Keeping the world’s energy moving

BP Marine’s commitment to our customers is a simple one: to consistently deliver quality products with outstanding levels of service throughout our network of strategically based ports.

We are continuously improving our execution on the essentials that your business depends upon and providing value-added services to meet your specific needs. Our account managers are dedicated marine professionals, committed to building sustainable long-term partnerships. Supported by a wider team, with the industry knowledge and expertise to understand your specific needs, you can rely on our people.

Quality Products

Delivering on-specification products to our customers in full and on time, consistently throughout our port network is at the core of our business. We conduct stringent product testing during the manufacturing and delivery process to ensure all of our products meet ISO 8217 requirements. We pay particular attention to key parameters and are highly conscious of the issues that repeatability and reproducibility limits can cause within the analytical tests. In the unlikely event that there is an issue, we will proactively manage it through our expert technical service team and work closely with our customers to find an equitable solution.

The technical team have end-to-end responsibility for resolving any fuel quality, quantity or demurrage claims, allowing BP Marine to monitor the performance of its operations centrally and work towards continuously improving service levels. The technical team acts as a focal point for sharing best practice around the world and monitors the operational standards within the BP Marine fuels business. In addition, they play an important role in the international bunker fuels industry, supporting legislative bodies and engine builders as well as conducting research programmes within BP’s Global Research Centre.

Marine fuels is a large and complex global industry and BP Marine is one of the world’s foremost suppliers.

Quality Products

Delivering on our commitment

50 ports across the globe*

140 million tonnes of fuel delivered in the last 10 years*
Keeping the world’s energy moving

BP has been operating and delivering marine fuels for almost 100 years*

Striving for exceptional customer service

The shipping industry has a long and illustrious past, combining traditional business relationships and the most up-to-date technologies. We recognise this and ensure we are focused on building long-term sustainable partnerships based on trust and respect.

Communication is a key element, sharing the most relevant and timely information to allow everyone to make better informed decisions and work towards a common goal. From day-to-day contact with our account managers to specialist queries with technical and market experts, BP Marine has a dedicated team of people, with long-term expertise in the marine business, on hand to help meet your business needs.

BP Marine is totally committed to maintaining and improving its reputation for operational excellence and environmental awareness, demanding the most rigorous approach to safety. Compliance with local and national regulations is mandatory but only defines a minimum level of acceptability. We are continuously striving to raise operational performance to be ‘best-in-class’ and meet the highest global standards. At BP Marine, this means our supply operations are subject to regular audits – all of our barges are rigorously vetted by our internal partner, BP Shipping. All are operated to ensure we comply with the highest industry standards in all our ports around the world.

Environmental protection is central to everything we do. At BP Marine, we pride ourselves on our spill prevention programmes. Prevention focuses on using the right equipment, by trained personnel, working to effective procedures. Our priority is to retain all products within primary containment, but in the unlikely event of an incident, we work directly with customers, suppliers and third parties to ensure we learn from and minimise any possible reoccurrence.

In short, our goal is to be your preferred supplier in the marine industry.

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*at the ports we supply. (Internal BP data.) **Maritime and Port Authority of Singapore

11 years
as Singapore’s no. 1 marine fuels supplier

100 barges
supporting our bunker deliveries

[Image 455x68 to 1031x481]
[Image 1229x369 to 1333x480]
[Image 1036x368 to 1225x481]
[Image 1190x68 to 1333x190]
[Image 1036x194 to 1333x364]
[Image -1x68 to 181x481]
One of the key foundations of our business is a close working relationship with our supply and trading business; a global organization with over 3,000 employees. It is BP’s single face to traded markets and sells all the oil, gas and gas liquids produced by BP Upstream and procures all the crude and feedstocks for BP’s refining operations. In addition, we provide associated financial services such as price risk management and hedging.

This strength in global trading ensures we offer unrivalled levels of supply security and cost effective products throughout our global network of ports.

With first class operations in a diverse portfolio of both hub and niche ports, BP Marine is well placed to serve your needs. Through our continuous investment in infrastructure, upgrading of existing supply locations, investment in new key bunker fuel ports, and the extensive use of double-hulled barges, we will ensure that we meet your needs – today and in the future.

Supply security

BP Marine operates one of the world’s largest port networks for fuel supply*

*BP internal data
Keeping the world’s energy moving

Even minor changes in world events can cause large and sudden fluctuations in the price and availability of oil and oil products. Increasingly, energy resources are the focus of international competition, as the balance in supply and demand shifts. We understand the price of oil is at the core of your business. Fuel oil price volatility can have a fundamental influence on your profitability, cash flow, and overall ability to do business. Managing your exposure to the oil markets can be a daunting challenge. It requires an in-depth knowledge of the complexities of the physical and financial markets, in addition to access to the right real time information.

BP has over 100 years experience in the energy markets, and for the last 15 years has been helping customers apply this knowledge when managing their price risk. With our combination of financial trading, and physical market expertise we can help you understand the types of hedging tools available, and put in place suitable levels of protection.

Global Structured Products
The cost of energy is at the core of your business and its volatility has a profound influence. Managing your exposure takes an in-depth knowledge of the complexities of the energy and financial markets and access to the right information.

As one of the world’s leading oil trading and marketing companies, BP has the scale and the expertise to provide 24 hour market coverage, offering some of the most competitive and comprehensive financial risk management products available.

Our specialist team within Global Structured Products can give you access to a variety of tools and information. We can provide daily oil market reviews and newsletters, indicative price curves and market information to help you take direct control over your oil price exposure, either combined with or independently from your physical supply agreement.

Global Structured Products
We create enduring, mutually beneficial partnerships

Oil markets can be volatile
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What can be achieved with a risk management program*

- Help to stabilise cash flows
- Help to determine a sales price
- Help to reduce the risk of financial distress
- Help provide protection against extreme price changes
- Help to protect the company’s budget targets
- Help to remove the timing risk from a trade
- Help to provide profit margin protection
- Help to secure the company’s competitive edge

*You should note that risk management programs are not designed solely to reduce prices. The price achieved using financial hedging products can be both above and below that achieved without any.
Managed price physicals

A managed price physical can be as simple as purchasing your physical fuel at an all-in fixed price from as little as one month, or as far out as several years. Other options include capping the maximum price of your fuel, while having a contract that continues to track the Platts market if prices were to move lower. These unique pricing options remove or reduce the uncertainty of your future costs but in a way that is simple, avoiding basic risks, and in most circumstances the need for complicated hedge accounting.

Basic physical fuel contract

With a basic physical contract you will often pay for fuel based on the month’s average Platts price.

Fixed price physical (FPP)

With an FPP it doesn’t matter what happens to the underlying Platts price. The price paid for your fuel will remain fixed.

Benefit from valuable protection against rising markets. Pricing certainty without the basis and timing risks. It’s that simple

Capped price physical (CPPs)

With CPPs, whenever the monthly average Platts price falls below the cap, you will continue to pay this monthly average price. However, should the Platts price average above the cap you will only pay the capped price.

Key benefits

No more mismatch between the product hedged, and the product bought
Avoid multiple invoices from various physical and hedging providers
BP Marine continues to provide the high quality service and product
Ability to choose from both simple fixed prices up to more advanced customised pricing scenarios.

Example graph and data

Historical data source: Globalview

*BP internal data
Financial hedging contracts offer the power and flexibility to let you take direct control over your oil price exposure independent from your physical supply agreement.

Considering all of these questions is an important part of defining a hedging program. Our Structured Products team can provide you with information on the importance and potential consequences of these questions assisting you to make the best decision for your company. You should note that any financial hedging contracts entered into as part of a risk management program may not always work to your advantage.

Are you willing to give away some potential gains as well as protecting against potential losses?

Are you willing to pay a premium up-front?

Which instruments can be easily understood and monitored by your wider organisation?

What type of risks are you actually looking to manage?

How active do you want to be in executing a hedge program?

What exactly is the nature of your oil price exposure?

Are there levels above which fuel price rises would start to damage your business?

Our Structured Products team can provide you with bespoke risk management solutions.
Selecting the right tools

Examples of financial hedging contracts

Swap
A swap contract is a financial instrument that pays out when fuel prices move above the swap level for a given month, or requires payment to the swap provider when prices move below the swap level for a given month. Buying a swap contract to match against a physical fuel purchase when netted together can then result in a fixed fuel cost.

Cap
A cap option contract is a financial instrument that pays out when fuel prices move above the cap level for a given month, but does not necessitate any financial settlement for monthly prices below the cap level. Unlike a swap contract however a cap can only be purchased by paying an upfront premium. Buying a cap contract to match against a physical fuel purchase when netted together can then result in a capped fuel cost.

Collar
A collar option contract is a financial instrument, combining cap and floor options. The collar pays out when fuel prices move above the cap level for a given month, does not necessitate any financial settlement for monthly prices between the cap and floor levels, but then requires payment too for prices below the floor. Unlike a cap contract however, a collar can be engineered such that no premium payment is required. Buying a collar contract to match against a physical fuel purchase when netted together can then result in a minimum and maximum fuel cost.

Our Global Structured Products team can provide fully customised market information and price curves relevant to your specific exposure. We can share forward curves in over 60 oil products from crude to a host of different global fuel oil indexes, in USD as well as in other currencies and units.
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