



Oil Tanker Contango Index

PROSPECTUS, Updated August 2015

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Terms

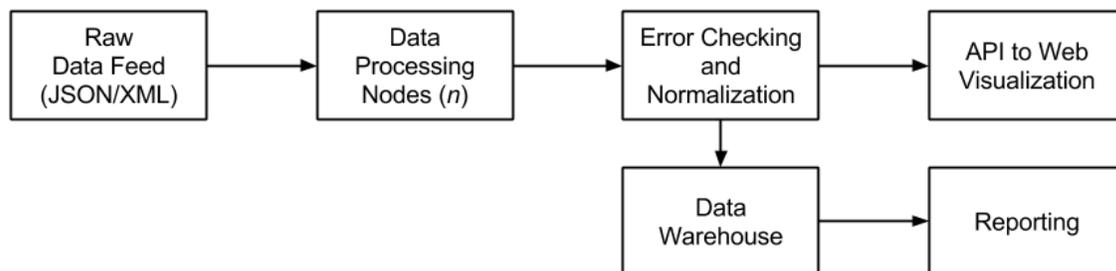
- **DWT:** Deadweight tonnage is a measure of how much mass a ship is carrying or can safely carry; it does not include the weight of the ship. DWT is the sum of the weights of cargo, fuel, fresh water, ballast water, provisions, passengers, and crew.
- **Draught:** is the vertical distance between the waterline and the bottom of the hull (keel), with the thickness of the hull included.
- **MMbbl:** one million barrels
- **TPC:** Tonnes per centimetre immersion

Summary

The GFC Oil Contango Index measures and trends the total number of tankers from the largest tanker operators currently in a state that indicates possible use as oil contango storage, based on our proprietary algorithms. This information derives a total MMbbl currently being stored as contango, as well as a percentage of tankers in a state of contango. This information gives investors involved in the energy sector and related derivatives a unique insight into oil contango storage not typically available. This index is updated on a daily basis.

Data and Methods

The raw data for calculating this index flows through the following path:



The raw data feed consolidates information on 500 tanker vessels that exceed a DWT of 256650. This puts these vessels in the category of VLCC and ULCC category (between 200,000 DWT - 315,000 DWT, and 320,000 DWT - 500,000 DWT respectively). This list of vessels is dynamic and consolidated based on greatest DWT. This list of vessels is refreshed dynamically and in

conjunction with the calculation of the index. Periodically, data on ships will be inaccurate or inaccessible; in these cases those vessels are excluded from this index. The calculation for the percentage of vessels is updated dynamically however the calculation for total MMbbl is not. For example, partial data could be available for a particular vessel, however data required to determine if it is in a contango state is not. In this scenario, this vessel is still included in the denominator for further calculations but will not be included in any MMbbl calculations if required data is absent. Therefore it is important to take into consideration both values to gain an accurate understanding of current oil tanker contango levels.

Once a raw data set has been established, there are a number of statistical assumptions that are made which need to be defined. The first stage is calculating the draught of tanker ships in a state of contango. The current state of the ship is taken into account, and the raw draught data is imported and normalized. These data are then checked for any errors and then converted to a total DWT of displacement for each vessel. Because vessels in this index are dissimilar and vary greatly in hull anatomy and other characteristics combined with variability of water density depending on the vessel's location, it is not possible to calculate an exact cargo displacement in DWT. Additionally, vessels typically have the ability to ballast themselves for stability, which increases their draught which is not indicative of cargo weight. These assumptions are passed across all vessels in this index however it is important to take this into consideration as the total DWT value and subsequent MMbbl calculated can vary from the actual number and volume of cargo being transported.

Draught (m) * TPC = Total DWT Displaced

An assumption of TPC value is made for all vessels based on the average DWT of all vessels and the corresponding TPC value averaged out. It should be noted that TPC is highly variable depending on a number of conditions, including hull anatomy and current draught of the ship. Subsequently an assumed TPC value is used across all vessels which is not dependent on current vessel draught. This total tonnage of displacement is then used to calculate the MMbbl for the total number of ships in a state indicating contango.

Total DWT Displaced in Contango * Barrels of Oil per Ton = Total MMbbl

Additionally, the percentage of ships indicating they are in a state of contango is calculated. This is simply a ratio of vessels in a contango state compared to a total number of vessels which are reporting data. These data are then saved in a data warehouse and exported through an external API interface for trending and analysis.

Data Fields

| Position | Name | Format/Units | Description |
|----------|-----------------------------------|-----------------------------|---|
| 1 | Date | YYYY/MM/DD HH:MM:SS | Date and time stamp |
| 2 | Total Vessels | Individual Vessels | Total number of vessels (denominator) being monitored and included in the index. Vessels with insufficient data are excluded. |
| 3 | Vessels in Contango | Individual Vessels | Total vessels in a state indicating they are being used for oil contango storage. |
| 4 | DTW in Contango | DTW (Deadweight tonnage) | Total DTW currently in contango. |
| 5 | MMbbl in Contango | MMbbl (one million barrels) | Total MMbbl of oil in contango |
| 6 | Percentage of Vessels in Contango | Percentage | Indicates percentage of vessels in a state indicating they are being used for oil contango storage. |



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