



WHITE PAPER

A NEW TECHNOLOGY APPROACH FOR MANAGING OIL AND GAS MARKETING, TRADING & LOGISTICS

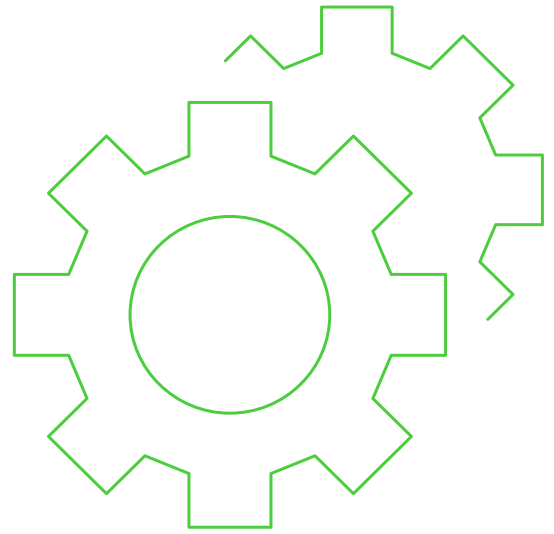


Introduction

When it comes to ETRM solutions for oil and gas, the market is limited, especially for businesses looking for a large, stable vendor who can leverage a long track record of successful delivery.

Newer vendors are entering the market with small-scale solutions, but that isn't answering the needs of larger firms managing complex value chains and looking for active risk management. Many of the existing solutions for these larger organizations have been acquired and bundled, leaving a lack of choice.

FIS and Egistix are working together to offer an ETRM solution for oil and gas companies. This white paper is your key to understanding how this collaboration delivers production, marketing, logistics and trading solutions that meet your needs.

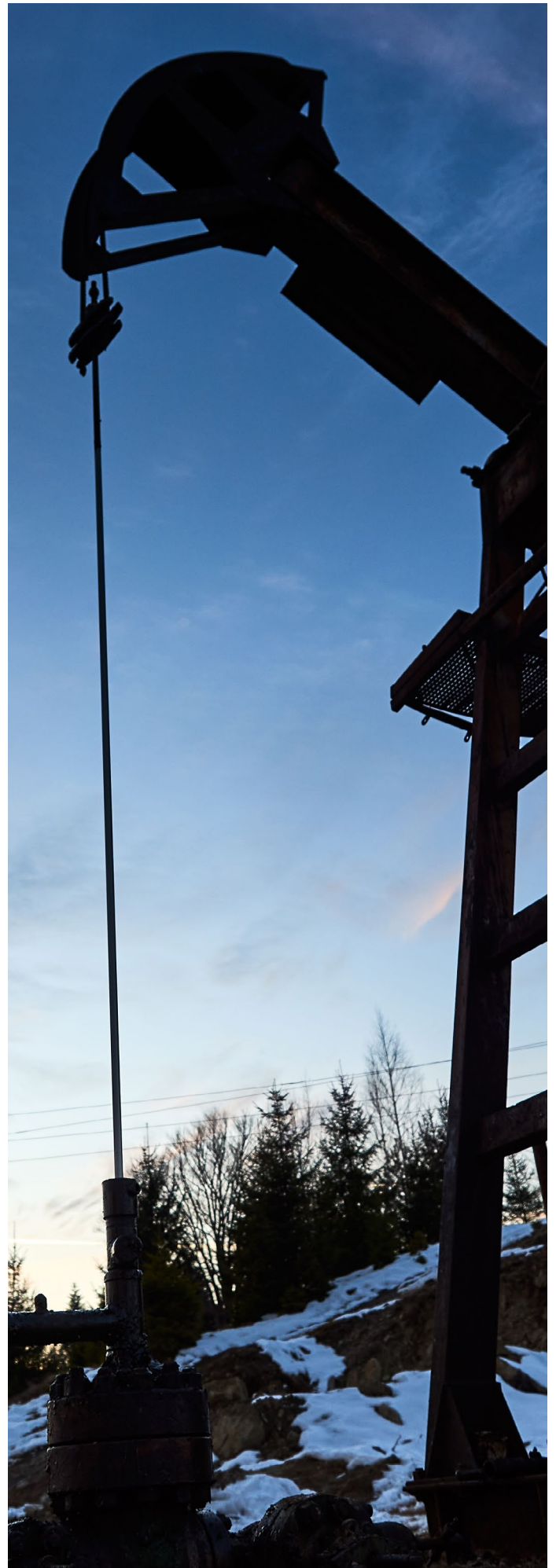


Limited choice for complex businesses

Multi-commodity oil and gas companies struggle to find a suitable ETRM solution to capture their commodity marketing and trading activities. ETRM solutions tend to have their own history and pedigree and have been designed and built for natural gas or liquid hydrocarbons and then subsequently extended to cover both commodities.

The problem with this approach is that these commodities have very different physical properties and so an ETRM built for one is usually, at best, suboptimal for the other. These differences impact almost every aspect of the system in terms of units of measure, contract types, terms and conditions, exposures and so on. Transportation differences are also significant: while oil tends to use event-based movement by rail, truck or batched in pipelines, natural gas is moved on an intraday or day-ahead basis exclusively via pipelines. These deep physical differences are difficult to account for in any single ETRM, but certainly very difficult in one developed initially for a single commodity.

With a lack of choice in the market, FIS and Egistix are working together to offer best-in-class solutions preconfigured to work together.



A best-of-breed approach

According to Comtech, the advent of cloud-based solutions and advanced integration capabilities has resulted in ETRM/CTRM buyers moving away from on-premise, large-scale solutions over the last several years.

By acquiring cloud-based, fit-for-purpose solutions with rich APIs, companies that trade in multiple commodities can mix and match solutions that fit the specific needs of the commodities and markets in which they operate. With this type of architecture, companies can improve their technical agility with systems that grow with them as they enter or exit markets, add or divest assets, or redirect trading strategies. This trend underlies the strategy behind the FIS/Egistix solution set.

Based in Canada, Egistix is a small and highly focused software vendor specializing in systems for companies that produce, procure, transport and trade physical crude and other hydrocarbon liquids. The company has accumulated significant expertise in the space over the course of their 20+ year history. With functionality that spans trade capture, multimodal logistics/scheduling, position management and inventory management, Egistix serves several very large, large and midsized firms that operate along the crude and liquids value chain.

FIS is a very large vendor that has a strong focus on gas and power and has a considerable installed base around the globe, though particularly in North America. Additionally, the FIS ETRM product is a leading solution in risk management, including market and credit risk, risk analytics and

management of financial commodities. The company has also been one of the leading providers of hosted SaaS solutions for several years. FIS and Egistix solutions share a common technology base (HTML5) and both vendors enjoy similar cultural values focused on customer service and innovation.

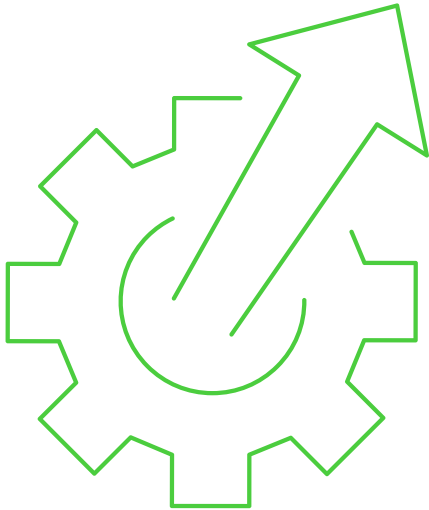
This collaboration brings to market a software solution that is tailored specifically for each commodity – natural gas and crude oil products – along with all the benefits inherent in that approach. Each solution was specifically designed to cater to those commodities from the ground up. With intuitive and commodity-specific user interfaces, functionalities and terminologies, user acceptance and satisfaction should be higher. Handling the business of trading and managing the physical commodity will be easier as well, with a fit-for-purpose, focused solution. A key benefit of the FIS/Egistix collaboration is bringing the strength of FIS analytics and self-serve reporting through FIS Risk and Credit together to manage consolidating positions and exposures in a single solution.

This preconfigured, best-of-breed approach can deliver increased value and efficiency for users. While things like reference data and the functionality to support physical trades, settlement and scheduling are delivered specifically for the commodity via FIS or Egistix software, financial trading, risk and credit management, and reporting are all delivered via the FIS software component. That gives users a focused and comprehensive solution for oil and gas-centric companies (including producers, marketers and traders) who now have more choice when it comes to solutions for managing their physical marketing and trading activities.



Summary

This innovative new collaboration combines best-of-breed solutions to deliver a new choice to the industry. FIS has invested heavily in their Gas and Power ETRM solution by rewriting their front end in HTML5. The result is a superior user experience supported by a powerful, intuitive reporting platform that offers tailored data aggregation for specified roles. Egistix is an expert in Crude and provides a highly efficient solution for crude operations which they are continuously enhancing and evolving in line with requirements from their growing client base. Both companies are continuing to focus on enhancing their respective commodity functionality, usability and efficiency, rather than trying to learn a new industry and develop a new solution for a problem that has already been solved. Leveraging the best solutions for oil and gas, paired with a consolidated risk and exposure view from FIS, this solution is an industry game changer.



About Commodity Technology Advisory LLC

Commodity Technology Advisory is the leading analyst organization covering the ETRM and CTRM markets. We provide the invaluable insights into the issues and trends affecting the users and providers of the technologies that are crucial for success in the constantly evolving global commodities markets.

Patrick Reames and Gary Vasey head our team, which brings 60+ years of experience in energy and commodities, and an unmatched depth of market understanding.

For more information, please visit:
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ComTech Advisory also hosts the CTRMCenter, your online portal with news and views about commodity markets and technology as well as a comprehensive online directory of software and services providers.

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About FIS

FIS is a leading provider of technology solutions for merchants, banks and capital markets firms globally. Our more than 55,000 people are dedicated to advancing the way the world pays, banks and invests by applying our scale, deep expertise and data-driven insights. We help our clients use technology in innovative ways to solve business-critical challenges and deliver superior experiences for their customers. Headquartered in Jacksonville, Florida, FIS is a Fortune 500® company and is a member of Standard & Poor's 500® Index.



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