



Your Commodity Markets and Risk Management Partner

Kasper Walet

www.maycroft.com

walet@maycroft.com

Kasper Walet

- 21 Years of commodity markets experience
- Former Board Member of the Amsterdam Commodity Futures Exchange and Clearing House (1987-1997)
- Rotterdam Oil Futures Exchange initiative
- Founder of Maycroft in 1997
- Co-author of Guide to Emissions Trading, published by Risk books





Maycroft

- Strategic Consulting
- Energy Markets and Risk Management
 - ~ Oil, Power, Gas, Coal, Weather, Carbon
- Active on global level
 - ~ Asia, Europe, North America
- We provide industry ‘**Best Practice**’
Client groups
- Exchanges and (OTC) Clearing, energy companies, large end users, banks, European Commission

Example Projects

- Design, implementation, assessment Risk Management Framework
- Market and feasibility studies for Natural gas, LNG, Coal Carbon and Power
- Design Business Plan for OTC Clearing Services
- Design business plan for Energy Futures exchanges
- In house courses about oil, natural gas, LNG, coal, carbon and electricity markets to major energy companies and large banks
- Speaker on many international conferences, (in house) workshops and seminars



Impact Credit Crisis Financials on Risk Management Energy Companies



Commodities and Credit Crisis

- Credit and Liquidity Risk
- Fewer players
 - ~ Demise Lehman, take-over of Merrill Lynch by Bank of America, collapse Bear Stearns.
- Some players pulling funds out of commodities to shore up investments elsewhere.
- A general distrust of counterparties' credit has already started a move away from OTC markets onto **cleared OTC or exchange-traded markets.**

The Risk Models were wrong

- Risk necessary by-product of revenue generation. Central to effective management is the risk trinity:
 1. Relationship between the board that sets risk appetites
 2. Senior managers who execute
 3. Risk controllers who design, implement and measure
- Losses from credit crisis largely due to failures to address risk management issues
 - ~ Relevant, timely and consistent data major obstacle
 - ~ Fostering a culture of risk management most widely encountered challenge
- Risk Models are like a GPS device used in a car:
It's helpful as a guide, but the driver still needs to look out the window



Questions for you to answer

- How to manage data?
- How to estimate risk?
- How to change current business processes?
- How to implement an integrated risk management framework?
- **Maycroft is your partner in this process**