, as well as Group 2 N150 and even Group 3 base oil prices.

Iran export prices

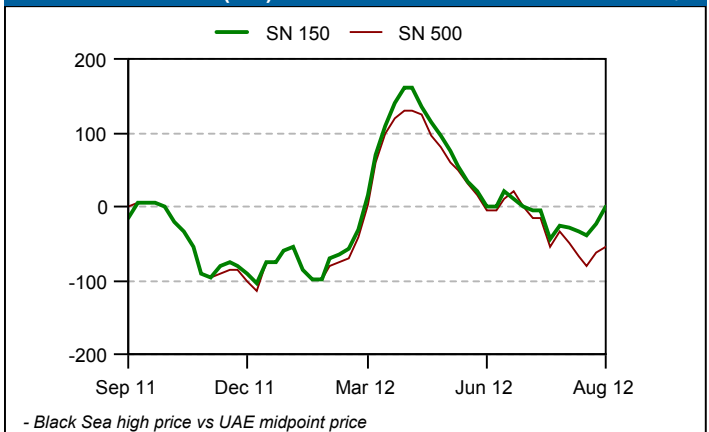
Sepahan Oil	\$/t	+/-
SN 500 (LVI) fob	1,050.00	+0.00
Rubber process oil fob	900.00	+0.00
Slack wax fob	1,200.00	+0.00

— Prices on a fob Bushehr basis, effective from 24 Aug to 30 Aug

Indian imports from Iran and UAE



Black Sea vs UAE (LVI)



South Korean price offers rise

Price offers in the Group 2 base oils market are also trending higher. Supplies of N500 are heard to be especially tight. While only light grades are available, prices were too high for buyers. A South Korean producer of Group 2 base oils looks set to withdraw an offer at around \$1,050/t fob because the gap with the bid levels is too wide.

But a term buyer in the region brought forward its supply of Group 2 base oils to September from November. A 7,000t cargo is set to load from Yeosu in South Korea around mid-September, bound for Abu Dhabi.

Group 3 base oil prices remain weaker compared with other grades in the region because of better supplies. Traders said the material is available in a wide range from \$1,250- 1,350/t ex-tank, depending on the grade.

Europe

Group 1			\$/t
	Low	High	+/-
SN 150 fob domestic NWE	1,125.00	1,165.00	+10.00
SN 500 fob domestic NWE	1,145.00	1,175.00	+5.00
Bright stock fob domestic NWE	1,280.00	1,320.00	+10.00
SN 150 fob European export	990.00	1,020.00	+5.00
SN 500 fob European export	1,010.00	1,040.00	+5.00
Bright stock fob European export	1,025.00	1,065.00	+20.00

Group 3	€/t			\$/t		
	Low	High	+/-	Low	High	+/-
4cst fca NWE	1,200.00	1,220.00	+0.00	1,501.00	1,526.00	-9.00
6cst fca NWE	1,220.00	1,235.00	+0.00	1,526.00	1,545.00	-9.00
8cst fca NWE	1,205.00	1,225.00	+0.00	1,507.00	1,532.00	-9.00

European base oil prices have edged higher, supported by renewed buying interest and the sustained strength of crude and diesel prices. While buyers are still able to secure supplies, they are aware of looming shutdowns, as well as potential run cuts, and the impact such moves could have on spot availability.

Weeks of dwindling stocks during the summer have also spurred buying interest, both in Europe and export markets. But traders said it is too soon to tell whether the firming will be temporary, or part of a sustained uptrend. The sustainability of the current, mild price recovery should become clearer as more of the key European market participants return from summer vacations.

Buyers in the domestic market said weak demand for finished lubricants is likely to stem any price increases. Demand in August is typically slower than other months and could rebound in September. But any price increase will be capped before such an increase in demand materialises.

Falling supplies parry weak demand

But the low prices are also affecting supplies. Even with the current upwards price trend, base oil margins continue to slide because of strong diesel margins over crude, raising the prospect of more refinery run cuts.

Even without any more cuts in production, some 970,000 t/yr of base oils production capacity is set to be taken off line for at least 30 days in September-October because of planned maintenance work in the region.

Traders said prices in the mid-\$1,100s/t are still available, but regional refiners are already trying to boost price levels. Such a refiner, whose prices are already above \$1,200/t, is already pushing for further increases. But traders said buyers are unwilling to pay these prices, avoiding new purchases from this seller.

Bright stock continues to face the widest range of prices in the domestic market. Domestic buyers and sellers reported prices ranging from \$1,270-1,450/t, depending on the region. The domestic price also remains substantially higher than export prices, with the spread holding at more than \$250/t. Much of the bright stock bought in the domestic market is sold in small volumes, hampering any moves to take advantage of that wide export-domestic spread.

Bright stock export prices extended their recovery, as prompt supplies remain hard to find. Prices are rising because of demand in some regions, including west Africa, combined with the shortfall in Europe.

The arbitrage for other grades of base oils is open to South America, the Mideast Gulf and South Africa, for the right quantity and quality. Demand is also good in the Mediterranean region, with buyers in Lebanon, Egypt, Greece and Turkey looking to restock. But prices in

Crude			\$/bl
			+/-
North Sea Dated		112.78	-4.77
SN 500 premium to North Sea Dated		31.68	+5.47

Oil products			\$/t
			+/-
Heating oil 0.1% barge (\$/t)		980.25	-11.50
Vacuum gasoil 0.5% barge (\$/t)		841.13	-32.00
Vacuum gasoil 1.6% barge (\$/t)		823.63	-26.75
Fuel oil 3.5% barge (\$/t)		644.75	-13.00
Straight run M-100 fuel oil cargo (\$/t)		661.25	-9.00
Oil products premiums			
Heating oil premium to crude (\$/bl)		18.91	+3.22
Heating oil premium to VGO 1.6% (\$/bl)		10.57	+2.39
SN 500 premium to heating oil (\$/bl)		12.77	+2.25
SN 500 premium to VGO 1.6% (\$/bl)		23.34	+4.64

European forward prices	\$/t					
	SN 150			SN 500		
	Low	High	+/-	Low	High	+/-
Sep 2012	995.00	1,015.00	+5.00	1,015.00	1,035.00	+5.00
Oct 2012	994.70	1,014.70	+5.50	1,014.70	1,034.70	+5.50
Nov 2012	991.35	1,011.35	+5.30	1,011.35	1,031.35	+5.30
4Q 2012	991.05	1,011.05	+5.15	1,011.05	1,031.05	+5.15
1Q 2013	980.65	1,000.65	+3.70	1,000.65	1,020.65	+3.70

The price shows the implied forward-curve base oil price required to maintain its existing profit margin relative to Ice gasoil futures. Refer to www.argusmedia.com for methodology

European forward premium to gasoil	\$/t			
	SN 150		SN 500	
	Midpoint	+/-	Midpoint	+/-
Sep 2012	41.75	-12.85	61.75	-12.85
Oct 2012	42.05	-13.35	62.05	-13.35
Nov 2012	45.40	-13.15	65.40	-13.15
4Q 2012	45.70	-13.05	65.70	-13.05
1Q 2013	56.15	-11.55	76.15	-11.55

The premium shows the implied forward-curve profitability of fob Europe SN 150 and SN 500 relative to Ice gasoil futures. Refer to www.argusmedia.com for methodology

Turkey remain too low for most European offers.

A trader fixed a shipment of 1,000t of SN 150 and 4,000t of SN 500 to South America for \$15-20/t above the low end of published European prices. Others said sellers are now asking for premiums to the mean or high end of published prices for any fresh shipments, citing balanced stocks and the scheduled turnarounds.

Traders said that the tightening availability of spot supplies for export out of Europe could be exacerbated by any moves by sellers to hold back offers in anticipation of higher prices in the coming weeks.

Group 3 base oil prices held steady, with spot values around €1,210/t (\$1,513/t). Prices face continuing pressure from plentiful supplies. But sellers for now show signs of resisting any drop below the €1,200/t mark. A large shipment reported last week below €1,200/t could not be confirmed on the selling side, and the buyer involved said it was a special deal unlikely to be replicated. Some sellers dismissed the possibility of such a low price. Traders said two sellers are currently competing with each other, with improved price offers, in an effort to secure a large share of contract buyers. This has not yet affected spot prices but could do so eventually.

Russia and FSU

Baltic Sea Group 1		\$/t	
	Low	High	+/-
SN 150 fob	990.00	1,020.00	+30.00
SN 500 fob	1,000.00	1,030.00	+30.00

Black Sea Group 1		\$/t	
	Low	High	+/-
SN 150 fob	980.00	1,010.00	+25.00
SN 500 fob	950.00	980.00	+10.00

Russian base oil prices are higher, boosted by lower supplies in Europe and strong Turkish demand. But buying activity has slowed as consumers continue to resist the recent rise in prices.

Traders in the Baltic market by the end of the week looked to sell light materials at \$1,020-1,030/t fob Baltic. But the offers were mostly unsuccessful with buyers unwilling to pay more than \$1,000/t. Supplies of SN 900 were offered at close to \$1,100/t, widening its premium to SN 500 by \$10/t to \$85/t. Its price strength reflected the market tightness of heavy grades after the Fergana refinery in Uzbekistan stopped its shipments several months ago. A Nigerian trader sought 3,000-4,000t of SN 900 for loading in mid-September but failed to find such a cargo.

European buyers are ready to pay more than \$1,000/t fob Baltic for high-quality material because of limited availability in Europe.

Refiners target higher prices

Several deals were seen for low-quality SN 150 and SN 350 on a cpt Russian-Ukrainian border basis at about \$930/t. On-specification Russian SN 150 and SN 500 were pegged at \$950-990/t cpt Russian-Latvian border. Traders said refiners are targeting another \$50/t increase for September cargoes. The producers say they need to raise prices to continue production, which is currently unattractive because of high feedstock costs.

Suppliers of Russian or European base oils to Africa were seeking arbitrage opportunities to move cargoes from the US or Asia-Pacific because rising Baltic and European export prices had made the arbitrage to Africa for those supplies difficult to work. A trader said that Latin American buyers are still unwilling to pay more than \$1,100/t cfr, so this arbitrage destination was also closed this week.

Belarus' Novopolotsk refinery sold 2,700t of base oils for loading by 10 October. A local trader in the Baltic market bought about 500t of SN 150, 500t of SN 500 and 500t of SN 1,200 at a fixed price of €750/t (\$941/t). The trader subsequently bought an extra 180t of SN 1,200 at €773.50/t fca Novopolotsk. These volumes are expected to head to the Baltic and Ukrainian markets. The prices are the equivalent to about \$990/t and \$1,015/t fob Baltic respectively, excluding any margin. Another Baltic trader has bought from the refinery 500t of SN 150 and 500t of SN 500 at €768.50/t.

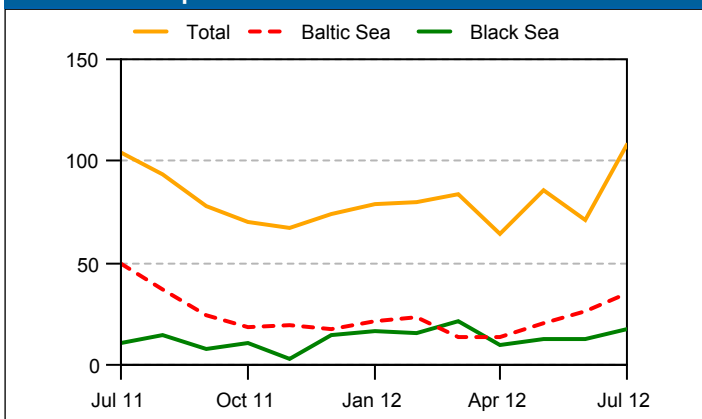
The timing of the loading of these cargoes could be pushed back because of the delayed loading of August cargoes, because of the breakdown of a crude distillation unit at the refinery earlier this month.

A 7,000t cargo with a combination of SN 150 and SN 500 was sold from the Black Sea port of Feodosiya to Bulgaria. The cargo is loading in early September. The price level was undisclosed, but was expected to be at a premium to the high end of fob Black Sea published prices.

The Turkish market continues to attract cargoes from within the region, as well as markets further afield. Deals were done recently in

Russian base oils, lubes rail/river exports				'000t			
	July	June	±		July	June	±
Rail							
Overland	55.95	31.69	24.26	Baltic	34.94	26.56	8.38
Afganistan	0.15	0.04	0.11	Kaliningrad	26.91	22.29	4.62
Armenia	0.20	0.00	0.20	Liepaja	6.48	2.87	3.61
Azerbaijan	1.58	0.75	0.83	Riga	1.06	1.35	-0.29
Belarus	1.17	0.07	1.10	Mukran	0.23	0.00	0.23
China	10.84	6.15	4.69	St.Petersburg	0.26	0.05	0.21
Hungary	0.39	0.28	0.11				
North Korea	0.05	0.02	0.03	Black Sea	17.14	12.87	4.27
Finland	2.15	1.96	0.19	Eisk		0.00	0.00
Kazakhstan	12.28	9.38	2.90	Feodosia	12.64	5.60	7.04
Kyrgyzstan	0.89	0.84	0.05	Kavkaz	0.27	0.00	0.27
Latvia	0.90	0.47	0.43	Nikolaev	0.00	0.00	0.00
Lithuania	5.44	1.26	4.18	Novorossiisk	4.23	6.91	-2.68
Moldova	0.53	0.06	0.47	Odessa	0.00	0.36	-0.36
Mongolia	0.56	0.63	-0.07	Kerch	0.00	0.00	0.00
Romania	1.60	0.32	1.28				
Poland	0.27	0.59	-0.32	River			
Slovakia	0.99	0.00	0.99	Volgograd	15.60	7.00	8.60
Tajikistan	1.13	0.74	0.39				
Turkmenistan	0.35	0.31	0.04				
Ukraine	13.35	7.37	5.98				
Uzbekistan	1.13	0.45	0.68				
Total Russia rail, river exports					123.63	78.12	45.51

Russian rail exports via Baltic/Black Sea



a \$1,050-1,100/t cfr range for cargoes coming from Iran and India. Prices in the Turkish domestic ex-tank market were in a \$1,050-1,100/t range this week. But sellers are looking to push the price above the \$1,100/t level.

A Russian cargo was being negotiated this week at levels close to \$1,050/t cfr Turkey, although the deal has yet to be finalised.

Supplies of domestically-produced SN 150 were available at 2,085 lira/t (\$1,140/t) and at 2,040 lira/t for SN 500 fca Izmit. Bright stock was offered at 2,465 lira/t. All prices are 60 lira/t higher than at the beginning of the month.

The Argus Russian diesel index extended gains, rising 0.9pc this week to 29,756 roubles/t (\$927/t), boosted by higher prices in export markets and strong domestic demand.

US

Group 1	\$/USG			\$/t		
	Low	High	+/-	Low	High	+/-
SN 150 fob	3.28	3.44	+0.07	994.00	1,042.00	+21.00
SN 500 fob	3.67	3.82	+0.08	1,094.00	1,138.00	+22.00
Bright stock fob	3.82	4.00	+0.08	1,123.00	1,176.00	+23.50

Group 2	\$/USG			\$/t		
	Low	High	+/-	Low	High	+/-
N100 fob	3.55	3.68	+0.04	1,101.00	1,141.00	+11.50
N200 fob	3.65	3.78	+0.04	1,113.00	1,153.00	+10.50
N220 fob	3.65	3.78	+0.04	1,113.00	1,153.00	+10.50
N600 fob	4.45	4.53	+0.00	1,335.00	1,359.00	+0.00

Domestic prices	\$/USG			\$/t		
	Low	High	+/-	Low	High	+/-

Group 1	\$/USG			\$/t		
	Low	High	+/-	Low	High	+/-
SN 150	3.60	3.80	+0.06	1,091.00	1,151.00	+18.00
SN 500	4.10	4.27	+0.06	1,222.00	1,272.00	+17.50
Bright stock	4.32	4.46	+0.07	1,270.00	1,311.00	+19.00

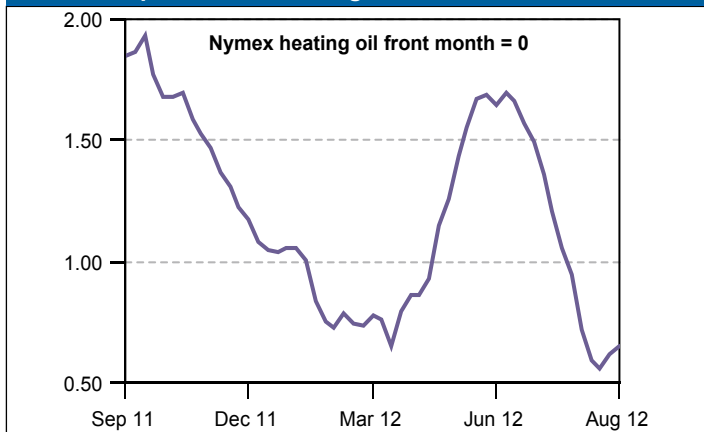
Group 2	\$/USG			\$/t		
	Low	High	+/-	Low	High	+/-
N100	3.90	4.05	+0.02	1,209.00	1,256.00	+6.50
N200	3.94	4.10	+0.02	1,202.00	1,251.00	+6.50
N220	3.95	4.08	+0.02	1,205.00	1,244.00	+4.50
N600	4.58	4.67	+0.02	1,374.00	1,401.00	+4.50

Group 3	\$/USG			\$/t		
	Low	High	+/-	Low	High	+/-
4cst	5.03	5.05	+0.00	1,584.00	1,591.00	+0.00
6cst	5.15	5.25	+0.00	1,622.00	1,654.00	+0.00
8cst	5.15	5.25	+0.00	1,622.00	1,654.00	+0.00

Naphthenic domestic prices	\$/USG			\$/t		
	Low	High	+/-	Low	High	+/-
Pale oil 60	3.69	3.79	+0.00	1,093.00	1,123.00	+0.00
Pale oil 100	3.68	3.80	+0.00	1,079.00	1,114.00	+0.00
Pale oil 500	3.71	3.80	+0.00	1,066.00	1,092.00	+0.00
Pale oil 2000	3.73	3.83	+0.00	1,064.00	1,093.00	+0.00

Naphthenic export prices	\$/USG			\$/t		
	Low	High	+/-	Low	High	+/-
Pale oil 60 fob	3.48	3.74	+0.00	1,031.00	1,108.00	+0.00
Pale oil 100 fob	3.45	3.65	+0.00	1,011.00	1,070.00	+0.00
Pale oil 500 fob	3.59	3.71	+0.00	1,031.00	1,066.00	+0.00
Pale oil 2000 fob	3.75	3.81	+0.00	1,070.00	1,087.00	+0.00

US SN 500 premium to heating oil \$/USG



US SN 500 forward prices	\$/USG			\$/t		
	Low	High	+/-	Low	High	+/-
Sep 2012	3.72	3.77	+0.07	1,108.55	1,123.45	+22.35
Oct 2012	3.73	3.78	+0.08	1,111.05	1,125.95	+22.45
Nov 2012	3.74	3.79	+0.08	1,113.10	1,128.00	+22.05
4Q 2012	3.73	3.78	+0.07	1,112.85	1,127.75	+22.10
1Q 2013	3.73	3.78	+0.07	1,111.15	1,126.05	+20.80

The price shows the implied forward-curve base oil price required to maintain its existing profit margin relative to Nymex heating oil futures. Refer to www.argusmedia.com for methodology

US SN 500 forward premium to heating oil	\$/USG		\$/t	
	Midpoint	+/-	Midpoint	+/-
Sep 2012	0.70	+0.02	207.60	+5.45
Oct 2012	0.69	+0.02	205.15	+5.40
Nov 2012	0.68	+0.02	203.05	+5.75
4Q 2012	0.69	+0.03	204.15	+7.45
1Q 2013	0.69	+0.03	204.15	+7.45

The premium shows the implied forward-curve profitability of fob US export SN 500 relative to Nymex heating oil futures. Refer to www.argusmedia.com for methodology

US domestic base oil prices remain weak relative to competing fuels, even as a major hurricane struck the US Gulf coast, disrupting refining operations across the region.

US producers and refiners are beginning to survey damage from category 1 Hurricane Isaac, which was downgraded to tropical storm status after making landfall in Louisiana on 28 August. It shut an estimated 936,500 b/d of US Gulf coast refining capacity, with around 1.7mn b/d of refining capacity running at reduced rates because of the threat.

ExxonMobil's 502,000 b/d refinery at Baton Rouge, Louisiana was operating at reduced rates on 30 August. The refinery includes an 815,000 t/yr base oils unit.

There were no reported disruptions at base oils production facilities as a result of the hurricane.

The storm-related disruptions coincide with run cuts by various US producers in response to base oil margins close to their lowest level in two years. Chevron has also reduced base oil production rates at its 225,000 b/d Richmond refinery in California following a fire at the plant in early August.

But Chevron does not anticipate shortages of lubricants or base oils as a result of the 6 August fire. A South Korean producer is set to move more base oil supplies to the US during each of the next four months in response to the fire-related disruptions at the Richmond plant.

The drop in base oil production and weak margins contrasts with the same period last year. Base oil margins then were at their highest level in at least 18 months, while supplies were building fast. The slowdown in production this year will also coincide with a period when demand typically rises after the slower summer months.

Hurricane spurs VGO strength

While the impact of Hurricane Isaac on base oils-related infrastructure is expected to be limited, the hurricane-related increase in US Gulf coast gasoline prices boosted catalytic cracker margins, supporting strong vacuum gasoil (VGO) values. A major

US

was looking also to buy high-sulphur VGO for a Texas refinery, as one of its Louisiana refineries was off line because of the storm. The premium of VGO over Light Louisiana Sweet crude held at more than \$17/bl, close to its highest level in more than five years. VGO values were already high even before the storm, reflecting a tight market until early September.

The effect of strong VGO prices has been a slump in the SN 150 base oils premium to the feedstock by more than half in the past two months to less than \$30/bl. The export base oils premium has fallen to around \$10/bl during the same period, down from \$50/bl two months ago. Base oils' premium to heating oil prices also remained weak, holding below \$0.70/USG for a fifth week and close to its lowest level since early 2010.

Activity in the export market firmed, mostly focused on offers into South American markets like Brazil. Supplies from Europe were also heard bound for South America, with a 5,000t cargo with a combination of SN 500 and SN 150 heading for this market.

A seller's deal to move a cargo of heavy-grade Group 1 base oils from Houston to Nigeria was heard to have fallen through, with the cargo shown to other traders. A trader was also heard showing an 8,000t cargo set for 10-20 September loading from the US Gulf coast bound for Lagos.

A trader was heard to be looking to move a 2,000-3,000t cargo of Group 1 base oils from the US east coast to Asia-Pacific in September. Such a cargo shipment will coincide with tightening supplies and rising demand for SN 500 in Asia-Pacific. The premium of Asia-Pacific SN 500 prices to US export prices widened to more than \$200/t earlier this month, against a discount to US prices as recently as early June. But the spread has since narrowed to around \$125/t.

At least two traders were looking to move Group 2 base oil cargoes from the US Gulf coast to Nigeria. Exports of surplus cargoes of light-grade Group 2 base oils had surged in July and early August but have slowed markedly in recent weeks.

A South American national oil company recently cut its domestic prices for locally-produced base oils by 5pc in an attempt to protect its market share. Sales from the producer to other domestic producers includes another discount if they can prove they are going to export the base oils. The two discounts combined total almost 10pc. The oil company is importing supplies to balance its subsequent shortage.

Naphthenic base oils

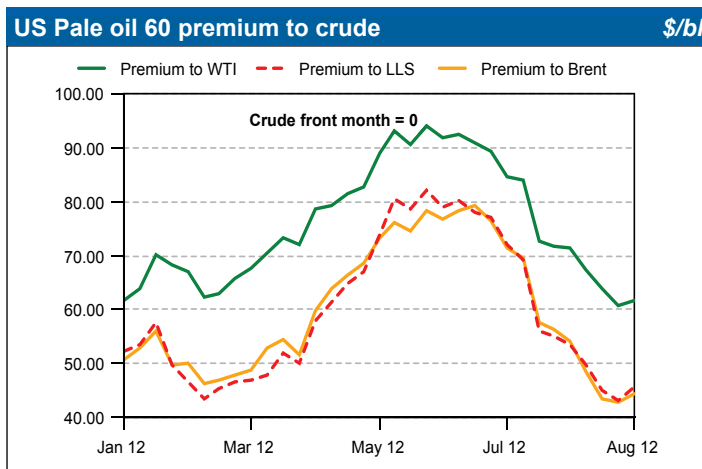
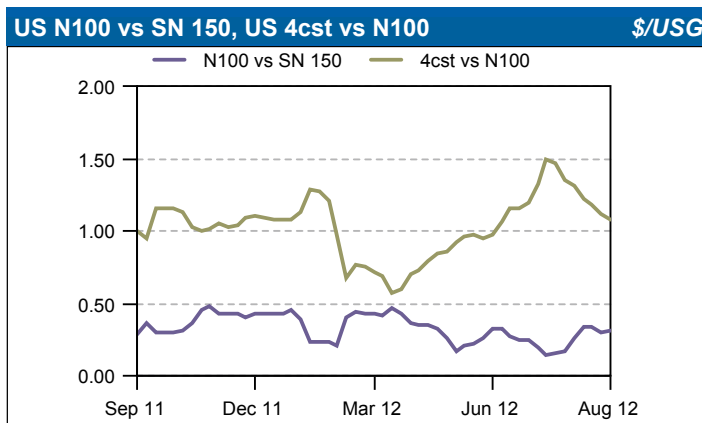
US naphthenic base oil prices have held firm, amid concerns about production and logistics-related disruptions caused by tropical storm Isaac, which was upgraded to a hurricane before making landfall in Louisiana on 28 August.

The deluge of rain from the storm raised concerns about possible flooding, but there were no reports of any such flooding affecting base oil operations.

Even with steadier prices, prices remain weak. The pale oil 60 premium to Light Louisiana Sweet crude held below \$50/bl for a fourth straight week.

Crude		\$/bl
		+/-
Nymex WTI crude front month	94.62	-1.65
SN 500 premium to WTI	62.67	+4.75
Argus Sour Crude Index (ASCI™)	107.34	-2.14
SN 500 premium to ASCI™	49.95	+5.24

Oil products		\$/bl
		+/-
NYH heating oil barge (\$/USG)	3.12	+0.00
Low sulphur vacuum gasoil 0.5% cargo (\$/bl)	129.75	-2.77
High sulphur vacuum gasoil 2% cargo (\$/bl)	127.37	-4.40
Oil products premiums		
Heating oil premium to WTI (\$/bl)	36.45	+1.87
Heating oil premium to VGO 2% (\$/bl)	3.70	+4.62
SN 500 premium to heating oil (\$/bl)	26.22	+2.88
SN 500 premium to VGO 2% (\$/bl)	29.92	+7.50



US posted prices (\$/USG)

Group 1 *

	ExxonMobil Gulf coast			HollyFrontier			Paulsboro Refining east coast			Calumet Shreveport		
	Effective from	\$/USG	+/-	Effective from	\$/USG	+/-	Effective from	\$/USG	+/-	Effective from	\$/USG	+/-
70/75				13 Jul '12	3.76	-0.30						
100	17 Jul '12	3.76	-0.29	13 Jul '12	3.76	-0.27	20 Jul '12	4.01	-0.29			
150	17 Jul '12	3.80	-0.29	13 Jul '12	3.94	-0.32	20 Jul '12	3.95	-0.29			
250				13 Jul '12	4.08	-0.40						
300/350	17 Jul '12	3.95	-0.29									
500				13 Jul '12	4.38	-0.29	20 Jul '12	4.36	-0.29			
600/650	17 Jul '12	4.22	-0.29									
700	17 Jul '12	4.22	-0.29				20 Jul '12	4.39	-0.29	17 Jul '12	5.03	-0.40
Bright stock	17 Jul '12	4.55	-0.29	13 Jul '12	4.72	-0.29	20 Jul '12	4.70	-0.29	17 Jul '12	4.75	-0.25

Group 2 *

	Phillips 66 Gulf coast			Chevron west coast			Motiva Gulf coast			FHR Gulf coast		
	Effective from	\$/USG	+/-	Effective from	\$/USG	+/-	Effective from	\$/USG	+/-	Effective from	\$/USG	+/-
70	11 Jul '12	4.18	-0.35							02 Jul '12	4.09	-0.35
75/80	11 Jul '12	4.18	-0.35							02 Jul '12	4.09	-0.35
100/120	11 Jul '12	4.15	-0.40	13 Jul '12	4.38	-0.45	12 Jul '12	4.13	-0.25	02 Jul '12	4.18	-0.35
200/220	11 Jul '12	4.30	-0.40	13 Jul '12	4.52	-0.38	12 Jul '12	4.30	-0.30	02 Jul '12	4.33	-0.35
600	11 Jul '12	5.05	-0.35	13 Jul '12	5.30	-0.35	12 Jul '12	5.00	-0.45	02 Jul '12	5.00	-0.35

Group 2 *

Calumet Shreveport		Effective from	\$/USG	+/-
80		17 Jul '12	4.09	-0.30
100		17 Jul '12	4.09	-0.30
150		17 Jul '12	4.52	-0.30
325		17 Jul '12	4.90	-0.35

Group 2+ *

	SK Lubricants Gulf coast			Phillips 66 Gulf coast		
	Effective from	\$/USG	+/-	Effective from	\$/USG	+/-
50/60				11 Jul '12	4.95	-0.35
70/80	17 Jul '12	5.56	-0.00	11 Jul '12	5.05	-0.35

Group 2+ *

ExxonMobil Gulf coast		Effective from	\$/USG	+/-
110/130		17 Jul '12	4.17	-0.29
190		17 Jul '12	4.12	-0.29

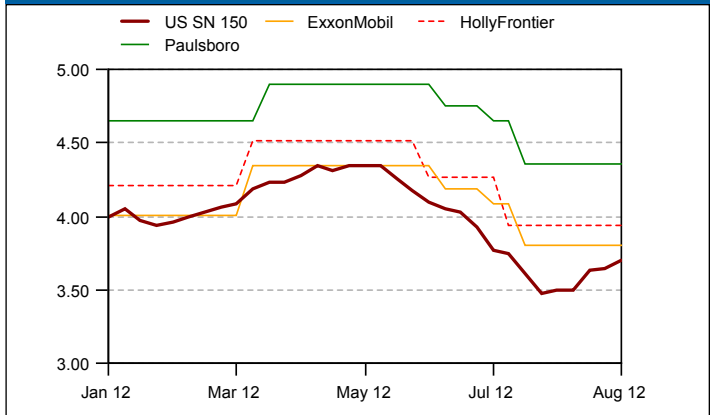
Group 3 *

	SK Lubricants Gulf coast			Phillips 66 Gulf coast		
	Effective from	\$/USG	+/-	Effective from	\$/USG	+/-
4cst	13 Jul '12	5.76	-0.35	11 Jul '12	5.18	-0.35
6cst	13 Jul '12	5.76	-0.35			
8cst	13 Jul '12	5.84	-0.35	11 Jul '12	5.58	-0.35

* The "+/-" change shows the price difference between the current and previous posted price.

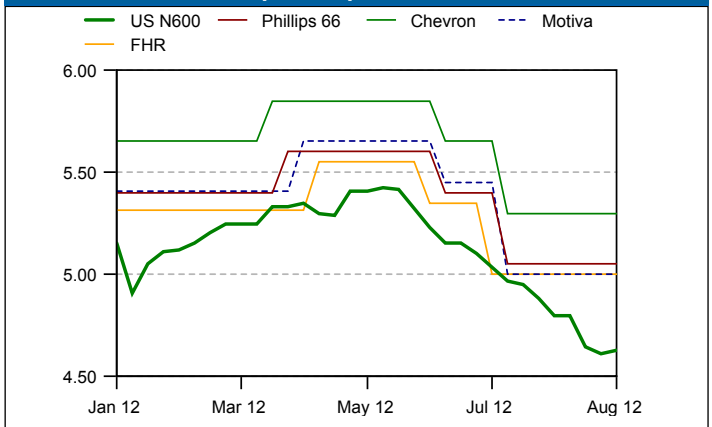
US domestic SN 150 vs posted prices

\$/USG



US domestic N600 vs posted prices

\$/USG



US posted prices (\$/t)

Group 1 *												
	ExxonMobil Gulf coast			HollyFrontier			Paulsboro Refining east coast			Calumet Shreveport		
	Effective from	\$/t	+/-	Effective from	\$/t	+/-	Effective from	\$/t	+/-	Effective from	\$/t	+/-
70/75				13 Jul '12	1,165.60	-93.00						
100	17 Jul '12	1,158.08	-89.32	13 Jul '12	1,158.08	-83.16	20 Jul '12	1,231.07	-89.03			
150	17 Jul '12	1,166.60	-89.03	13 Jul '12	1,209.58	-98.24	20 Jul '12	1,192.90	-87.58			
250				13 Jul '12	1,240.32	-121.60						
300/350	17 Jul '12	1,196.85	-87.87									
500				13 Jul '12	1,322.76	-87.58	20 Jul '12	1,308.00	-87.00			
600/650	17 Jul '12	1,257.56	-86.42									
700	17 Jul '12	1,257.56	-86.42				20 Jul '12	1,299.44	-85.84	17 Jul '12	1,499.34	-119.23
Bright stock	17 Jul '12	1,351.35	-86.13	13 Jul '12	1,401.84	-86.13	20 Jul '12	1,391.20	-85.84	17 Jul '12	1,409.75	-74.20

Group 2 *												
	Phillips 66 Gulf coast			Chevron west coast			Motiva Gulf coast			FHR Gulf coast		
	Effective from	\$/t	+/-	Effective from	\$/t	+/-	Effective from	\$/t	+/-	Effective from	\$/t	+/-
70	11 Jul '12	1,295.80	-108.50							02 Jul '12	1,267.90	-108.50
75/80	11 Jul '12	1,279.08	-107.10							02 Jul '12	1,251.54	-107.10
100/120	11 Jul '12	1,283.39	-123.70	13 Jul '12	1,353.42	-139.05	12 Jul '12	1,280.30	-77.50	02 Jul '12	1,292.67	-108.24
200/220	11 Jul '12	1,310.43	-121.90	13 Jul '12	1,378.60	-115.90	12 Jul '12	1,311.50	-91.50	02 Jul '12	1,319.57	-106.66
600	11 Jul '12	1,522.58	-105.53	13 Jul '12	1,597.95	-105.53	12 Jul '12	1,510.00	-135.90	02 Jul '12	1,507.50	-105.53

Group 2 *				
Calumet Shreveport	Effective from	\$/t	+/-	
80	17 Jul '12	1,262.17	-92.58	
100	17 Jul '12	1,256.69	-92.18	
150	17 Jul '12	1,384.75	-91.91	
325	17 Jul '12	1,492.88	-106.63	

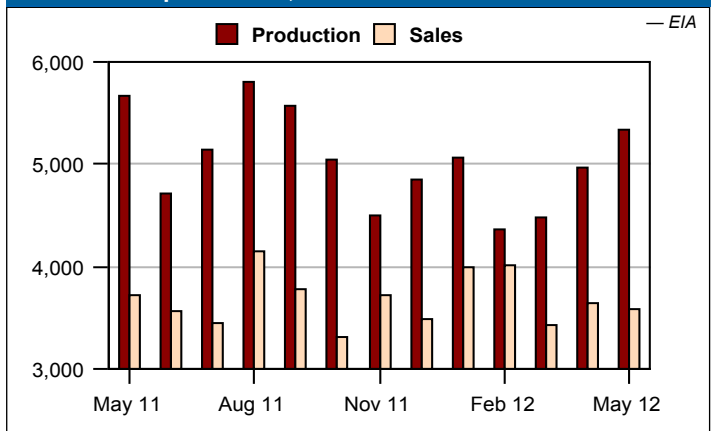
Group 2+ *						
	SK Lubricants Gulf coast			Phillips 66 Gulf coast		
	Effective from	\$/t	+/-	Effective from	\$/t	+/-
50/60				11 Jul '12	1,596.38	-112.87
70/80	17 Jul '12	1,751.40	-0.00	11 Jul '12	1,616.00	-112.00

Group 2+ *				
ExxonMobil Gulf coast	Effective from	\$/t	+/-	
110/130	17 Jul '12	1,305.21	-90.77	
190	17 Jul '12	1,281.32	-90.19	

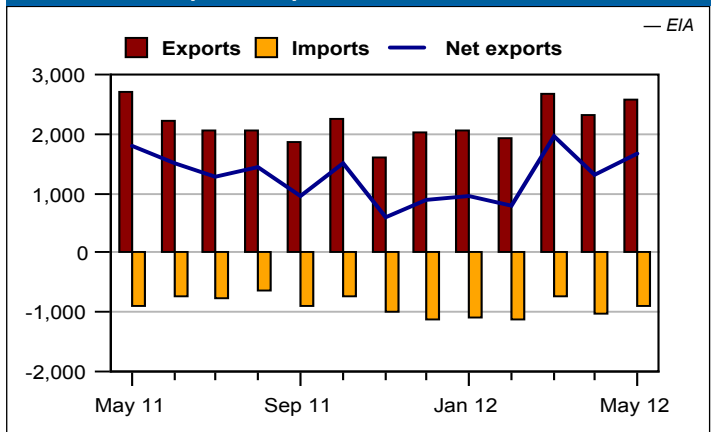
Group 3 *						
	SK Lubricants Gulf coast			Phillips 66 Gulf coast		
	Effective from	\$/t	+/-	Effective from	\$/t	+/-
4cst	13 Jul '12	1,814.40	-110.25	11 Jul '12	1,644.65	-111.13
6cst	13 Jul '12	1,814.40	-110.25			
8cst	13 Jul '12	1,839.60	-110.25	11 Jul '12	1,746.54	-109.55

* The "+/-" change shows the price difference between the current and previous posted price. The \$/t price is converted from the \$/USG price. Refer to www.argusmedia.com for methodology with the gallons-to-tonnes conversion factors.

US base oils production, sales '000 bl



US base oils exports, imports '000 bl



Market news and analysis

China's July base oil imports slide

Chinese base oil imports fell in July for a ninth straight month to their lowest level since last September. The slowdown coincided with a drop in Chinese base oils and lubricating oil production in July to a seven-month low.

Chinese base oil imports fell to 120,400t in July, down 13pc from the same month a year earlier and 21pc lower than June, government data showed. Base oil imports in the first seven months of the year of 1.21mn t are 17pc lower than the same period last year and the lowest since 2009.

The drop in base oil imports coincided with a sharp drop in Chinese base oils production in July because of run cuts and shutdowns for maintenance. Base oils and lube production fell for a fourth straight month to 602,000t in July, down 8pc from the previous month and the lowest level since January.

The fall in Chinese base oil imports and production coincided with slumping base oil prices, weak demand and plentiful supplies in the country and region. Lubricant blenders have also been keeping stocks lower compared with last year, when a slump in prices in the last four months of the year left many of them nursing losses from high-cost inventories.

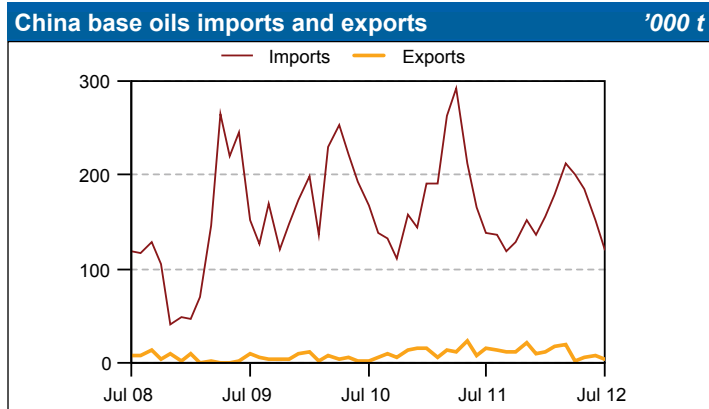
Base oil imports from South Korea remained low, as buyers sought lower-priced supplies in the domestic market. Shipments from South Korea totalled 22,510t, up 3,200t from the previous month, but still the second-lowest volume in a year. Imports had averaged 47,000 t/month in the first five months of this year.

Base oil imports from Taiwan were 10,560t last month, also the second-lowest volume in the past year. Imports had averaged 30,000 t/month in the first five months of the year. The slowdown also came as Taiwanese private-sector refiner Formosa Petrochemical built stocks ahead of scheduled maintenance from end-July.

Base oil imports from Bahrain and Qatar combined fell to almost zero in July, from 18,500t the previous month. Chinese demand for Group 3 base oil imports has slumped as buyers struggle to consume plentiful supplies.

Chinese base oil imports from the US rose to 4,670t, the largest monthly volume since July 2011. Total imports from the US during the first seven months of the year reached 14,850t, less than half the more than 42,000t of imports during the same period last year. The rise in imports last month coincided with sliding US prices as producers sought to remove a large supply overhang.

Base oil imports from Russia rebounded to 11,900t, more than double the previous month's volume and the highest level since March. Imports from European countries remained minimal.

**Russia's July lube rail exports rise**

Russian lubricating oil and base oil exports by rail and river rose in July to their highest level in a year, reflecting higher production, the sale of bulging stocks and improving overseas demand boosted by slumping prices.

Exports by rail and river rose to 123,630t, up 1pc from the same month a year earlier and the first such year-on-year increase since last August. Exports rose by more than 45,000t, or 58pc, from June and are expected to stay high this month on the back of firmer demand and steady production rates.

Only the Novokuibyshevsk and the Orsk refineries announced cuts to export volumes in August. Their combined monthly shipments usually come to about 5,000t. Gazpromneft also took 3,500t to its plant in Italy in August, limiting its export volumes for the spot market this month.

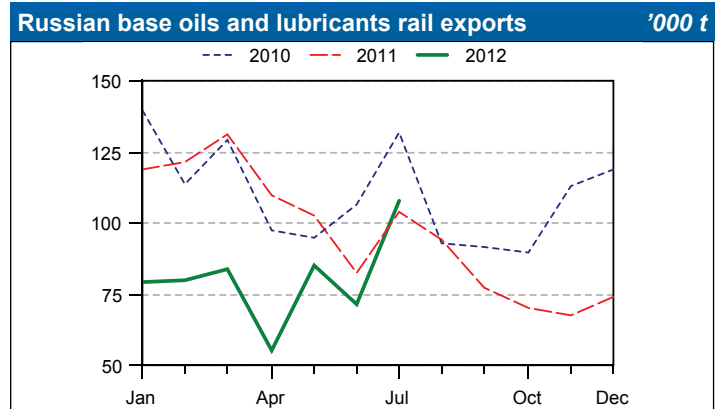
The surge in exports followed slow sales in May and June that had led to growing stocks in several terminals, such as the Black Sea port of Feodosiya. Exports from the Ukrainian port more than doubled to 28,240t in July from the previous month, boosted by sales from brimming storage tanks at Lukoil's terminal.

Total overland exports surged 77pc from June to almost 56,000t, boosted by rising flows to China, Ukraine and Lithuania. Exports to Ukraine rose by almost 6,000t in July to 13,350t on the back of stronger demand both from consumers looking to secure supplies at unusually low prices. Domestic blenders in Lithuania also sought to restock following the three-month price slump and before prices rebounded. Gazpromneft was a key supplier to this market.

Exports to China rose by more than 4,600t to 10,840t in July, the highest volume in five months. The Angarsk refinery planned to increase supplies to China to more than 13,000t in August in response to higher production and better demand. But exports to China were expected to fall more than threefold in September to about 4,000t because of scheduled maintenance at the refinery next month.

Rail exports to the port of Svetly in Kaliningrad rose to 26,910t in July, up 4,620t from the previous month. The increase reflected the doubling of exports from the Nizhny Novgorod refinery to 10,000t in July after Lukoil raised production at the plant. Monthly exports from Lukoil's Perm refinery held steady at about 16,000-17,000t in June and July.

Rail exports to the Latvian port of Liepaja more than doubled to 6,480t, boosted by higher supplies from Gazpromneft, mainly from its Yaroslavl refinery. Gazpromneft was the only supplier of Russian base oils to Liepaja in July, with no supplies from Lukoil last month.



Base oil and lube supplies transiting via Russia from east of the country to western outlets fell to just 1,670t in July. The volume dropped from 9,960t in June, reflecting the halt to shipments from Uzbekistan's Fergana refinery to Black Sea and Baltic ports.

South Korea's July base oil exports fall

South Korean base oil exports fell in July to their lowest level in seven months as shipments to China, US and Europe slid. Exports to India, as well as other markets like the UAE, Malaysia and Sri Lanka helped to limit the drop.

Base oil exports totalled 226,030t in July, according to trade promotion organisation Kita. The volume was 9pc lower than the same month a year earlier, 4pc lower than June and the lowest since January. The drop in base oil exports was followed by a surge of spot cargo sales in August as South Korean producers moved to cut fast-rising inventories.

Total base oil shipments in the first seven months of the year of 1.76mn t were 10pc higher than a year earlier, reflecting the impact of an extensive round of plant maintenance during the first half of last year.

While base oil exports eased in July, South Korean refiners' diesel production and exports rose last month to their highest level in at least 30 months. The rise in shipments of the motor fuel coincided with rising diesel prices and diesel premiums over crude.

Base oil exports to China fell for a fifth straight month in July, dropping to 21,850t. The volume was 5pc lower than the same month a year earlier and the lowest since January 2009. Total shipments in the first seven months of the year of 264,870t were 7pc lower than a year earlier. The slide in exports to China has coincided with the country's slowing demand as economic growth slows, as well as rising domestic base oils production. These supplies were also at much lower prices than South Korean imported cargoes.

South Korean base oil exports to the US fell to 33,790t, down 31pc from the same month a year earlier and 22pc lower than June. Exports during the first seven months of the year of 296,170t were 9pc lower than a year earlier. The drop in shipments coincided with falling prices and rising exports from the US, where producers sought to clear a supply overhang.

Exports to the Netherlands and Belgium combined also dropped, falling to 20,570t. The shipments were 72pc lower than the same month last year and less than half the volumes exported in June. While total exports for the year exceeded volumes during the same period last year, the trend changed from July. Shipments during the first seven months of the year of 285,320t were 7pc lower than the same

period last year. The slowdown coincided with slumping European base oil prices and an oversupply of Group 3 base oils.

But shipments to other countries helped to curb the fall in South Korean exports. Exports to India rose to 64,000t, up 27pc from the same month a year earlier and 30pc higher than June. The strong export volume to India continued a trend since the start of the year, with total shipments in the first seven months of the year up 26pc to 363,000t.

South Korean shipments to Malaysia were 2,060t, the highest volume to the country in 10 months. Exports to Sri Lanka totalled 2,050t, the highest volume since January 2011. Exports of 150t to Brazil were the first such supplies since December.

South Korea's base oil imports were 29,250t in July, down 18pc from the same month a year earlier and the lowest volume since February. The slowdown mostly reflected a slump in supplies from Japan, which fell to 10,300t, the lowest volume from the country since February 2009. The slowdown coincided with the unplanned shutdown of two base oil plants in Japan from around mid-July.

Japan's June lube demand slides

Japanese base oil and lubricating oil demand contracted in June at its fastest pace in more than a year, reflecting the country's persistently weak economic growth.

Base oil and lubricating oil sales came to 134,544 kilolitres (28,200 b/d) in June, down 10pc from the same month a year earlier, according to the petroleum association of Japan. This was the lowest volume for the month of June in at least a decade.

The slowdown coincided with a 1.5pc fall in industrial production in June from a year earlier, the first such contraction in five months. The country's gross domestic product rose by a smaller-than-expected 1.4pc in the second quarter of the year.

While demand slowed, base oil and lubricating oil production slipped to 196,124kl in June, down by 0.7pc from the same month a year earlier and the lowest volume since January. The slowdown came amid a short shutdown at JX Nippon's Wakayama base oil unit for maintenance work in June. The slowdown also coincided with a slump in Japanese refinery run rates to just 68pc of capacity, the lowest level in two years.

The drop in production also preceded the shutdown of JX Nippon's base oil units since mid-July, as well as the shutdown of Idemitsu's base oil unit at its Chiba plant.

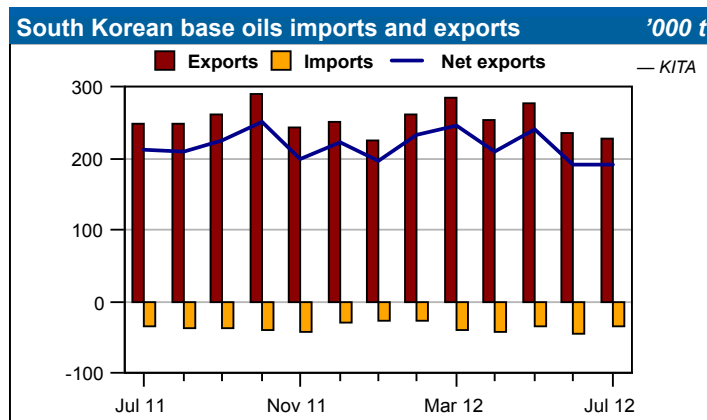
Some surplus supplies were exported, with shipments up by 1.2pc from a year earlier at 67,608kl. But exports fell by 23pc from the previous month to the lowest level since February, reflecting weak regional demand and slumping base oil prices that deterred sellers. Chinese base oil imports from Japan fell in June to their lowest level in at least 30 months.

With export volumes failing to soak up the supply overhang, Japanese base oil and lubricating oil stocks rose in June to 373,915kl, up by 4.7pc from the same month a year earlier, and the second-highest level in the past 13 months.

Argus Base Oils Web Package

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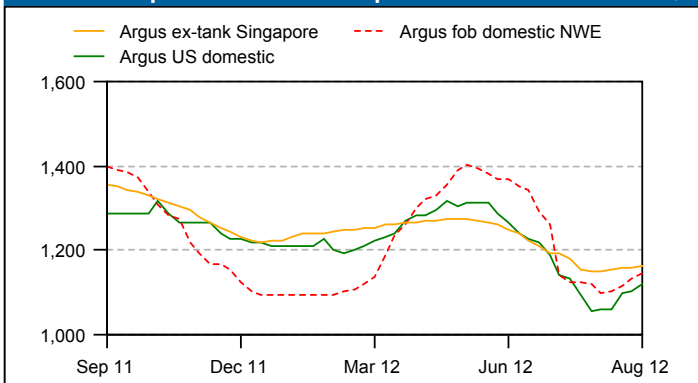
Upcoming / recent base oil plant maintenance / shutdowns

Refiner	Location	Timing	Capacity	Capacity affected	Cause
Idemitsu	Chiba, Japan	Apr 2013 for 50 days	305,000 t/yr	All	Maintenance
GS Caltex	Yeosu, South Korea	Early 1Q 2013 for about 40 days	26,000 b/d	All	Maintenance
Kuwait Petroleum	Europoort, Netherlands	Early-Oct 2012 for 4 weeks	235,000 t/yr	All	Maintenance
JX Nippon	Negishi, Japan	Oct 2012 for 45 days	225,000 t/yr	NA	Maintenance
HollyFrontier	Tulsa, US	4Q 2012	490,000 t/yr	NA	Maintenance
Total	Gonfreville, France	Mid-Sep to mid-Oct 2012	475,000 t/yr	All	Maintenance
Essar	Stanlow, UK	Sep 2012	260,000 t/yr	NA	Maintenance
PetroChina	Daqing Petrochemical, China	End-Sept 2012 for 45 days	450,000 t/yr	200,000 t/yr	Maintenance
JX Nippon	Mizushima, Japan	From 5 Aug 2012	180,000 t/yr	All	Fire incident
Forte-invest	Orsk, Russia	3-24 Aug 2012	195,000 t/yr	All	Maintenance
Chevron	Richmond, US	From early-Aug 2012	1.02 mn t/yr	NA	Fire incident
Cepsa	Algeciras, Spain	Aug 2012	200,000 t/yr	About 20pc	Lower run-rates
Formosa	Mailiao, Taiwan	26 Jul 2012 for 50 days	520,000 t/yr	All	Maintenance
Idemitsu	Chiba, Japan	19 Jul to mid-Aug 2012	305,000 t/yr	All	Fire incident
IOC	Chennai, India	5 Jul 2012 for 3 weeks	270,000 t/yr	All	Maintenance
CNOOC	Huizhou, China	From 25 Jul 2012	400,000 t/yr	200,000 t/yr	Lower run-rates
JX Nippon	Mizushima, Japan	From 13 Jul 2012	225,000 t/yr	All	Safety checks
Hainan Handi	Hainan, China	Mid-Jul to end-Aug 2012	300,000 t/yr	All	Maintenance
Sinopec	Jingmen, China	Early Jul 2012 for about 30 days	300,000 t/yr	NA	Maintenance
Motiva	Port Arthur, Texas, US	Jul 2012 for 25 days	2,050,000 t/yr	10,000 b/d	Maintenance
CPC-Shell	Kaohsiung, Taiwan	10 Jun to 10 Aug 2012	250,000 t/yr	120,000 t/yr	Maintenance, earlier set for Oct
JX Nippon	Wakayama, Japan	Mid-Jun 2012 for 2 weeks	176,000 t/yr	NA	Maintenance, earlier set for May
Pertamina	Cilacap, Indonesia	End-May 2012 for about 2 weeks	440,000 t/yr	NA	Technical problem
IOC	Haldia, India	6-24 Jun 2012	390,000 t/yr	All	Maintenance
PetroChina	Karamay, China	12 May 2012 for 45 days	400,000 t/yr	All	Maintenance
CNOOC	Huizhou, China	12 May to 24 Jul 2012	400,000 t/yr	All	Maintenance, high stocks
Motiva	Port Arthur, Texas, US	2H May to end-Jun 2012	2,050,000 t/yr	16,000 b/d	Fire incident
Sepahan Oil	Isfahan, Iran	Early-May to end-Jun 2012	365,000 t/yr	NA	Maintenance
Sinopec	Maoming, China	End-Apr to end-Jun 2012	400,000 t/yr	All	Maintenance
Essar	Stanlow, UK	End-Apr 2012 for 20 days	260,000 t/yr	NA	Maintenance
Tupras	Izmir, Turkey	15 Apr to 18 June 2012	300,000 t/yr	All	Maintenance
Lukoil	Nizhniy Novgorod, Russia	15 Apr to 15 May 2012	290,000 t/yr	All	Maintenance
Calumet	Princeton, Louisiana, US	7-20 Apr 2012	6,900 b/d	NA	Maintenance
San Joaquin	California, US	1-14 Apr 2012	8,100 b/d	All	Maintenance
Cross Oil	Smackover, Arkansas, US	Early-Apr to 10 May 2012	5,000 b/d naphthenic	All	Maintenance
Rosneft	Novokuibyshevsk, Russia	Early-Apr to end-Apr 2012	350,000 t/yr	NA	Maintenance
MOL	Szazhalombatta, Hungary	Apr - May 2012	150,000 t/yr	Partial	Maintenance
Sinopec	Jingmen, China	Apr to Jun 2012	300,000 t/yr	NA	Maintenance
PetroChina	Daqing Petrochemical, China	Apr 2012 for 1 month	450,000 t/yr	200,000 t/yr	Maintenance
SK Lubricants	Dumai, Indonesia	Apr 2012	9,000 b/d	NA	Maintenance
ENI	Livorno, Italy	End-Mar to 1 Apr 2012	585,000 t/yr	NA	Fire incident
SK Lubricants	Ulsan, South Korea	22 Mar-24 Apr 2012	12,000 b/d	All	Maintenance
Gazpromneft-TNK-BP	Yaroslavl, Russia	20 Mar to end-Apr 2012	250,000 t/yr	Partial	Maintenance
SK Lubricants	Ulsan, South Korea	19 Mar-25 Apr 2012	12,300 b/d	All	Maintenance
Lukoil	Perm, Russia	15 Mar to 15 Apr 2012	460,000 t/yr	All	Maintenance
Calumet	Princeton, Louisiana, US	3-16 Mar 2012	6,900 b/d	NA	Maintenance

Every effort has been made to verify information directly with appropriate company sources. Some information has been obtained from usually reliable sources, but cannot be officially confirmed with the refinery concerned. The list will be updated when new information becomes available.

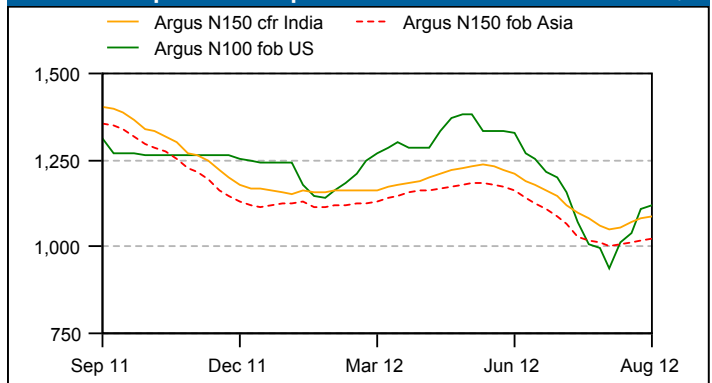
Global Group 1 SN 150 base oil prices

\$/t



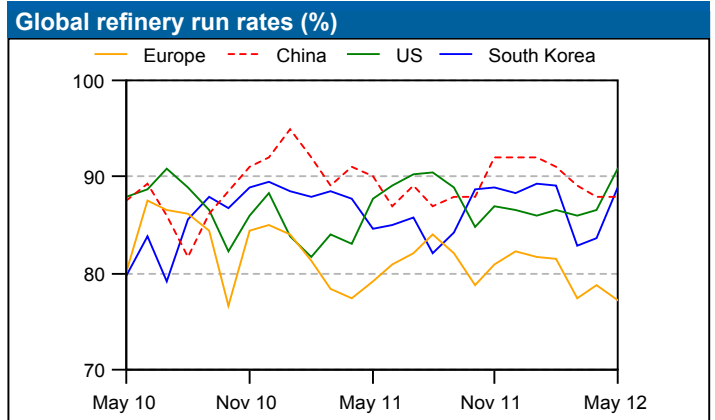
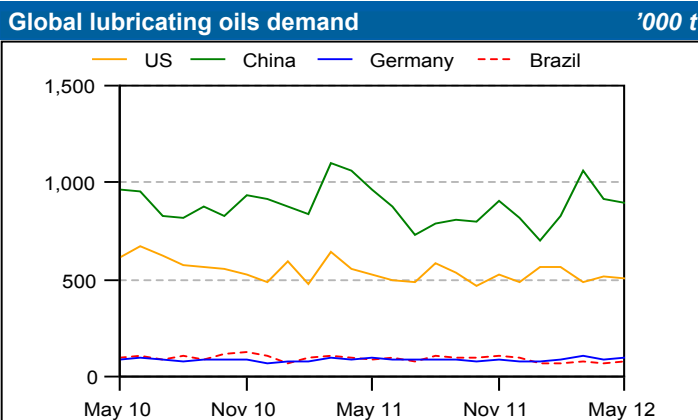
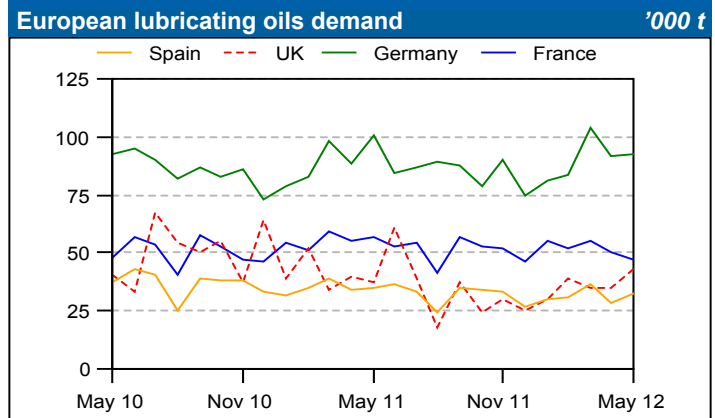
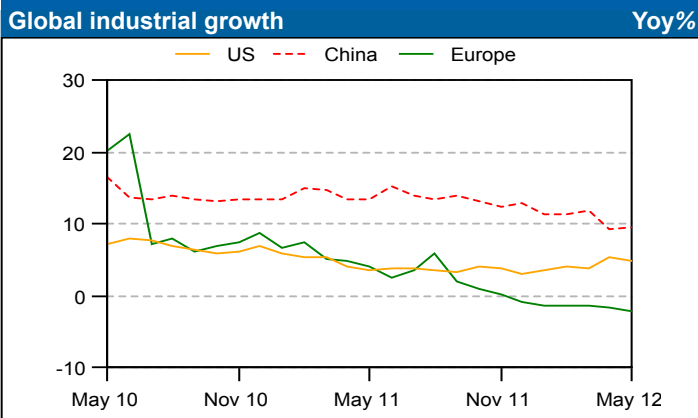
Global Group 2 base oil prices

\$/t



May 2012	Industrial overview				Lube/base oils overview											
	Automobile sales			Industrial growth	Production			Sales			Import			Export		
	'000	Mom%	Yoy%	Yoy %	'000t	Mom%	Yoy%	'000t	Mom%	Yoy%	'000t	Mom%	Yoy%	'000t	Mom%	Yoy%
China	1,282	+0	+23	+9.60	697.8	-1	-8	898.7†	-2	-7	185.8	-7	-12	6.2	+182	-74
Japan*	395	+10	+66	+6.20	190.5	-5	+21	109.9	-12	+2	7.2	-34	-22	77.7	+22	+21
Europe	1,107	+9	-9	-2.30												
US*	1,335	+13	+26	+4.70	750.4	+7	-6	504.5	-2	-4	126.2	-12	-1	361.7	+11	-5
France	166	-1	-16	-3.80				47.5	-6	-17						
Germany	290	+6	-5	-0.20	54.7	+1	+24	92.8	+1	-8	39.4	-19	-33	11.7	-37	-28
Italy	147	+13	-14	-6.90				38.0	+12	-7						
Russia	261	-2	+11	+3.70										85.3	+54	-17
Spain	72	+29	-8	-6.10				32.3	+13	-7						
Turkey	71	+13	-12	+5.90	0.0	-100	-100	2.0	-90	-94	90.2	+16	+6	0.0	0	-100
UK	162	+14	+8	-1.80	19.0	-49	-69	43.0	+23	+16						
Australia*	96	+21	+24		0.0	0	-100	28.6	+14	-26	50.4	+42	+81	22.6	-27	+1,041
India	163	-3	+3	+2.40	75.0	+23	-7	227.1	+11	+20	179.7	+18	+24			
Singapore				+6.80							31.6‡	-27	-47	287.8‡	+54	+95
South Korea				+2.60							34.4	-21	-19	275.7	+9	+50
Taiwan*	31	+9	+28	-0.21				7.3	-65	-67	7.4	+60	+21	59.0	+5	+1
Thailand*	116	+32	+108	+5.53	50.0	-7	+8	17.8	-6	-9	10.6	-12	+11	21.4	+8	+6
Argentina*	65	-2	-15	-4.60	7.1	+31	+4,586				9.2	+508	+1,324	0.0	0	0
Brazil*	287	+11	-10	-5.50	43.0	-6	-18	80.1†	+11	-8	45.0	-5	+20	7.9	-62	+157
Mexico*	80	+15	+17	+3.10	18.3	+24	+49									

* The conversion factor used is 159 litres to a barrel and 7.1 barrels to a metric tonne. † Apparent demand. ‡ 4 weeks to end-month.



Sources

Country data for base oil and lube sales, production, imports and exports taken from national sources
US: Energy Information Administration
Japan: Petroleum Association of Japan
Italy: Unione Petrolifera

Singapore: Trade Development Board

Country data for industrial production growth taken from national sources
 Automobile sales data taken from national automobile associations

US: Autodata Corp.

Russia: Association of European Businesses in the Russian Federation
Australia: Federal Chamber of Automotive Industries
India: Society of Indian Automobile Manufacturers
Thailand: Toyota Motor Thailand

Argus Base Oils

Global base oils expertise

Argus has been assessing daily global refined product prices since 1986. These prices appear in the *Argus European Products*, *Argus Asia-Pacific Products*, and *Argus US Products* reports. We have now introduced base oil prices, market commentary and news in the *Argus Base Oils* report in response to customer requests.

Base oils trade as a single global market. But the market is also fractured by localised logistical constraints that affect prices and need careful supply chain management. In *Argus Base Oils*, we provide prices, news, and analysis of the spot markets and the global and local issues affecting those markets.

Argus has a dedicated base oils reporter in each region, in London, Singapore, Beijing, Dubai, Moscow and New York. These reporters are backed up by a team of over 25 refined products markets reporters.

Argus is headquartered in London, and has offices in Moscow, Washington, Houston, Singapore, Tokyo, Beijing, New York, Kiev, Sydney, Astana, Johannesburg and Dubai as well as employees in other key locations including Germany, France, Nigeria, South Africa, Venezuela, Argentina and Chile. Argus is a UK-registered company, owned by its employees and the family of its founder.

Transparent methodology

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Argus Base Oils forward premium methodology

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VISA AND ACCOMMODATIONS

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Please send me a hotel reservation form.

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<input type="checkbox"/> Full Fee	USD 1,995 per person
<input type="checkbox"/> Early Bird Fee	USD 1,695 per person (for registration and payment received by 31 August 2012)
<input type="checkbox"/> Alumni	USD 1,795 per person

* Full conference fee includes one-day conference pass to participate at all sessions, networking luncheon and refreshment breaks, one invitation to the welcome cocktail reception and one set of conference documentation.

* Travel, accommodation and visa costs are not included in the conference fee

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OR fill in the registration form below to make your payment via bank transfer



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Fax:

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COMPANY DETAILS

Company Name: _____

Address: _____

Country: _____ Postal Code: _____

Main Business/Activity: _____

DELEGATE DETAILS

DELEGATE 1

Name: Dr/Mr/Ms _____

Job Title: _____ Department: _____

Telephone: _____ Email: _____

Special dietary requirements (if any): _____

DELEGATE 2

Name: Dr/Mr/Ms _____

Job Title: _____ Department: _____

Telephone: _____ Email: _____

Special dietary requirements (if any): _____

BANK DETAIL

BANK TRANSFER

Bank name: National Westminster Bank plc

Address: Hampstead Village branch, 25 Hampstead High Street, London, NW3 1QJ

Bank account number: USD: 01329383

Sort code: 60-73-01

IBAN NO: USD: GB49NWBK60730101329383

SWIFT CODE: NWBKGB2L

*Please indicate company name when making payment

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- Fees are a fixed price and unless otherwise stated
- To qualify for discounts with an expiry cut-off date, booking and payment must be received by the cut-off date.

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- You may not film, photograph or otherwise record all or any part of the event without our prior written consent.
- You must comply with all applicable laws and any health and safety requirements (including no smoking signs) in respect of the event.

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- You agree that we may use your company name in marketing promotions in connection with this event.
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