

## **AMTEC RESOURCES MANAGEMENT LIMITED (“AMTEC”) TRADING DIVISION**

AMTEC and its associated companies have been heavily involved in the energy and mineral resource sectors for over 40 years, and has a profound understanding of these diverse markets. AMTEC actively trades for its global clients in a range of energy and commodity resources. Working alongside our comprehensive network of associates strategically located across the globe, including offices in Western and Eastern Europe/Russia, we are able to provide reliable and competitive trading services for the purchase and sale of a large range of energy and commodities, including:

### **CRUDE OIL**

Crude oil is a natural fossil fuel which, once refined, is used to create most of the energy sources used industrially and domestically, from gasoline and diesel to power vehicles, to jet fuel for aircraft and fuel for ships. It is also used widely in the production of chemical products such as pharmaceuticals, solvents, fertilisers, pesticides and plastics.

Crude oil varies in chemical structure, thickness or viscosity, depending on where in the world the oil was drilled. It can have a low sulphur content (known as sweet oil) or higher levels of sulphur (sour oil), and it can be of lower density (known as light) or higher density (called heavy oil).

Sweet oil is typically preferable, because its lower sulphur content makes it easier to refine and less damaging to the environment, while light is preferred to heavy oil because it gives a higher yield of petroleum.

Crude oil has been the most important source of energy since the 1950s and is currently the world's most traded commodity. It is estimated that the world consumes close to 78 million barrels a day, with the United States, China and Japan the biggest users. Saudi Arabia, Russia and the United States are the main crude oil producers.

### **FUEL OIL / MAZUT**

Fuel oil, which is distilled from crude oil and often left as residue during the refining process, refers to a range of the least volatile and heaviest of the commercially used fuels.

Some 10% of fuel oil produced is used to power large ships. A further 15% is used for heating and the remainder is used by refineries as feedstock for further upgrading.

Mazut (“M-100”) is a heavy, low quality fuel oil, used in generating plants and similar applications. In the United States and Western Europe, mazut is blended or broken down, with the end product being diesel.

### **GASOLINE**

Gasoline is a transparent, volatile liquid. It is made by blending up to ten different refined products and is used mainly to power motor vehicles.

The United States is the largest consumer of gasoline and accounts for about two fifths of the world's gasoline consumption on an annual basis. Gasoline remains one of the fastest growing segments of oil demand, with forecasts expecting a global expansion to over 300,000 barrels per day in 2014. Much of this demand growth comes from emerging economies and their growing middle class.

## **MIDDLE DISTILLATES**

Middle distillates refers to a range of refined products situated between lighter fractions, such as LPG or gasoline, and heavier products such as fuel oil. Typically they include jet fuel, heating kerosene, and gas and diesel oils, such as marine bunker fuels. Diesel is mainly used for transportation. Heating kerosene is processed for commercial and domestic heating, whereas jet fuel is used to power the engines of commercial and military aircraft.

## **LPG**

LPG (Liquefied Petroleum Gas) is predominantly propane and butanes, either segregated or in various ratios and mixtures of each product. LPG is a by-product of the refinery process, transported mainly in pressurised vessels. LPG is also a by-product of crude oil production (Associated Gas) and a by-product of natural gas production (Non Associated Gas).

Associated and Non Associated LPG or NGL's (Natural Gas Liquids) are shipped via pipeline in large quantities where possible, for example in the US, and via refrigerated VLGCs (Very Large Gas Carriers) from, for example, the US Gulf Coast to Japan. As well as being a fundamental building block in the petrochemical process, LPG it also a convenient fuel used globally for domestic purposes; in the northern hemisphere, LPG is used for home heating, while in Africa it is used as a cooking gas. In some markets, LPG is also used as a fuel for cars (known as Autogas).

## **NATURAL GAS**

Natural gas is a hydrocarbon gas mixture largely made up of methane and some other gases. The gas is typically removed from deep underground rock formations with drilling rigs, processed to remove impurities such as water and carbon dioxide, and sold as consumer fuel for heating, cooking or generating wholesale electricity. It is also used to power vehicles and in the manufacture of plastics and chemicals.

## **OTHER ENERGY PRODUCTS**

AMTEC also provides trading services for the purchase and sale of other energy products based on client needs, such as Naphtha, Ethanol, Methanol, LNG and other chemicals drawn from fossil fuels.

## **NON-ENERGY RESOURCE TRADING**

Based on its fundamental understanding of resources, AMTEC also provides trading services for the purchase and sale of a range of non-energy commodities, including iron ore, aluminium, aluminium alloys, copper, tin, zinc, nickel, lead, precious metals, rare earth minerals etc.