S&P Global Commodity Insights First to Assess Carbon Intensity of Crudes Forming Dubai and Oman Benchmarks and other Middle Eastern Grades

Seven Core Crude Oil Grades to Help Purchasers Measure Cost of Emissions Offsets

NEW YORK and LONDON , July 17, 2023 /PRNewswire/ -- S&P Global Commodity Insights, the leading independent provider of information and benchmark prices for the commodity, energy and energy transition markets, has launched carbon intensity measures for seven Middle Eastern crude oil grades, including Dubai, Oman Blend, Al-Shaheen, Upper Zakum, and Murban – the five grades deliverable into the Platts Dubai benchmark – together with Arab Light and Das Blend. This makes PlattsDubai and Platts Oman the first global medium-sour crude benchmarks to have a carbon intensity value associated with all their component grades. This follows the June 16, 2022, S&P Global Commodity Insights first-to-publish launch of carbon intensity measures for all of the crude grades in the global light sweet benchmark Platts Dated Brent.

S&P Global Commodity Insights

S&P Global Commodity Insights carbon intensity calculations measure the impact of greenhouse gas emissions from initial extraction and production to the storage terminal and are designed to reflect the value of upstream-production carbon intensity for a specific crude grade coming from an oil field. They reflect the main sources of emissions relevant to specific operations, including production, flaring and venting, maintenance activities, production processing and transport to the storage hub.

Joel Hanley, Global Head of Crude Oil & Fuel Oil Markets, S&P Global Commodity Insights, said:"This expansion in carbon intensity values to the Dubai and Oman benchmarks, following the 2022 launch of the Dated Brent carbon intensity measures, is particularly important given Dubai's position as a global bellwether for other similar grades."

The carbon intensity for the crude grades is the production-weighted carbon intensity from the fields that feed each grade and is published in kilogram-per-CO2-equivalent per barrel of oil (kgCO2e/b). These values are updated on the 15th of each month, or the following publishing day if the 15th falls on a non-publishing day. An associated daily carbon intensity differential reflects the cost of offsetting emissions in the crude oil supply chains.

Kevin Birn, Global Head of Center of Emissions Excellence, S&P Global Commodity Insights, said:"As companies aim to understand, reduce, and/or offset emissions, having a crude-grade carbon intensity measure is the next step in the supply chain for downstream purchasers of crude."

S&P Global Commodity Insights believes taking a bottom-up view of the carbon intensity and understanding the carbon price and the cost to offset the emissions will help purchasers of crude grades understand the potential cost of emissions in their respective supply chains.

In association to these carbon intensity measures, Platts, part of S&P Global Commodity Insights, will publish daily carbon-accounted price differentials for each of the seven Middle Eastern crude oil grades. Given that the marketplace would be expected to pay more for a carbon-accounted crude oil than a non-carbon-accounted crude, the differentials are expected to be price premiums. These will build on the suite of carbon-associated price premiums for Platts Dated Brent and the October 2021-launched, S&P Global Commodity Insights field-by-field oil carbon intensity measures and associated price premiums assessments, which now include well over 100 oil fields.

Platts Carbon Intensity Premiums for the crude grades are calculated in $/b, with the value of the CI premium calculated using the daily Platts Carbon Removal Credit Assessment (Platts CRC). To learn more about the Platts CRC assessment please visit:

method_carbon_credits.pdf (spglobal.com).

Emissions generated during the exploration and drilling stages are currently not included as part of the S&P Global Commodity Insights CI measures for Middle Eastern crude oils. Proprietary research and analysis is used to calculate results, with the Oil Production Greenhouse Gas Emissions Estimator (OPGEE) 2.0 model as the foundation.

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