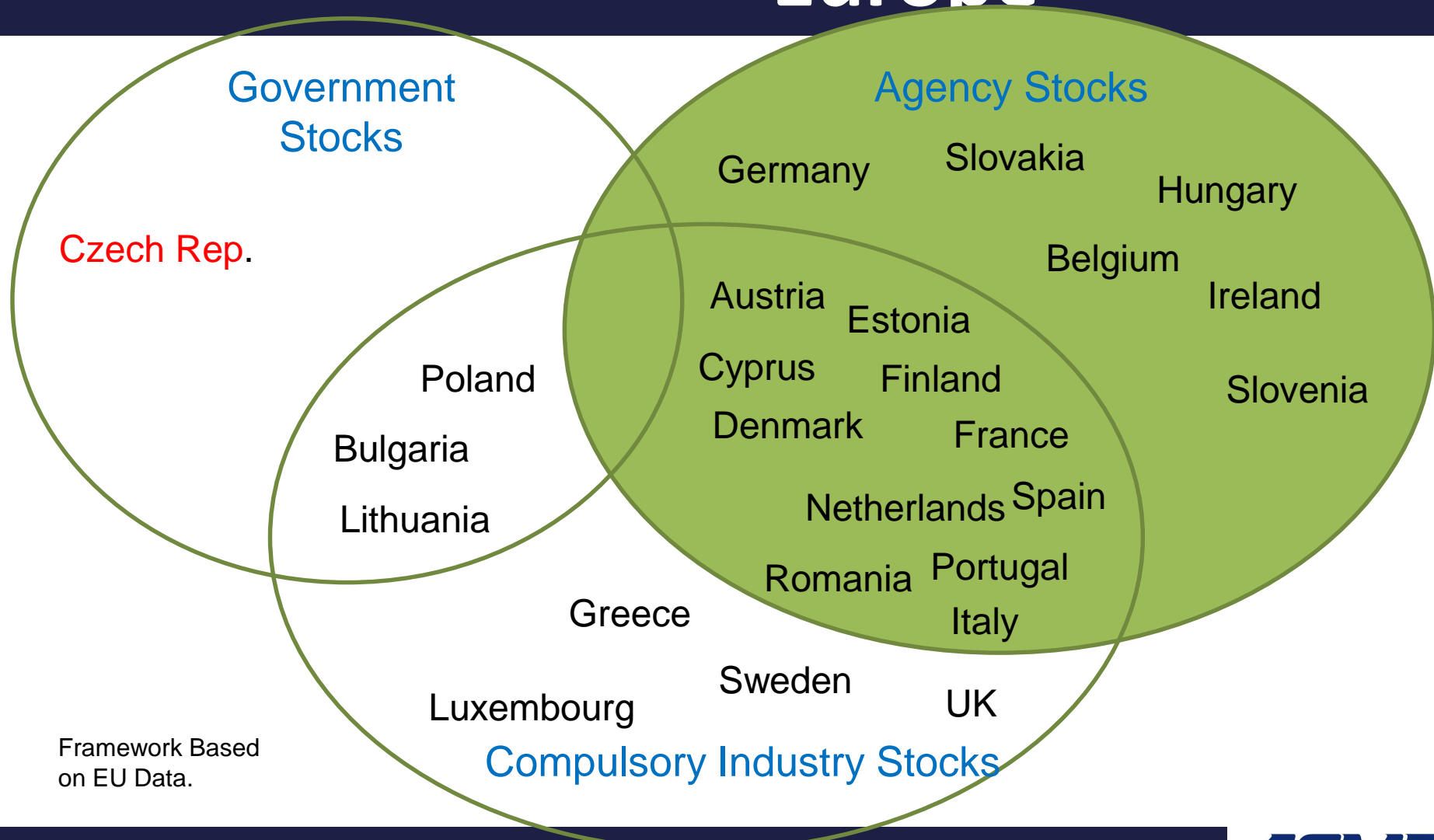




Stockholding Regime of the Czech Republic

9th Oil Forum 2017

And Stockholding Regimes in Europe



Framework Based on EU Data.

- Public stocks - state material reserves
 - government property
- Financed from the state budget
- ASMR – the sole central administrator
- Independent government body
- Act No 97/ 1993 Coll.
- No compulsory stock holding obligation on industry

- Act No. 189/1999 ► creating, maintaining and releasing emergency stocks
- 2013 ► amended by transposition of 2009/119/EC
- 2001 member of IEA ► 90 days stocks

The ASMR's emergency stocks consist of

- crude oil – REB
- motor gasoline
- road diesel
- kerosine type jet fuel
- fuel oil

2 main companies - MERO ČR + ČEPRO

- Joint-stock companies – 100% owned by the state
- MERO ČR
 - crude oil – Central Crude Oil tank farm
1000kt crude oil ► 98% of crude
- ČEPRO
 - petroleum products - 17 storage sites
890kt ► 88% of all products

Do you have any problems



1. Krailling
2. 90 days and our budget
3. Crude oil REB

Do you know what is it Krailling ?

Background

- Contract with VIKTORIA GRUPPE AG to store the Czech diesel emergency stocks.
- 80,000 m³ stored in Krailling, Bavaria, Germany in 2010.
- Two days of average daily net imports.

Negotiations

- VIKTORIA GRUPPE AG declared insolvency in 2014.
- Complex, difficult and protracted negotiation with insolvency administrator.
- Permission was given in 2016 to transfer diesel back to the Czech Republic.

Transport of diesel back to the Czech Republic

- Contract on repatriation of diesel to the Czech Republic signed in 2016.
- 60 trains, each 22 tank cars, 1.3 mil. liters. 1320 tank cars in total.
- Transport started in October 2016 – up to now 60 trains.

Lessons learned

- Emergency stocks should be storage within the Czech Republic territory.
- In foreign countries only after careful evaluation and with the government approval.
- Relocation of emergency stocks from abroad is time consuming and logistically very demanding.



90 days and our budget

- April 2016 we have 92 days
- April 2017 we have 85 days
- Jun 2017 the government has not decided to purchase
- September 2017 we have only 86 days

Crude oil REB

- We have about 1000kt crude oil in Central Crude Oil Tank Farm .
- All of this crude oil is REB.
- Two basic refineries - Kralupy nad Vltavou and Litvínov.
- We need the different type of crude oil.
- We want to change this situation as soon as possible.

Refinery Kralupy
FCC
Propylene Splitter

Processing only Sweet ROP
Fuel yield 77%
AuBi/Diesel ratio 1:1.25



Refinery Litvínov
Hydrokrak
Visbreaker
Pox

Processing mainly REBCO
Fuel yield 53%
Ratio AuBi/diesel 1:3.5

- We need the different type of crude oil.
- We want to change this situation as soon as possible.

Thank you for your attention