

QUARTERLY REVIEW – Q1 2014

CRUDE OIL OVERVIEW

Crude oil prices were weak at the beginning of the year but recovered during the next two months, before spiking in early March amid the Ukrainian crisis build-up.

Nevertheless, their safety premium was quickly given up due to weakening economic data from China. Prices bottomed again in mid-March before rebounding higher on improved inventory levels and the announcement of the acceleration of the Seaway pipeline (WTI), as well as market reassessment of the implications of the Crimean annexation by Russia (Brent).

China surpassed the USA as an importer of crude oil for the first time in history, primarily due to the decreased U.S imports. Crude production in the U.S. rose by 33,000 barrels a day to 8.22 million, the most since 1988.

	Q1 Closing Price	YOY	YTD	MOM
BRENT	\$107.76	-2.05%	-2.74%	-1.20%
WTI	\$101.58	4.47%	3.21%	-0.98%
GASOIL	\$894.00	-2.35%	-5.32%	-2.1%

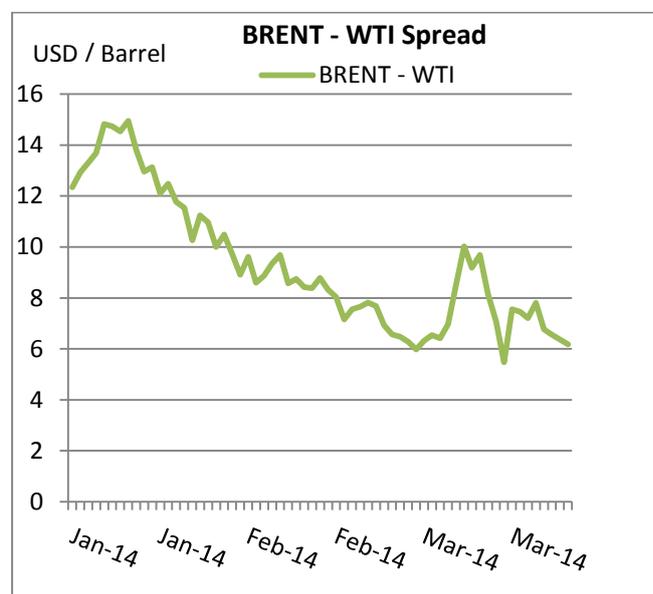
BRENT

Brent lost \$3.02 on the first day of trading and continued to trade in a lower range for most of January on fears of oversupply from OPEC, Iran and Libya as well as a weakening global economic outlook. The price recovered again slowly to a high in early March, as the Ukrainian tension was building up.

Weakening economic data from China and maintenance in the North Sea loading terminal

pushed Brent prices lower again in mid-March, being only marginally offset by a slightly lower OPEC output.

Brent was in backwardation at the end of March, trading at a \$3.28 premium to the January '15 contract.



The Brent premium to WTI closed at \$ 6.18 at the end of March.

WTI

WTI fell sharply at the beginning of the year with EIA (the U.S. Energy Information Administration) cutting its forecast for the year to \$93.33 per barrel.

On January 9th it closed at \$91.66, its lowest price in 8 months, while on January 14th it closed at its highest discount to Brent for the first quarter at \$14.95.

The price recovered on improving inventory data, amplified further by the announcement from Enterprise Products Partners LP on March 18th that it will more than double capacity on the Seaway

