19th
international coal supply contracts and transport logistics

An intensive, 5-day residential programme for coal, electricity and shipping executives and traders

23-27 April 2007
Beaumont House, Old Windsor, Berkshire, UK

Led by a faculty of coal industry experts and practitioners
the course will enable you to:

- Gain a better understanding of the current dynamics of the international thermal and coking coal markets
- Learn how to negotiate coal supply and purchase agreements and know which contractual elements to include
- Gain a sound working knowledge of coal transportation and transhipment
- View coal importing infrastructure in action at Bristol Port
- Visit RWE npower’s Didcot A coal-fired power station
- Put theory into practice by participating in stimulating case studies and experience the dynamics that shape the ever-changing coal markets

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Completely revised and updated training course

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Coaltrans Conferences organises leading international coal conferences, which attract delegates from all over the world. It also runs focused regional events, exhibitions, field trips and training courses, with a reputation for employing the highest organisational standards. Coaltrans regularly puts on events in Australia, China, India, Indonesia, Singapore, South Africa, the USA, and the UK.

Background

Energy and environment policy makers are facing up to the fact that coal will continue to fire approximately 40% of world electricity production for some decades to come. Resources are increasingly being allocated to the development of clean coal power generation as well as upstream activities, whilst volumes of traded coal continue to grow. There has never been a more crucial time for coal and freight executives and traders to receive the indispensable training required to keep abreast of the evolving nature of the international coal business, or a more auspicious platform for new players to obtain a thorough briefing on the fundamentals of the industry.

Course Objectives

This intensive residential training course aims to provide participants with an overview of the current international coal market and an in-depth understanding of coal supply agreement negotiation. It will cover the optimal management of all the links in the transportation chain from mine to end-user, as well as techniques for trading coal as a commodity.

Upon completion of the course you will understand:

- The dynamics of the current thermal and coking coal markets
- How to negotiate coal supply and transport agreements – Crucial elements to include and pitfalls to avoid
- How to build coal quality assurance into contracts and logistics
- What type of vessel and shipping contract is appropriate for different circumstances
- The logistics of each mode of coal transport and transhipment
- The role of traders, brokers, agents and lawyers in arranging deals and transport
- The coal buyer’s perspective: The importance of various quality parameters for buyers, and changing technologies for coal use
- The appropriate use of paper trading and derivatives
- How to trade coal as a commodity and how to hedge risks in the physical trade
- The impact of CO2 regulation on coal consumption and trading

PLUS:

- Participate in practical case studies, integrating and reinforcing the concepts and methods learned during training
- Play the part of a ship owner or a charterer in a hands-on shipping exercise
- Get a first-hand view of coal unloading facilities at Bristol Port and visit RWE npower’s coal-fired Didcot A power station

Who should attend?

- Coal producers
- Coal buyers
- Coal sales and marketing managers
- Energy traders and marketers
- Financiers
- Shipping and logistics managers
- Exporters / Importers
- Brokers
- Middle and back office managers
- Risk managers

Course Outline

The agenda for the 19th edition of this highly acclaimed training course has been redesigned and updated to include the full range of tools essential to operate effectively in today’s coal and shipping markets. These include an overview and update of market developments by industry experts and key risk management tools in coal trade and transport agreements.

Delegates will benefit from intensive training provided by a highly-qualified faculty of industry presenters and case-study leaders.

Venue

Beaumont House is a 4 star venue offering excellent service, quality accommodation and fine dining to ensure that your training experience is enjoyable as well as beneficial. It features an indoor swimming pool, a well equipped gym, two indoor squash courts, a studio for aerobics classes and outdoor tennis courts.
DAY ONE – Monday, 23 April 2007

0800 Registration and Morning Coffee

0900 Welcome Remarks and Introduction to the Course

SESSION 1: The International Coal Market and Determinants of Prices
0930 – 1100
Instructor and Course Director: Hugh Lee, Independent Coal Consultant
- The case for coal
- Evolution of today's coal market
- Types of coal and their availability
- Review of international exports and imports
- Overview of the world's competitive dynamics for the coal sector
- What explains price changes in the last 12 months?
- Changing commercial structure
- Consolidation in coal supply
- Physical vs. commodity trading
- Competition from gas and other fuels

1100 Networking Break and Refreshments

SESSION 2: Metallurgical Coal Markets
1130 – 1245
Instructor: Mark Swan, Marketing Manager, Carbon Steel Materials, BHP Billiton
- Introduction to coking coal
- Coking coal / PCI coal / thermal coal
- Quality of coking coal and coke
- Cokemaking / ironmaking operations
- Major coking coal suppliers
- Long term and spot business
- Negotiating coking coal contracts

1245 Networking Lunch

SESSION 3: Coal Sale and Purchase Agreements – The Buyer's Perspective
1400 – 1545
Instructor: Graham Parker, Fuel Trading Manager, E.ON UK Plc
- Company objectives and fuel plan
- Fuel sourcing
- Market mechanics
- Price escalators / indices
- Supplier capabilities
- Length (spot / year / long term)
- Quality premiums
- Term extensions
- Covering exchange rate risks
- Documentation
- Schedules and notification
- Nominations and receipt

1545 Networking Break and Refreshments

SESSION 4: First Case Study
1615 – 1830
Moderated by: Graham Parker, Fuel Trading Manager, E.ON UK Plc
This case study will involve teams from different utilities competing with each other in a coal buying simulation. It will cover the evaluation of supply options from various sources and the development of a long-term coal procurement strategy.

1830 Questions and Discussion

DAY TWO – Tuesday, 24 April 2007

0830 Morning Coffee

SESSION 5: Coal Sale and Purchase Agreements – The Role of the Producer
0845 – 1030
Instructor: Howard Gatiss, CEO, CMC Ltd.
- Inquiries, tenders and offers
- Taking a position
- Standard terms and conditions
- Contract structure
- Point of sale (mine / port / plant)
- Passing title and risk
- INCOTERMS
- Price and price basis
- Payment and invoicing
- Long-term and frame contracts
- Options

1030 Networking Break and Refreshments

SESSION 6: Coal Industry Agreements – Legal Aspects
1100 – 1230
Instructor: Peter G. Bennett, Partner, Holman Fenwick & Willan
- Types of agreements
- What is being sold/bought
- Delivery
- Force majeure
- Warranties and representations
- Jurisdiction and choice of law
- Agents and traders
- Assignment
- Disputes
- The contractual structure of electronic and on-line trading

1230 Networking Lunch

SESSION 7: Trading Coal as a Commodity
1345 – 1530
Instructor: Eoghan Cunningham, Chief Executive Officer, globalCOAL
- What constitutes a commodity market?
- Screen trading and electronic platforms
- Basis trading
- Basic price risk management
- Options - basics
- Standard contracts and how they are used
- On-line auctions and reverse auctions

1530 Networking Break and Refreshments

SESSION 8: Coal Quality Management
1600 – 1830
Instructor: David Clay, Director, TES Bretby
- Building quality assurance into the contract
- Role of independent inspectors
- Responsibilities
- Instructions to inspectors
- Sampling and analysis
- Draught surveys
- Losses and measurement techniques
- Risk areas

1830 Questions and Discussion
Morning Visit: Bristol Port
The Bristol Bulk Terminal has an annual coal throughput of 6.5Mt/y. It can accommodate capesize vessels with cargoes up to 110,000t, with a capability of unloading two ships simultaneously without mixing cargoes at a peak rate of 4,000 tph. The Terminal is equipped with two Kone supplied continuous ship unloaders and a grab crane. The stockpile has a 550,000t capacity and is equipped with a traveling stacker, a stacker reclaimer and a bucketwheel reclaimer.

Instructor:
Simon Bird, Chief Executive, Bristol Port

The tour and presentation will cover:
- Methods of loading / unloading
- Unloading times
- Handling costs
- Stocking with a stacker / reclaimer
- Road and rail loading with rapid-loading bunkers
- Screening / washing / blending
- Port management models

Afternoon Visit: Didcot A Power Station
Didcot A Power Station is a 4x500MW dual-fired power station owned and operated by RWE npower Plc. Originally designed to burn coal on base-load, three of the four generating units have now been converted to dual-firing with natural gas in response to market and environmental factors. Moreover, all units can now fire biomass.

Instructor:
Gerry Riley, Corporate Engineer, Fuels and Combustion, RWE npower Plc

The tour and presentation will cover:
- Train unloading and storage facilities for imported and indigenous coal
- Coal pulverising mills
- How coal quality can affect power station efficiency, and slagging and fouling
- How ash composition affects boiler tube erosion and life
- The use of biomass

DAY THREE – Wednesday, 25 April 2007

Full-Day Site Visits
0700 – 1830

DAY FOUR – Thursday, 26 April 2007

0830 Morning Coffee

SESSION 9: Fundamentals of the International Shipping Markets
0845 – 1230

Instructors:
Nick Collins, Director, Clarksons
Ian Shirreff, Senior Chartering Manager, Zodiac Maritime
Alison Smith, Head of Cape Derivatives, Clarksons

Interactive exercise
In this hands-on case study, delegates will be split into groups representing charterers, ship owners and brokers, and presented with a hypothetical scenario involving a coal loading vessel. Shipbroker Clarksons and ship owner Zodiac Maritime will guide delegates through everyday procedures for negotiating, chartering, operating and following through on negotiations, including:
- Drawing up and placing an order
- Importance of timely counter
- RECAP / CP
- Finalisation of documentation
- Consequence scenario: Demurrage and stevedore damage
- Operations
- Dispute resolution scenario

Freight Derivatives
- Introduction to FFAs: Market, volumes, players
- How could parties in the practical exercise have used freight derivatives to hedge their risk?
- Instrument mechanisms

1230 Networking Lunch

SESSION 10: Legal Aspects of Transport Agreements
1345 – 1515

Instructor:
Nick Shaw, Partner, Reed Smith Richards Butler LLP

- Types of transport agreements
- Review of contract terms and contractual relationships
- Force majeure / demurrage
- Financing and security aspects
- Shipbuilding and construction contracts
- Dispute resolution
- Recent developments and trends
- Review of sample agreements, plus negotiation and drafting tips

1515 Networking Break and Refreshments

SESSION 11: Second Case Study
1545 – 1830

Moderated by:
Hugh Lee, Independent Coal Consultant

This case study will challenge delegates split into teams representing generating, shipping, stevedoring and mining companies to negotiate with each other in response to a force majeure situation that disrupts their interlocking contracts for the supply and transport of coal.

1930 Course Dinner

DAY FIVE – Friday, 27 April 2007

0830 Morning Coffee

SESSION 12: Emissions Regulation and its Impact on Coal Trading
0845 – 1030

Instructor:
Herminé Nalbandian, Research Scientist, IEA Clean Coal Centre

- Emissions from burning coal
- Effects of particulates, SO₂, NOx; CO₂; mercury etc
- Abatement and control technologies
- Existing regulations and the potential future impact of the Large Combustion Plant Directive (LCPD)
- EU Emissions trading scheme (ETS)

1030 Networking Break and Refreshments

SESSION 13: Inland Transport in Coal Exporting Countries
1100 – 1245

Instructor:
Hugh Lee, Independent Coal Consultant

- Negotiating transport contracts
- Factors that affect transport rates
- Volume commitments
- Loading and unloading times
- Economics of each mode
- Rail: Monopolies and competition
- Road: Truck contracts
- Barge systems in different countries
- Self-unloading barges and ships
- Conveyors and ropeways
- Slurry pipelines

1245 Networking Lunch

SESSION 14: Second Case Study (Continued)
1345 – 1515

Instructor:
Hugh Lee, Independent Coal Consultant

- Emissions from burning coal
- Effects of particulates, SO₂, NOx; CO₂; mercury etc
- Abatement and control technologies
- Existing regulations and the potential future impact of the Large Combustion Plant Directive (LCPD)
- EU Emissions trading scheme (ETS)

1600 Wrap-up and Questions and Discussion
1630 End of Training Course
teaching faculty

The faculty is drawn from executives and practitioners in companies actively involved with the different aspects of the coal supply chain, including coking coal and the power sector. Teaching methods will include lectures, examples drawn from business situations, group exercises, interactive discussion as well as hands-on case studies. Delegates will have ample opportunity to question each speaker and will be required to commit fully in terms of individual learning and group contribution.

- Hugh Lee, Course Director
  Hugh Lee is an independent consultant with forty years experience in the world coal industry. He has been a speaker and a lecturer at many international coal and energy conferences and courses. He led the International Energy Agency’s investigations on worldwide coal supply and transport. He was Deputy Head of Strategic Planning for British Coal during its restructuring and the privatisation of the UK electricity industry. He then managed the international coal and electricity consultancy work of WEFA ENERGY (now Global Insight). He has been the Director of 16 ICS courses.

- Peter G. Bennett, Partner, Holman Fenwick & Willan
  Peter joined Holman Fenwick & Willan in 1985 and became a partner in 1993. Peter specialises in drafting commercial contracts and commercial litigation and arbitration. In relation to coal, Peter has advised on issues and disputes involving joint ventures, catastrophic failure and force majeure, power plant operations, (re)insurance claims for energy captives and all aspects of the carriage and trading of physical coal. Peter has advised upon and drafted coals charters, trading contracts, term supply and derivative contracts. He has been a part of the Coaltrans Teaching Faculty since 1998.

- Simon Bird, Chief Executive, Bristol Port
  Simon Bird has been Chief Executive of Bristol Port since 2000. Prior to joining Bristol Port, he was the Commercial Director on the main board of Mersey Docks & Harbour Company. In his earlier career, he held senior roles at director level in BAE Systems and United Utilities Plc, both in the UK. Prior to joining industry, he served a short service commission in the Royal Navy, leaving in 1992.

- David Clay, Director, TES Bretby
  David Clay is Managing Director of ESGL, a specialist service provider in the environmental consultancy, inspection sampling, and testing sectors. He also has responsibility for TES Bretby, ESGL’s commercial testing business, and development of its international and joint venture business. David has over 35 years technical experience in all aspects of coal and commodity assay and extensive business experience in major technical support contracts for coal supply, both in the UK and Internationally. David is a nominated technical expert to International Standards and lectures internationally.

- Nick Collins, Director, Clarksons
  Nick Collins is a Director of H Clarkson and Co. and a number of their subsidiaries in the UK and overseas. Clarksons is the largest ship broking and one of the largest shipping services companies in the world. Nick worked in Tokyo from the late 1970s to the early 1980s and, from 1991 to 1995, was Managing Director for Clarkson Asia in Singapore, where he started the dry cargo presence and focused on the emerging Indonesian coal market. Nick is the author of “The Essential Guide to Chartering and the Dry Freight Market”.

- Eoghan Cunningham, Chief Executive Officer, globalCOAL
  Eoghan Cunningham, CEO of globalCOAL, has more than a decade of experience in international energy markets having worked in coal, natural gas, electricity, emissions, renewable energy and refined products. Eoghan joined globalCOAL from EDF Energy Plc where, as Director of Market Operations, he was responsible for all commodity trading including the purchase of 8Mt of steam coal per annum.

- Howard Gattis, CEO, CMC Ltd.
  Howard Gattis set up CMC - Coal Marketing Company in January 2003, a sales company established by its three shareholders to be the exclusive marketer of coal from the Cercado complex in Colombia. Exports have risen from 18Mt (2005) to over 27Mt (2006) and are expected to exceed 31Mt this year, with new markets developed in the USA and South America to complement an already strong presence in Europe. Before establishing CMC, Howard Gattis founded BICC, a cable manufacturer in China, and became CEO of Pirelli Power Cables China when the business was acquired by Pirelli in 2000. Prior to this he held various roles at Shell International, including positions in Vietnam, Colombia and the UK.

- Hermine Nalbandian, Research Scientist, IEA Clean Coal Centre
  Ms Nalbandian has 18 years of experience in writing on key environmental issues including policy, coal utilisation and control technology, both in the UK and internationally. She is a technical author and consultant with the IEA Clean Coal Centre. She has also been involved in the increasing use of computing hardware and software in power generation to optimise plant performance, reduce air pollutant and GHG emissions, and reduce waste. More recently, Ms Nalbandian has been studying the potential implications of large combustion plants directive (ICPD) and the EU emissions trading scheme (ETS) on coal utilisation in the power generation sector in the EU.

- Graham Parker, Fuel Trading Manager, E.ON UK Plc
  Graham Parker is responsible for the purchase of coal, oil, petcoke, biomass and related logistics for E.ON’s UK power plants. Graham has been in the coal business since 1982, working initially for the Central Electricity Generating Board, transferring to Powergen on privatisation, and more recently for E.ON UK. E.ON UK expects to purchase over 10Mt of coal in 2007 from domestic and international sources.

- Gerry Riley, Corporate Engineer, Fuels and Combustion, RWE npower Plc
  Dr. Gerry Riley is a Fuel and Combustion Specialist working in RWE npower Plc’s Engineering Department. He has 20 years experience in the electricity supply industry. He has a wide range of experience of fuel related projects both within the UK and abroad. He is on the executive committee of the Coal Research Forum and is a director of the British Coal Utilisation Research Association (BCURA).

- Nick Shaw, Partner, Reed Smith Richards Butler LLP
  Nick is a partner in the Shipping Group working principally for Owners and Charterers and P&I Clubs. He is specialised in dealing with all aspects of Bills of Lading, Charterparty and MOA disputes as well as Commercial Court disputes, arbitrations and mediations. He is particularly active in the Italian market. Nick qualified as a solicitor in England in 1992 and in Hong Kong in 1992 and became a partner in 1999.

- Ian Shireff, Senior Chartering Manager, Zodiac Maritime
  Ian Shireff is Senior Chartering Manager of Zodiac Maritime, London, which currently operates a total of 40 capesize vessels. Ian previously worked for P&O Bulk Carriers in London and for Associated Bulk Carriers in New York working in both the dry bulk and tanker markets.

- Alison Smith, Head of Cape Derivatives, Clarksons
  Alison Smith has worked as an FFA broker at Clarksons Securities since 2000 where she first joined the panamax department from Clarksons Research. Prior to this she worked for Lloyds List as a journalist. Having experienced a year of handymax derivatives she then took a year’s sabbatical from the industry to travel round the world. Alison returned to the market in March 2006 to take over as Head of the Cape Derivatives Desk.

- Mark Swan, Marketing Manager, Carbon Steel Materials, BHP Billiton

- Howard Gatiss, Head of Energy Services, BICC, Pirelli Power Cables China
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Delegate 3
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Job title........................................Email...........................................

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The fee includes accommodation for the nights of 23, 24, 25 and 26 April, all meals, tuition, training equipment and course materials. Any additional nights can be arranged through Coaltrans (at delegate's own expense).

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<th>Number of delegates</th>
<th>Early-Bird Price by 09/03/07</th>
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<td>1st delegate</td>
<td>£2795 + VAT = £3248.12</td>
<td>£3195 + VAT = £3754.13</td>
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<tr>
<td>2nd delegate (10% discount)</td>
<td>£2515.50 + VAT = £2955.71</td>
<td>£2875.50 + VAT = £3378.71</td>
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<td>3rd delegate (15% discount)</td>
<td>£2375.75 + VAT = £2791.51</td>
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