

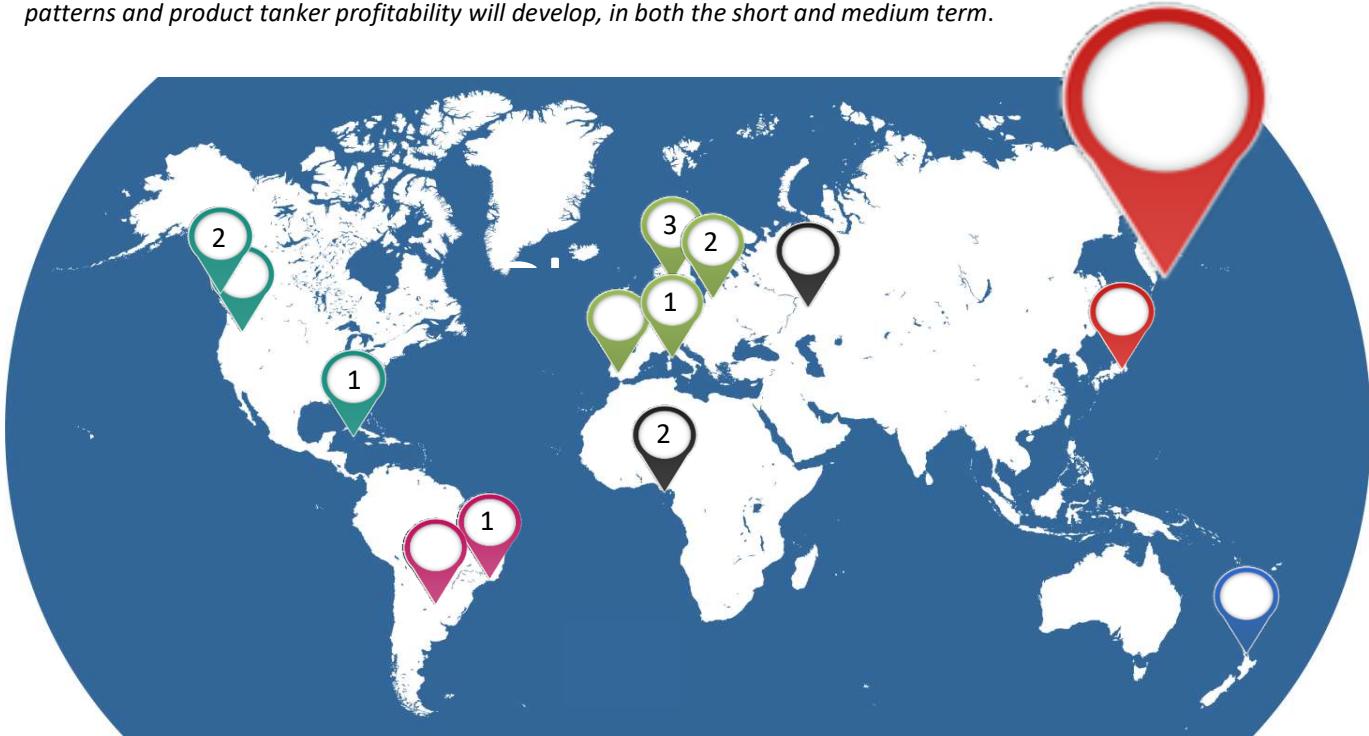
# Weber Refinery Report



April 2021



In this month's Charles R. Weber refinery report, we provide readers with the latest developments in the refinery sector as they relate to the seaborne refined product trade and refined product tanker shipping. The report mixes up-to-date news with detailed information about global refinery capacity and seaborne trade in order to understand how seaborne trade patterns and product tanker profitability will develop, in both the short and medium term.



**Eneos shuts Wakayama refinery after fire, one of five currently out of action** - Apr 2021 - Japanese refiner Eneos shut down all units at its 127.5kbd (6.375Mnta) Wakayama refinery following a fire at a fluid catalytic cracker. It is unclear when the refinery will resume operations.

This is one of five Japanese refineries currently out of action due to incident or maintenance: the 145kbd (7.25Mnta) Sendai refinery, which closed in February due to an earthquake was expected to start during April, but its restart schedule is now unknown; the 136kbd (6.8Mnta) Oita refinery has been halted since May 2020 following a fire, and scheduled to resume operations in August; the 129kbd (6.45Mnta) Chiba refinery is undergoing scheduled maintenance expected to last until mid-April; The No. 2 and No. 3 CDUs at Mizushima B refinery are shut for turnarounds, and expected to resume operations in late April and early June, respectively.

It what has been an eventful period globally for refinery fires, there is better news from Indonesia where PT Pertamina's 125Kbd (6.25Mnta) Balongan refinery is due back on line following a recent conflagration, while Pemex reports that a recent major fire at its 285Kbd (14.25Mnta) Minatitlan refinery is now under control.



**NEXT Renewable Fuels plans renewable diesel refinery for 2024** - Mar 2021 - NEXT Renewable Fuels plans to construct a \$1.6 Bn plant at Port Westward Industrial Park in Clatskanie, Columbia County, Oregon, that will convert used cooking oils, animal tallow, seed oil and soy oil into "Advanced Green Diesel" (renewable diesel). Operations are targets to start-up in 2024.



**Repsol seeks EU recovery funds to develop biofuels** - Mar 2021 - Repsol is bidding for European pandemic recovery funds to support projects including new biofuel plants and green hydrogen production made from renewable sources, in a pivot away from oil and gas to supply low-carbon energy.

If you have questions or comments, please contact Charles R. Weber Research.  
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Latest



**1 US Justice Department seeks to modify oversight for St Croix refinery - Apr 2021** - The US Justice Department is seeking court approval to transfer environmental oversight for the St Croix refinery in the US Virgin Islands to Limetree Bay Ventures, following the violation of the Clean Air Act under its previous operator.

The Environmental Protection Agency (EPA) says the modification to the consent decree for the facility reflects new federal requirements in recent years for benzene emissions monitoring around refineries, and adjusts for a decrease in the amount of oil barrels produced at the site.



**1 La Mede biorefinery starts biojet production - Apr 2021** - Total has begun producing sustainable aviation fuel (SAF), biojet, at its La Mede biorefinery in southern France, using cooking oil (UCO) and other waste and residues as a feedstock.

The refiner also plans to produce up to 34kbd (0.17Mnta) of SAF at its Grandpuits refinery once the facility has been converted into a biorefinery in 2024.



**1 Honeywell technology chosen for Omega Green biofuels project - Apr 2021** - ECB Group is to use Honeywell's UOP Ecofining™ process to convert vegetable oils and inedible animal fats into renewable diesel and jet fuel at the Omega Green production facility in Villetta – the first advanced biofuels project in Paraguay.



**1 Marsden Point refinery to be granted consent for additional 35 years - Apr 2021** - Refining NZ has been granted a 35-year resource consent to keep operating both its Marsden Point refinery and import terminal operations in Northland, which underlines the long-term commitment to the site.



**2 Major turnaround at Porvoo refinery - Mar 2021** - Neste is preparing to undertake 12 weeks of planned maintenance at its 206kbd (10.3Mnta) Porvoo refinery in Finland, postponed from 2020 as a result of the coronavirus pandemic.



**1 Tatneft to receive Ministry support for new units at Nizhnekamsk refinery - Mar 2021** - Tatneft has received support from Russia's Ministry of Energy (MoE) to help finance the addition of several new advanced processing units at Taneco's 200kbd (10Mnta) multiphase integrated refining and petrochemical complex in Nizhnekamsk, to increase the conversion of crude for production of high-quality, cleaner products, such as Euro 5-quality gasoline and diesel.



**1 Petrobras inks official deal for sale of RLAM refinery, related assets - Mar 2021** - Petrobras has formally approved the proposed sale of its 333kbd (16.65Mnta) Refinaria Landulpho Alves (RLAM) refinery in São Francisco do Conde, Brazil, to Mubadala Capital.



**3 Exxon Mobil considering closure of Norwegian refinery - Apr 2021** - Exxon Mobil XOM is reportedly contemplating the closure of its Slagenoil refinery in Norway. The refinery, with around 120Kbd (6Mnta) of processing capacity, is expected to be converted into a fuel import terminal. It receives crude oil from the North Sea and exports 60% of the final production. Its output is estimated to address more than 50% of Norway's total petroleum products consumption.

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**1 BPCL takes full control of Bina refinery - Apr 2021 -** Bharat Petroleum (BPCL) has bought out joint-venture partner Oman Oil to take 100% ownership in Bharat Oman Refineries (BORL), which includes the 156kbd (7.8Mnta) Bina refinery in Madhya Pradesh, India.



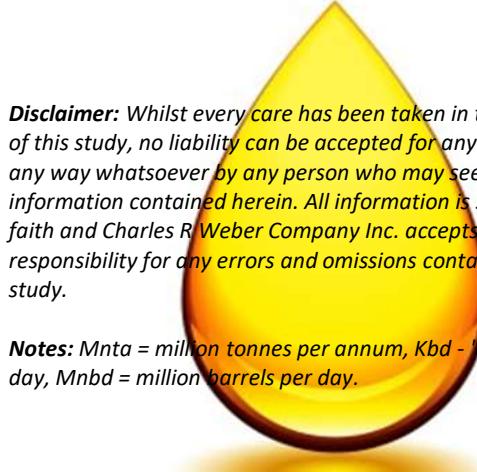
**2 Nigeria approves \$1.5 Bn to repair Port Harcourt refinery - Mar 2021** - Nigeria has approved funding to repair its 210kbd (10.5Mnta) Port Harcourt refinery, one of four shut down two years ago. Maire Tecnimont has been awarded the contract.

The rehabilitation project will be conducted in three phases – Phase 1 is to be completed in 18 months and take the refinery to 90% of its nameplate capacity, Phase 2 would be completed in 24 months and Phase 3 in 44 months.



**2 Burnaby refinery to expand renewables co-processing - Mar 2021** - Parkland Fuel is expanding co-processing of Canadian-sourced canola and tallow biofeedstocks with conventional crude oil in 2021 by almost 125% from 2020 at its 55kbd (2.75Mnta) Burnaby refinery on Burrard Inlet in North Burnaby, British Columbia.

The refinery processes light and synthetic Canadian crudes, such as Edmonton Par 80% and Syncrude 20% into gasoline, diesel, jet fuel, asphalt, heating fuel, heavy fuel oil, butane and propane for distribution throughout British Columbia.



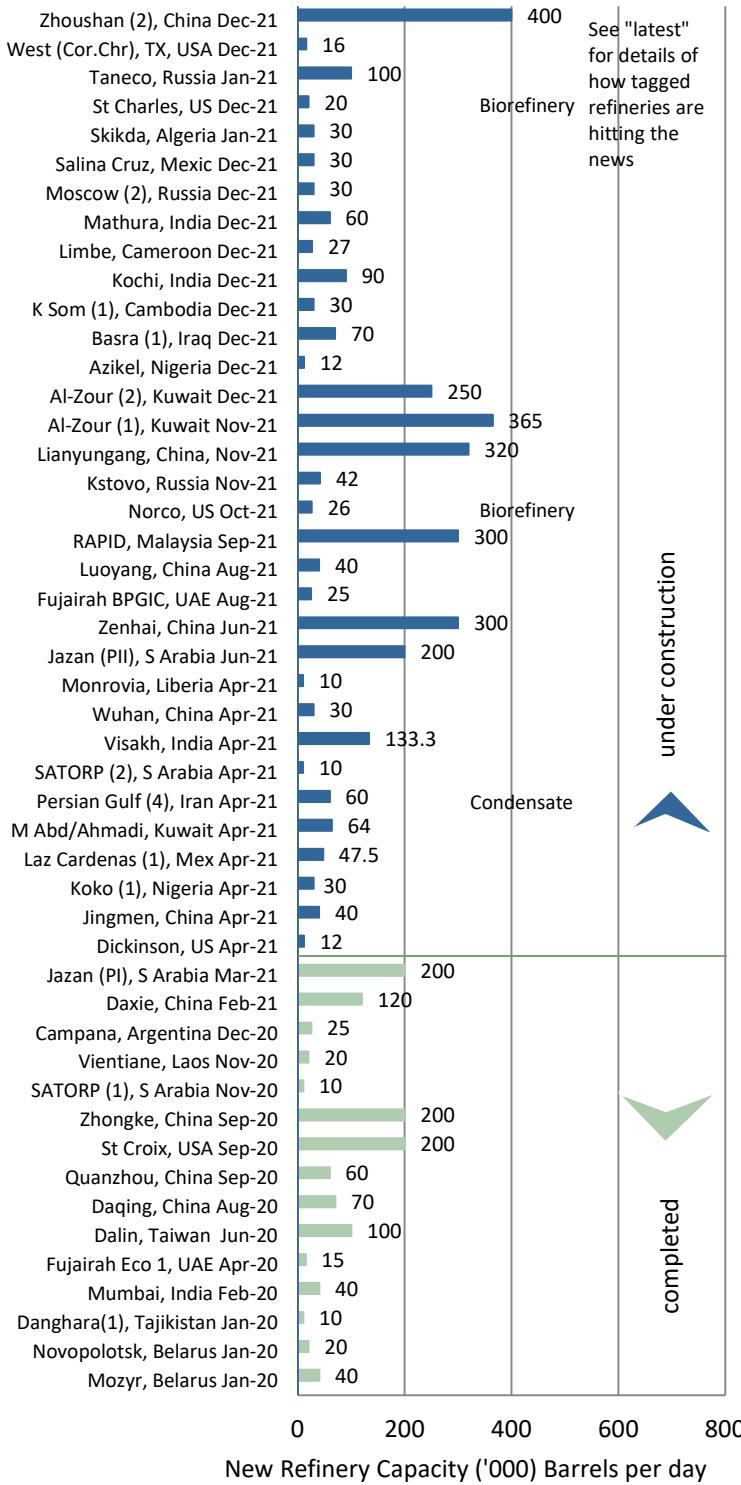
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***Notes:** Mnta = million tonnes per annum, Kbd - 1000 barrels per day, Mnbd = million barrels per day.*

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continued...**

# Timeline

## Recent and Planned Refinery Additions



We estimate that net global refinery capacity additions amounted to 0.86Mnbd in 2020, while closures (either permanent or temporary) since March 2020 and the onset of the COVID-19 crisis have totalled 3.6Mnbd. There is 3.4Mnbd of new capacity scheduled for completion in 2021, but we expect commissioning of a sizeable amount of this capacity to be delayed.

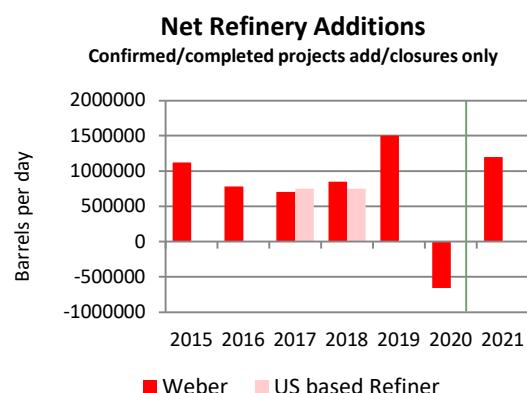
*Net refinery additions of 1.5Mnbd were recorded in 2019. This built on increases of 0.8Mnbd in 2018, 0.7Mnbd in 2017, 0.8Mnbd in 2016, 1.1Mnbd in 2015, 0.9Mnbd in 2014, 1.3Mnbd in 2013 and 1.1Mnbd in 2012 (the latter two numbers are based on BP data).*

Of the projects slated for completion in 2021, China leads the way with 0.9Mnbd, followed by Kuwait 0.8Mnbd, Malaysia 0.3Mnbd and India 0.3Mnbd. There are a further 14 countries having >10Kbd under construction.

*16 new refinery additions (each adding >=10Kbd) in 2014, 24 in 2015, 20 in 2016, 15 in 2017, 17 in 2018 and 10 in 2019.*

*In 2014-15, closures accounted for more than 1Mnbd of capacity. The rate of closures declined to 0.5Mnbd in 2016, 0.9Mnbd in 2017 and 0.2Mnbd in 2018/19 combined. We saw around 1.4Mnbd of planned or completed capacity closure or conversion in North America alone from late 2019 to end 2020.*

The refinery timeline chart (left) is derived from Weber's own detailed tracking of new refinery projects. The chart below compares our summary forecast for refinery additons 2015-2020 with that provided by a large US based refiner. This comparative forecast factors in project delays beyond those reported by the refiners themselves.



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