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Presentation to Tankstation Vakbeurs 11 Nov 2014

London, Houston, Washington, New York, Portland, Calgary, Santiago, Bogota, Rio de Janeiro, Singapore, Beijing, Tokyo, Sydney, Dubai, Moscow, Astana, Kiev, Porto and Johannesburg

Market Reporting
Consulting
Events

illuminating the markets

Introduction to Argus

- Independent price reporting organization in the commodity wholesale markets
- Founded in 1970, over 120 publications and around 650 employees in 20 offices
- Privately held by employees and founder's family
- One of the top 50 fastest growing UK-registered companies (Sunday Times)

Argus - Global coverage of energy markets

- Crude
- Petroleum products
- LPG/NGL
- LNG
- Electricity
- Natural Gas
- Coal
- Biofuels
- Biomass
- Base Oils
- Emissions
- Petroleum Coke
- Asphalt
- Fertilisers
- Petrochemicals

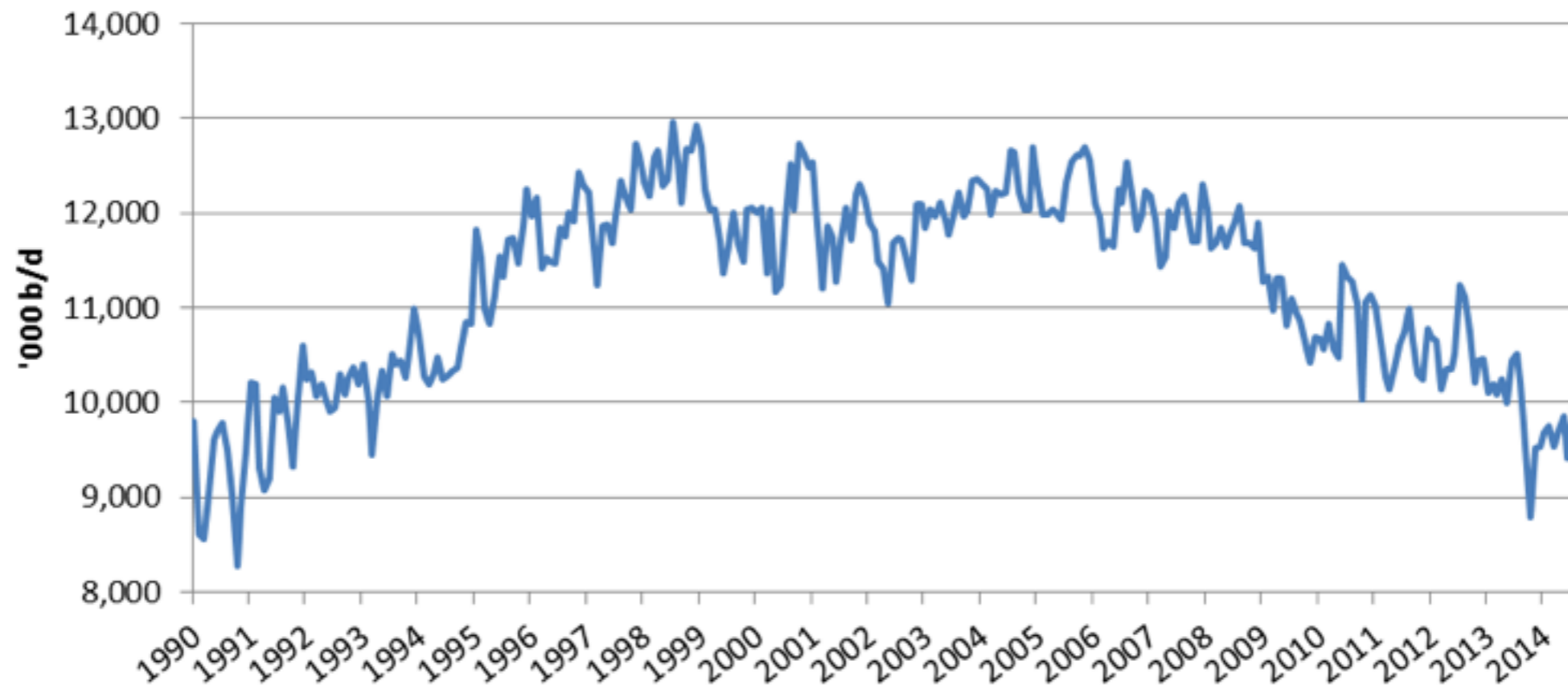
A Transforming Europe

- Status of Europe's Refineries
- Impact from refining outside Europe
- Current market dynamics
- Biofuels in Europe
- Impact on dealers in Netherlands



Europe's refining crisis – refineries are struggling to survive

EU-16 refinery runs

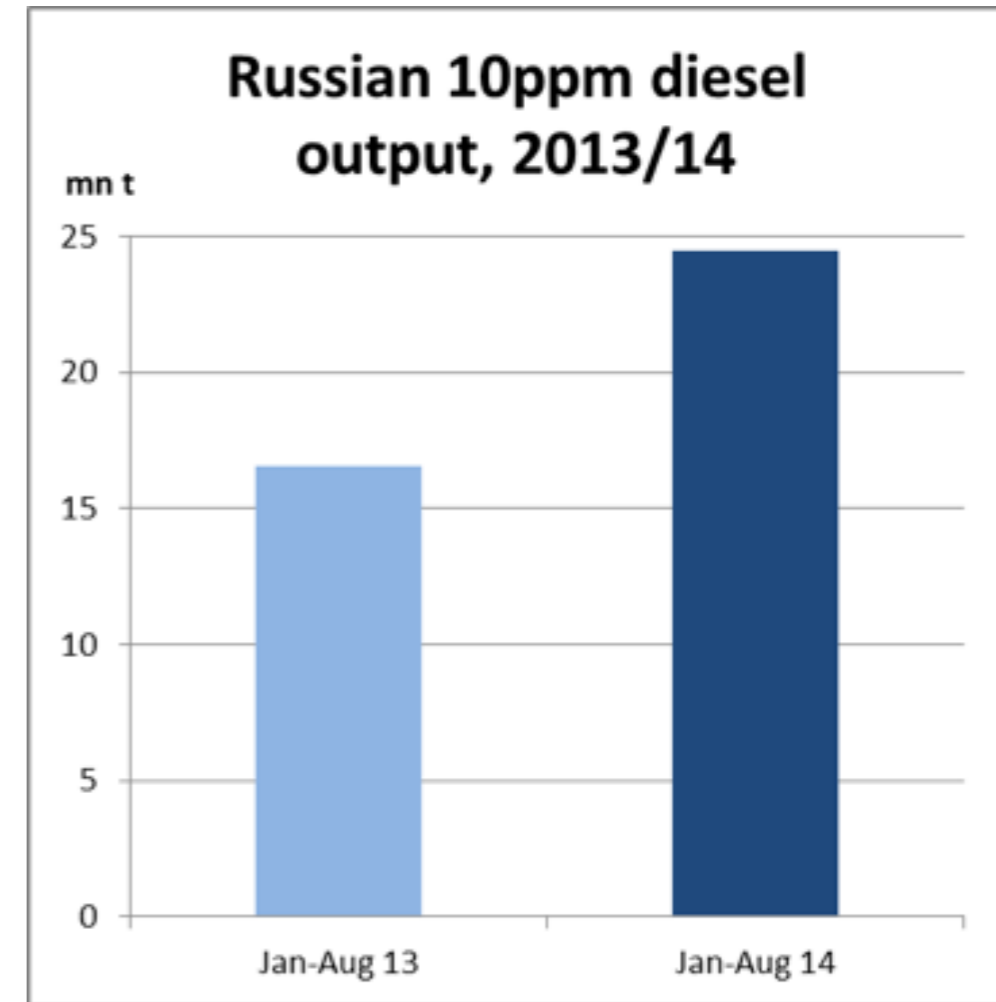
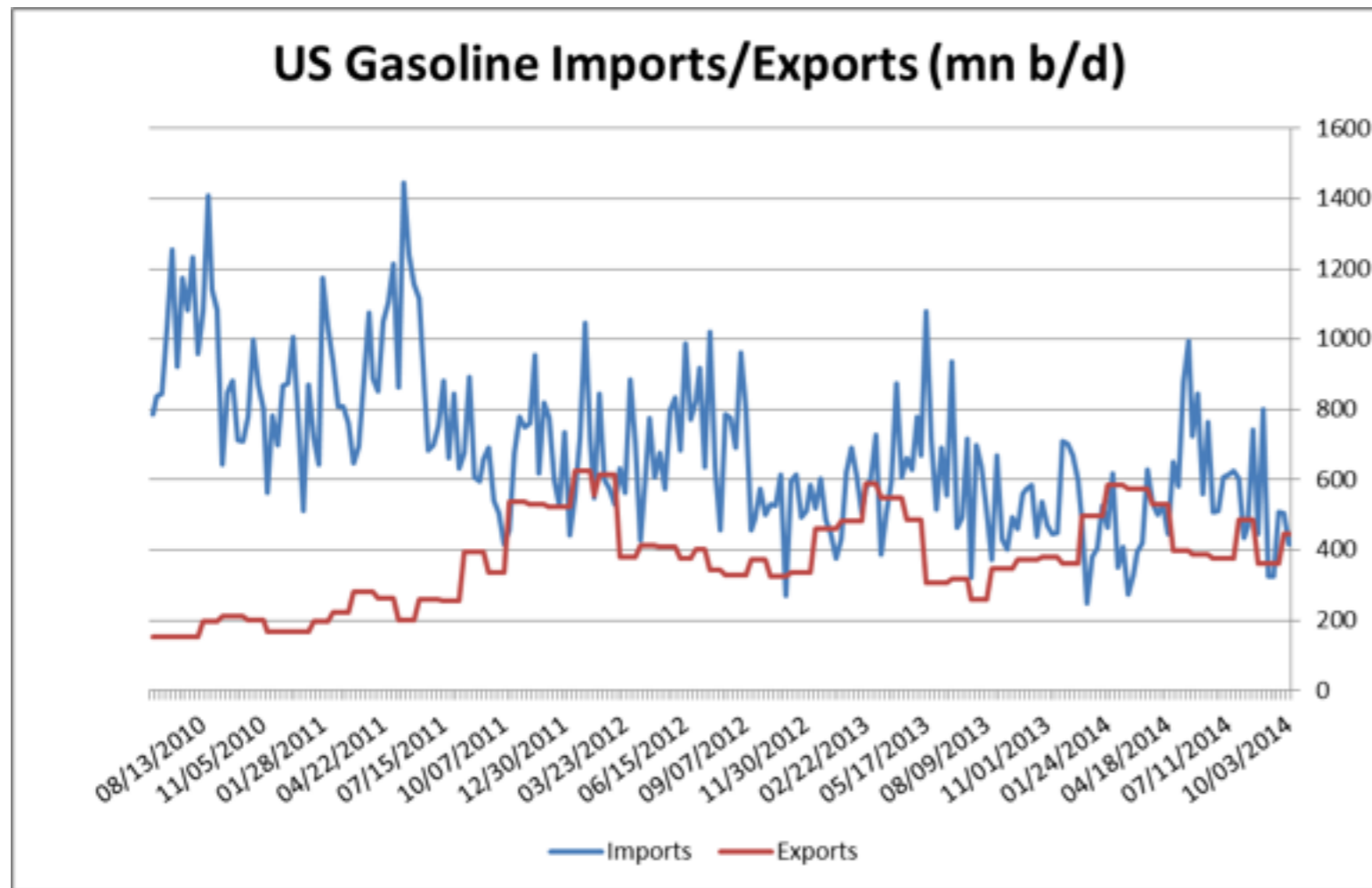


- ~ 10% of EU refining capacity closed since 2008 and more is at risk.
- Europe refinery utilization only 83% Aug 2014 vs. US 95%.



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Tough competition: US flooding the market, new refineries in Asia & more Russian diesel



Many refinery closures but also new players

European Refinery Closures

Europe Refineries Closures				
Operator	Refinery	Region	Capacity	Closed
Petroplus	Teesside	NWE	117	Mar 09
Total	Dunkirk	NWE	156	Aug 09
ConocoPhillips	Wilhelmshaven	NWE	260	Sep 10
Lukoil	Odessa	Mediterranean	56	Oct 10
OMV	Arpechim	Mediterranean	70	Mar 11
Tamoil	Cremona	Mediterranean	90	Apr 11
Petroplus	Reichstett	Mediterranean	82	Apr 11
LyondellBasel	Berre l'Etang	Mediterranean	82	Dec 11
Petroplus	Croyton	NWE	180	Jun 12
TotalErg	Rome	Mediterranean	82	Sep 12
ExxonMobil	Fawley	NWE	40	Sep 12
Petroplus	Petit Couronne	NWE	146	Dec 12
Total	Gonfreville	NWE	111	Mar 13
Shell	Hamburg-Harburg	NWE	50	Mar 13
Eni	Venice	Mediterranean	80	Jul 13
Mol	Mantova	Mediterranean	55	Jan 14
Murphy	Milford Haven	NWE	130	May 14

Capacity in 000 b/d

European Refinery Restarts

Operator	Refinery	Region	Capacity	Restarted
Gunvor	Antwerp	NWE	115	May 12
Vitol	Cressier	Mediterranean	68	Jun 12
Gunvor	Ingolstadt	Mediterranean	100	Jul 12

Biofuels in the EU – not 1 but 28 markets!

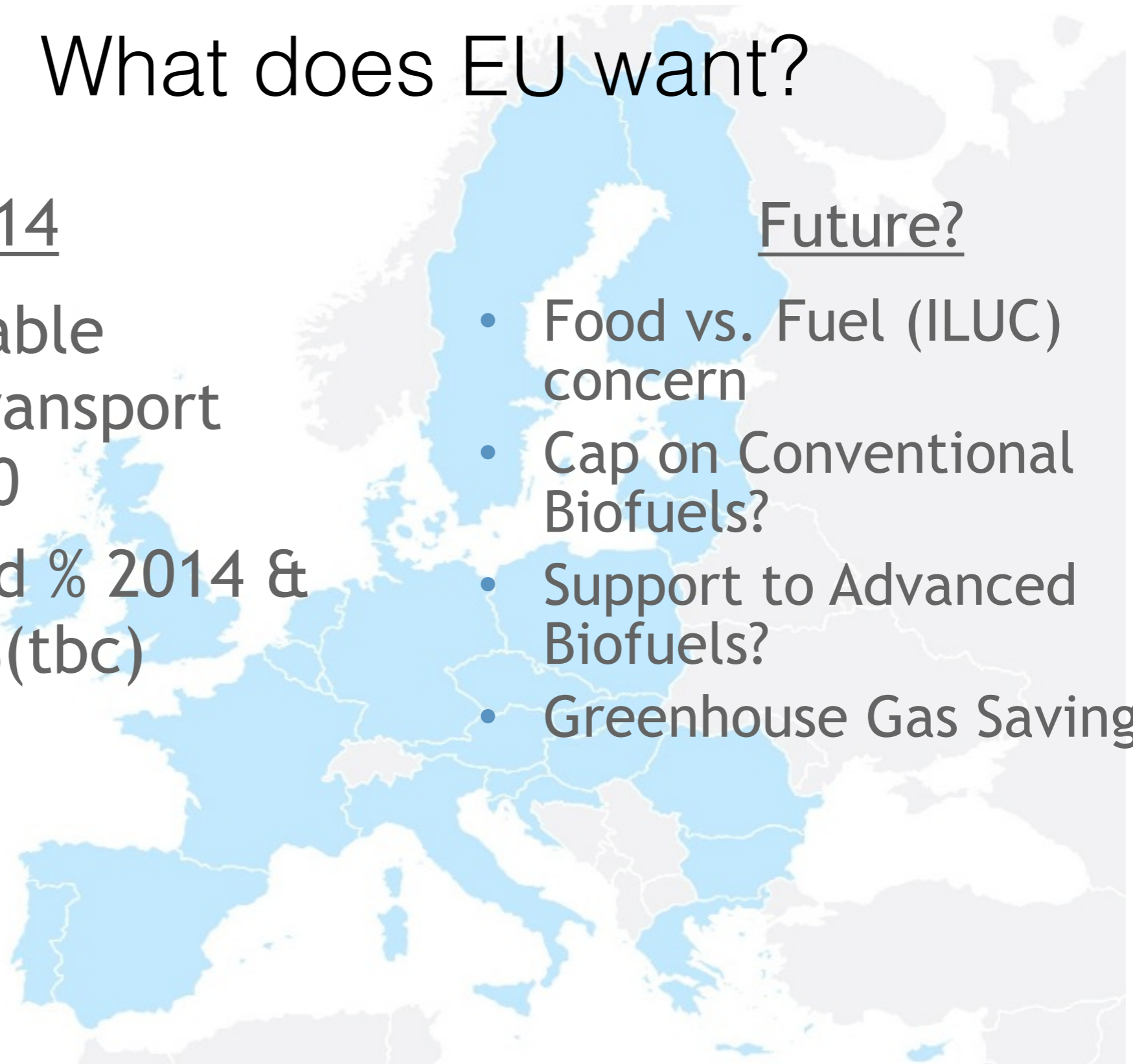
What does EU want?

2014

- 10% Renewable Energy in transport fuel by 2020
- NL 5.5 blend % 2014 & 2015 6.25 %(tbc)

Future?

- Food vs. Fuel (ILUC) concern
- Cap on Conventional Biofuels?
- Support to Advanced Biofuels?
- Greenhouse Gas Savings?



What does this mean for dealers in Netherlands?

Changing product dynamics

- A buyers market for gasoline
- Diesel price volatility due to long supply chains

Assets changing hands

- New supply choices with refinery closures & new players entering
- Majors cutting cost by network divestments while maintaining brand
- Opportunities for dealers to grow

...but new skill sets needed!



A New Dealer Reality

Bigger dealers

Wholesale market

Price Reporting Agencies

List vs. Formula price?

Weekly vs. daily formula price?

Purchasing price - pump price

Fuels stock levels

Biofuels pricing

Outsourced Deliveries



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Conclusions

- European refiners struggling and no cure yet in sight
- Biofuels way forward unclear
- Changing refinery landscape means changing supply choices
- Buyers market for gasoline and risk of diesel price volatility
- New opportunities for dealers but new skill set needed



Thank you for your
attention.

Tankstation Vakbeurs
11 november 2014

