RVB Tank Storage Solutions

Market Report
August 2019

Tank storage opportunities & updates

Petroleum products
All in all, the occupancy of fuel oils in the terminals at the hub ports is coming close to over 95% either in high or low sulphur products. **The outer ports have much more capacity available,** although not all additional requirements, such as heating or blending capacities for example, are readily available there.

Crude
Brent Crude oil futures, having been at its lowest ($ 56,21) in the first week of august since December 2018, appear to be slowly climbing out of the summer holiday slump. As the market (Brent & WTI) remains bullish, strongly influenced by the ongoing trade spat between US and China, **backwardation is ongoing and the curve is not expected to change soon.**

Shipowners taking storage positions for bunkers
First we have seen Maersk taking storage positions in hubs like Singapore & Rotterdam and now **we see more and more interest from smaller shipowners to store fuel oil in the main ports.** The ship owners are afraid for specification difference between the ports, since the low Sulphur spec is not enough to have an engine running smoothly. What kind of blend will they get if you order your low Sulphur fuel oil in Singapore or in Houston or in Antwerp? Is that fuel oil from sweet crude (naturally low on Sulphur) or is it from high Sulphur fuel oil blended with gasoil ? To avoid creative blends, storing your own preferred type of fuel oil or even blending it yourself, will avoid engine problems later.

Biodiesel fraud
Last week the owner of *Biodiesel Kampen* was sentenced to 20 months jail time for fraud. As much as 59% of the biodiesel sold by the company in 2015 was wrongly certified as sustainable. The blended biodiesel had not been produced from more expensive used cooking oil. Under the European Renewable Transport Fuel Obligation, the target is to increase the amount of biofuel in transport fuels. A still ongoing investigation about the Netherlands not reaching the greenhouse gas targets due to the fraud can result in a huge claim for which €45 million was foreclosed already. The CEO of C.Bunschoten Holding has admitted guilt and cooperated with the authorities and named others in the industry. **The company, already in suspension of payment, was declared bankrupt yesterday** by the court of Zwolle (NL). According to the insolvency administrator **this opens up the possibility to sell and restart the company to the many interested buyers.**

Vegetable oils
The vegetable oil storage market has shown a little stability the last months with some developments that we see in ARA and the surrounding areas. It seems capacity can be found again, but only for vegetable oils that can be stored in mild steel tanks. Also, only the outer regions are able to offer capacity accommodating seagoing vessels. Concerning Rotterdam and/or Antwerp still not much can be found, at least not enough to build up volume and load a large quantity all at once at the end of the storage period. As we are also facing Q4, a period when storage contracts usually end and are up for renewal **we have not noticed the**

return of tanks as of yet. A different picture as from last year when terminals still had the opportunity to free up capacity towards the new year and even accommodate big volume flows. With just 4 months to go we are curious to see if that is still going to change.

Chemicals

Not much has changed since our July edition; the chemical storage market remains very tight showing the terminal operator has a much better position to negotiate than the cargo owner. **Tanks have been offered to multiple customers providing them the luxury to keep the rates tremendously high** and choose for the customer that commits the longest. On top of that, tanks still available can only be found at terminals with limited draft and DWT, making it impossible to discharge or load vessels targeted to the overseas markets. The use of barges could be a solution to that, however on top of the fact that these barges are costly it is also very difficult to even find a barge on spot basis nowadays. This results in enquiries that are still not fulfilled; cargo owners putting their bulk storage need on hold for the moment waiting for new opportunities to come up hopefully later this year- if not next year when new capacity will become operational, especially in ARA. Concerning these new build projects; we do see that many of these tanks have not been contracted yet. As there is still time to contract them and some of the terminals are repositioning their existing customers we are wondering if and what capacity will come or might still be available beginning of next year.

Carbon footprint

As a result of the ambitious plans to reduce the CO2 emissions, we noticed that the Dutch authorities are struggling to release permits. Several terminals are affected by the long response times and **there is a lot of unclarity about environmental permits.** Will new building projects or modifications require more stringent requirements on vapor treatment compared to Antwerp for example, since that will make the Netherlands less attractive and more expensive as storage location.

Meet the RVB storage brokers:

- 4 - 5 Sep: Specialty & Agri Chemicals America Trade Show, Charleston SC
- 9 - 11 Sep: S&P Global Platts' Annual Asia Pacific Petroleum Conference (APPEC), Singapore
- 18 - 19 Sep: S&P Global Platts' European Refining & Petrochemicals summit, Brussels
- 25 - 26 Sep: Tank Storage Asia Conference, Singapore
- 2 - 3 Oct: European Bulk Liquid Storage Conference, Antwerp
- 4 - 5 Oct: World Methanol Conference, Berlin
- 6 - 9 Oct: EPCA, Berlin
- 5 - 7 Nov: World Ethanol & Biofuels Conference, Brussels (RVB Speaker)

We would like to ask terminal operators to keep us informed on their available capacity space situation. In the list we also have a couple of sublease opportunities. We are open to potential sublease options and welcome cargo owners to show us their contracted tanks which are not utilized.

Please find a snapshot of opportunities
(available tanks at the terminals)

capacity (m3)	product	location	available from
----------	----------	----------Belgium/Netherlands	----------
90.000	dirty petroleum prods	ARA	now
67.500	light ends	ARA	now
125.000	diesel/gasoil	ARA	now-Q4, 2019
38.000	biodiesel (unheated)	ARA	now-Q4, 2019
15.910	chems	ARA	now-Q4, 2019
7.650	vegoils	Netherlands	now
10.100	vegoils (heated)	Netherlands	Q4,2019
----------	----------	----------North Europe	----------
460.000	crude	Germany (North)	now
38.900	diesel/gasoil	Germany (North)	now
1.100	chems	Germany (inland)	now
360.000	diesel/gasoil	UK (West Coast)	now
1.800	chems/vegoils	UK (West Coast)	now
660.000	crude	UK (West Coast)	now
20.000	various	UK (East Coast)	now-Q4, 2019
5.000	ethanol	UK (East Coast)	now
100.000	light ends	Ireland	now
100.000	crude	Ireland	now
8.000	biofuels, vegoils	Denmark	now
117.000	dirty petroleum prods	Denmark	now
60.100	diesel/gasoil	Denmark	now
89.500	diesel/gasoil	Sweden	now
72.500	dirty petroleum prods	Sweden	now
5.000	vegoils	Sweden	now
90.000	Fuel oil	Norway	now
8.300	light ends	Norway	now

580.000	Crude / diesel	Finland	now-Q1,2020
8.500	gas	Finland	now
60.000	light ends	Estonia	now
22.000	various	Estonia	now
9.000	light ends	Latvia	now
340.000	crude	Baltics	now-Q4,2019
10.000	vegoils	Poland	now
		South Europe/Med/Black Sea	
5.000	chems	France (NW)	now
28.000	chems/vegoils	France (NW)	now
85.000	(bio)diesel/gasoil (unheated)	France (NW)	now
120.000	diesel/gasoil	France (South)	now
134.700	light ends	France (South)	now
4.000	chems	France (South)	now
6.000	various	Spain (NW)	now
15.000	chems	Spain (East)	now
34.000	biodiesel	Spain (East)	now
180.000	light ends	Spain (East)	now
15.000	diesel	Spain (South)	now
89.000	diesel/gasoil	Italy (NE)	now
14.050	chems	Italy (NW)	now
47.000	various	Italy (NW)	now
6.600	light ends	Albania	now
16.500	vegoil/(bio)diesel	Albania	now
300.000	crude	Croatia	now
22.000	vegoils	Turkey (Black Sea)	now
15.000	chems	Turkey	now
75.000	dirty petroleum prods	Turkey	now
75.000	diesel/gasoil	Turkey	now
66.000	clean petroleum prods	Turkey	now
31.000	base oils/easy chems	Turkey	now
40.000	crude	Romania	now
30.000	light ends	Georgia	now
100.000	dirty petroleum prods	Georgia	now
4.500	vegoils	Ukraine (Black Sea)	now
30.000	light ends	Ukraine (Danube)	now
33.000	dirty petroleum prods	Ukraine (Danube)	now
5.000	various	Russia (SW)	now
10.000	chems	Russia (SW)	now
		Africa	
24.568	chems	Egypt	now
3.000	chems	Kenya	now
10.000	chems	Tanzania	now
12.000	Gasoil	Tanzania	now

55.000	light ends	Ghana	now
2.200.000	crude	South Africa	now
10.000	diesel/gasoil	South Africa	now
---Middle East--------------------------			
7.500	chems	India (Gujarat)	now
20.000	various	India (Gujarat)	now
10.000	bitumen	India (Gujarat)	now
150.000	dirty petroleum prods	UAE	Q4, 2019
3.500	light ends	UAE	now
30.000	chems	UAE	now
--Far East--------------------------			
120.000	dirty petroleum prods	China (North)	now
10.500	chems	China (North)	now
120.000	diesel/gasoil	China (South)	now
30.000	light ends	China (South)	now
300.000	dirty petroleum prods	China (South)	now
6.000	chems	China (South)	now
360.000	dirty petroleum prods	China (Gr. Ningbo)	now
380.000	crude	China (Gr. Ningbo)	now
2.800	chems	China (Gr. Ningbo)	now
180.000	diesel/gasoil	China (Yangtze River)	now
12.200	chems	China (Yangtze River)	now
180.000	crude	China (Shandong)	now
120.000	dirty petroleum prods	China (Shandong)	now
3.000	chems	China (Shandong)	now
20.000	vegoils	Malaysia	now
22.000	vegoils	Malaysia	Q4, 2019
58.653	light ends/diesel	Malaysia	now
58.000	light ends/diesel	Singapore	now
60.000	light ends/diesel	Singapore	Q4, 2019
---North America (bbls)--------------------------			
20.000	chems	California, USA	now
470.000	light ends	California, USA	now
749.000	gasoil/various	Georgia USA	now
235.000	light ends	Louisiana, USA	now
80.000	chems/clean prods	Louisiana USA	now
260.000	veg oil /easy chems	Louisiana USA	now
100.000	LPG	New Hampshire	now
504.000	light ends	New Jersey, USA	now
22.500	chems (heated)	New Jersey, USA	now
1.967.000	light crude/petroleum prods	New York, USA	now
1.100	chems (ss)	New York, USA	now
250.000	chems	North Carolina, USA	now
1.300	chems	Ohio, USA	now

500.000	chems/clean prods	Oregon, USA	now
50.000	light ends	Pennsylvania, USA	now
120.000	light ends	Rhode Island, USA	now
240.000	dirty petroleum prods	South Carolina, USA	now
325.000	(bio)diesel	Texas, USA	now
260.000	light crude/petroleum prods	Texas, USA	now
----------Central & South America----------			
317.460	crude	Bahamas	now
158.730	diesel/gasoil	Aruba	now
190.000	various	Puerto Rico	now
110.000	crude	Colombia (caribbean)	now
392.000	diesel/gasoil	Colombia (caribbean)	now
25.000	clean/dirty petroleum prods	Colombia (caribbean)	now
35.000	dirty petroleum prods	Panama (atlantic)	now
40.000	chems/vegoils	Brasil	now
15.000	chems/vegoils	Argentina	now
29.500	dirty petroleum prods	Argentina	now

Our mailing address is:

sales@rvbtankstorage.nl

RVB Tank Storage Solutions B.V,
Wilhelminakade 1 / 35th floor,
3072 AP Rotterdam
the Netherlands

Our telephone number is:
+31 10 50 66 020