Evgeniy Dolgikh

Russian bunker market

May 23-24 2019
Outlook

• Market Overview
• Tanker Fleet
• Problem and Solutions 2020:
  o Low Sulphur Fuel Oil
  o Scrubber
  o LNG:
    - Fleet
    - Infrastructure
    - Fuel Production
Global market volume is close to 300 million tons per year.

Russian market share is approx. 3%.
Fuel distribution in NW region:

- HSFO: 55%
- CPP: 30%
- LSFO: 15%

Graph showing fuel distribution from 2010 to 2020 for different regions:
- River
- Azov-Black
- NW
- FE
- TOTAL
Tanker Fleet

<table>
<thead>
<tr>
<th></th>
<th>Sea</th>
<th>River</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units</td>
<td>220</td>
<td>170 tankers 70 np stations</td>
</tr>
<tr>
<td>Age, avg.</td>
<td>32</td>
<td>45</td>
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Problem 2020 in a nutshell

- **SECA (Sulfur Emission Control Areas)**
  - 200-mile offshore zone of the United States and Canada
  - Baltic Sea
  - Northern Sea
  - Strait of Messina
  - Pearl River Delta

- **Other regions**
  - 2005-2021
Problem 2020. IMO critics

Esben Poulsson
Chairman of ICS

Aleksey Klyavin
President of RCS
Solutions 2020. Low Sulphur FO

Press Releases:

BP introducing new MARPOL-compliant marine fuel
11 March 2019

BP Marine has announced that it will begin to retail low sulphur fuel that meets new MARPOL regulations limiting the sulphur content of marine fuels. BP is introducing a new very low sulphur fuel oil (VLSFO), with a maximum 0.5% sulphur content, following successful sea trials with fuel manufactured and supplied by BP in the Amsterdam/Rotterdam/Antwerp (ARA) and Singapore hubs.
Solutions 2020. Scrubber

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<tr>
<td>Installed to April 2018</td>
<td>217</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Planned in 2018-2020</td>
<td>110</td>
<td></td>
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<tr>
<td>Planned date TBA</td>
<td>121</td>
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<tr>
<td>TOTAL:</td>
<td>448</td>
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Data source:

argusmedia.com
Solutions 2020. Scrubber

Actual and planned scrubber installation as a share of the global fleet:

Data source:
Solutions 2020. LNG Fleet

Gagarin Prospect
Lomonosov prospect
Mendeleev prospect
Korolev prospect
Vernadsky prospect

Samuel Prospect
(under construction)

and 2 more ordered
Solutions 2020. LNG Infrastructure
Solutions 2020. LNG Production
March 31 2019: First batch of LNG shipped from Vysotsk plant to Finland by Coral Energice tanker
Solutions 2020. Ignore?

Denmark: drone will check emissions from ships
THANK YOU!