



Arcadia

Arcadia Petroleum Limited

About Arcadia



Arcadia was founded in 1988, and ranks amongst the major crude oil trading companies in the industry.

From oil and products trading to risk management, shipping management, operational and financial arrangements, customer satisfaction is the primary focus of every Arcadia team.

Our main objective is to perform a top quality standard of service to our many producer and refiner clients, using our teams comprising 100 professionals (experienced in all areas of crude oil/ and products trading and shipping) and an extensive network of international contacts, worldwide.

Arcadia trades over 800,000 barrels of physical crude each day and it also runs a successful paper-trading group, through which over 10 million barrels of futures and options contracts are exchanged each day

In geographical terms, our business coverage is extensive: our contacts mainly extend from the Americas, and West Northern and Northern West Africa throughout the Mediterranean and CIS to the Middle and Far East.

Arcadia's heritage is based firmly in the business of trading physical oil.

For the past 18 years, an average of around 40 million tons of crude oil have flowed through our trading system; amounting to 800,000 barrels for each day of the year and comprising some 40 different grades of crude oil, loading at worldwide locations and each with their own characteristics and market values.

With specialist trading teams based in our London headquarters, we maintain constant contact with the world energy markets, monitoring the supply, demand and price evolution of crude oil fundamentals.

In West Africa, we have developed a strong source of supply through co-operation with equity producers and state oil companies. We continue to expand our knowledge and expertise throughout West Africa, working closely with state organisations. We are highly committed to securing long-term activities in this area, which is considered to be of great geographical and logistical importance in world crude oil supply.

Additionally, our many years of experience in the Yemen have provided us with a sound base of supply in the Middle East, upon which we have built a network of trading partners in the Indian sub-continent and South-East Asia.

Currently our eastern team covers the Far Eastern market, including mainland China, Japan, Korea, Thailand, Indonesia, Vietnam and Taiwan. Arcadia also moves arbitrage cargoes to/from this region.

Over the years we have acquired an in depth knowledge of marketing and processing most crude oils in the Mediterranean and our customer portfolio includes many of the major oil companies/refiners and producers in the region. We have been active for more than 10 years in the Black Sea and thanks to our global presence and track record on arbitrage we can handle large volumes of oil outside the region. The newly opened BTC Pipeline (Baku Tbilisi - Ceyhan) pipeline takes oil from the Caspian area to the mediterranean by-passing the tanker routes along the black sea.

Crude Oil Trading



It has contributed to an increase of sweet crude oil available and with greater export volumes predicted for future years, the Mediterranean basin is set to become one of the most strategic areas in the world for oil production/processing.

Our extensive activities in the Mediterranean and the North Sea have made Arcadia one of the pre-eminent traders in world crude oil.

Risk management has the highest priority within our organisation. State-of-the art internal trading and accounting systems constantly monitor our exposure across all aspects of our trading activities. All our physical crude oil is hedged to safeguard against the extremes of price volatility in today's oil markets.

Products Trading



In 2002, Arcadia expanded into products trading with a strong emphasis on fuel oil. Arcadia has continued with its policy of hiring experienced professional traders to develop its business in a secure and controlled environment, while offering its customers the highest level of service and quality.

Included within this new structure is also a dedicated back office team working on products finance, operations and risk management.

After several successful experiences in product trading within South America and West Africa, Arcadia is expanding its products trading activities into the Far East. Arcadia's Eastern Products Team actively trades most products derivatives, such as gasoline, gasoil, kerosene and fuel oil, in China, Japan, Korea, and Indonesia.

We are committed to the continual expansion of our products business and are developing worldwide investment and trading opportunities.

Arcadia is registered for participation in all major government and utility tenders in order to maximise its opportunities for business success and customer satisfaction.

Shipping & Freight

Arcadia has a fully integrated chartering group based in London.

Our team of experienced professionals is in continuous contact with ship owners and broking houses in order to put together freight packages at the most advantageous rate for our customers and to ensure safe and on-schedule deliveries.

Arcadia is very active in the time-charter market, operating a fleet of long-term time-charter vessels including Suezmax and Aframax vessels.

Arcadia's coverage is worldwide and we are a major player on routes such as:

- . West-Africa to US-Gulf & Far-East;
- . Arabian Gulf to Far-East/US/ & Europe;
- . and the Mediterranean.

Arcadia is regularly involved in the Suezmax spot market by chartering out of the Mediterranean, the Black Sea, the Red Sea and the Arabian Gulf to the markets in the East and West. Aframax vessels also play a significant part in Arcadia's activities, frequently covering cross-Mediterranean, Mediterranean to US Gulf and UK continental-transatlantic routes.

We are a major industry charterer and a player in the freight derivatives market. The FFA (Forward Freight Agreement) market continues to strengthen and our liquidity is such that it can be used to fully hedge our various exposures to the freight market. Arcadia's FFA Trading Desk additionally trade FFAs for speculative purposes.



Paper Trading



For more than a decade, an experienced Arcadia team has handled trading on the futures and forwards markets and, over time, Arcadia has become one of the top five largest players in the paper trading market.

We currently trade approximately 10 million barrels of futures every day, enabling Arcadia to hedge the exposure that arises out of physical trading.

The majority of this business is transacted on the International Petroleum Exchange (ICE). Arcadia is a member of The London Clearing House enabling us to clear our own futures business on the IPE. In addition, we trade significant volumes of both crude oil and products futures on the New York Mercantile Exchange (NYMEX).

Arcadia has been at the cutting edge when it comes to using new tools for investment and hedging in the forwards and over-the-counter (OTC) markets, utilising such contracts for periods as much as five years ahead.

Whether by using Contracts for Differences, inter-regional swaps, margin swaps or grade and time swaps, Arcadia has a proven record of successful hedging and speculation over a broad spectrum of oil derivatives.

With the expansion of Arcadia's physical products to take account of new products, such as trading Liquid Natural Gas (LNG) and gasoline, we have similarly broadened our paper trading into associated derivative instruments. Structured expansion into products trading will further enhance our insight onto the factors influencing price movements within the oil market



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