

# Petroleum Dictionary

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**A**

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**Acquisition**

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Acquisition: Also known as a takeover is the buying of one company (the 'target') by another. An acquisition may be friendly or hostile. In the former case, the companies cooperate in negotiations; in the latter case, the takeover target is unwilling to be bought or the target's board has no prior knowledge of the offer. Acquisition usually refers to a purchase of a smaller firm by a larger one. Sometimes, however, a smaller firm will acquire management control of a larger or longer established company and keep its name for the combined entity. This is known as a reverse takeover.

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**Adj. EPS**

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Adj. EPS: Adjusted earnings per share. Reported/forecast basic EPS, adjusted as appropriate by the analyst. Examples of adjustments are, removing the post-tax impact of exceptional items and goodwill amortization.

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**ADO**

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ADO: Automotive Diesel Oil. Diesel used as vehicle fuel.

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**AGO**

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AGO: Atmospheric Gas Oil. Diesel produced by the atmospheric (primary) distillation of crude oil.

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**API Gravity**

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API Gravity: The American Petroleum Institute gravity, or API gravity, is a measure of how heavy or light petroleum liquid is compared to water. If its API gravity is greater than 10, it is lighter and floats on water; if less than 10, it is heavier and sinks. API gravity is thus a measure of the relative density of a petroleum liquid and the density of water, but it is used to compare the relative densities of petroleum liquids.

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**ASTM**

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ASTM: American Society for Testing and Materials. It is an international standards developing organization that develops and publishes voluntary technical standards for a wide range of materials, products, systems, and services. ASTM International develops standards using a consensus process.

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**ATL**

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ATL: Above The Line. It is a type of advertising through media such as TV, cinema, radio, print, banners and search engines.

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**ATP**

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ATP: Average Through-Put. For PS, it is expressed in cubic meters of fuels sold per day (usually), week, month or year.

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**Avgas**

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Avgas: Aviation Gasoline, used as fuel for propeller airplanes.

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**B**

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**B/L**

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B/L: Bill of Lading. A document issued by a carrier, e.g. a ship's master or by a company's shipping department, acknowledging that specified goods have been received on board as cargo for conveyance to a named place for delivery to the consignee who is usually identified.

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**Back-In**

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Back-In: The right to receive a reversionary interest at some future time, upon fulfillment of contractually specified conditions. This clause allows a lease-owner; lessee or a nonparticipating partner to reserve the option to participate in a well after it has produced enough to pay the operator's expenses of drilling and completing that well. This clause is typically used in farmout agreements to convert the overriding royalty interest of a lease-owner, lessee or nonparticipating partner into a working interest upon payout of the well. When the election to convert the overriding royalty to working interest takes place, it is known as a back-in after payout (BIAPO).

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**Backwardation**

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Backwardation: A market condition in which a futures price is lower in the distant delivery months than in the near delivery months.

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**[BIAPO](#)**

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BIAPO: Back In After PayOut

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**Biodiesel**

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Biodiesel: Refers to a diesel-equivalent processed fuel derived from biological sources (such as vegetable oils) which can be used in unmodified diesel-engine vehicles.

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**Black products**

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Black products: Heavy distillates (fuel oil, asphalt)

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**BNA**

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BNA: Bank Note Acceptor

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**BOD**

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BOD: Board of Directors

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**Bounding**

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Bounding: is the activity of adhering to all the requirements of installing and/or using safety-related products and items in conformance with an active certification listing that has been issued by an organization that is nationally accredited both for testing and product certification. It is the exclusive means to establish due diligence for goods and services whose use is mandated by a building code or a fire code. The term is most commonly used in North American fire protection and has originated in the construction and maintenance of nuclear reactors in the United States.

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**Brand**

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Brand: A name, logo, slogan, and/or design scheme associated with a product or service.

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**Brown Field**

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Brown Field: Abandoned, idled, or under-used industrial and commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contaminations. Reconstruction or re-branding of an existing PS.

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**BTL (1)**

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BTL (1): Below The Line. Below the line advertising typically focuses on direct means of

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communication, most commonly direct mail and e-mail, public relations and sales promotions for which a fee is agreed upon and charged up front.

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**BTL (2)**

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BTL (2): Biomass to liquid is a (multi step) process to produce liquid biofuels from biomass: The process uses the whole plant to improve the CO<sub>2</sub> balance and increase yield.

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**Butane**

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Butane: Also called n-butane, it is the unbranched alkane with four carbon atoms, CH<sub>3</sub>CH<sub>2</sub>CH<sub>2</sub>CH<sub>3</sub>. Butane is also used as a collective term for n-butane together with its only other isomer, isobutane (also called methylpropane), CH(CH<sub>3</sub>)<sub>3</sub>. Butanes are highly flammable, colorless, easily liquefied gases. The name butane was derived by back-formation from the name of butyric acid.

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**BVPS**

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BVPS: Book Value Per Share. Also known as NAV per share. This is the book value as reported or forecast at the year end divided by the basic number of shares outstanding at that balance sheet date.

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**Brent**

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Brent: In Europe "Brent" is the reference quality of crude from the North Sea. Each market requires reference crudes to compare the prices of different quality products. It is used on both the Physical Market and the Spot Market.

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**Bunker C**

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Bunker C: A residual fuel used as ship's fuel, Bunker C usually has a high sulfur content and high viscosity.

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**Blockade**

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Blockade: Prevention of commercial exchange by physically preventing carriers from entering a port or nation.

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## C

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### CapEx

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CapEx: Capital Expenditure. Expenditures used by a company to acquire or upgrade physical assets such as equipment, property or industrial buildings.

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### Carbon Dioxide

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Carbon Dioxide: It is a chemical compound composed of one carbon and two oxygen atoms and is in a gaseous state in the atmosphere of the Earth. Carbon dioxide in the Earth's atmosphere is currently at a concentration of approximately 385 ppm by volume. It is often referred to by its formula CO<sub>2</sub>. Carbon dioxide is exhaled by animals and inhaled by plants. It is also created by the combustion of fossil fuels or vegetable matter and other chemical processes.

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### Catchment Ratio

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Catchment Ratio: % of cars passing in front a PS and stop to refuel.

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### CCO

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CCO: Chief Compliance Officer, a newcomer, is responsible for ensuring that a company and its employees are in compliance with government regulations and internal policies.

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### CCR

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CCR: Continuous Catalytic Reforming. Secondary treatment that increases the octane number of gasoline. A chemical process used to convert petroleum refinery naphthas, typically having low octane ratings, into high-octane liquid products called reformates which are components of high-octane gasoline (also known as petrol). Basically, the process re-arranges or re-structures the hydrocarbon molecules in the naphtha feedstocks as well as breaking some of the molecules into smaller molecules.

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### CEO

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CEO: Chief Executive Officer. Often but not always also the President of a company. The CEO reports to the Chairman of the Board and board members. The CEO is usually the most important spokesperson for the company, the person who is responsible for quarterly results, and the best paid member of the company.

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### CEPS

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CEPS: Cash Earnings Per Share = EPS plus depreciation, amortization and non-cash movements in provisions.

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### CFO

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CFO: Chief Financial Officer. Sometimes also the company Treasurer and, in many companies, is seen as the second most important person in the company (since managing the quarterly results often depends on an understanding of how to keep the books).

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### CFR

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CFR: Cost and Freight. The seller delivers when the goods pass the ship's rail in the port of shipment.

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### CI (1)

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CI (1): Cetane Index. The cetane number is also an [ASTM](#) test, used to measure the ignition qualities of diesel fuels. The higher the number the better the quality. The cetane index is a calculated value using the ASTM mid boiling point and [API gravity](#), and correlates well with cetane number. The cetane index is used if the volume of sample is too small or a test engine is not available. A diesel fuel with a high cetane index has a low spontaneous ignition point, that is, combusts at lower temperature from the heat of compression of the

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diesel engine. A high cetane index of FCCU light cycle oil (LCO) is desirable since the higher the index, the more LCO can be blended into the more valuable road diesel fuel.

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### **CI (2)**

CI (2): Commercial and Industrial (sales).

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### **CI (3)**

CI (3): Corporate Identity. It is the “persona” of a corporation, which is designed to accord with and facilitates the attainment of business objectives and is usually visibly manifested by way of branding and the use of trademarks. The characteristic looks, colors, materials, designs, uniforms, layouts, brands, logos, sounds, products, services, advertisements etc that identify a PS as part of a specific company’s network

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### **CIF**

CIF: Cost, Insurance and Freight. Goods delivered at buyer’s receiving point with all indicated costs covered. The seller delivers when the goods pass the ship’s rail in the port of shipment. The seller also has to procure marine insurance against the buyer’s risk of loss or damage to the goods during the carriage.

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### **CIO**

CIO: (Chief Information Officer), a relative newcomer to the ranks of the top executives in a corporation, is responsible for a company's internal information systems, and, especially with the arrival of the Internet, sometimes in charge of the company's e-business infrastructure.

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### **CIP**

CIP: Carriage and Insurance Paid to ... The seller delivers the goods to the carrier nominated by him, but the seller must in addition pay the cost of carriage necessary to bring goods to the named destination. The seller also has to procure insurance against the buyer’s risk of loss of or damage to the goods during the carriage.

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### **CM**

CM: Country Manager

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### **CNG**

CNG: Compressed natural gas. A type of compressed gas used as fuel for stoves and heaters. CNG is stored in metal cylinders prior to use. CNG is considered safer than other types of fuel such as propane (LPG) because it is lighter than air and may rise into the sky in the event of a leak. Caution should still be used as CNG can collect near the cabin ceiling, potentially causing an explosion. Propane is available in more areas around the world than CNG so CNG is not often used outside of North America.

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### **COCO**

COCO: Company Owned and Company Operated PS. The asset may be really owned or long-term leased. The stock is owned by the company.

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### **CODO**

CODO: Company Owned and Dealer Operated PS. The asset may be really owned or long-term leased. The stock is owned by the dealer.

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### **COGS**

COGS: Cost Of Goods Sold. The direct expenses incurred in producing a particular good for sale, including the actual cost of materials that comprise the good and direct labor expense in putting the good in saleable condition.

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### **COMO**

COMO: Company Owned and Manager Operated PS. The asset may be really owned or

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long-term leased. The stock is owned by the company.

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### **Complex Refinery**

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Complex Refinery: is the largest and use the most technologically advanced refining equipment and machinery. With the ability to 'crack' the heavier oil it can ultimately produce more valuable, lighter petroleum products such as gasoline for cars. Almost 100% of the oil that came in is refinable by a complex refinery.

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### **Contango**

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Contango: A condition in which distant delivery prices for futures exceed spot prices, often due to the costs of storing and insuring the underlying commodity. Opposite of backwardation.

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### **Conversion (or cracking)**

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Conversion (or cracking). The molecules in hydrocarbons go through a conversion process (get 'cracked') enabling the refinery to produce a higher quantity of the lighter, more valuable petroleum products such as gasoline.

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### **Core Net Debt/(Cash)**

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Core Net Debt/(Cash): Average value of net cash/debt outstanding during the year. The default is the average of opening and closing net debt in the balance sheet but this may be adjusted by the analyst.

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### **CPC**

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CPC: Caspian Pipeline Crude

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### **CPT**

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CPT: Carriage Paid To... The seller delivers the goods to the carrier nominated by him but the seller must in addition pay the cost of carriage necessary to bring the goods to the named destination.

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### **Cracked fuel oil**

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Cracked fuel oil: Fuel oil remaining after the secondary treatment (cracking) of SRAR.

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### **Cracking Refinery**

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Cracking Refinery: It represents a major increase in the complexity of the refinery over simple topping or hydroskimming units. In addition to the primary (atmospheric) distillation and reforming units, a typical cracking refinery includes vacuum distillation, catalytic cracking, alkylation and gas recovery facilities to convert heavy fuels to lighter products.

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### **CRM**

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CRM: Customer Relationship Management. It is a broad term that covers concepts used by organizations to manage their relationships with customers, including collecting, storing and analyzing customer information.

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### **CSO**

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CSO: Chief Security Officer, a recent arrival, is responsible for the security of a company's communications and business systems.

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### **CTO**

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CTO: (Chief Technology Officer), another relatively new arrival to the top executive ranks in many companies, is likely to be seen as the second or third most important person in any technology company. The CTO is responsible for research and development and possibly for new product plans.

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### **Cubic meter or m<sup>3</sup>**

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Cubic meter or m<sup>3</sup>: Unit expressing volume, equal to 1.000 liters. 1 m<sup>3</sup> = 1 MT / density. In

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absolute terms, the volume of a fuel is “higher” than its mass since its density is usually less than unity.

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**Cetane**

Cetane: A hydrocarbon used as an additive in diesel fuel.

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**Carnet**

Carnet: Called an "A T A Carnet". An international customs document which incorporates guarantees to be used in lieu of Customs documents to enter goods into certain countries temporarily without paying import duty or posting bonds.

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**Circa**

Circa: Same as "about" and "approx."; terms which when used in a letter of credit are construed to allow a difference not to exceed 10% more or 10% less than the monetary amount, or the quantity, or the unit price.

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**Core Inflation**

Core Inflation: The basic level of inflation over a period of time as opposed to temporary fluctuations.

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**Canopy**

Canopy: a covering that serves as a roof to shelter an area from the weather.

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**D**

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**D/E**

D/E: Debt to Equity. Measures how much money a company should safely be able to borrow over long periods of time. It does this by comparing the company's total debt (including short term and long term obligations) and dividing it by the amount of owner's equity:

$$D/E = \text{Debt (Liabilities)} / \text{Equity}$$

Sometimes only interest-bearing long-term debt is used instead of total liabilities in the calculation.

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**DAF**

DAF: Delivered At Frontier. The seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport not unloaded, cleared for export, but not cleared for import at the named adjoining country.

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**DCF**

DCF: Discounted Cash Flow using a given discount rate. Describes a method to value a project or an entire company using the concepts of the time value of money. All future cash flows are estimated and discounted to give them a present value. The discount rate used is generally the appropriate cost of capital and incorporates judgments of the uncertainty ("riskness") of the future cash flows.

$$DPV = \left( \frac{FV}{(1 + d)^n} \right)$$

Where:

**DPV** is the discounted present value of the future cash flow (FV), or FV adjusted for the opportunity cost of future receipts and risk of loss;

**FV** is the nominal value of a cash flow amount in a future period;

**d** is the discount rate, which is the opportunity cost plus risk factor (or the time value of money: "i" in the future-value equation);

**n** is the number of discounting periods used (the period in which the future cash flow occurs). I.e. if the receipts occur at the end of year 1, n will be equal to 1; at the end of year 2, 2 – likewise, if the cash flow happens instantly, n becomes 0, rendering the expression an identity (DPV=FV).

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**DDP**

DDP: Delivered Duty Paid. The seller delivers the goods to the buyer, cleared for import, and not unloaded from any arriving means of transport at the named place of destination.

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**DDU**

DDU: Delivered Duty Unpaid. The seller delivers the goods to the buyer, not cleared for import, and not unloaded from any arriving means or transport at the named place of destination.

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**Density or specific gravity**

Density or specific gravity: Metric expressing how many mass units are contained in a volume unit of a certain substance. Measured in kg/l or MT/m<sup>3</sup>.

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**Depreciation and Amortisation**

Depreciation and Amortisation: Depreciation is a decrease in the value of property.

Amortization is the process of fully paying off indebtedness by instalments of principal

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and earned interest over a definite time. Added to EBIT to arrive at an operational cash flow. The figures are as stated/forecast in both the profit and loss account and flow statements.

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### **DEQ**

DEQ: Delivered Ex Quay. The seller delivers when the goods are placed at the disposal of the buyer not cleared for import on the quay (wharf) at the named port of destination.

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### **DES**

DES: Delivered Ex Ship. The seller delivers when the goods are placed at the disposal of the buyer on board the ship not cleared for import at the named port of destination.

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### **DGIA**

DGIA: Directorate General of International Activities.

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### **DIE**

DIE: Difference In Exchange. Exchange differences arising on foreign currency transactions should be recognized as income or as expense in the period in which they arise.

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### **Diesel**

Diesel: Diesel or diesel fuel is a specific fractional distillate of fuel oil (mostly petroleum) that is used as fuel in a diesel engine invented by German engineer Rudolf Diesel. The term typically refers to fuel that has been processed from petroleum, but increasingly, alternatives such as biodiesel or biomass to liquid (BTL) or gas to liquid (GTL) diesel that are not derived from petroleum are being developed and adopted.

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### **Distillation (or separation)**

Distillation (or separation). The hydrocarbons in crude oil are distilled in order to separate heavier components, like asphalt, are segregated from light components such as kerosene.

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### **Dividends Paid**

Dividends Paid: Actual cash flow for the year in respect of dividends paid. This may differ from the reported total dividend if part of dividends is not paid in cash (e.g. Stock dividends).

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### **DODO**

DODO: Dealer Owned and Dealer Operated PS. The asset, as well as the stock, are owned by the dealer.

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### **Downstream Petroleum Industry**

Downstream Petroleum Industry: The term, downstream refers to all aspects of refining and marketing of petroleum products. It includes petroleum refining, product distribution systems and the marketing and retailing of petroleum, products to businesses and individual consumers.

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### **Drop Size**

Drop Size: Quantity of fuel poured into a car's fuel tank during refueling at a PS.

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### **Dry Stock**

Dry Stock: Non fuel assortments sold out of a PS.

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### **DSO**

DSO: Days Sales Outstanding. It is a company's average collection period. A low figure indicates that the company collects its outstanding receivables quickly. Typically it is looked at either quarterly or yearly (90 or 365 days).

$DSO = (\text{Receivables} / \text{Sales}) * \text{Days}$

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### **Due Diligence**

Due Diligence: It is a term used for a number of concepts involving either the performance

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of an investigation of a business or person, or the performance of an act with a certain standard of care. It can be a legal obligation, but the term will more commonly apply to voluntary investigations. Some common examples of due diligence in various industries include:

- The process through which a potential acquirer evaluates a target company or its assets for acquisition.
- Bounding

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**Demise**

Demise: A lease of property.

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**Dispenser**

Dispenser: Pump. The automated machine that can provide the fuels already stored in it, when spurred by human operator.

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**E**

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**E&P**

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E&P: Exploration and Production of hydrocarbons

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**EBIT**

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EBIT: Earnings Before Interest and Tax. A measure of a firm's profitability that excludes interest and income tax expenses.

EBIT = Operating Revenue - Operating Expenses + Nonoperating Income

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**EBITDA**

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EBITDA: Earnings Before Interest, Tax, Depreciation and Amortization. Operating result. It is a non-GAAP metric that can be used to evaluate a company's profitability.

EBITDA = Net income + income taxes + interest + depreciation + amortization

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**EKO**

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EKO: Hellenic Fuels and Lubricants Industrial and Commercial Company.

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**ELF**

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ELF: Elf Aquitaine was a French oil company which merged with TotalFina to form TotalFinaElf. The new company changed its name to Total in 2003. Elf has been maintained as a major brand of Total.

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**ENI**

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ENI: Ente Nazionale Idrocarburi S.p.A. is an Italian multinational oil and gas company, with a presence in 70 countries, currently Italy's largest industrial company.

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**EPS**

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EPS: The portion of a company's profit allocated to each outstanding share of common stock. EPS serves as an indicator of a company's profitability.

$$\text{EPS} = \frac{\text{Net Income} - \text{Dividends on Preferred Stock}}{\text{Average Outstanding Shares}}$$

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**Equity**

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Equity: The net worth of a company. This represents the ownership interest of the shareholders (common and preferred) of a company. For this reason, shares are often known as equities.

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**Escalation / de-escalation**

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Escalation / de-escalation: Adjustment of fuel price according to its density, as compared with a standard density recorded in Platt's Oilgram (0,755 for gasoline and 0,845 for diesel). It compensates for the "gain" in volume of white products purchased in mass units (MT) and sold in volume units (liters).

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**Ethane**

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Ethane: It is a chemical compound with chemical formula C<sub>2</sub>H<sub>6</sub>. It is the only two-carbon alkane, that is, an aliphatic hydrocarbon. At standard temperature and pressure, ethane is a colorless, odorless gas.

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**European Emission Standards**

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European Emission Standards: Sets of requirements defining the acceptable limits for exhaust emissions of new vehicles sold in EU member states. The emission standards are defined in a series of European Union directives staging the progressive introduction of

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increasingly stringent standards. Euro I: July 1992, Euro II: Jan. 1996, Euro III: Jan. 2000, Euro IV: Jan. 2005, Euro V (proposed): Sep. 2009, Euro VI (proposed): Sept. 2014

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### **EVA**

EVA: Economic Value Added is an estimate of true economic profit after making corrective adjustments to GAAP accounting, including deducting the opportunity cost of equity capital. EVA can be measured as Net Operating Profit After Taxes (or NOPAT) less the money cost of capital. Money cost of capital refers to the amount of money rather than the proportional rate (cost of capital). The amortization of goodwill or capitalization of brand advertising and other similar adjustments are the translations that occur to Economic Profit to make it EVA.

$$EVA = (r - c) \cdot K = NOPAT - c \cdot K$$

where

$$r = \frac{NOPAT}{K}, \text{ called the Return on Invested Capital (ROIC).}$$

Is the firm's return on capital, NOPAT is the Net Operating Profit After Tax, c is the Weighted Average Cost of Capital (WACC) and K is capital employed.

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### **Ex works**

Ex works: The seller delivers when he places the goods at the disposal of the buyer at the seller's premises or another named place (i.e. works, factory, warehouse, etc.) not cleared for export and not loaded on any collecting vehicle.

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### **Ex-ship out-turn**

Ex-ship out-turn: Quantity of fuel delivered out of a ship at the receiving terminal, as measured in the receiving tank.

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### **Easement**

Easement: A right to use another person's property.

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### **En Route**

En Route: In transit (referring to goods, passengers, or vessels).

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### **ETA**

ETA: The expected date and time of arrival of a carrier.

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### **ETD**

ETD: The expected date and time of departure of a carrier.

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**F**

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**Farm In**

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Farm In: When one company drills wells or performs other activity on another company's lease in order to earn an interest in or acquire that lease.

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**Farmout**

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Farmout: A contractual agreement with an owner who holds a working interest in an oil and gas lease to assign all or part of that interest to another party in exchange for fulfilling contractually specified conditions. The farmout agreement often stipulates that the other party must drill a well to a certain depth, at a specified location, within a certain time frame; furthermore, the well typically must be completed as a commercial producer to earn an assignment. The assignor of the interest usually reserves a specified overriding royalty interest, with the option to convert the overriding royalty interest to a specified working interest upon payout of drilling and production expenses, otherwise known as a back-in after payout (BIAPO).

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**FAS**

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FAS: Free Along Ship. The seller delivers when the goods are placed alongside the vessel and the named port of shipment.

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**Fischer-Tropsch process**

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Fischer-Tropsch process: It is a catalyzed chemical reaction in which carbon monoxide and hydrogen are converted into liquid hydrocarbons of various forms. Typical catalysts used are based on iron and cobalt. The principal purpose of this process is to produce a synthetic petroleum substitute, typically from coal or natural gas, for use as synthetic lubrication oil or as synthetic fuel.

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**FOB**

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FOB: Free On Board. The seller delivers when the goods pass the ship's rail at the named port of shipment. This means that the buyer has to bear all costs and risks of loss or damage to the goods from that point.

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**Focus Group**

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Focus Group: It is a form of qualitative research in which a group of people are asked about their attitude towards a product, service, concept, advertisement, idea, or packaging. Questions are asked in an interactive group setting where participants are free to talk with other group members.

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**Footprint**

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Footprint: The positioning of PS locations in a company's network.

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**FOR**

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FOR: Free On Rail. The seller pays all charges and loads the goods onto a wagon or truck. The goods and their transit risks are passed to the buyer when the goods or wagon on which the goods are loaded passes into the custody of the railway or carrying agent.

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**ForEx**

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ForEx: Foreign Exchange difference. The purchase or sale of a currency against sale or purchase of another

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**FOT**

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FOT: Free On Truck. Goods sold loaded on road tanker at selling point.

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**FRC**

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FRC: Free Carrier. Seller pays all costs to the point where goods are handed over to the

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carrier at the named place. The goods and their transit risks transfer to the buyer when delivery takes place.

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#### **Free Carrier**

Free Carrier: The seller delivers the goods, cleared for export to the carrier nominated by the buyer at the named place.

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#### **Free Float Ordinary**

Free Float Ordinary: Indicates the percentage of free floating ordinary shares.

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#### **Fuel Oil**

Fuel Oil: It is a fraction obtained from petroleum distillation, either as a distillate or a residue. Broadly speaking, fuel oil is any liquid petroleum product that is burned in a furnace or boiler for the generation of heat or used in an engine for the generation of power, except oils having a flash point of approximately +40 °C (104 °F) and oils burned in cotton or wool-wick burners. In this sense, diesel is a type of fuel oil. Fuel oil is made of long hydrocarbon chains, particularly alkanes, cycloalkanes and aromatics.

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#### **Futures**

Futures: A contract specifying a future date of delivery or receipt of a certain amount of a specific tangible or intangible product. The commodities traded in futures markets include stock index futures; agricultural products like wheat, soybeans and pork bellies; metals; crude oil and petroleum products; and financial instruments. Futures are used by business as a hedge against unfavorable price changes and by speculators who hope to profit from such changes.

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#### **FYROM**

FYROM: Former Yugoslavian Republic Of Macedonia

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#### **Fixing**

Fixing: The setting of a price by a known method at regular times. For example, the establishment of an official exchange rate, interest rate, or security or commodity price.

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#### **Forecourt**

Forecourt: It is the area where the pumps are present. It is the area outside the sales room or the convenience store of a gas station when customers park their automobiles for filling fuel. It can either be manned or unmanned.

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## **G**

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### **GAAP**

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GAAP: Generally Accepted Accounting Principles. It is the standard framework of guidelines for financial accounting. It includes the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements.

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### **Gasoil**

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Gasoil: It is an intermediate product in an oil refinery that is heavier than diesel but lighter than lube oil or residual fuel. It can be a feedstock to make lubricating oils such as motor oil, or it is often converted into lighter, more valuable products such as gasoline or kerosene by a cracking process. Heavier gasoils produced by vacuum distillation called vacuum gasoils are usually feedstock for catalytic cracking.

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### **GDF**

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GDF: Gaz de France is a French company which produces, transports and sells natural gas around the world and especially in France which is its main market, but also Belgium, the United Kingdom, Germany and other European countries.

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### **GDP**

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GDP: Gross Domestic Product, is one of the ways for measuring the size of its economy. The GDP of a country is defined as the market value of all final goods and services produced within a country in a given period of time. It is also considered the sum of value added at every stage of production of all final goods and services produced within a country in a given period of time.

$GDP = \text{consumption} + \text{investment} + (\text{government spending}) + (\text{exports} - \text{imports})$

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### **GM**

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GM: General Manager

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### **GNP**

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GNP: Gross National Product is the total value of all final goods and services produced by a country's factors of production and sold on the market in a given time period. Nominal GNP measures the value of output during a given year using the prices prevailing during that year. Over time, the general level of prices rises due to inflation, leading to an increase in nominal GNP even if the volume of goods and services produced is unchanged. GNP does not include goods produced on a subsistence level, i.e. farmers who eat their own products do not have their crops included in the GNP.

Real GNP measures the value of output in two or more different years by valuing the goods and services adjusted for inflation. For example, if both the "nominal GNP" and price level doubled between 1995 and 2005, the "real GNP" would remain the same. For year over year GNP growth, "real GNP" is usually used because it gives a more accurate view of the economy. It also has nothing to do with the population.

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### **Green Field**

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Green Field: A term used to describe a piece of undeveloped land, either currently used for agriculture or just left to nature. Construction of new PS on an existing plot.

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### **Gross Margin**

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Gross Margin: It is an ambiguous phrase that expresses the relationship between gross profit and sales revenue. The ambiguity arises because it can be expressed in absolute terms:  $\text{Gross Margin} = \text{Revenue} - \text{Cost of Goods Sold}$

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Or as the ratio of gross profit to sales revenue, usually in the form of a percentage:

Gross Margin percentage =  $100 * (\text{Revenue} - \text{Cost of Goods Sold}) / \text{Revenue}$

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**GTL**

GTL: Gas to liquids is a refinery process to convert natural gas or other gaseous hydrocarbons into longer-chain hydrocarbons. Methane-rich gases are converted into liquid fuels either via direct conversion or via syngas as an intermediate, for example using the Fischer Tropsch process.

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**GPS**

GPS: Global Positioning System. Gives coordinates for any position on earth via satellite.

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**H**

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**Hedging**

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Hedging: Making an investment to reduce the risk of adverse price movements in an asset. Normally, a hedge consists of taking an offsetting position in a related security, such as a futures contract.

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**Helium**

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Helium: (He) is a colorless, odorless, tasteless, non-toxic, nearly inert monatomic chemical element that heads the noble gas series in the periodic table and whose atomic number is 2. It's boiling and melting points are the lowest among the elements and it exists only as a gas except in extreme conditions.

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**HEP**

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HEP: Hellenic Petroleum S.A.

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**HFO**

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HFO: Heavy Fuel Oil. Heavy fuel oil and residual fuel oil are what remains of the crude oil after gasoline and the distillate fuel oils are extracted through distillation.

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**Historic net debt/(cash)**

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Historic net debt/ (cash): All interest-bearing debt finance (long term and short term) less cash and cash equivalents. Calculated from the latest reported balance sheet.

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**HPC**

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HPC: Hellenic Petroleum Cyprus Ltd

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**HPI**

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HPI: Hellenic Petroleum International A.G., based in Vienna, Austria.

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**HVN**

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HVN: Heavy Virgin Naphtha. The "heavier" or rather denser types are usually richer in naphthenes and aromatics and therefore also referred to as N&A's. These can also be used in the petrochemical industry but more often are used as a feedstock for refinery catalytic reformers where they convert the lower octane naphtha to a higher octane product called reformate. Alternative names for these types are Straight Run Benzene (SRB) or Heavy Virgin Naphtha (HVN).

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**Hydrocracking**

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Hydrocracking: Secondary treatment of SRAR by use of hydrogen that produces additional diesel and leaves cracked fuel oil. Hydrocracking is a catalytic cracking process assisted by the presence of an elevated partial pressure of hydrogen. The products of this process are saturated hydrocarbons; depending on the reaction conditions (temperature, pressure, catalyst activity) these products range from ethane, LPG to heavier hydrocarbons comprising mostly of isoparaffins. Hydrocracking is normally facilitated by a bi-functional catalyst that is capable of rearranging and breaking hydrocarbon chains as well as adding hydrogen to aromatics and olefins to produce naphthenes and alkanes. Major products from hydrocracking are jet fuel, diesel, relatively high octane rating gasoline fractions and LPG.

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**Hydrogen Sulfide**

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Hydrogen Sulfide: It is a chemical compound with the formula H<sub>2</sub>S. This colorless, toxic and flammable gas is responsible for the foul odor of rotten eggs and flatulence. It often results from the bacterial break down of organic matter in the absence of oxygen, such as in swamps and sewers (anaerobic digestion). It also occurs in volcanic gases, natural gas

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and some well waters. The odor of H<sub>2</sub>S is commonly misattributed to elemental sulfur, which is in fact odorless.

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### **Hydroskimming Refinery**

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Hydroskimming Refinery: The hydroskimming (topping/refining) refinery consists of an atmospheric distillation unit for separating the crude oil and a catalytic reformer to transform the low-octane naphtha into high-octane gasoline.

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**I**

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**IAS**

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IAS: International Accounting Standards. Older name for IFRS.

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**IFC**

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IFC: International Finance Controller

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**IFO**

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IFO: Intermediate Fuel Oil. Blend of HFO and diesel, at various proportions

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**IFRS**

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IFRS: International Financial Reporting Standards. A set of accounting standards. Currently they are issued by the International Accounting Standards Board (IASB). Many of the standards forming part of IFRS are known by the older name of IAS.

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**Interest Paid**

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Interest Paid: As reported or forecast in the profit and loss account net interest line for continental European companies.

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**IOS**

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IOS: Internetwork Operating System is the software used on the vast majority of Cisco Systems routers and all current Cisco network switches. IOS is a package of routing, switching, internetworking and telecommunications functions tightly integrated with a multitasking operating system. The first IOS was written by William Yeager.

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**IRR**

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IRR: Internal Rate of Return. It is a capital budgeting method used by firms to decide whether they should make long-term investments. The IRR is the annualized effective compounded return rate which can be earned on the invested capital, i.e. the yield on the investment.

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**ISO 9001**

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ISO 9001: International Standards Organization. Model for Quality Assurance in Design & Development, Production, Installation and Servicing.

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**J**

**JPK**

JPK: Jugopetrol AD Kotor, based in Kotor, Montenegro.

**JV**

JV: Joint Venture is an entity formed between two or more parties to undertake economic activity together. The parties agree to create a new entity by both contributing equity, and they then share in the revenues, expenses, and control of the enterprise.

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**K**

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**KDR**

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KDR: Knock Down Rebuild. An existing PS which is demolished and built from scratch.

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**Kerosene**

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Kerosene: Kerosene or paraffin oil (British English, not to be confused with the waxy solid also called paraffin wax or just paraffin) is a flammable hydrocarbon liquid. The name is derived from Greek "keros" (κηρός wax). Its heating value, or heat of combustion, is around 18,500 Btu/lb, or 43.1 MJ/kg, making it similar to that of diesel. It is widely used to power jet-engined aircraft, but is also commonly used as a heating fuel.

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**L**

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**LC**

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LC: Letter of Credit. It is a document issued mostly by a financial institution which usually provides an irrevocable payment undertaking (it can also be revocable, confirmed, unconfirmed, transferable or others e.g. back to back: revolving but is most commonly irrevocable/confirmed) to a beneficiary against complying documents as stated in the credit.

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**LDF**

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LDF: Light Distillate Feedstock

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**LFO**

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LFO: Light Fuel Oil. Fuel oil containing a certain percentage of diesel. Residual fuel oils are sometimes called light when they have been mixed with distillate fuel oil,

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**Light Distillates**

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Light Distillates: It refers to the upper streams of the atmospheric distillation of crude oil, comprising LPG and naphtha.

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**LNG**

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LNG: Liquefied Natural Gas. Mainly methane gas coming out from earth's substrates. It is natural gas that has been processed to remove either valuable components e.g. helium, or those impurities that could cause difficulty downstream, e.g. water and heavy hydrocarbons and then condensed into a liquid at almost atmospheric pressure (Maximum Transport Pressure set around 25 kPa) by cooling it to approximately -163 degrees Celsius.

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**Logo**

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Logo: A logo (from the Greek λογότυπος = logotipos) is a graphic element, symbol or icon of a trademark or brand and together with its logotype, which is set in a unique typeface or arranged in a particular way. A typical logo is designed to cause immediate recognition by the viewer. Logos may also be used to identify organizations or other entities in non-economic contexts.

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**LP**

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LP: linear programming problems involve the optimization of a linear objective function, subject to linear equality and inequality constraints. In other words, given a polytope (for example, a polygon or a polyhedron), and a real-valued affine function

$$f(x_1, x_2, \dots, x_n) = a_1x_1 + a_2x_2 + \dots + a_nx_n + b$$

Defined on this polytope, the goal is to find a point in the polytope where this function has the smallest (or largest) value. Such points may not exist, but if they do, searching through the polytope vertices is guaranteed to find at least one of them.

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**LPG**

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LPG: Liquefied Petroleum Gas. It is a mixture of hydrocarbon gases, mainly propane and butane, used as a fuel in heating appliances and vehicles and increasingly replacing chlorofluorocarbons as an aerosol propellant and a refrigerant to reduce damage to the ozone layer.

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**Lukoil**

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Lukoil: Russia's largest oil company and its largest producer of oil. Its international upstream subsidiary is called LUKOIL Overseas Holding. Headquartered in Moscow, LUKOIL is the second largest public company (next to ExxonMobil) in terms of proven oil and gas reserves (ca. 20 bn boe by SPE standards; some 1.3% of global oil reserves).

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**LVN**

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LVN: Light Virgin Naphtha. Generally speaking, less dense ("lighter") naphthas will have a higher paraffin content. These are therefore also referred to as paraffinic naphtha. The main application for these naphthas is as a feedstock in the petrochemical production of olefins. This is also the reason they are sometimes referred to as "light distillate feedstock" or LDF (these naphtha types can also be called "straight run gasoline"/SRG or "light virgin naphtha"/LVN).

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## **M**

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### **M&A**

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M&A: Mergers and Acquisitions. The phrase mergers and acquisitions refers to the aspect of corporate strategy, corporate finance and management dealing with the buying, selling and combining of different companies that can aid, finance, or help a growing company in a given industry grow rapidly without having to create another business entity.

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### **Market capitalization**

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Market capitalization: Total number of equity shares actually outstanding multiplied by the current share price (previous day's closing price).

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### **Merger**

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Merger: It is a combination of two companies into one larger company. Such actions are commonly voluntary and involve stock swap or cash payment to the target. Stock swap is often used as it allows the shareholders of the two companies to share the risk involved in the deal. A merger can resemble a takeover but result in a new company name (often combining the names of the original companies) and in new branding; in some cases, terming the combination a "merger" rather than an acquisition is done purely for political or marketing reasons.

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### **Methane**

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Methane: It is a chemical compound with the molecular formula CH<sub>4</sub>. It is the simplest alkane and the principal component of natural gas.

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### **Metric ton or MT**

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Metric ton or MT: Unit expressing mass, equal to 1,000 kilograms. 1 MT = 1 m<sup>3</sup> \* density. In absolute terms, the volume of a fuel is "higher" than its mass since its density is usually less than unity.

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### **Middle distillates**

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Middle distillates: Middle side streams of the atmospheric distillation column, including diesel and jet fuel. A general classification of refined petroleum products that includes distillate fuel oil, jet fuel and kerosene.

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### **Midstream Sector**

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Midstream sector: It processes, stores, markets and transports commodities such as crude oil, natural gas and natural gas liquids (NGLs) such as ethane, propane and butane.

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### **Mystery motorist or mystery shopper**

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Mystery motorist or mystery shopper: It is a tool used by market research companies to measure quality of retail service. Companies send mystery shoppers to 'act' as shoppers or to legitimately shop in return for some combination of cash, store credit, purchase discounts or the goods or services purchased. Instructions to mystery shoppers can include a script of behavior, questions to ask, complaints to give, purchases to make and measures to record, such as time it takes to receive attention from an employee or receive a service or the responses given to questions.

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### **MED**

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MED: Mediterranean

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### **MID**

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MID: Message Identifier, the totem in a petrol station

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### **MSDS**

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MSDS: Material Safety Data Sheets. A Material Safety Data Sheet is designed to provide both

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workers and emergency personnel with the proper procedures for handling or working with a particular substance. MSDS's include information such as physical data (melting point, boiling point, flash point etc.), toxicity, health effects, first aid, reactivity, storage, disposal, protective equipment, and spill/leak procedures. These are of particular use if a spill or other accident occurs. MSDS's vary in length depending on their format, content, and font size. We have seen them from 1 to 10 pages, with most being 2 to 4 pages.

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## N

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### [N&A](#)

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N&A: Naphthenes and Aromatics

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### **Naphtha**

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Naphtha: It is used primarily as feedstocks for producing a high octane gasoline component via the catalytic reforming process. Naphtha is also used in the petrochemical industry for producing olefins in steam crackers and in the chemical industry for solvent (cleaning) applications.

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### **Natural Gas**

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Natural Gas: It is a gaseous fossil fuel consisting primarily of methane but including significant quantities of ethane, butane, [propane](#), carbon dioxide, nitrogen, helium and hydrogen sulfide. It is found in oil fields, natural gas fields, and in coal beds (as coalbed methane).

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### **NAV**

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NAV: Net Asset Value, also known as book value or shareholders' funds. This is an 'as reported' item from the latest reported balance sheet. Net asset values are an accounting item and may be unreliable as they are depended upon accounting policies. Useful where assets values play a major role in valuation.

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### **NDPS**

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NDPS: Net Dividend Per Share. Net dividend received by shareholders per share.

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### **Nelson Complexity Index**

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Nelson Complexity Index: An internationally acceptable metric expressing the technological level ("complexity") of a refinery. The higher it is the more high-value products the refinery produces out of a crude oil barrel. It was developed by Wilbur Nelson in 1960 and it is a measure of the secondary conversion capacity of a petroleum refinery relative to the primary distillation capacity. The higher the value of the index, the higher will be the cost of the refinery and the higher the value of its products, which will include lighter, higher-value, products.

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### **Net (Acquisitions)/Disposals**

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Net (Acquisitions)/Disposals: Cash paid in respect of acquisitions of subsidiaries, associates and other investments. If equity is used as consideration in an acquisition this would not be included here as it is a non-cash item.

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### **Net Margin**

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Net Margin, Profit margin or Net Profit Ratio: All refer to a measure of profitability. It is calculated using a formula and written as a percentage or a number.

$$\text{Profit Margin} = \frac{\text{Net Income}}{\text{Net Sales Revenue}}$$

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### **Net Working Capital**

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Net Working Capital: A measure of both a company's efficiency and its short-term financial health. The working capital ratio is calculated as:

Net Working Capital = Current Assets - Current Liabilities

Positive working capital means that the company is able to pay off its short-term liabilities.

Negative working capital means that a company currently is unable to meet its short-term liabilities with its current assets (cash, accounts receivable, inventory). Also known as "working capital".

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**NFR**

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NFR: Non Fuel Retailing. The management of all the non-fuel facilities at the retail outlets.

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**NI**

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NI: Net Income is what remains after subtracting all the costs (namely, business, depreciation, interest, and taxes) from a company's revenues. Net income is sometimes called the bottom line. Also called earnings or net profit.

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**NIAT**

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NIAT: Net Income After Taxes. Total of operating income plus realized capital gains (losses) from investment and underwriting operations minus federal income taxes.

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**NIS**

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NIS: Naftna Industrija Srbije. State-owned petroleum company of Serbia.

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**Nitrogen**

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Nitrogen: It is a chemical element which has the symbol N and atomic number 7. Elemental nitrogen is a colorless, odorless, tasteless and mostly inert diatomic gas at standard conditions, constituting 78.1% by volume of Earth's atmosphere. Nitrogen is a constituent element of all living tissues and amino acids. Many industrially important compounds, such as ammonia, nitric acid, and cyanides, contain nitrogen.

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**Non Fuels**

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Non Fuels: Goods offered in a PS other than fuels.

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**NOPAT**

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NOPAT: Net Operating Profit After Tax is a company's after-tax operating profit for all investors, including shareholders and debt holders. It is defined as follows:

$$\text{NOPAT} = \text{Operating Profit} \times (1 - \text{Tax Rate})$$

This assumes that the company had no debt. An alternative formula is as follows:

$$\text{NOPAT} = \text{Net Profit After Tax} + \text{after tax Interest Expense} - \text{after tax Interest Income}$$

Another fully equivalent expression is:

$$\text{NOPAT} = \text{AdjEBIT} - \text{CashOpTax}$$

where

AdjEBIT represents adjusted earnings before interest and taxes (adjusted EBIT)

CashOpTax represents cash operating taxes.

NOPAT is frequently used in calculations of Economic value added and Free cash flow.

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**NPV**

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NPV: Net Present Value of any future cash flows, discounted at a given IRR. It is a standard method for the financial appraisal of long-term projects. Used for capital budgeting and widely throughout economics, it measures the excess or shortfall of cash flows, in present value (PV) terms, once financing charges are met. By definition, NPV = Present value of net cash flows.

$$\text{NPV} = \sum_{t=1}^n \frac{C_t}{(1+r)^t} - C_0$$

Where

t - the time of the cash flow

n - the total time of the project

r - the discount rate

C<sub>t</sub> - the net cash flow (the amount of cash) at time t.

C<sub>0</sub> - the capital outlay at the beginning of the investment time ( t = 0 )

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**NTI**

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NTI: New To Industry. Green field PS.

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**NWC**

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NWC: Net Working Capital. It is defined as the sum of all non-interest-bearing current assets less all non-interest-bearing current liabilities.

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**O**

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**Oil Field**

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Oil Field: It is a region with an abundance of oil wells extracting petroleum (oil) from below ground. Because the oil reservoirs typically extend over a large area, possibly several hundred kilometers across, full exploitation entails multiple wells scattered across the area. In addition, there may be exploratory wells probing the edges, pipelines to transport the oil elsewhere, and support facilities.

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**OKTA**

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OKTA: Modern Organization, proved Quality, long-standing Tradition, continues Action

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**OMV**

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OMV: Austria's largest oil-producing, refining and gas station operating company. It is also the largest oil and gas group in Central Europe, Explorations and Production activities in 18 countries on five continents.

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**OpEx**

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OpEx: Operating Expenditure. It comprises the on-going costs for running a product, business or system. Its counterpart, capital expenditure (CapEx), refers to the cost of developing or providing non-consumable parts for the product or system.

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**Options**

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Options: A contract giving an investor a right to buy (call) or sell (put) a fixed amount of shares (usually 100 shares) of a given stock (or indexes and commodities) at a specified price within a limited time period (usually three, six, or nine months). The purchaser hopes that the stock's price will go up (if he bought a call) or down (if he bought a put) by an amount sufficient to provide a profit when he sells the option.

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**Other Items**

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Other Items: Includes any other item non-operating cash items such as issues and repurchases of equity share capital. This line also includes non-cash items for historical years as it acts as a balancing figure to ensure that the net cash flow equals the change in net cash/debt reported in the balance sheet section. It therefore includes changes in net cash/debt due to exchange differences and due to acquisitions and disposals.

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**Other Operating**

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Other Operating: This includes all the other non-cash operating items and movements in net working capital.

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**OPEC**

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OPEC: In 1973 a fourfold increase in the price of oil was brought about by the Organization of Petroleum Exporting Countries. By raising or lowering production OPEC can control the price of oil. OPEC countries include: Venezuela, Ecuador, Algeria, Libya, Nigeria, Gabon, Saudi Arabia, Iraq, Iran, Kuwait, Qatar, United Arab Emirates, Indonesia.

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**P**

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**P&L**

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P&L: Profit and Loss Statement also called An Income Statement, is a financial statement for companies that indicates how net revenue (money received from the sale of products and services before expenses are taken out, also known as the "top line") is transformed into net income (the result after all revenues and expenses have been accounted for, also known as the "bottom line"). The purpose of the income statement is to show managers and investors whether the company made or lost money during the period being reported. In reference to charitable organizations, an income statement is called a Statement of Activities and Changes in Net Assets.

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**P/L**

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P/L: Pipeline

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**PBT**

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PBT: Profit Before Tax. A profitability measure that looks at a company's profits before the company has to pay corporate income tax. This measure deducts all expenses from revenue including interest expenses and operating expenses, but it leaves out the payment of tax. Also referred to as "earnings before tax".

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**PE**

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PE: Price to Earnings. Current share price divided by Adj. EPS. A familiar valuation multiple for which data is readily available but which is subject to accounting differences and is affected by differences in capital structure.

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**Perpetuity Growth Rate**

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Perpetuity Growth Rate: Estimated growth rate of a metric after the end of the valuation period.

Perpetuity Value =  $(CF_n \times (1 + g)) / (R - g)$

$CF_n$  = Cash Flow in the Last Individual Year Estimated

$g$  = Long-Term Growth Rate

$R$  = Discount Rate or Cost of Capital

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**Petroleum**

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Petroleum (Latin Petroleum derived from Greek πέτρα (Latin petra) - rock + έλαιον (Latin oleum) - oil) or Crude Oil is a naturally occurring liquid found in formations in the Earth consisting of a complex mixture of hydrocarbons (mostly alkanes) of various lengths. The approximate length range is  $C_5H_{12}$  to  $C_{18}H_{38}$ . Any shorter hydrocarbons are considered natural gas or natural gas liquids, while long-chain hydrocarbons are more viscous, and the longest chains are paraffin wax. In its naturally occurring form, it may contain other nonmetallic elements such as sulfur, oxygen and nitrogen. It is usually black or dark brown (although it may be yellowish or even greenish) but varies greatly in appearance, depending on its composition.

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**Petrom**

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Petrom: A Romanian oil company, the largest corporation in Romania and the largest gas and oil producer in Eastern Europe. In late 2004, Petrom was privatized by the Romanian state and sold to Austrian oil company OMV. As of 2005, it was the largest privatization deal in Romania's history. OMV controls 51% of Petrom's shares. The other shareholders are the Romanian state (40.74%), EBRD (2.03%), and others (6.23%). Apart from its

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operations in Romania, the company operates in Bulgaria, Serbia, Hungary, Moldova, Kazakhstan, Iran and Russia. In Moldova it operates 73 filling stations, being one of the leading oil companies, alongside Lukoil. In Hungary there are 2 Petrom filling stations. In January 2006, Petrom purchased OMV's operations in Romania, Bulgaria and Serbia and Montenegro.

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### **Platt's Oilgram**

Platt's Oilgram: Internationally accepted fuels price assessment and report, in USD/MT, serving as benchmark for relevant transactions. Platts traces its history as far back as 1882, with the publication by a Mr. N. Hawkins of "Steam" magazine (which a year later became "Power" magazine and, as of 2001, was still published by Platts). The company however is named after William C. Platts, a reporter who in 1909, with the motivation to ensure that the voice of independent oil men could be heard, began publishing a monthly news magazine called National Petroleum News.

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### **PPM**

PPM: Parts Per Million. Unit expressing content, equal to 1/1.000.000. 1 ppm = 1/10.000 % units.

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### **Propane**

Propane: It is a three-carbon alkane, normally a gas, but compressible to a liquid that is transportable. It is derived from other petroleum products during oil or natural gas processing. It is commonly used as a fuel for engines, barbecues, and home heating systems.

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### **Prospective net debt/(cash)**

Prospective net debt/(cash): All interest-bearing debt finance (long term and short term) less cash and cash equivalents. Calculated from the first year forecast balance sheet.

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### **Provisions**

Provisions: All other liabilities except those included in net working capital and net debt. This line includes unfunded pension provisions, deferred tax and other items reported as provisions in the balance sheet.

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### **PS**

PS: Petrol Station.

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### **Par Of Exchange**

Par Of Exchange: The precise equivalency of a given sum of money of one country with the like sum of money of another country into which it is to be exchanged.

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**Q**

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**Quota**

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Quota: A limitation on the quantity of goods that may be imported into a country from all countries or from specific countries during a set period of time. Export quotas have similar parameters.

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**R**

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**Re-branding**

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Re-branding: Change of brand on an existing PS. Re-branding is the process by which a product or service developed with one brand or company or product line affiliation is marketed or distributed with a different identity. This involves radical changes to the brand's logo, brand name, image, marketing strategy, and advertising themes. It usually results in the repositioning of the brand / company. It may just involve merely superficial changes. Re-branding can be applied to either new products, mature products, or even unfinished products. The process can be done purposely (for example as a result of a deliberate change in strategy), or result from unplanned, emergent, or reactive dynamics (for example out of necessity following corporate restructuring).

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**Refinery**

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Refinery: An oil refinery is an industrial process plant where crude oil is processed and refined into more useful petroleum products, such as gasoline, diesel fuel, asphalt base, heating oil, kerosene, and liquefied petroleum gas. Oil refineries are typically large sprawling industrial complexes with extensive piping running throughout, carrying streams of fluids between large chemical processing units.

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**Relinquishment**

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Relinquishment: Termination of an agreement

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**RevEx**

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RevEx: Revenue Expenditure. Same as OpEx.

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**ROACE**

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ROACE: Return On Average Capital Employed. A different way to calculate ROCE. Instead of using the capital as reported, it uses the average of opening and closing capital for the time period.

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**ROCE**

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ROCE: Return On Capital Employed. It is used in finance as a measure of the returns that a company is realizing from its capital employed. The ratio can also be seen as representing the efficiency with which capital is being utilized to generate revenue. It is commonly used as a measure for comparing the performance between businesses and for assessing whether a business generates enough returns to pay for its cost of capital.

$$ROCE = \frac{\text{Pretax operating profit}}{\text{Capital employed}} = \frac{EBIT}{\text{Total assets} - \text{Current liabilities}}$$

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**ROE**

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ROE: Return On Equity. It measures the rate of return on the ownership interest (shareholders' equity) of the common stock owners. ROE is viewed as one of the most important financial ratios. It measures a firm's efficiency at generating profits from every dollar of net assets, and shows how well a company uses investment money to generate earnings growth. ROE is equal to a fiscal year's net income (after preferred stock dividends but before common stock dividends) divided by total equity (excluding preferred shares), expressed as a percentage.

$$ROE = \frac{\text{Net income}}{\text{Average stockholders' equity}}$$

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**ROI**

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ROI: Return On Investment. Rate Of Return (ROR) or Return On Investment (ROI) or, sometimes, just Return, is the ratio of money gained or lost on an investment relative to the amount of money invested. The amount of money gained or lost may be referred to as interest, profit/loss, gain/loss, or net income/loss. The money invested may be referred to as the asset, capital, principal, or the cost basis of the investment.

Return on Investment = Net Profit Before Tax / Net Worth

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### **ROIC**

ROIC: Return on Invested Capital can be computed as:

ROIC = (Net Operating Profit - Taxes) / (Total Capital)

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### **RON**

RON: Research Octane Number. It is determined by running the fuel through a specific test engine with a variable compression ratio under controlled conditions, and comparing these results with those for mixtures of isooctane and n-heptane. Metric, measuring the performance characteristics of motor gasoline. The higher it is the better.

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### **RTL**

RTL: Rail Truck Loading facility.

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### **RVI**

RVI: Retail Visual Identity. The Corporate ID as implemented in a retail outlet. The sum of all the visual elements used by an organization or company to distinguish itself from its competitors. The symbol, colors, formats and other visual elements of the brand signature.

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### **Refining Margins**

Refining Margins: The difference in value between the products produced by a refinery and the value of the crude oil used to produce them.

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### **Royalty**

Royalty: Compensation for the use of property, usually copyrighted or patented material or natural resources, based on an agreed percentage of the income arising from its use or an amount per unit produced.

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**S**

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**Spec**

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Spec: The description of a new product or idea given to specialized service providers in order to help them make an offer. "Spec" has become the short form for any work done on a speculative basis. In other words, any requested work for which a fair and reasonable fee has not been agreed upon, preferably in writing.

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**SRAR**

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SRAR: Straight Run Atmospheric Residue. Fuel oil produced by the atmospheric distillation of crude oil.

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**SS**

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SS: Service Station

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**Syngas**

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Syngas: (from synthesis gas) is the name given to a gas mixture that contains varying amounts of carbon monoxide and hydrogen generated by the gasification of a carbon containing fuel to a gaseous product with a heating value. Examples include steam reforming of natural gas or liquid hydrocarbons to produce hydrogen, the gasification of coal and in some types of waste-to-energy gasification facilities.

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**Subsidiary**

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Subsidiary: Any organization more than 50 percent of whose voting stock is owned by another firm.

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**Spreaders:**

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Spreaders:

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**T**

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**Target Market**

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Target Market: It is the market segment to which a particular product is marketed. It is often defined by age, gender, geography, and/or socio-economic grouping. The part of the market a company or product wishes to penetrate or attract

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**Tax paid**

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Tax paid: For continental European companies, this is the reported or analyst forecast tax change in the profit and loss account as the actual cash payment does not appear in the most continental European companies' cash flow statements.

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**Terminal Value**

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Terminal Value: The remaining value of a business project or asset after the end of the valuation period. Usually calculated as (operating cash flow in the final year) / (WACC - 1%) - CapEx in the final year.

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**Title**

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Title: The full or short name of a company (e.g., "EKO ABEE" or "EKO")

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**TLG**

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TLG: Tank Level Gauging. Calculation of the quantity of a liquid (fuel) in a tank by means of measuring the liquid surface level and using volumetric tables specific for the tank, that correlate the surface level to the contained quantity. Temperature compensation is usually used, to transform the calculated volume to standard conditions. Automatic TLG instruments are used in modern PS.

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**Topping Refineries**

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Topping Refineries are the smallest and least complex. They usually have only an atmospheric distillation tower and maybe a vacuum distillation tower. Because the refineries lack the most sophisticated refining equipment, the type of products they can produce is somewhat limited. The quality of the incoming oil effects what the refinery can produce.

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**Trademark**

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Trademark: Or trade mark is a distinctive sign or indicator of some kind which is used by an individual, business organization or other legal entity to uniquely identify the source of its products and/or services to consumers, and to distinguish its products or services from those of other entities. A trademark is a type of intellectual property, and typically comprises a name, word, phrase, logo, symbol, design, image, or a combination of these elements.

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**Treatment (or enhancement)**

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Treatment (or enhancement). Refineries can improve the petroleum products, such as gas, heating oil, and kerosene, by treating it to remove sulfur. The treatment stage may also entail the addition of blending components to gasoline.

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**TTL (1)**

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TTL (1): Tank Truck Loading facility.

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**TTL (2)**

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TTL (2): Through The Line. Advertising strategy involving both above and below the line communications in which one form of advertising points the target to another form of advertising thereby crossing the 'line'.

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**Tender**

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Tender: A small vessel which serves a larger vessel in a port for the purpose of supplying provisions and carrying passengers to and from ship to shore.

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**U**

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**Ullages**

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Ullages: Refers to the unfilled space in a container of liquid, especially those carrying wine or fuel, such as tanks, barrels and bottles.

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**Upstream Petroleum Industry**

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Upstream Petroleum Industry: The upstream sector includes the searching for potential underground or underwater oil and gas fields, drilling of exploratory wells, and subsequently operating the wells that recover and bring the crude oil and/or raw natural gas to the surface.

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**V**

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**Variance Analysis**

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Variance Analysis: In budgeting or (management accounting in general) variance analysis is a tool of budgetary control by evaluation of performance by means of variances between budgeted, planned or standard amount and the actual amount incurred/sold. Variance analysis can be carried for both costs and revenues.

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**VAT**

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VAT: Value Added Tax, is an indirect tax, in that the tax is collected from someone other than the person who actually bears the cost of the tax (namely the seller rather than the consumer). To avoid double taxation on final consumption, exports (which by definition, are consumed abroad) are usually not subject to VAT and VAT charged under such circumstances is usually refundable.

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**Valuation**

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Valuation: The act of ascertaining the worth of a thing. The estimated worth of a thing.

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**W**

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**WACC**

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WACC: Weighted Average Cost of Capital. It is the return a firm must earn on existing assets to keep its stock price constant and satisfy its creditors and owners. It represents the "rate" at which a company "borrows" funds to support its investments and, therefore, the minimum expected rate of return for these investments. It is company and country specific and it incorporates the risk factor of the investment and/or country in question.

$WACC = (\text{group equity} / \text{operating capital}) * Re + (\text{interest-bearing liabilities} / \text{operating capital}) * Rd$   
Re = after-tax cost of equity  
Rd = after-tax cost of debt

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**Wet Stock**

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Wet Stock: Fuels in a PS.

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**White Flag**

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White Flag: Unbranded PS.

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**White products**

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White products: Motor fuels (gasoline, naphtha, jet, kerosene, gasoil, diesel) and heating oil, i.e. products from the high or light end of the distillation process.

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**Without Reserve**

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Without Reserve: A term applied to a sale by auction indicating that no price is reserved (there is no minimum price.)

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Y

Z