



INTERNATIONAL OIL TRADING AND SHIPPING CONTRACTS



A practical introduction to contract terms, risks arising, disputes and how to resolve them.

A Two-Day Programme in Malta Monday 18th September & Tuesday 19th September 2017

Channoil is pleased to present once again this successful training course - an intensive 2-day programme which provides a practical appreciation and understanding of the contracts which form the basis of all transactions covering the international sale, purchase, shipping, trading and storage of crude oil and petroleum products. Typical terms and conditions of these contracts are reviewed, with examples, as well as the risks and exposures which can arise. Handling of contractual disputes will be covered, together with the various options for dispute resolution, including mediation, arbitration and recourse to the courts.

Lectures will be supplemented by interactive discussions and practical exercises for delegates to work on in small syndicate groups, simulating real life examples from the areas covered in the course. This reinforces understanding and generates a high energy and enjoyable learning environment.

Who should attend: *New entrants to the oil industry and staff from functions such as supply, trading, refining and logistics; managers moving into the midstream or downstream; professional personnel inside and outside oil companies who interface with these functions, such as storage operations, legal, banking, insurance, finance and production; government and public sector staff who deal with oil company commercial functions.*

Malta is an ideal place to learn in tranquil surroundings but with excellent facilities for hotels and logistics. Located in the centre of the Mediterranean, Malta has air links with most European and Mediterranean countries and direct flights to and from Dubai.

OUTLINE COURSE CONTENT

DAY 1:

Introduction

Overview of the course and objectives. Industry jargon, trading and shipping terms, units of measurement & price units.

Oil Sale and Purchase Contracts (1)

Types of sale: FOB, CIF, Ex-Ship, DAF, DDU etc. responsibilities of seller and buyer. Contract structure, Part 1 / General Terms and Conditions, standard provisions in GT&Cs. Contract summary and contract confirmation.

Tanker Charter Party

Principles of chartering and types of charter; the voyage charter party, summary of typical terms and conditions. Standard CPs e.g. Asbatankvoy. Key responsibilities of Owner and Charterer. Bunkers, lay-time and demurrage. How a CP is concluded and implemented.

Oil Sale and Purchase Contracts (2)

How a contract is concluded and implemented. Nomination and loading, B/L and shipping documents.

Oil Sale and Purchase Contracts (3)

Key clauses and what they should contain: pricing provisions, payment, quantity, quality & inspection, delivery & vessel nomination, laytime & demurrage, legal issues, force majeure.



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EXERCISE: Contract confirmation.

Payment and Payment Security

Sales contract payment terms, documentation. Payment guarantees, the documentary Letter of Credit. Amending of L/Cs. Credit exposure and control - credit limits.

EXERCISE: Contract Exposures.

DAY 2:

Quantity, Quality and Specifications

The importance of meeting product specifications. What can go wrong: quantity mis-stated, mis-measurement, fraud, error, sediment and water, losses in transit, physical loss. Consequences of delivery of off-specification oil. Quantity & quality measurement - repeatability, reproducibility. Role of inspectors . Handling of claims; recourse to insurance.

Paper Contracts

Overview of contract terms covering futures and swaps, with examples.

Storage Contracts

Overview of main terms.

Risks & Exposures

Breach of contract, non-performance, non-payment, delivery and lifting, quantity and quality, demurrage. The role of insurance, the importance of mitigation. Price risk and the issues arising out of hedging.

EXERCISE: Contract Risks - delegates review an example of a deal where things go wrong and discuss liability and actions to take at each stage.

Claims

Quantity & quality claims, demurrage claims. Typical claims under the charter party. How to establish "quantum". Non-performance, need to mitigate.

Disputes and dispute resolution

How to handle when a problem arises. Who is responsible? Settling between the parties. Mediation, arbitration, reference to court – advantages & disadvantages of each. Trial and judgement; the role of the lawyer and barrister; the role of expert witnesses.

EXERCISE: Arbitration case study.

Course Recap, Discussions and Feedback, Closing Remarks.

Channoil's Training Faculty

Channoil Consulting Limited provides a wide range of consultancy services in the midstream and downstream oil and gas sectors, with particular focus on markets, trading and infrastructure projects.

Channoil also has extensive experience in developing and providing lively and informative training programmes on all aspects of oil markets, supply and trading – both as public courses and for in-company use by organisations in the petroleum industry and related sectors. Our training specialists, who are all seasoned oil industry practitioners, have delivered courses in Europe, Africa, North and South America, Asia and the Former Soviet Union. We also deliver a module as part of the Energy Trading MSc programme at Cass Business School (part of City University, London).



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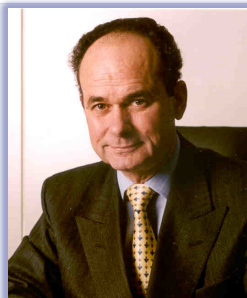
COURSE LEADERS



Richard Johnstone is an independent consultant with over 30 years' commercial and management experience in major oil industry organizations including BP, Kuwait Petroleum, BNOB and BG Group. He left BG in 1997 to set up his own consultancy.

Richard is a principal lecturer for the Oxford Princeton Programme and the Cass Business School, London.

He has designed and delivered training programmes and seminars on all aspects of oil markets, supply and trading in Europe, Africa, North & South America, Asia and the Former Soviet Union.



Charles Daly has been in the downstream side of the industry since 1965 and during his career has lived and worked in the UK, Netherlands and U.S. He has a broad experience of oil trading, shipping and logistics.

Charles was a founder of the International Petroleum Exchange. He founded Channoil, a specialist oil broking company, in 1987 and Channoil Consulting in 1998.

He has traded oil in most parts of the world including the Former Soviet Union countries and has lectured and presented papers worldwide.

REGISTRATION

The fee for this two-day course is €1,600 per delegate, to include course manual in English with all presentations and exercise materials, light lunch, morning and afternoon refreshments.

Note:

- ◆ 10% discount for registration of 2 or more delegates from the same organisation.
- ◆ 10% discount for individual registrations received by 14th August 2017.
- ◆ Registrations must be received by latest 31st August 2017.

To register, please send below details to Kirsten Dibley: k.dibley@channoil.com

- ◆ NAME, COMPANY & POSITION
- ◆ CONTACT E-MAIL & TELEPHONE
- ◆ ADDRESS & CONTACT E-MAIL FOR INVOICING

LET US KNOW IF YOU NEED ANY ADVICE/ASSISTANCE WITH LOCAL TRAVEL OR ACCOMMODATION ARRANGEMENTS IN MALTA.



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