



APETRA

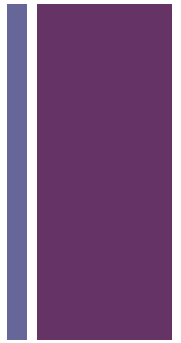


ENERGY COMMUNITY
13th Oil Forum
12th October 2021

Bernard Claeys

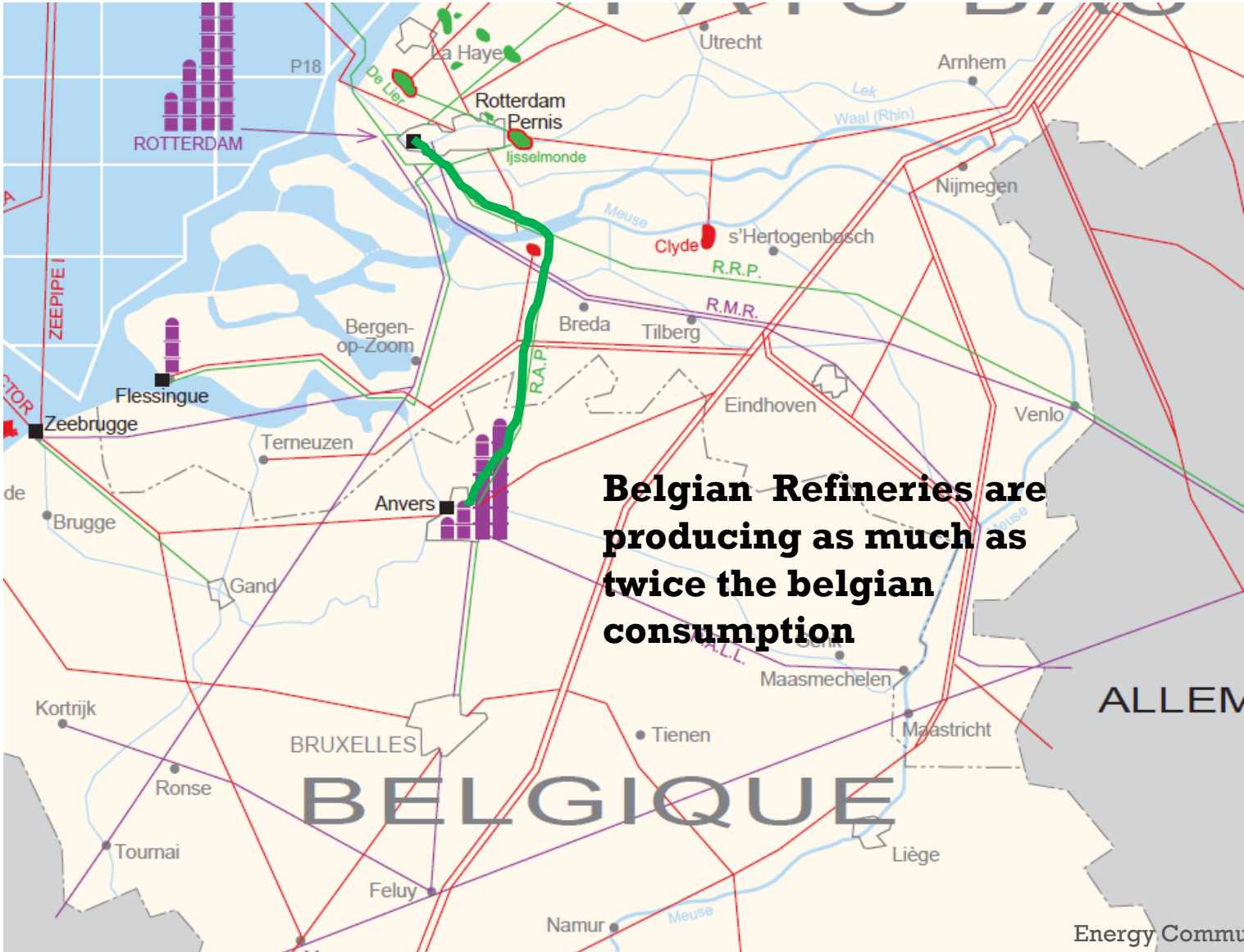
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+ Oil supply in Belgium

Crude supply



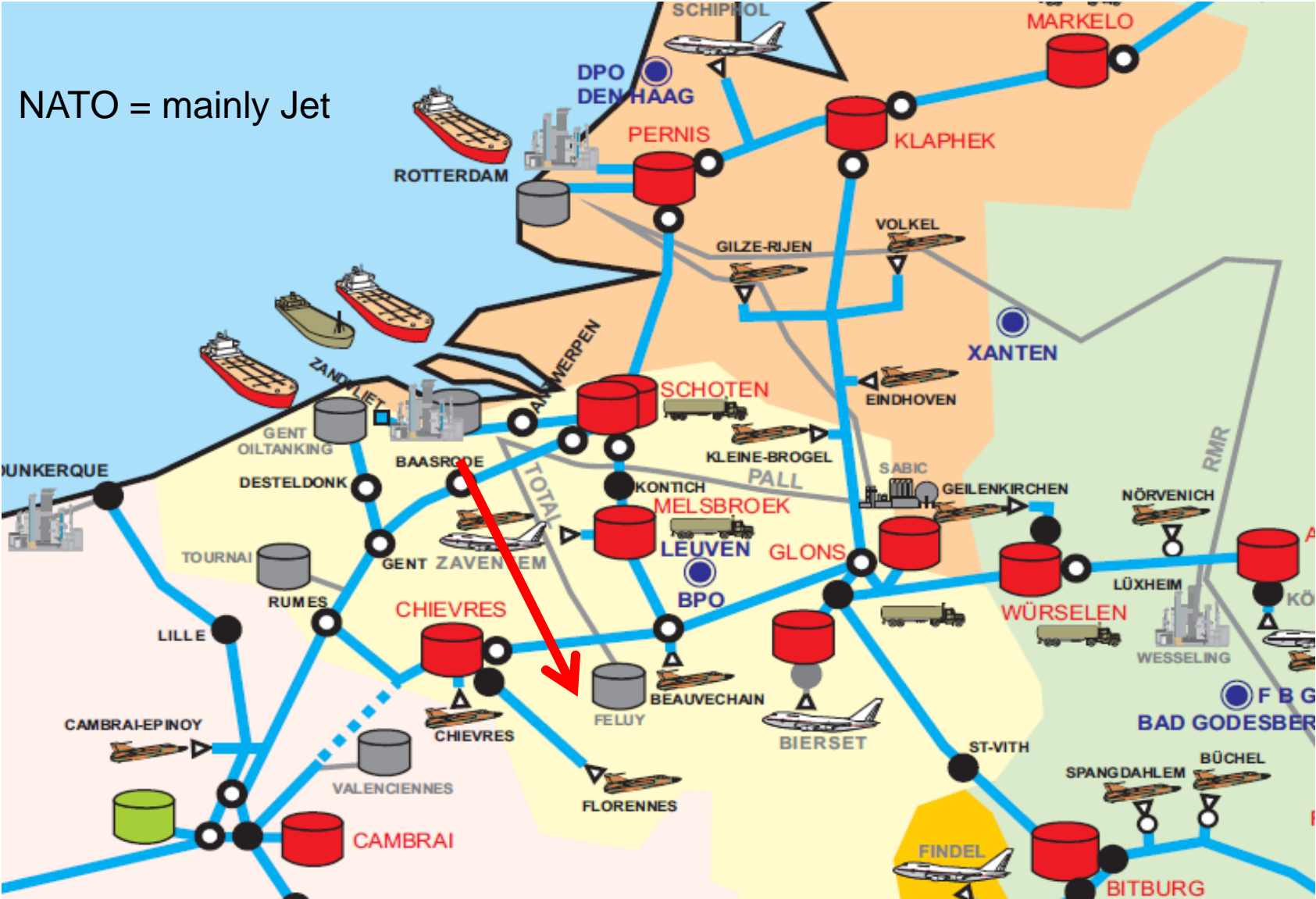
Product import by barges



Federaale Overheidsdienst Mobiliteit en Vervoer – Maritiem Vervoer Service public fédéral Mobilité et Transports – Transport maritime						2002
Vaarweg Voie navigable	Klasse Classe	Tonnenmaat Tonnage	Lengte Longueur	Breedte Largeur	Diepgang Tirant d'eau	Hoogte Tirant d'air
	I	300	38,50	5,00	2,20	3,55
	II	600	50,00	6,60	2,50	4,20
	III	1000	67,00	8,20	2,50	3,95
	IV	1350	80,00	9,50	2,50	4,40
	V	2000	95,00	11,50	2,70	6,70
	VI	≥3000	≥95,00	≥11,50	≥2,70	≥6,70

Pipeline supply (NATO or private)

NATO = mainly Jet



+ Oil stocks: an international obligation

+ IEA (& EU)



- Establishment of the International Energy Agency (IEA) in 1974, imposing to the Member States (MS) to
 - store oil reserves
 - share them in case of oil crisis
 - prepare demand-reducing measures
 - Collaborate in terms of energy-efficiency

The first President was Baron Etienne Davignon, Belgium as participant from the very beginning

+ (IEA &) EU



- EU: Directive 2009/119/EC

- Each MS to keep 90 days of the net-import of year – 1

- Based on MS oil statistics
 - Excluding the commercial stocks, being 100% at disposal
 - Part of stocks has to consist of main finished product
 - Part of products within overall stocks for EU28 was 53% (End 2014.
Source: Trinomics study)

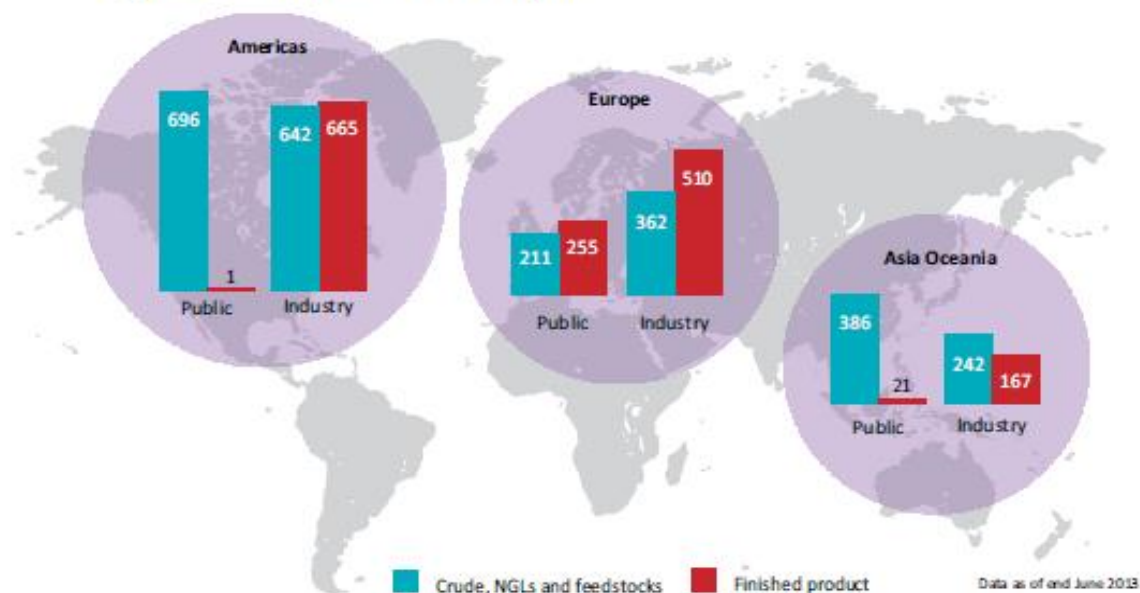
+ IEA, EU

■ Amount of strategic oil stocks

■ Door IEA LS'en:

APETRA manages the entire strategic oil stocks for Belgium since 2012

Figure 1.8 Total oil stocks in IEA regions



This map is without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

Note: oil stocks as of end-June 2013.
Source: IEA, 2014b.

4,2 billion barrils (587 mio ton) at end june 2013, from which
1,6 billion (210 mio ton) public stocks = emergency stocks
2,6 billion (370 mio ton) industry stocks = comm. + emergency

+ IEA, EU

■ Stockholding Member States

- Industry (Greece, Malta, *UK*, Romania, Sweden)
- Partly industry, partly Central Stockholding Entity (Bulgary, Cyprus, Denmark, Finland, France, Italiy, Lituania, Luxemburg, Netherlands, Polen, Portugal)
- Other: via CSE

■ Eldest agency: Bulgary (1950 – original war stocks)

- EBV (Germany): 1978; COVA (Netherlands): 1980; APETRA: 2006; latest: Italy: 2014; Luxemburg: 2015.

■ All ww agencies (28) take part of a yearly meeting: ACOMES (Annual Coordinating Meeting Entities Stockholding).

- Technical working groups such as Best Practices & Benchmarking, crude (energy transition?), quality follow-up.

+ Belgium

- Current belgian obligation: **3,7 mio ton** crude oil equivalent
 - Based on oil statistics
 - Applicable from 1/7/2020 – 30/06/2021
 - EU obligation to keep 30 days 'main products' as finished products, ca **1,164 miljoen ton** diesel/heating oil
 - MS being free to choose oil other products

+ APETRA: operational

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+ Stockbuilding and management

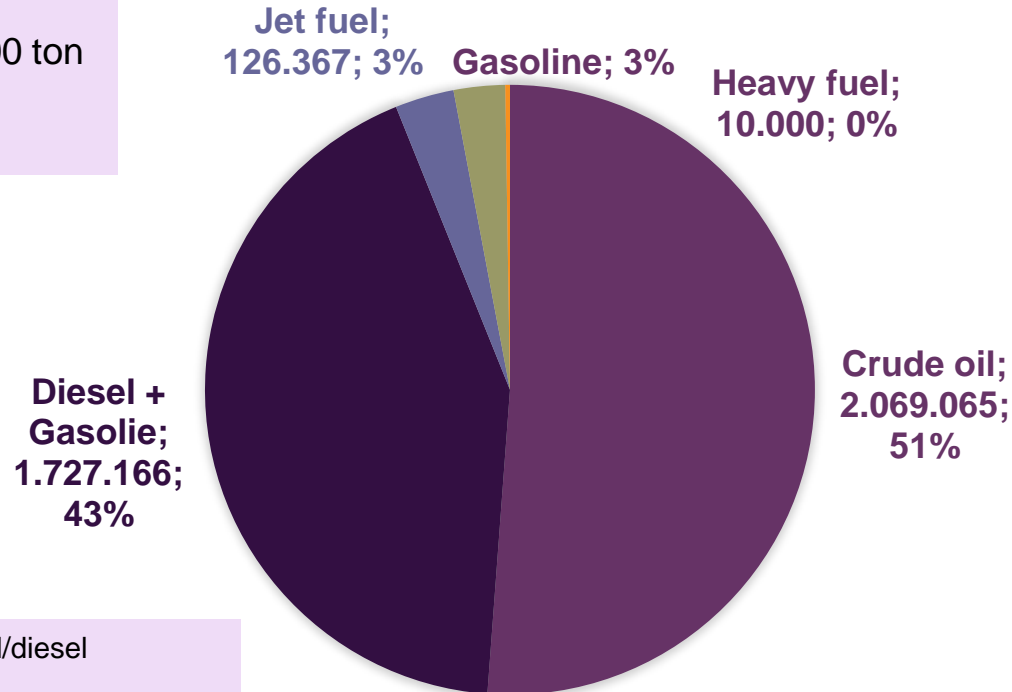
■ Criteria

- Yearly obligation
- Storage represents the highest cost
- Long-term storage requires stable product (bio-free)
- Owned product is the safest stock
- “Tickets” (quarterly right to purchase & sale) provide the greatest flexibility (internal restriction to max 10% in tickets)

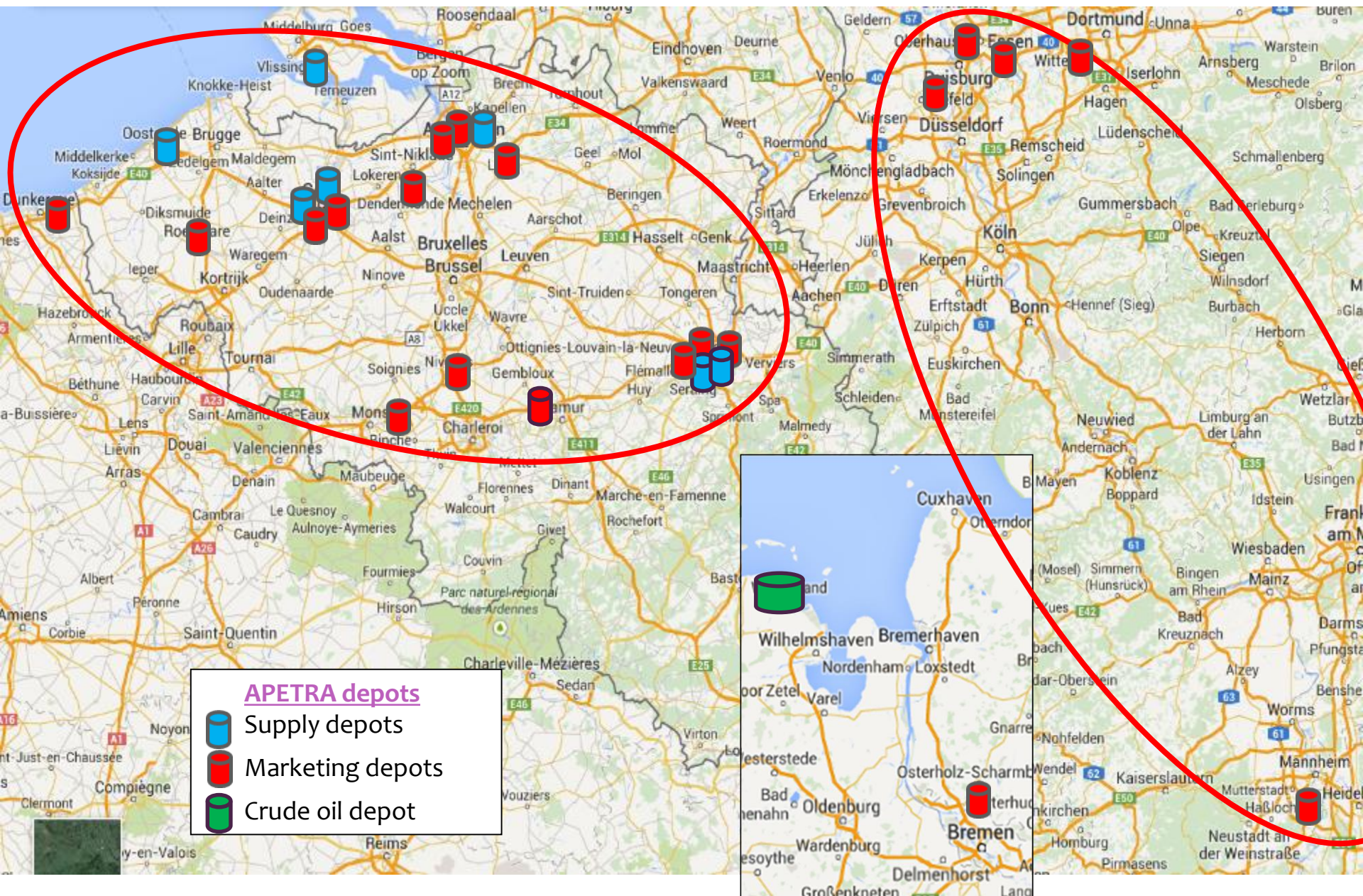
+ Current implementation of the obligation

Belgian obligation at end 2017:
3.492.000 ton rae;
From which 1.164.000 ton
gasoil/diesel

MANAGED STOCKS



1.727.166 ton gasoil/diesel
= 2.043.983.432 L
= 818 Olympic swimming pools
= 58.400 trucks
= 1.051 km trucks from Brussels
to Barcelona or to Gdansk



+ Operational management



- Purchase/sales via public tenders
 - As per evolution of the obligation
 - Covered by owned stocks by tickets/rights (intern rule limited at max 10%).
 - At storage contract deadlines.
 - For product refreshment (eg. Once product starts to meet aging process during regular quality controls)

- Productmix:
 - Obligation: ratio Crude/product, max 60% crude, en 30 days main products.
 - Besides main products: Jetfuel, Gasoline and heavy fuel.

+ Operational management



- APETRA is risico-avers
 - Financial: bank guarantee or prepayment for sales
 - Operational:
 - Incoterms EXW for sales and DDP for purchases
 - As per APETRA general terms and conditions
 - Storekeeper: in charge of Q&Q, insurances
 - Inspections prior, during and after each product movement
- APETRA looking at the ideal competition
 - For purchase/Storage/Tickets/PRA referring to Frame Agreements destined for companies joining a shortlist after having responded to financial criteria.

+ Storage



- Tanks above ground or underground (caverne, so far only for Crude)
 - Segregated or Comingled
 - Pipe/truck/train/barge/seagoing
- Geographical distribution of depots:
 - Max 3 sailing days' distance, preferably in Belgium or close to the border
 - Max volumes per depot in function of the draft and speed of redelivery
 - Hinterland/coast, inland barges/seagoing vessels

Storage building

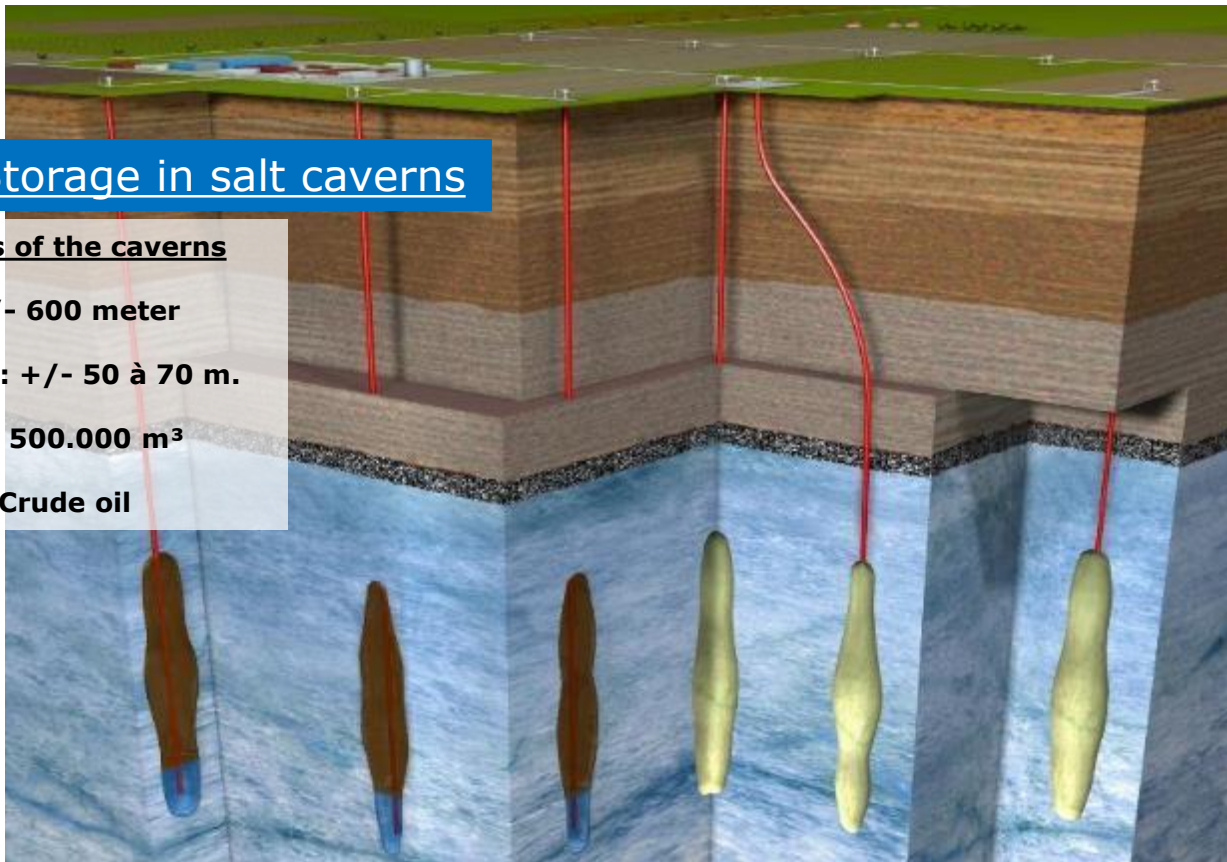




Crude Storage in salt caverns

Dimensions of the caverns

- Hight : +/- 600 meter
- Diameter : +/- 50 à 70 m.
- Capacity : 500.000 m³
- Product : Crude oil



Terminal de déchargement du pétrole brut à Wilhelmshaven



Crude oil is Apetra's cheapest oil stock in terms of product as well of storage

Limited to max 60% of the overall stock

+ Diesel & Heating oil



- Main products (min 30% of obligation)
- Summer/Winter specification
- Dyed/undyed
- Biofree

+ Jet Fuel



- Smaller storage offers
- strictest storage standards
- importance of pipeline connection to airports

+ Gasoline



- Stored as “unfinished” product (eBOB) to be blended with ethanol prior putting into consumption
- Summer/Winter specification



+ Supply Crisis

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Crisis management

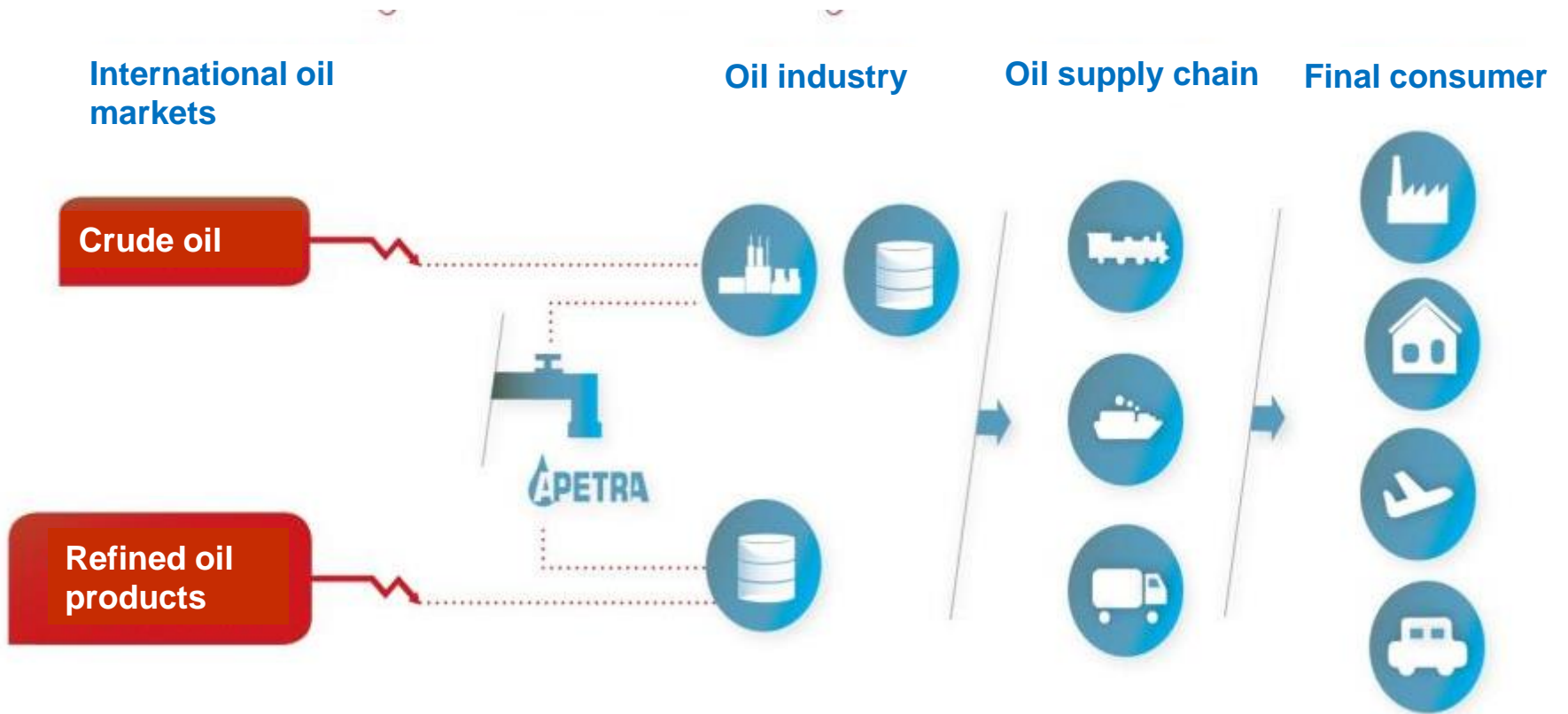


- Legal definition of a crisis
 - Reduction in oil supply whenever – 7% supply

 - or recognized as such by
 - **Internationaal Energy Agency** or
 - **By the European Commission**
 - or a situation which entails a decrease in the supply of crude oil and/or petroleum products to such an extent that the supply can no longer meet normal needs and which is recognized by a decision adopted after consultation in the Council of Ministers as a supply crisis”

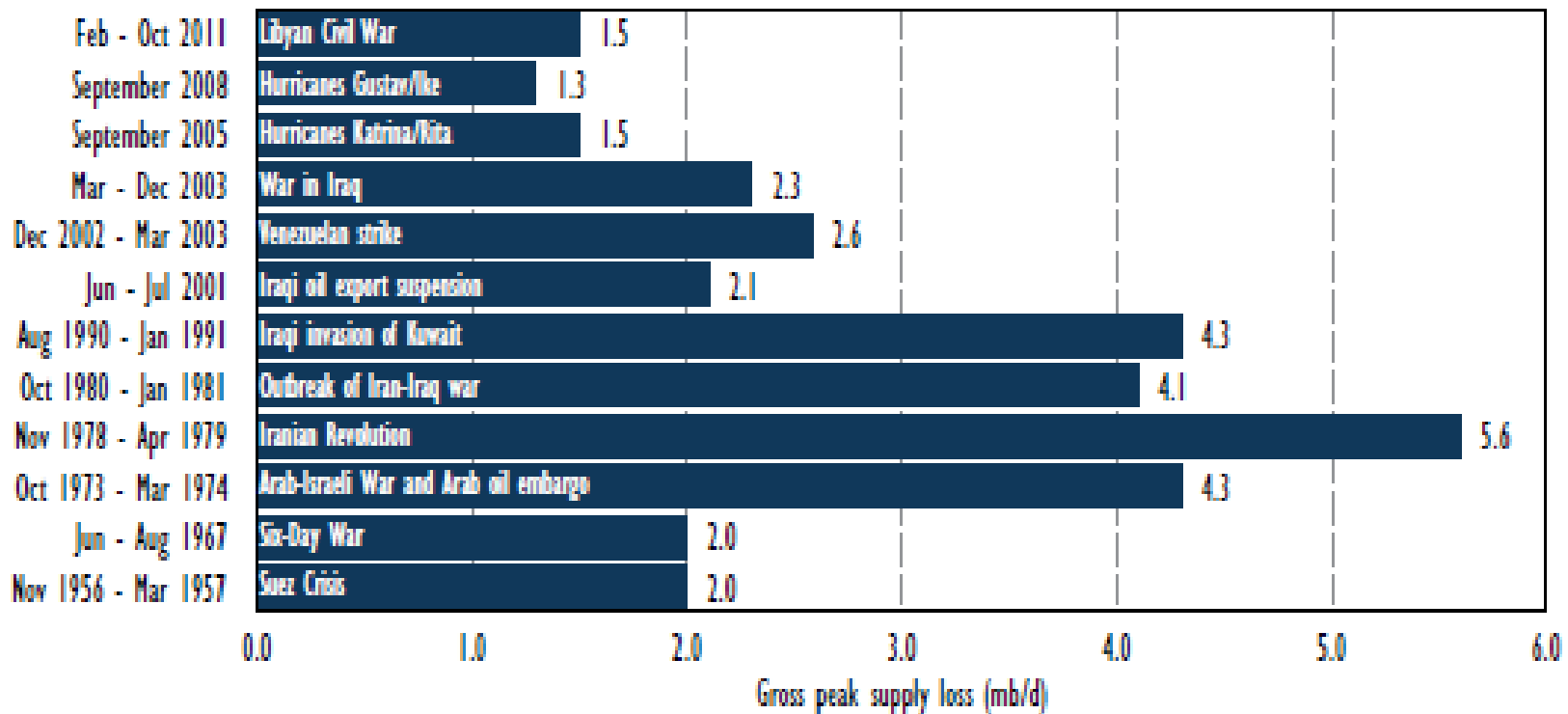
- International (by tenders) or National/Local crisis (by stock release)

+ Crisis management



+ Major supply disruptions

Figure 1.6 Major oil supply disruptions



Source: IEA, Energy Supply Security 2014

+ Major supply disruptions

- **International** stock draw IEA: Gulf War 1991, Hurricane Katrina (2005) and Libyan war (2011)
 - Strategic stockdraw in Belgium in 2011
- **National crises abroad**
 - closing of the Druzhba pipeline by Russia (2007) and as well due to recent crude contamination
 - ...
 - Regular strikes and blockages in France (2016, 2018)
 - Inland refinery issues and low water levels on the Rhine
- **Belgian almost local crises** July 2021 after heavy floods on the river Maas



Thanks for your attention



For any additional question

Bernard CLAEYS
General Manager

APETRA

bld de l'Impératrice, 66 Keizerinlaan
Bruxelles 1000 Brussel

www.APETRA.be

bernard.claeys@apetra.be

Tel : + 32 2 289 50 50

Mob : + 32 475 65 98 80