

Refinery Economics Seminar

October 20–21, 2010
Wednesday–Thursday
Dallas, Texas

Presented by:
Joe Barth and Michael Hileman



**Solomon
Associates**

M³ — Measure. Manage. Maximize.®

Presented by

Joe Barth

As a Senior Consultant, Joe has been with Solomon since 2004. His career includes 33 years with ExxonMobil in Planning & Optimization of refining-petrochemical complexes. Joe has a BS in Chemical Engineering from Auburn University and an MS in Engineering from the University of Houston.

Michael Hileman

Michael J. Hileman is a vice-president with Solomon Associates, and has been with Solomon for 12 years. Before Solomon, Mr. Hileman was vice-president of supply, distribution, and sales for a large independent refiner-marketer. He holds a BS in Chemical Engineering from Rose-Hulman Institute of Technology in Terre Haute, Indiana.

Other Programs

Training

- Problem Solving
- Risk Analysis
- Root-Cause Analysis
- Maintenance Planning
- Fundamentals of the Petroleum Downstream Industry

Consulting Products

- Performance Analysis Workshop
- Performance Improvement (NCM³)
- Best Practices Assessment
- Transaction Support Services
- Capital Effectiveness Review

Refinery Economics Seminar

Today's decision makers face uncertain future markets. While profit opportunities are hard to find, Pacesetters have learned that an experienced optimization team following best practices gives them the best chance to maximize refinery profit.

Seminar Summary – This seminar covers the economic and optimization skills needed to maximize refinery profit. *Practical, hands-on examples* are used to illustrate Solomon's unique approach to the intricacies of *marginal economics* and the workings of Linear Program (LP) models. In addition, attendees will discuss *Planning & Optimization Best Practices*.

Participants will learn:

- Differences between average and marginal costs
- How to calculate refinery netback prices
- Why the "herd mentality" is so common in the industry
- How to use LP models to guide decision making
- How to evaluate crude and feedstock purchase opportunities
- How to evaluate incremental product sales
- Limitations of Shadow Values
- Planning & Optimization Best Practices

Day One

- Overview of Petroleum Markets
- Marginal Revenue & Netback Calculations
- Marginal Cost Curves
- Law of Diminishing Returns in Refining
- Average Profit and Incremental Profit
- LP model FAQs
- Graphic Example of How the LP Model Works
- Shadow Values
- Simple Spreadsheet Example LP Model

Day Two

- Using the LP Model to Guide Decision Making
- Case Studies
 - Using Marginal Values
 - Value of Crude Oil
 - Value of Cracker Feed
 - Optimizing Gasoline Production
- Planning Best Practices
- Q&A Session

Registration Form

Refinery Economics Seminar

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Name

Title

Company

Address

City

State

Postal Code

Country

Phone

Email

Registration*

Registration Fee US \$1,500

Early Registration Fee** US \$1,300

* Solomon reserves the right to cancel these seminars and return all registration fees.

** Early Registration ends September 15, 2010
All fees are net of local taxes.

Mail checks to: Solomon Associates
Attn: Karen Black
Two Galleria Tower, #1500
13455 Noel Road
Dallas, Texas 75240, U.S.A.

Visa, MasterCard, American Express, and Diners Club accepted.

For wire payments, please request instructions. *No cash payments accepted.*

Cancellation

Subject to a 25% service charge.

For more information, please contact:

Karen Black

Email: KLB@SolomonOnline.com

Phone: 972-739-1775 Fax: 972-774-1119

Signature

What Participants Have Said

“The course material was presented clearly, and easy to understand”

“Good seminar, very applicable to my job”

“This was exactly what I needed”

“I really got a lot out of the case study exercises”

“Very happy with result. Will move our efforts forward.”

“Very interesting approach to understanding the forces that drive profit optimization”

“Excellent course – one of the most useful short seminars I have attended”

Who Should Attend

The course is intended for anyone who takes part in the development of refinery operating plans or helps decide business strategy. These seminars are not just for the “economic analyst”; they are also valuable to crude and feedstock traders, product marketers, supervisors, and process engineers. No prior knowledge of refinery economics or use of LP models is required.

Continuing education credit is available for professional engineers registered in Texas and other states.

