

What is LOOP Sour?

LOOP Sour is the short name for a CME listed contract named LOOP Gulf Coast Sour Crude Oil Futures Contract.

What crude grades make up LOOP Sour?

LOOP Sour is a crude segregation within LOOP consisting of Poseidon, Mars and Seg 17 (Basrah, Kuwaiti, and Arabian Medium)

Where can I buy LOOP Sour?

LOOP Sour can be purchased in the form of a Futures contract. The Futures contract is listed by the CME Group (CME) and is available on exchanges and through brokers.

Where can I store my LOOP Sour Crude?

LOOP Sour can be stored at LOOP's Clovelly Hub in Galliano, LA. LOOP and CME have an innovative storage solution for LOOP Sour, called LOOP Sour Storage.

What is LOOP Sour Storage?

LOOP Sour Storage is a CME listed Futures contract that gives the purchaser the right to a storage allocation for their LOOP Sour crude oil.

How large is the storage allocation in a LOOP Sour Storage contract?

Each LOOP Sour Storage contract is 1,000 barrels.

What is the term of the LOOP Sour storage allocation?

Each contract is valid for one calendar month. If storage is needed for the following month, a new contract will need to be purchased in an amount to cover the volume in storage.

Where do I buy a LOOP Sour Storage contract?

There are two ways to purchase a LOOP Sour Storage contract.

1. LOOP conducts a monthly auction to sell LOOP Sour Storage contracts. This auction is hosted on the Matrix Markets trading platform.

2. CME lists a futures contract which will trade on CME's trading platform as well as Matrix Markets.

What are the details on the Auction?

Matrix Markets hosts an auction on the first Tuesday of the month. The auction will have an open bidding window from 11:00-11:30 CST. If a holiday falls on the first Tuesday, the auction is held the first Wednesday of the month.

Is there a limit to how many CACs I can buy during the auction?

The minimum accepted bid volume for LOOP CACs is no less than five (5) contracts. Auction participants may purchase any amount of CACs over five and up to the total auction volume offered for each month or quarter.

Who is Matrix Markets?

Matrix Markets is a partner in the development of the LOOP Sour contracts, along with the CME Group. Matrix also hosts the monthly LOOP CAC auctions and accounts all secondary market PFA trading.

How do I get onto the Matrix Markets auction platform?

The auction platform is completely web based and can be found on Matrix's website, www.matrix.global. There are no download requirements for your computer, you simply log into their website. The team at Matrix Markets can step you through becoming a participant. Contact Richard Redoglia at (713) 352-7325 for more information.

How do I report my secondary market trades of PFAs?

Secondary market trades may be entered on the Matrix Markets website. You or your broker may enter this information.

Is there a fee to report my secondary market PFA trades?

No, there is not a reporting fee. Please refer to www.matrix.global for further details.

Is Matrix Markets a broker or do they have a brokering arm?

No. Matrix Markets has no brokerage abilities.

How do I get more information regarding Matrix Markets?

You can visit their website at www.matrix.global or call Richard Redoglia at (713) 352-7325.

As a Shipper of LOOP Sour crude oil, do I have to purchase storage during my month of delivery?

LOOP grants one calendar month of storage to those shippers who will be delivering LOOP Sour out of the LOOP Sour system. The shipper must provide LOOP a disposition schedule on the 25th day of the month prior to the delivery month. The disposition schedule shall be for the delivery of the entire volume prior to 23:59 on the last day of the delivery month. If the shipper deviates from the disposition schedule, it may be subject to LOOP's Terms & Conditions.

How do LOOP's Terms & Conditions affect me?

Specifically, for any barrels remaining in the LOOP Sour Storage not covered by a current CAC or disposition plan, shall be subject to storage charges of the greater of \$0.50 or three (3) times the Futures Clearing Price per barrel from the most recent auction.

Does LOOP have any plans to expand the contract(s) or volume offering for the auction in the near future?

Currently LOOP is not expected to add additional volume beyond the 7,200 contracts per month.

Will there be shipper protection if LOOP is not able to accommodate the disposition plan submitted by the shipper for the delivery month?

LOOP has the ability to deliver to the market a large volume of crude on a daily basis. If LOOP is not able to accommodate shipper demand for delivery, LOOP will not charge overages to shippers who have properly nominated their outbound volumes. As always, LOOP will work closely with connecting carriers and schedulers to provide the best delivery service it can.

What are the advantages of MB?

- More than 500,000 barrels arriving at Clovelly every day.
- It is arbitrage neutral since there is no transportation fee.
- No duties. All MB must be domestic.
- Ability to deliver to 2.4 MM barrels of refining capacity
- Ability to deliver to LOCAP which connects to all St. James terminals
- CME protected
- Known quality characteristics with well-known quality ranges (domestic and international components)

- Reliable flow assurance
- Familiar terminal with over 35 years of safe and environmentally sound service record

What are the advantages of CACs?

- CME protected
- Can be traded bilaterally
- Priced by the market
- Monthly auction
- Tradeable on the secondary market