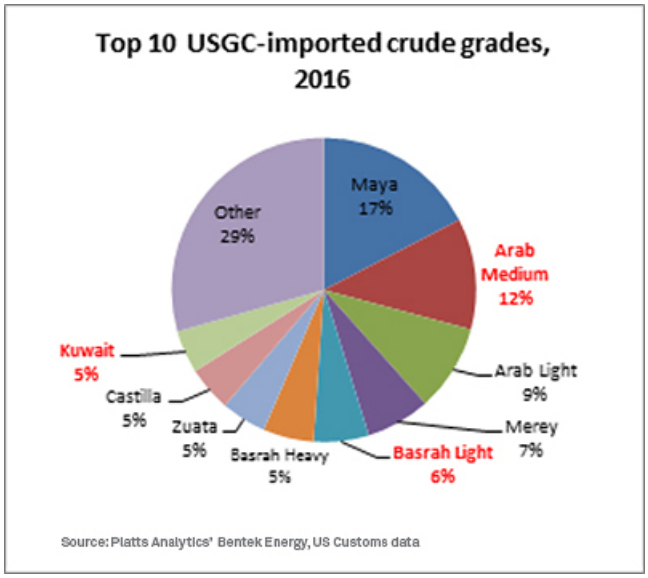
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S&P Global Platts to Launch New Blended Sour Crude Price Reference to Aid U.S. Gulf Coast Imports and Refining Complex

- Scope for New Sour Benchmark Found in LOOP Blend of Offshore U.S. Crudes and Middle Eastern Imports -

HOUSTON, March 17, 2017 /PRNewswire/ -- S&P Global Platts (Platts) today announced that it will launch a new daily price assessment for the U.S. Gulf Coast blended medium, Louisiana Offshore Oil Port (LOOP) Sour* crude oil on March 27, 2017. The blend is increasingly becoming a competitive alternative to other established offshore grades and is a key component of the regional refining complex.



John-Laurent Tronche, managing editor of Americas crude, at S&P Global Platts, said:"Refiners on the U.S. Gulf Coast continue to be major consumers of medium sour grades of crude oil produced both offshore domestically and imported from abroad, despite booming U.S. onshore production of sour and sweet crudes. The new LOOP Sour price assessment meets the industry's need for a versatile benchmark that encompasses U.S. and foreign crudes while offering unique visibility into the storage market."

***Platts LOOP Sour* will:**

- Reflect the open market value of the blended crude in-cavern at the LOOP terminal near Galliano, Louisiana
- Reflect an outright price in U.S. dollars per barrels for one-, two- and three-calendar months forward
- Be of potential interest to Middle East oil producers that export to the U.S.

Richard Swann, director of oil for the Americas, S&P Global Platts, said:"As a blend of offshore U.S. crudes and Middle Eastern imports, LOOP Sour has a distinctive set of attributes that represent a diverse and growing set of market participants involved in the buying and selling of the blend components as well as the final blend itself."

A special S&P Global Platts analysis shows:

- As of 2015, more than 50% of U.S. Gulf Coast refinery runs comprised heavy, sour and medium, sour crude
- The U.S. Gulf Coast has the world's largest sour crude refining capacity
- Crude slate adjustments towards shale-related sweeter crudes has occurred, but on limited basis
- LOOP is the only U.S. deep-water oil port, capable of offloading large VLCC and ULCC** vessels
- LOOP is capable of receiving 2.4 million barrels per day

- LOOP Sour blend itself is distinctive and would benefit from its own independent valuation

Richard Redoglia, chief executive officer, Matrix Auctions LLC and chief operating officer, Matrix Global Holdings, said: "We see Platts' decision to assess a LOOP Sour as a very positive one. The LOOP Sour Grade is comprised of several widely used grades that create a well-balanced deliverable stream that refiners, producers and merchants use to manage their energy requirements. We believe that Platts' assessment will significantly expand the LOOP Sour program and we look forward to working with all parties to accelerate the progress."

The LOOP Sour assessments augment Platts' existing suite of physical market price references for other sweet and sour crude oils in the U.S. Gulf Coast. The full suite brings transparency to pricing that supports continued oil imports to the U.S., ongoing and future increases in U.S. production, and new U.S. export markets, the latter of which has been aided by the recent-year launches of Platts free-on-board (FOB) Eagle Ford crude and condensate and FOB West Texas Intermediate (WTI) assessments.

The LOOP Sour assessments utilize the Platts Market-on-Close (MOC) methodology, a structured, highly-transparent price assessment process based on the principle that price is a function of time. The MOC process in oil identifies bids, offers and transactions data by company name and results in an independent, time-sensitive, end-of-trading-day daily value reflective of prices as determined by buyers and sellers in the open market. For more information, visit this methodology and specification page of the Platts website.

The LOOP Sour value assessments will be published in real-time servicePlatts Global Alert, as well as Platts Crude Oil Marketwire, Platts Oilgram Price Report and Platts North American Crude and Products Scan. For more information on oil visit the Platts website at www.platts.com.

*LOOP Sour blend is comprised of two domestic U.S. crudes Mars and Poseidon, produced in theGulf of Mexico, and three Middle Eastern grades: Arab Medium, Basrah Light and Kuwait
** VLCC= very large cargo containers; ULCC=ultra-large cargo containers; both are specific ship sizes

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