

DOWNSTREAM CONSULTANCY

Support across the value chain

rpsgroup.com/downstream

RPS ENERGY – A GLOBAL ENERGY CONSULTANCY

- RPS Energy is part of RPS Group, which has been listed on the main London Stock Exchange since 1995, has over 5,000 employees.
- One of the world’s leading suppliers of independent commercial advisory services, project management and transaction support for the energy sector
- We carry out 1000+ projects a year for clients including Governments, NOCs, IOCs, Independents, and Financial Institutions worldwide
- RPS Energy operates from main locations in the UK, Ireland, the Netherlands, Russia, USA, Canada, Middle East., Singapore and Australia



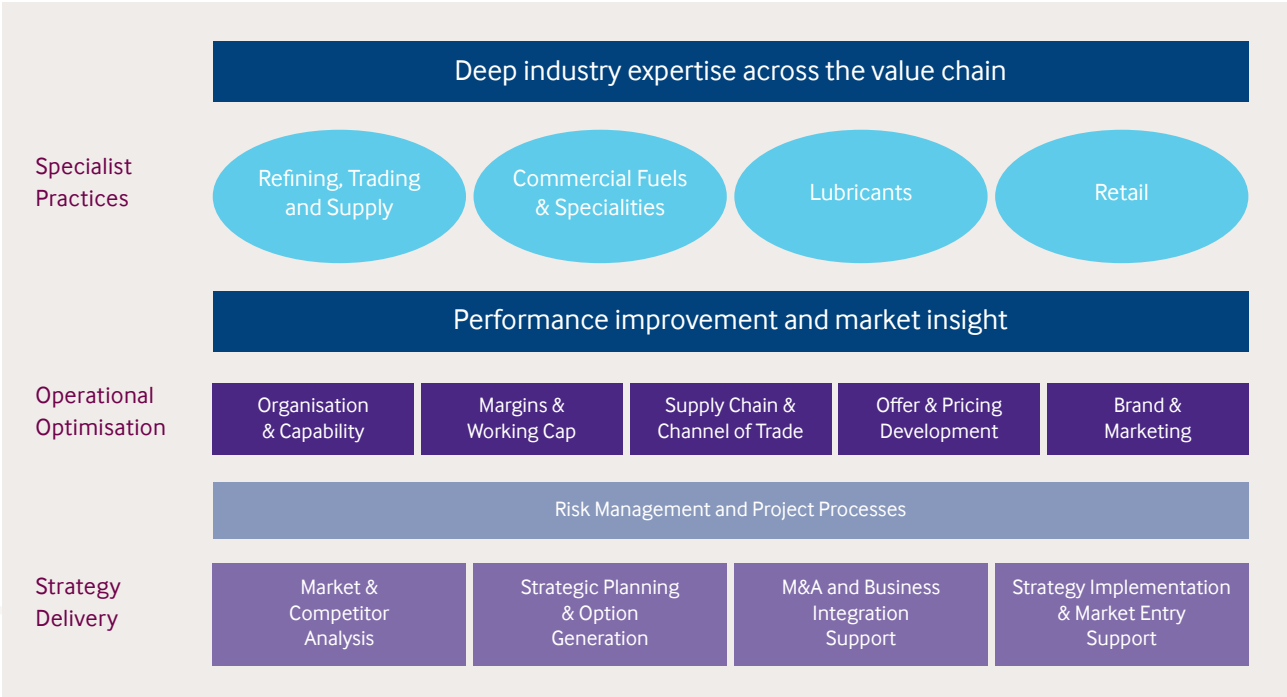
The RPS Downstream consulting business covers all stages in the value chain from Refining, Trading and Supply, to Commercial Fuels, Lubricants and Retail.

The Downstream practice of RPS Energy provides commercial advisory services for companies worldwide. Its experience and capability has supported strategic investment and business improvement projects across the downstream sectors as well as in the supporting functions (e.g. Finance, HR, HSSE, IT).

Deep sector knowledge and project delivery

- The focus of our support is on optimising business performance and maximising growth potential
- Our teams are made up of highly experienced, industry professionals with unparalleled knowledge and a strong track record of delivering incremental value and process improvement for world-class companies around the world
- RPS works closely with our clients to understand their issues and find effective ways of improving their business. We craft solutions that ensure we also build enhanced, long-term capability
- Given the unique combination of sector experience and market insight we are able to offer tailored, pragmatic solutions and deliver actionable plans to help our clients achieve and sustain their business goals

Consulting Offers and Services



WHAT MAKES US DISTINCTIVE?

A real understanding of your issues. As seasoned industry professionals, the RPS team members have each led value delivery and change implementation from the inside of similar businesses.

WHERE WE HAVE MADE A DIFFERENCE

Some recent examples of our downstream projects:

Our People

Industry experts:

- Our practice is staffed only by business professionals who have typically had 15-30 years experience within major downstream oil companies

Wide-ranging disciplines:

- They range from general management business leaders to functional specialists in project management, production and operations, change management, finance, performance management, HR, procurement and external affairs

Breadth of experience:

- Their deep sector experience covers Trading, Refining & Petrochemicals, Supply & Logistics, Wholesale, Lubricants and Retail
- They have worked across the major markets of the world including Europe, the Middle East, Africa, Asia and the Americas

Our Knowledge

Detailed technical & operational knowledge:

- Our team includes people with more than just management knowledge. They also have the technical and operational expertise to ensure we find the optimum solution for your particular business situation

Environmental impact expertise:

- RPS includes an emissions and environmental consulting arm, adding another unique dimension to our capabilities

Global leaders in upstream and midstream (Gas and LNG) support:

- RPS is recognised as the leading technical and advisory upstream consulting business. We have over 20 years experience in evaluating and accessing upstream opportunities

RPS can uniquely integrate these differing areas of expertise in support of our clients' business

Our Approach

Flexible delivery designed for your unique situation:

- We offer a flexible solution which can involve one or a mix of the following:
 - multi-disciplinary project teams
 - coaching, mentoring and training to enable rapid knowledge transfer
 - post project follow-up to ensure value delivery

Building capabilities:

- Our approach is to work closely with clients to deliver fit-for-purpose solutions.
- Our focus is to deliver implementable plans that have secured buy-in from all key stakeholders.
- Our aim is to maximise business value and build enhanced capabilities for longer term

Global Refining Project

RPS carried out a long-term global assessment of new refining builds, product supply and demand, trade flows and refining margins to provide insight for a client considering options around their refinery system. This included the impact of changing crude slates, evolving product specifications and increasing levels of biofuels in the transport pool

Trading Unit Feasibility Study

A refiner/marketer engaged RPS to develop a model for a new business unit focused on entrepreneurial trading, with an aspiration to profit from the market and take out-right positions over and above the commercial optimisation of its existing assets. RPS carried out a detailed market environment analysis, competitor benchmarking study, an evaluation of the existing positions and the potential trading options

Commercial Support for Downstream M&A

RPS has provided support across multiple commercial elements for major M&A deals. These have included deals in the refining, lubricants, supply and logistics and commercial fuels sectors. For instance, RPS provided due diligence support for a major refinery acquisition, assessing commercial upsides from the refining operations, as well as analysing the growth potential of the associated downstream marketing businesses

Option Assessment for Petchems Project

As part of strategy work advising on a country's developing energy industry, RPS carried out an assessment for a new petrochemicals complex. This involved analysis and interpretation of global, regional and local markets in order to recommend the best approach for the client.

We subsequently supported the client through the process of identifying and screening potential investors, developing the commercial structure and negotiated agreements required for the project. RPS acted as owner's engineer during the feasibility study process.

Lubricants Pricing Strategy

RPS implemented a programme to reset the strategic pricing of a major global lubricants brand. This involved the shaping and interpretation of qualitative and quantitative customer research to drive new price positioning, delivering significant incremental value for the client

HSSE and Risk Management

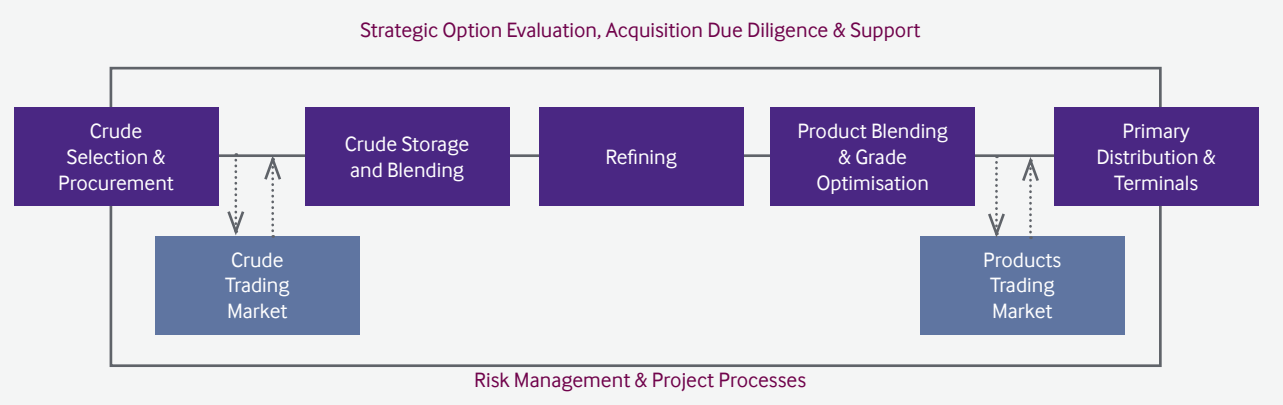
As part of ongoing support for a South American oil company, RPS conducted an HSSE and operations review prior to commissioning of a large refinery revamp. In addition, RPS completed a schedule risk analysis for the project.

RPS developed and piloted a new project risk management procedure for a large National Oil Company

Our **Refining, Trading and Supply** practice covers business processes from crude acquisition through to product disposal

The current volatile oil price environment and the structural changes taking place in the downstream industry will present a number of challenges for refiners and marketers. Industry refining margins will remain uncertain for the next several years, and consequently the winners in the sector are likely to be those who are creative in delivering added value, as well as being aggressive in reducing their costs. We focus on supporting these two dimensions of improvement for our clients.

Support across the value chain



Consulting Offers and Services

Refining Profit Optimisation

- Inventory management and working capital improvement
- Organisational and performance improvement
- Operational and maintenance assessment
- Production planning and scheduling review
- Plant availability and utilisation assessment
- Offsite and tank farm configuration

HSSE, Risk Management & Projects

- Policy, criteria and methodology
- Hazard identification
- Control verification & response plans
- Operational and HSSE reviews and benchmarking
- Project schedule and cost risk analysis
- Project feasibility

Trading & Supply, Margin Optimisation

- Crude selection and optimisation
- Product purchase and sales optimisation
- Logistics optimisation
- Trading organisation and trading strategy
- Risk/exposure management

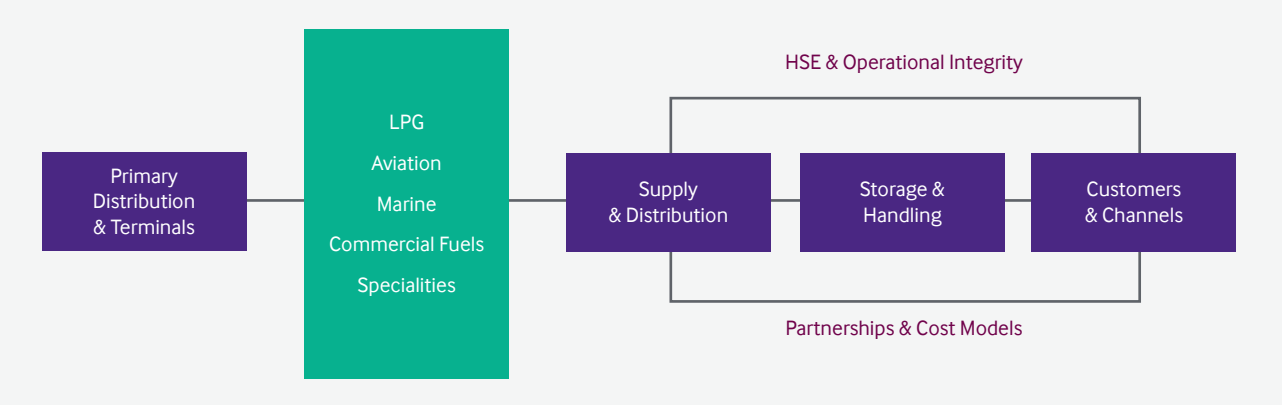
Investment, Due Diligence & Delivery

- Commercial due diligence
- M&A advisory
- Market and option assessment
- Economic evaluation
- Capital project support and joint venture development
- Business and strategy planning & implementation

Our **Commercial Fuels & Specialities** practice provides expertise for the different products, infrastructure and markets

In what is probably the most competitive part of the Downstream, every efficiency, opportunity and advantage needs to be captured. The level of operational, strategic and marketing capability needed to win requires an organisation to develop truly integrated strategies and plans. Beyond asset development and utilisation, market, customer, safety and regulatory impacts all demand attention.

Support across the value chain



Consulting Offers and Services

Primary Distribution

- Terminal operational assessment
- Asset development planning

Storage and Handling

- Asset utilisation and efficiency assessment
- HSE and operational integrity
- Asset development strategy

Supply and Distribution

- Supply strategy
- Supply cost optimisation and logistics review
- Interface management
- Inventory and working capital management

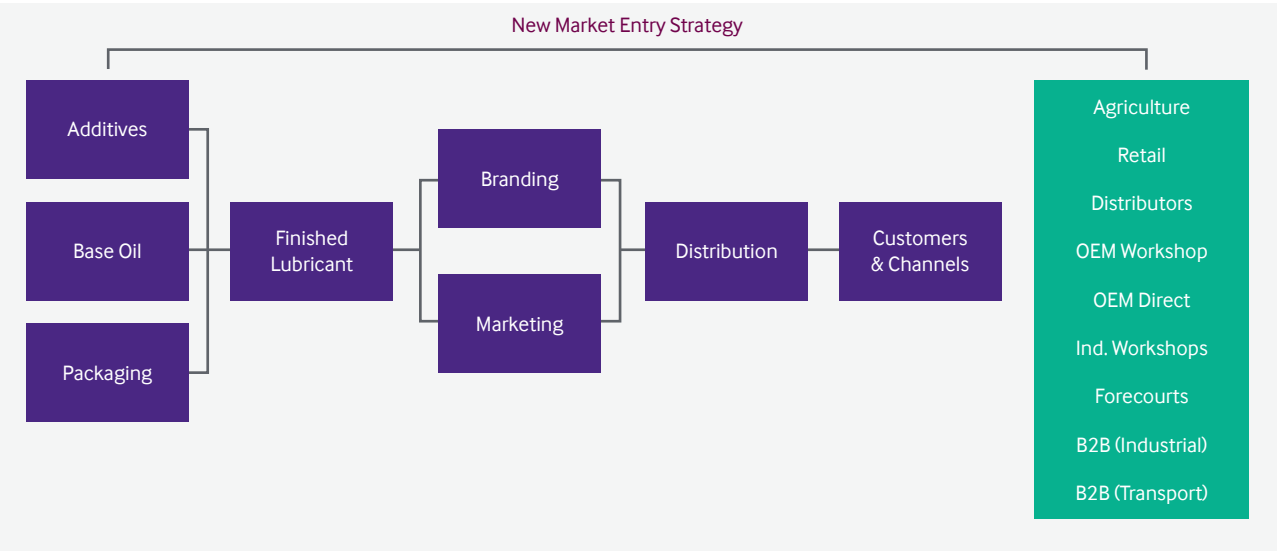
Customers and Markets

- Market assessment
- Competitive positioning and strategy development
- Customer segmentation and channels-to-market
- Data and information management
- Marketing tools and techniques

Our **Lubricants** practice spans the entire value chain

This sector continues to be subject to a very challenging environment. With evidence of commoditisation across the value chain, OEM globalisation, NOC’s growth aspirations and volume attrition within the developed economies, lubricant companies and their suppliers need to ensure robust strategies are in place to deliver sustainable, acceptable performance. RPS believes that a market-led approach will be key to success and works with its clients to develop and deliver optimum revenue growth and cost efficiency opportunities.

Support across the value chain



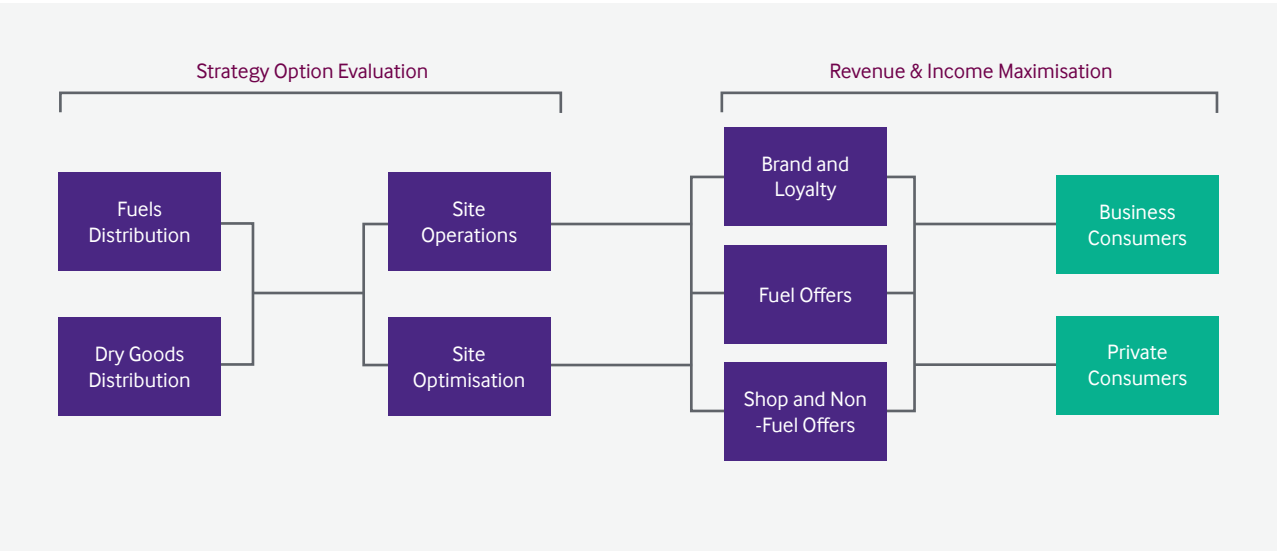
Consulting Offers and Services

<p>Strategy</p> <ul style="list-style-type: none">• M&A support incl. due diligence• Deal and transaction brokerage• Strategy review, development	<p>Manufacturing</p> <ul style="list-style-type: none">• Blend plant assessments and efficiency studies• Product line simplification• Operational assessment (incl. HSE & Quality)
<p>Sales</p> <ul style="list-style-type: none">• Customer segmentation and routes-to-market analysis• Pricing strategy and performance management solutions• Sales capability development (incl. key account management)	<p>Marketing</p> <ul style="list-style-type: none">• Market assessment• Brand and marketing strategy development and implementation• New product, offer and service development

Our **Retail** practice provides unrivaled levels of hands on expertise in all aspects of service station operation, network optimisation, and non-fuel income maximisation

The challenges faced by Retail in a climate of fluctuating fuel prices, ageing real estate, and high customer expectations in emerging markets are well known. Maximising returns from each and every part of your real estate is vital not only to success, but also survival in today’s competitive arena. RPS offers what is probably the most complete range of services in the business, ranging from strategy definition or review, market entry and c-store development, to merchandising and store operation audit. Our expertise across the entire retail value chain ensures that a complete and integrated view on any problem, and the potential solutions, are developed and delivered on time.

Support across the value chain



Consulting Offers and Services

<p>Procurement & Logistics</p> <ul style="list-style-type: none">• Fuel sourcing and logistics optimisation• Dry goods supply chain and optimisation• New products and services	<p>Assets & Execution</p> <ul style="list-style-type: none">• Real estate portfolio analysis and optimisation• Economics and operating models• Site upgrading, branding, design and formats• Site utilisation and selection criteria• Project and site management (sales, costs, margins)• Cross border/cross business synergies
<p>Offers & Partnerships</p> <ul style="list-style-type: none">• Developing the value proposition• Fuels marketing, brand differentiation• Loyalty and payment• C-store / food / coffee / car wash/lubes & auto services offers development and delivery• Franchises, partnerships and joint ventures	<p>Retailing Excellence</p> <ul style="list-style-type: none">• Operating basics, procedures and best practice• Contract structures, compliance, training• Basics of product, price, promotion, placement• Systems and new technologies (payment, digital media)• Customer segmentation and channels of trade• Benchmarking and operational audit
<p>Strategy Development</p> <ul style="list-style-type: none">• Market and country appraisal, M&A due diligence• Economic modelling and capital value process• Business plan review and development• Organisational design and change management	

RPS ENERGY CONSULTING

Downstream is part of the broader RPS Energy business, which has over 1000 consultants carrying out more than 500 projects in 100 countries each year. We have offices in London, Moscow, Houston, Calgary, Abu Dhabi, Singapore, Kuala Lumpur and Perth. Our staff typically have a minimum of 10 to 15 years hands-on industry experience.

Our Consulting group provides business insight built upon deep sector expertise, right across the hydrocarbon value chain. We run projects covering Upstream, to Midstream (Gas and LNG), including environmental and project risk assessment & management and business process improvement. We have expertise in business information systems, and procuring and implementing technologies.

RPS provides tailored and integrated advice ranging from strategy formulation and development all the way through to hands on implementation and delivery support for the developing issues and opportunities that are facing our clients. We seek to maximise the value our clients can drive from current and future business opportunities, while also seeking to help them build their own capabilities.



For more information about our Energy Services please contact:
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