CZECH REPUBLIC

ADMINISTRATION OF THE STATE MATERIAL RESERVES

AGENDA

History of ASMR

Legislative framework

Stockholding

Structure expansion

Presummed trade of Crude oil

Crude Oil stability research

Crude oil routes to CZECH

Secondary duties

Central store ASMR

HISTORY OF ASMR

<u>1945</u>

- first general structure
- Primary target make a plan to create Czech republic supplies

<u>1959</u>

- named ASMR with new given rules
- based on government regulation

1993

- setting new system of creating and maintaining emergency supplies
- similar model to present ASMR
- fuel and Crude oil supply was about 1/3 of today's

LEGISLATIVE FRAMEWORK

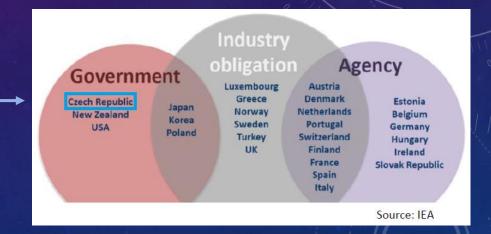
Exclusive owner of all supplies (crude oil even fuels) is the government

Following 2 main authorities: EU and IEA

- According to EU obligation (since 2004): 88 days now
- According to IEA obligation (since 2001): over 100 days now

Laws

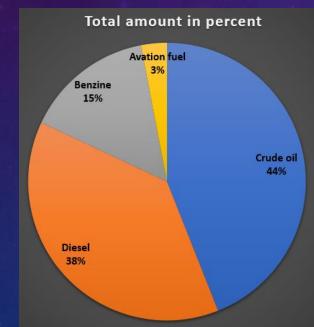
- 97/1996
- 2009/119 ES
- 189/1999 accepted the rule about 90 days of consuption

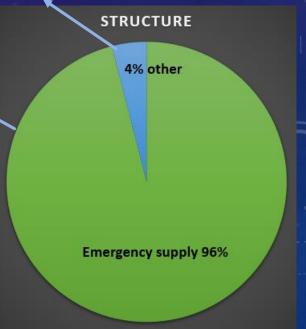


TOTAL AMOUNT SUPPLY

EMERGENCY SUPPLY			
CRUDE OIL		FUEL	
Partnership	tons	Type of fuel	cubic meter
MERO	986 000	Diesel	860 000
ORLEN	20 000	Benzine	350 000
PARAMO	14 000	Avation fuel	17 000
Supply in total	1 020 000	Suppy in total	1 227 000







STRUCTURE EXPANSION

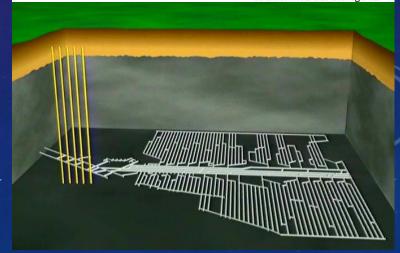
Adapting to alternative market demands

Fuel spectrum increased by:

- 2021 storing of AdBlue fluid
 - > 72 cubic meters
- 2022 storing of natural Gas
 - > 2 400 000 MWh
 - > 340 milions EUR
 - Underground reservoirs former mine shafts —



Source: RWE Gas Storage CZ



PRESUMED TRADE OF CRUDE OIL

Default points

- Czech goverment approved procurement of crude oil in 2022
- ASMR creates tender documentation to purchase Crude oil
- Possibilities of purchase: Johan Sverdrup, WTI, Arab Light

ASMR primary targets

- increase supply of crude oil in MERO
- Increase the supplies of crude and fuel over 90 days ASAP





CRUDE STORABILITY RESEARCH

2020 - cooperation with Chemistry University (ASMR – project initiator)

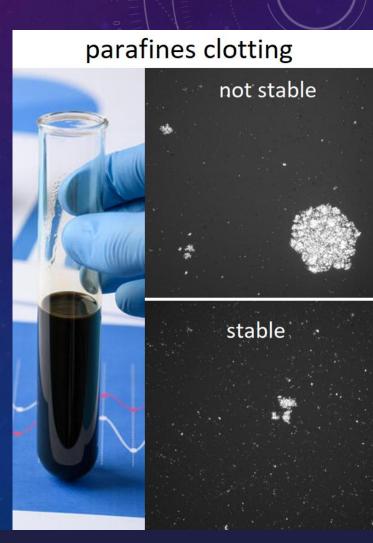
<u>Targets</u>

- Rate types of Crude (qualitative point of view)
- Long term rate of storability to choose best types for Emergency supplies ASMR

Types examined

- AL Azeri Light
- CPC Caspian Pipeline Consortium
- Arabian light
- WTI West Texas Intermediate Midland
- Ekofis Norwegian
- Etc.

Expecting final results in two years



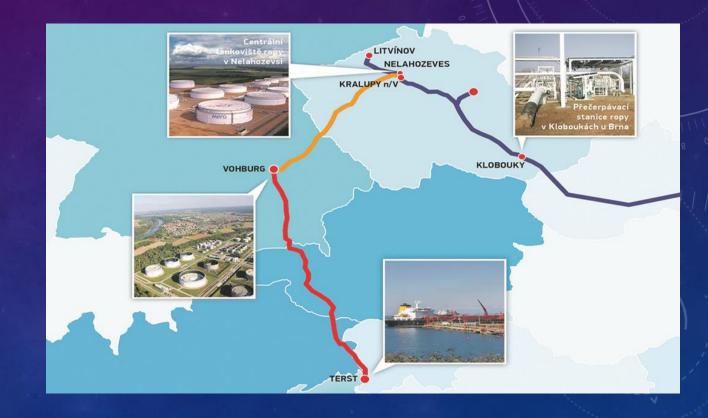
PIPELINE ROUTES TO CZECH REPUBLIC

2 alternative routes

- Druzhba pipeline
- TAL pipeline

Final destination of crude oil routes

- Kralupy, Nelahozeves MERO tanks
 - major Czech supplies
- Litvínov ORLEN
 - Rafinery and secondary tanks



SECONDARY DUTIES

Providing common services for goverment bodies

- Ministry of Defence Czech Army
- Ministry of Interior
- Ministry of Health
- Rescue teams

Operational services in crisis situations

- Fire disasters (latest 2022)
- Wind disasters (latest 2021)
- Floods (lastest 2013)



CENTRAL STORE ASMR

<u>Services</u>

- Fuel intake
- maintaining quality
- Storage and additivity
- Transporting

Provided by:

- Professional services are being outsourced
- Experts in fuel industry



