



Lloyd's List Intelligence

Setting standards in maritime intelligence

Taurus Petroleum Ltd

28 April 2010

Contents

Company Details 1

 Registered Name 1

 Registered Number 1

 Company Addresses 1

 Operating Address 1

 Communications 1

 Incorporation Style 1

 Incorporation Date 1

 Place Incorporated 1

 Share Capital 1

 Ownership 1

 Contacts 1

 Affiliate Offices 1

 Bankers 1

Business Summary 2

Operations 2

History 2

Financial Summary 3

Market Feedback 3

Appraisal 3

Ratings 5

Company Details

Registered Name

Taurus Petroleum Ltd

Registered Number

CH-660-0082003-2

Company Addresses

Operating Address

Rue de la Rotisserie 29

Geneva

Switzerland

Communications

Phone: +41 228183040

Fax: +41 228183055

Website: www.tauruspetroleum.ch

Incorporation Style

Private limited company

Incorporation Date

10 January 2003

Place Incorporated

Switzerland

Share Capital

Issued and paid in share capital of Swiss Francs (CHF) 9,855,000 (approximately equivalent to US\$9.1m as of April 2010).

Ownership

Not publicly available, although understood to be wholly owned by Taurus Petroleum (USA) LLC, which itself is believed to be owned by the family of Mr Ben Pollner.

Contacts

Directors

Mr Ben Pollner, Managing Director

Mr Maurice Taylor, Director

Mr Martin Schenker, Finance Director

Affiliate Offices

Known to have a representative office in London, although the precise address is unknown.

Bankers

BNP Paribas (Suisse) SA.

Business Summary

Taurus Petroleum Ltd (hereafter referred to as Taurus) is a private limited company that was incorporated in January 2003 in Geneva, Switzerland. The principal business activity of the company is the trading of crude oil. Taurus is believed to be wholly owned by Taurus Petroleum (USA) LLC, with ultimate ownership reportedly lying with the family of Mr Ben Pollner.

Operations

Taurus Petroleum Ltd (Taurus) is controlled from offices in Geneva where the company reportedly employs all of its traders. In addition, the company is stated to have a representative office based in London, UK. Management at Taurus confirmed in April 2010 that the company's main business is the trading of crude oil, with it being stated that it does not trade any clean products. The company is stated to be building up its trading activity again at present after the sale of Castor Petroleum Ltd in 2009, which is known to have been one of the company's principal trading arms, with Taurus now placing particular emphasis on the Far East and strategic relationships with a number of US companies. Other geographical areas where the company operates are stated to be the Middle East, former Soviet Union countries (in particular Azerbaijan, with the company having significant business with SOCAR, the State Oil Company of Azerbaijan) and West Africa, where the company sources oil from companies such as Nigerian National Petroleum Corporation.

Management at Taurus informed us that they have a number of long-term contracts to supply crude over the next 12 months, which is estimated to boost volumes traded by the company to 8m tonnes for 2010. Although we hold no volume figures for 2009, it is understood that this 8m tonnes figure represents a significant increase year-on-year. Prior to refocusing on its trading activities in 2009, Taurus was understood to have been more involved in the freight and storage side of the oil business. The company reportedly employs around 12 individuals at present.

In terms of the shipping requirements of the company, it was stated to be operating cautiously at present in order to not overextend itself in the sector. It was stated that the company prefers to time charter vessels rather than operate on the spot market, although we have been unable to trace any recent fixtures by the company through those sources consulted, which would suggest that the company prefers to maintain a low profile in such activities.

In terms of the reported ultimate owner of Taurus, Mr Ben Pollner is perhaps most famously known for being allegedly linked to the UN oil-for-food programme in Iraq through Taurus. The company was mentioned in the Volcker commission's final report on the UN program in Iraq, with it apparently stating that Taurus financed the purchase of 256m barrels of oil, even though it never had a UN contract. However, we cannot confirm the substance of any of these accusations and claims, and it is important to note that thousands of companies and individuals were named within the Volcker report.

It should be noted that Taurus Petroleum has no links with the Swedish oil exploration company Taurus Energy AB, which previously went by the same name as the subject.

History

Taurus Petroleum Ltd (Taurus) has a history that dates back to 1993. Mr Ben Pollner was formerly an oil trader at the Houston-based trading operation, Bayoil, which is also a specialist in the Eastern European sector. This company had particularly good trading connections with Bulgaria, which has for many years represented a major customer for Russian crude. Therefore, Mr Pollner brought very good connections and experience into his new company.

We are aware of several companies that have been incorporated to control Mr Pollner's business at different times. Originally, business was conducted through a company incorporated on the Island of Nevis, although after the

incorporation of Taurus in 2003 in Geneva, all business was transferred to this latter company. There was also a company named Taurus Petroleum Ltd incorporated in the Bahamas, and two affiliated companies in Switzerland named Taurus Services SA and Taurus Petroleum SA. However, we note that both of these Swiss companies were placed in liquidation in March 2003.

We note that a significant amount of the company's trading activity in South and Central America was conducted through the spin-off company Castor Petroleum Ltd, which we understand was established in 2006. Castor Petroleum Ltd reportedly dealt with companies including Petroterminal de Panama (PTP), a company established by the Panamanian government and US-based Northville Industries to own and operate a 400,000 barrel per day, 131 kilometre crude oil pipeline which cuts across Panama from a terminal at Puerto Armuelles on the Pacific to Chirique Grande on the Caribbean. The company also reportedly had dealings with Petroecuador and the Colombian independent oil producer Hocol SA. Castor Petroleum Ltd was sold to Gunvor International BV in 2009.

Financial Summary

As a limited liability company registered in Switzerland, Taurus Petroleum Ltd (Taurus) is not legally required to file any financial accounts for public disclosure. However, management at Taurus confirmed to us in April 2010 that revenue for the company in 2009 stood at approximately US\$2,500m, with fiscal 2010 reportedly on course to exceed this amount due to increased volumes scheduled to be traded and a higher average price of crude witnessed so far during the year (although this could obviously change). A ball-park figure of US\$4,500m in revenue was suggested by Taurus as being an attainable objective at present for the company for fiscal 2010. In terms of the company's likely balance sheet composition, we suspect that it will hold very little in terms of fixed assets. Shareholders' equity is also likely to be low.

With oil prices during the second half of 2009 and into 2010 steadily rising, in addition to the increased volumes that the company is reportedly on course to trade during 2010, we can anticipate that this will result in improved revenue figures for the company. High prices however can often affect some crude-trading companies who can find it difficult to obtain bank finance for their cargoes. However, having spoken to one market source in particular, it would seem that this is not a problem for the company. It is known that Mr Ben Pollner has many years experience operating in the oil industry, and is often compared to Mr Marc Rich, founder of Glencore International AG, in terms of the experience and success that both individuals have had trading oil over the years. With Taurus understood to be one of the main trading companies belonging to Mr Pollner, Lloyd's List Intelligence is of the view that the company will likely be financially sound at present.

Market Feedback

In April 2010, Lloyd's List Intelligence contacted a number of oil companies, in addition to other market sources, in order to obtain references on Taurus Petroleum Ltd (Taurus). On this occasion, we were unable to obtain a recent reference from any oil companies, although references obtained in the past have all been positive. We note however that dealings are typically conducted under a Letter of Credit (LOC) in the oil-trading industry, with this being the case for all previous references obtained on Taurus. We have never identified any large unsecured credit lines in the name of Taurus. However, one market source contacted reported a long-standing business relationship with Taurus, and it was stated that Taurus is a financially sound company.

Appraisal

Taurus Petroleum Ltd (Taurus) is a crude-oil trading company based in Geneva, Switzerland and is understood to be ultimately controlled by Mr Ben Pollner.

We have not seen any financial information on the company, but if what we have been told by its Financial Director is correct, Taurus is a financially-strong company which is currently expanding its trading operations. Like many oil traders, it is likely that Taurus has benefited from the steady increase in oil prices since the second half of 2009.

Therefore, based on the information obtained for this report, we feel that Taurus could prove to be a good potential business partner that represents an average risk for normal business dealings. However, in light of the lack of audited financial data or any references for unsecured credit, Lloyd's List Intelligence can only recommend unsecured exposures of US\$ high-six figures at present.

Ratings

Review Period: 6 Months

Lloyd's List Intelligence Rating	Rate Code	Rate Description	Additional Factors
Sales Level (1-6)	1	\$500 Million+	Estimated
Condition (1-6)	-	-	Insufficient data
Performance (1-6)	2	Good	-
Credit Guidance (AAA-J)	C	High six figures	-
Overall Rating (1-10)	5	Average risk	-

How do I interpret an Lloyd's List Intelligence Credit Rating?

Annual Sales (Size) Scale (1-6)	Company Financial Condition Rating (1-6)	Company Payment Performance Rating (1-6)
1 - \$500 million+	1 - First Rate	1 - First Rate
2 - \$100 - 500m	2 - Good	2 - Good
3 - \$50 - 100m	3 - Satisfactory	3 - Satisfactory
4 - \$20-50m	4 - Some Concern	4 - Some Concern
5 - \$5 -20m	5 - Weak/ Strained	5 - Weak
6 - Under \$5m	6 - Severe	6 - Poor
	Z - In Liquidation, Receivership, Chapter XI	

Company Payment Performance Rating (1-6)			Overall Risk Rating (Fifth Rating) (1-10)	
	Exposure Range (US\$)	Normal Limit	Risk of dealing with the company	Typical company performance in market
AAA	Low eight figures and above	Above \$10m	1 Negligible risk	Extremely strong
AA	Mid to high seven figures	Below \$10m	2 Very Low risk	Strong
A	Low to mid seven figures	Below \$5m	3 Low risk	Firm
B	Low seven figures	\$1.25m	4 Below average risk	Satisfactory
C	High six figures	\$750,000	5 Average risk	Adequate
D	Mid six figures	\$400,000	6 Moderate risk	Vulnerable
E	Low six figures	\$200,000	7 Moderate to high risk	Weakened
F	High five figures	\$100,000	8 High risk	Under pressure
G	Mid five figures	\$50,000	9 Very high risk	Severe duress
H	Low five figures	\$25,000	10 Extreme risk	On the verge of collapse / bankruptcy
I	Credit a matter of trust in principal	See text		
J	Secured or cash terms only			

Additional Factors

MLG - Member of Large Group
 SC - State Controlled
 ID - Insufficient Data
 NC - New Company
 PG - Parental Guarantee Advised
 RE - Refer to Your Experience
 SS - Special Situation, see report text
 EST - Estimated

Important Note: Ratings and guidelines are valid at the date of issue of the report only.

They are provided under our published terms of business and made in good faith. Under no circumstance are they intended to be definitive judgements of the standing or worth of the company in question, nor are they to be used as sole basis or in substitution for the exercise of your own judgement in deciding whether and in which way to trade with the subject.

This rating guideline was last updated on 16 February 2006.

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Lloyd's List Intelligence
Telephone House
69-77 Paul Street
London EC2A 4LQ
United Kingdom

Tel: +44 (0) 20 7017 4482

Fax: +44 (0) 20 7017 5007

Email: lli.enquiries@informa.com

www.lloydslistintelligence.com

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