

ARGUS OIL AND FUTURE FUELS FORUM 2025

Evolution of Road Fuels Markets

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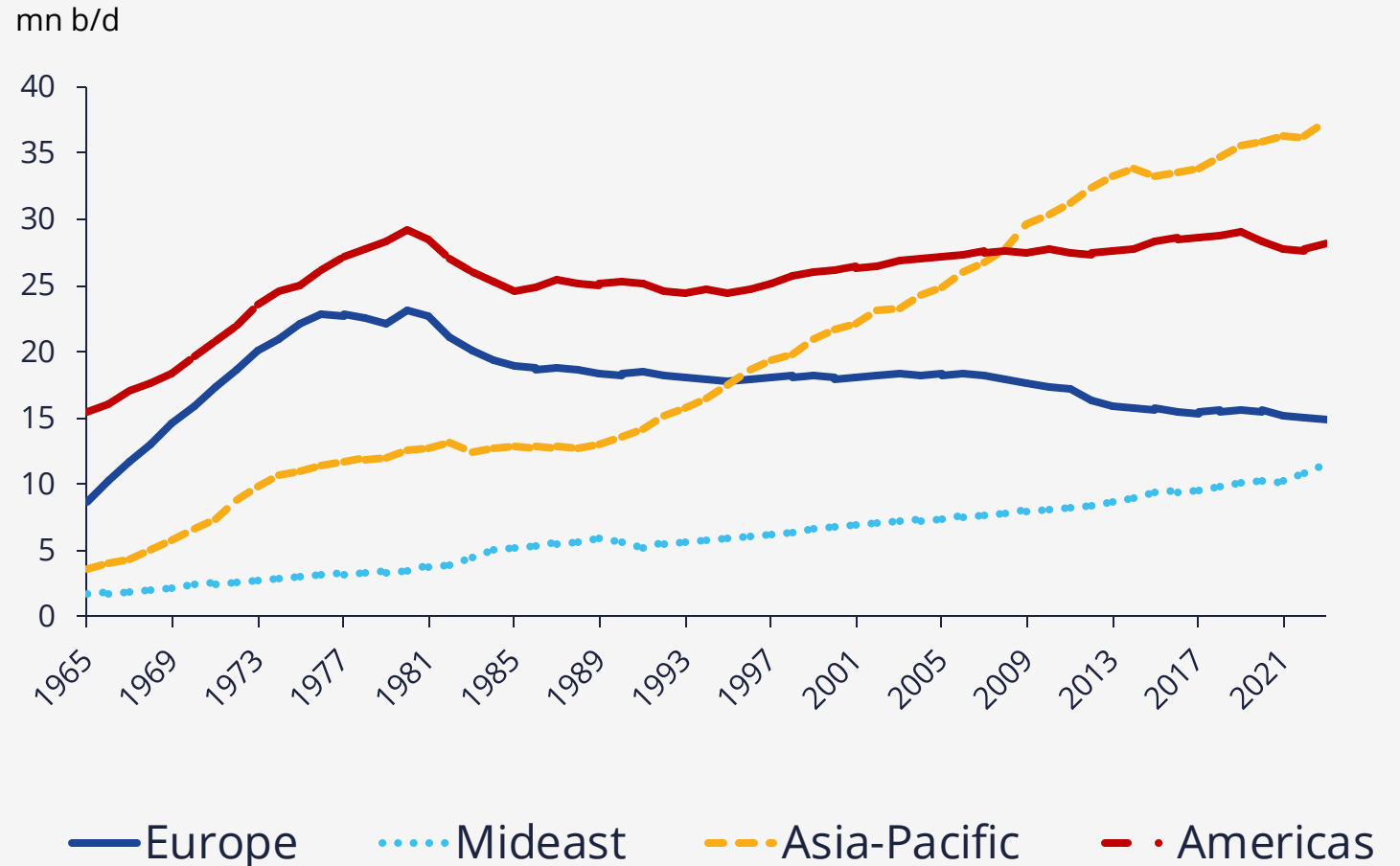


Anu Agarwal

VP Biz Dev Mideast
and India
Argus

European refining has lost competitiveness, and so shrunk

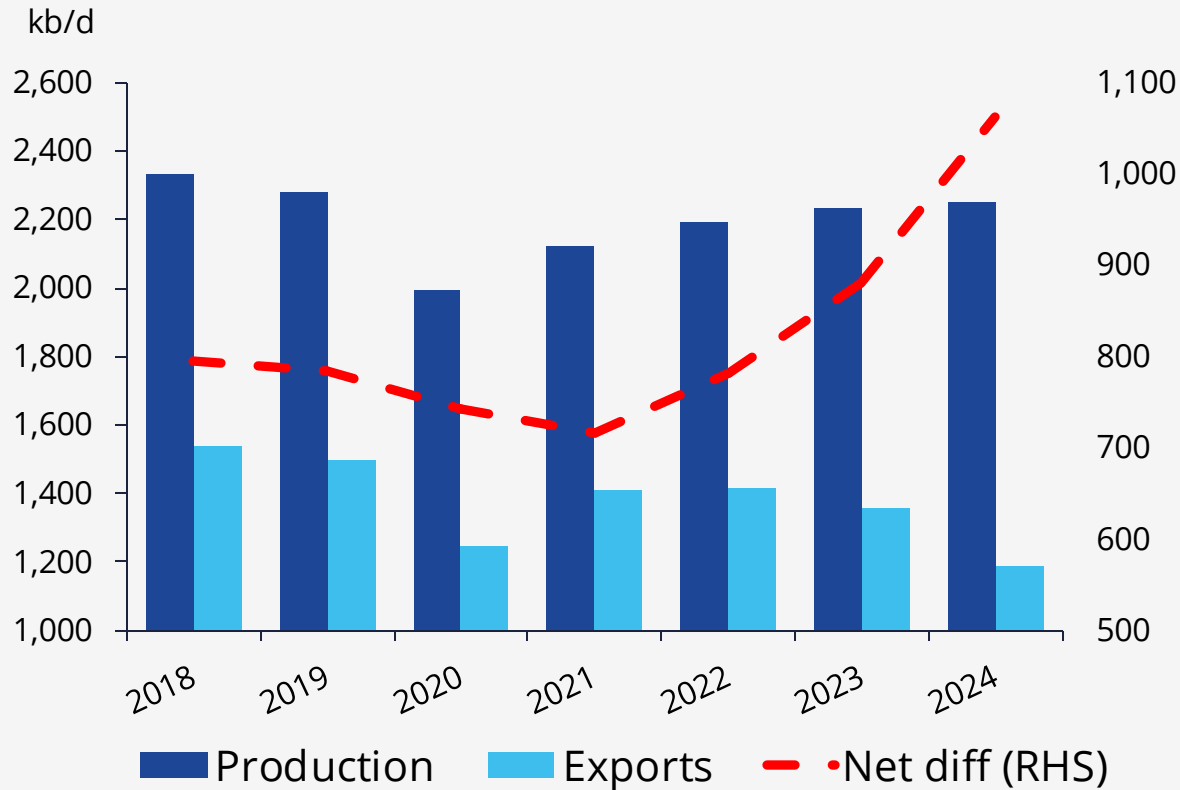
- European refineries are struggling with rising costs and falling local demand for some products.
- Rising costs include gas without Russia, wages and carbon costs.
- European refineries also tend to be small and old.



Source: Energy Institute Statistical Review of World Energy, 2024

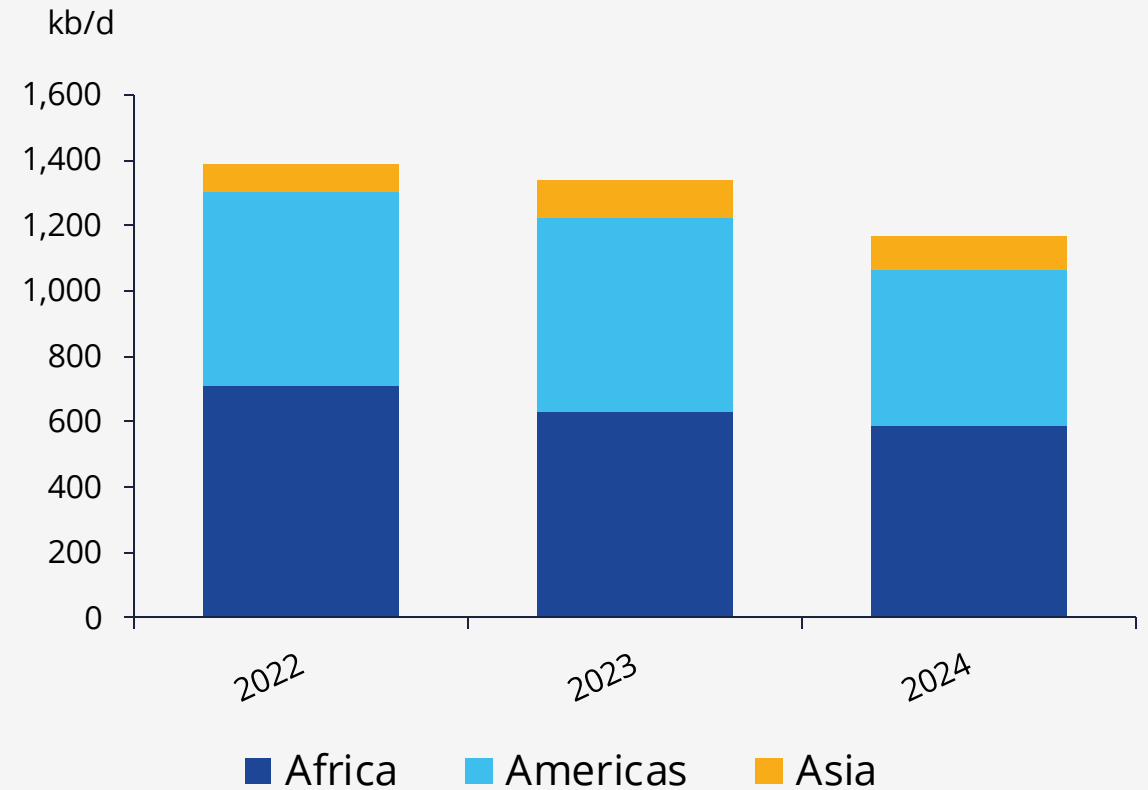
European gasoline supply rises – but exports flounder

European gasoline balances



Source: Eurostat, Kpler, Argus Media

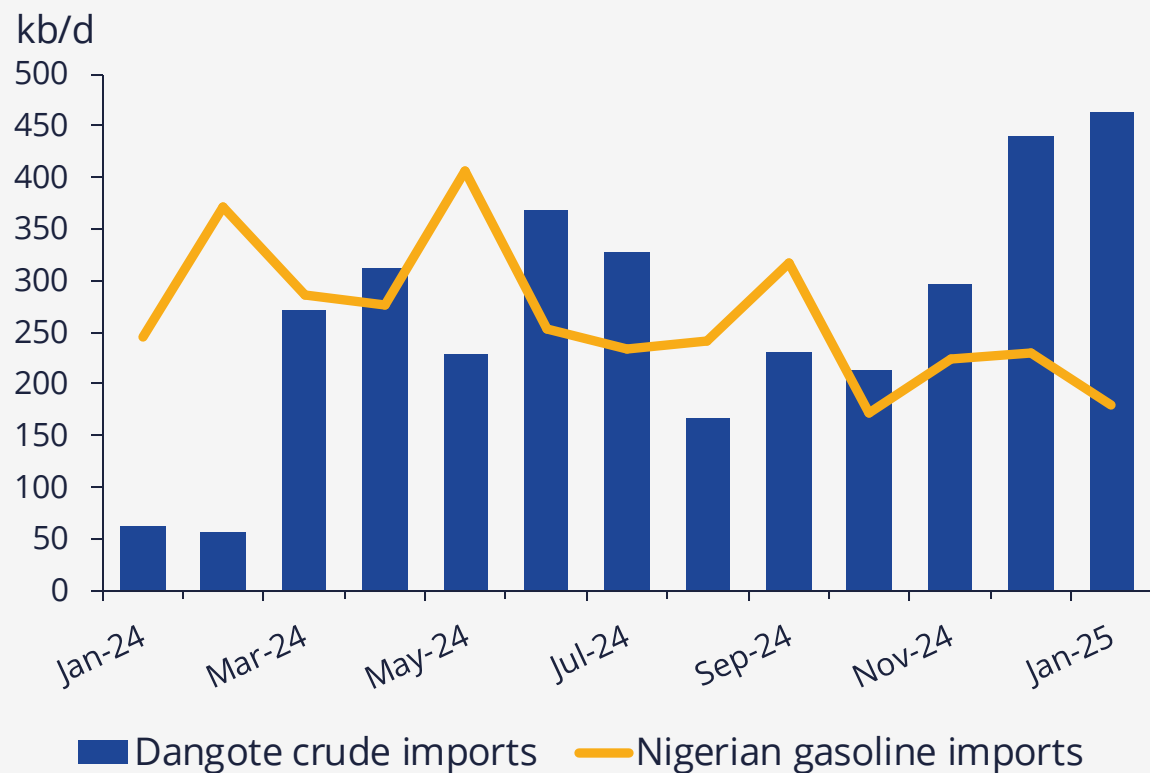
European gasoline exports



Source: Kpler

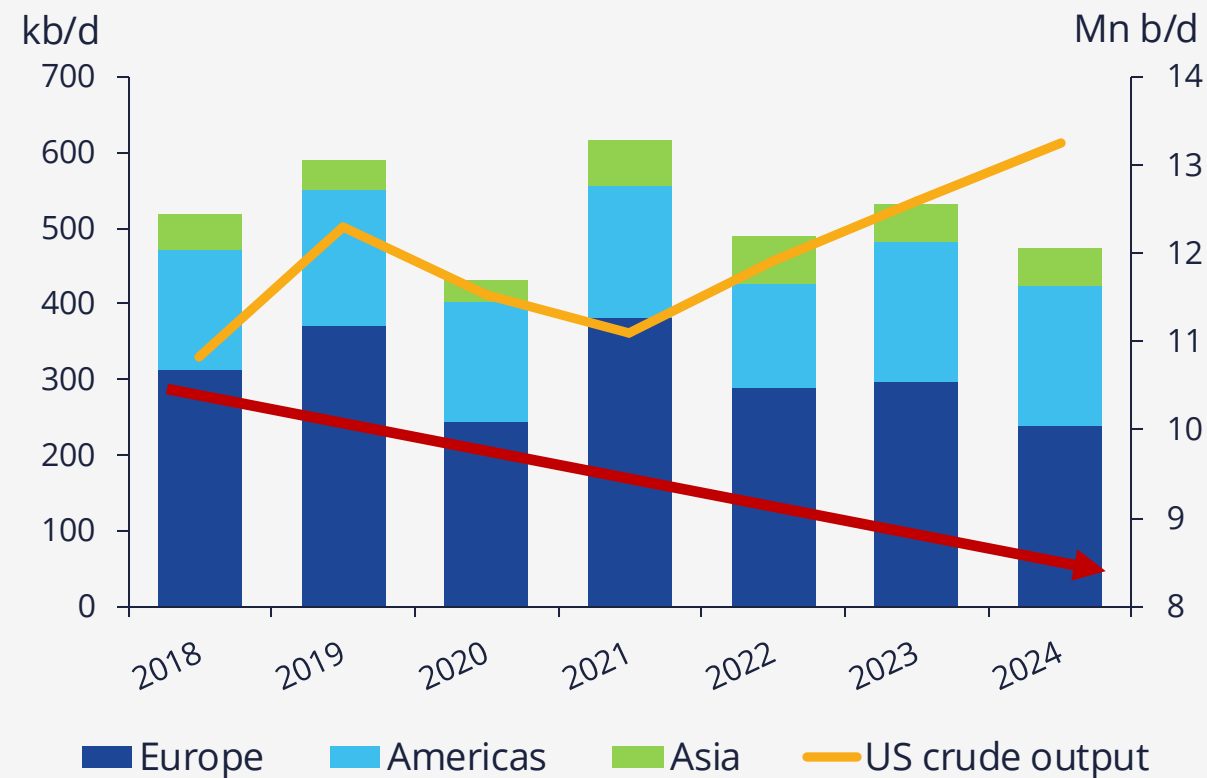
Key demand outlets in the Atlantic Basin are narrowing

Nigerian gasoline imports vs Dangote crude receipts



Source: Kpler

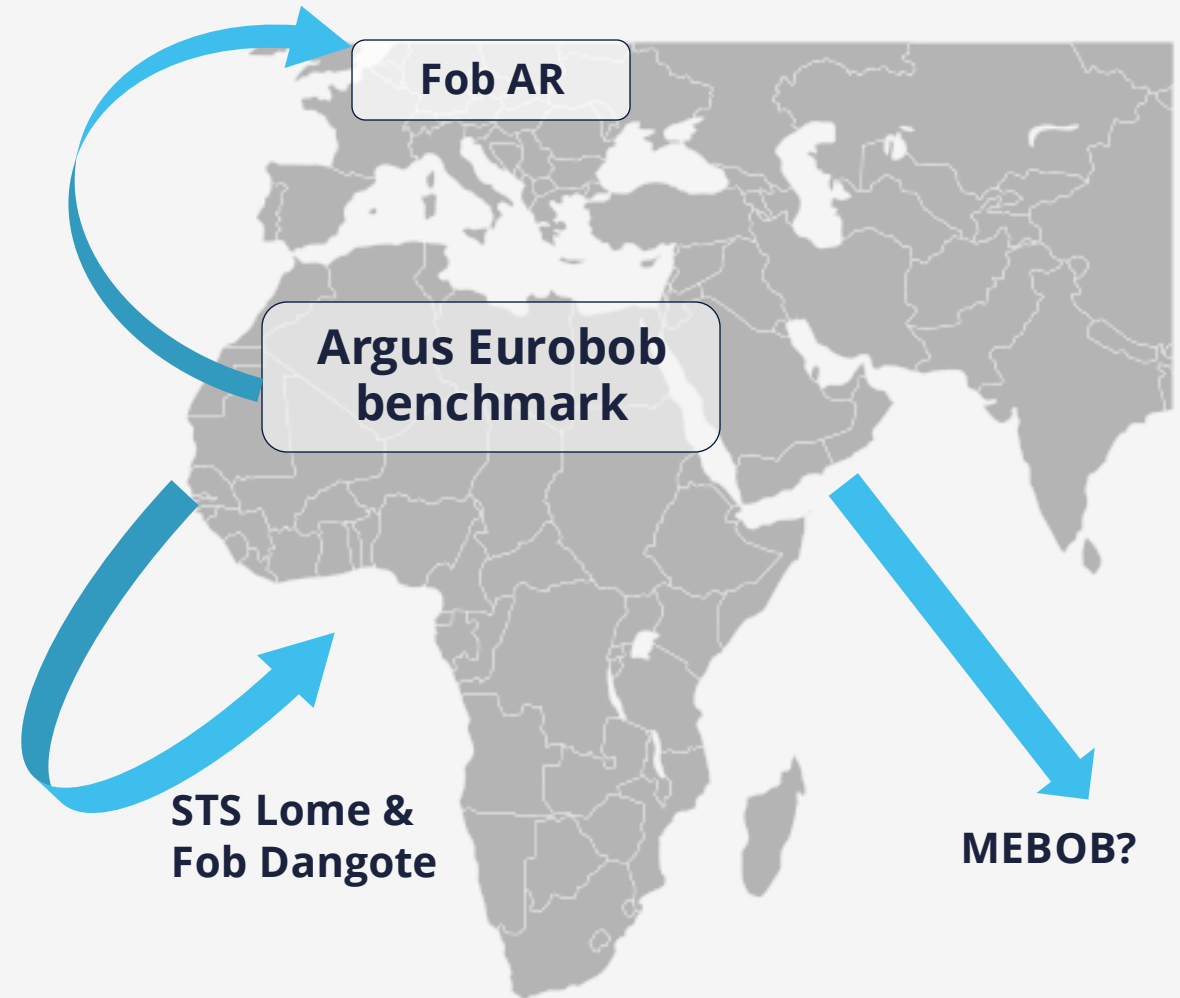
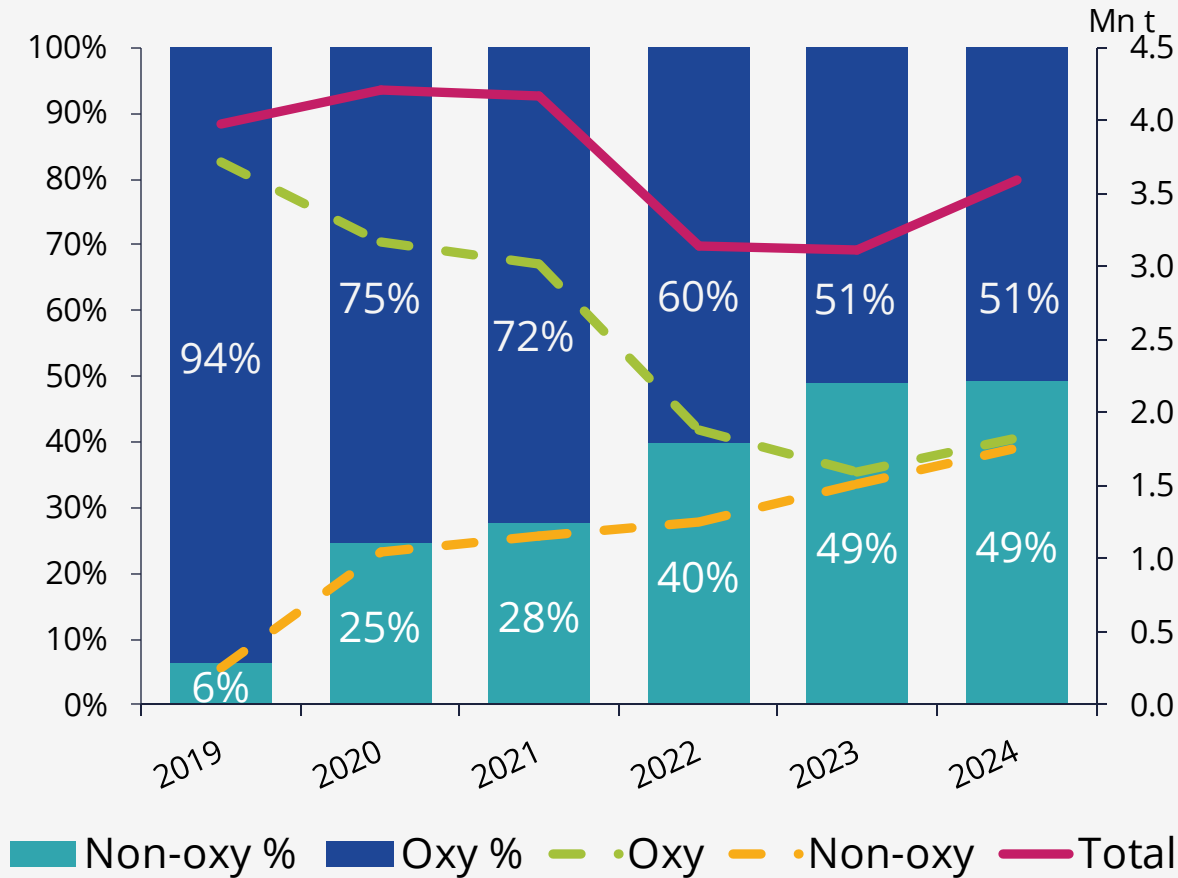
US gasoline imports vs crude output



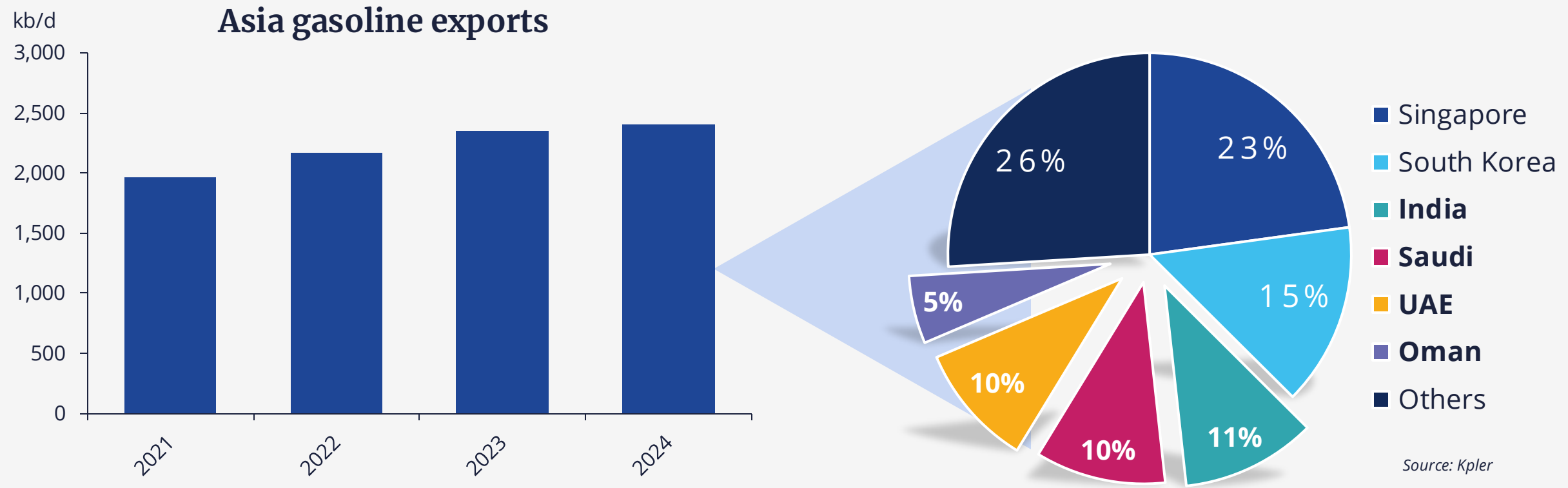
Source: Kpler, EIA

Argus benchmarks robust in Europe...and further afield

Argus Eurobob gasoline barge trade



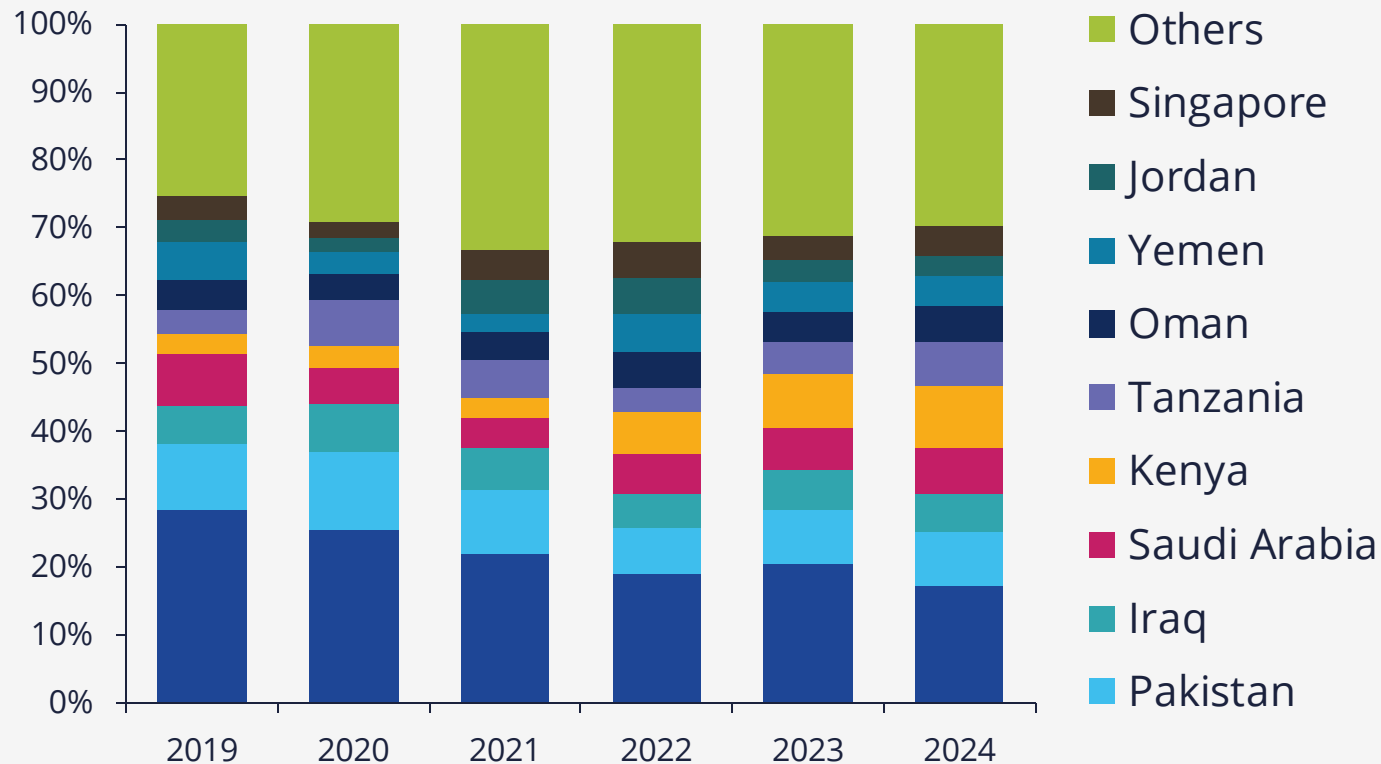
Time for a Mideast Gasoline Benchmark



- Almost 1mn b/d of rising supply is exported from India and the MEG – a region absent of independent pricing benchmarks.
- Singapore netbacks are outdated and at the mercy of volatile freight rates - more representative benchmarks are needed!
- Argus is working with the market to develop fob Mideast Gulf 92R pricing benchmarks to better capture regional values.

Singapore netbacks outdated, freight rates volatile

Mideast Gulf, India gasoline export destinations



Source: Kpler



| Introducing MEBOB

A new Argus gasoline price for the Middle East and India

How will the new MEBOB price be assessed?

- The new FOB Mideast Gulf 92R gasoline price will be published as an outright daily price.

What is the proposed methodology?

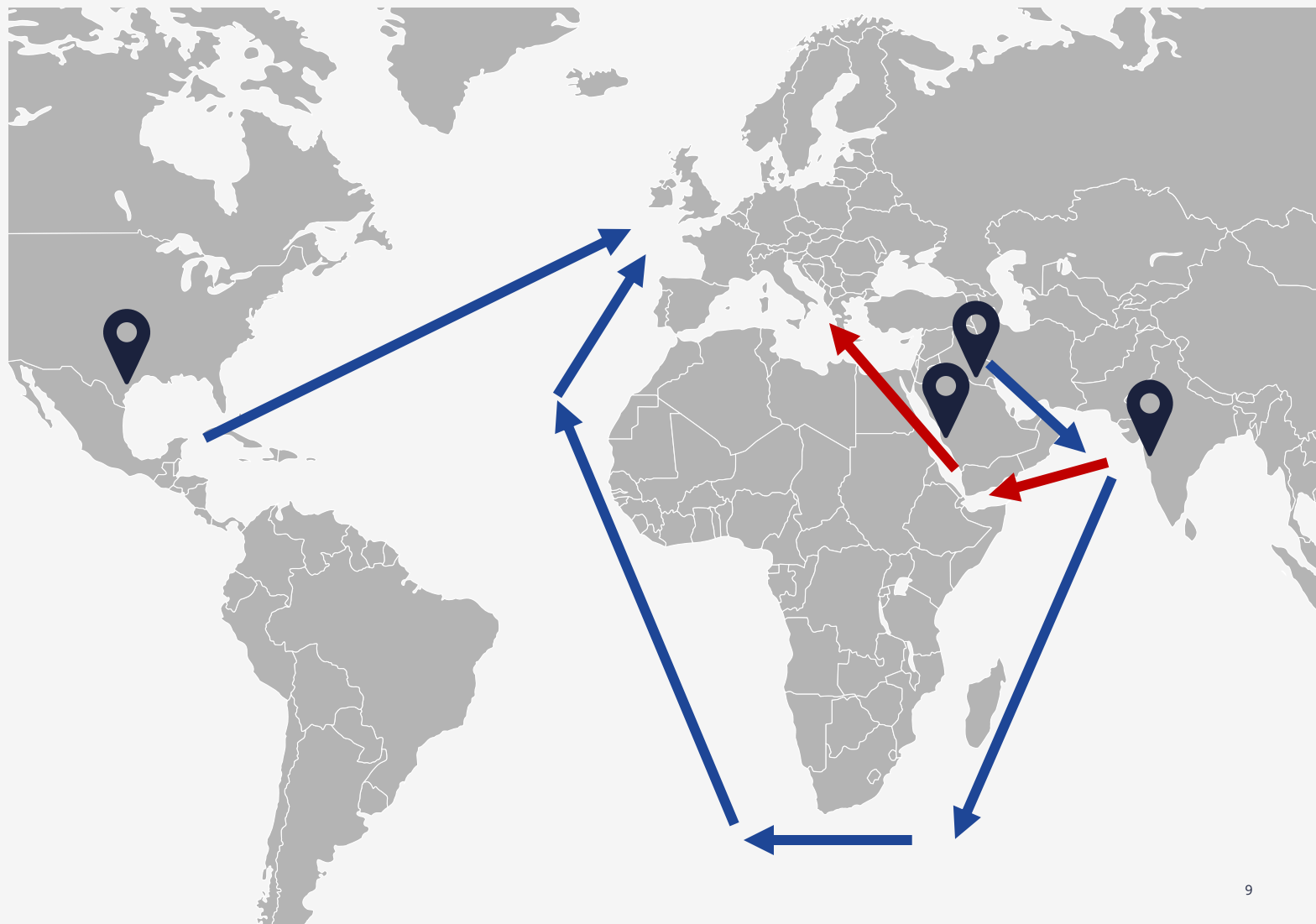
- Fixed Price trade normalised to the midpoint of a 15-30-day loading window
- 14:00 UAE time, 18:00 Singapore, (10:00 GMT)
- 92 RON / 82 MON 10 ppm Sulphur oxygenated specification that reflects a blend, production and finish grade standard for the region with seasonality (Winter - November to February)
- Basis: FOB Fujairah (UAE), Jebel Ali (UAE), and Sohar (Oman) cargoes of 300,000 b/d +/-5%

Is alternative delivery acceptable?

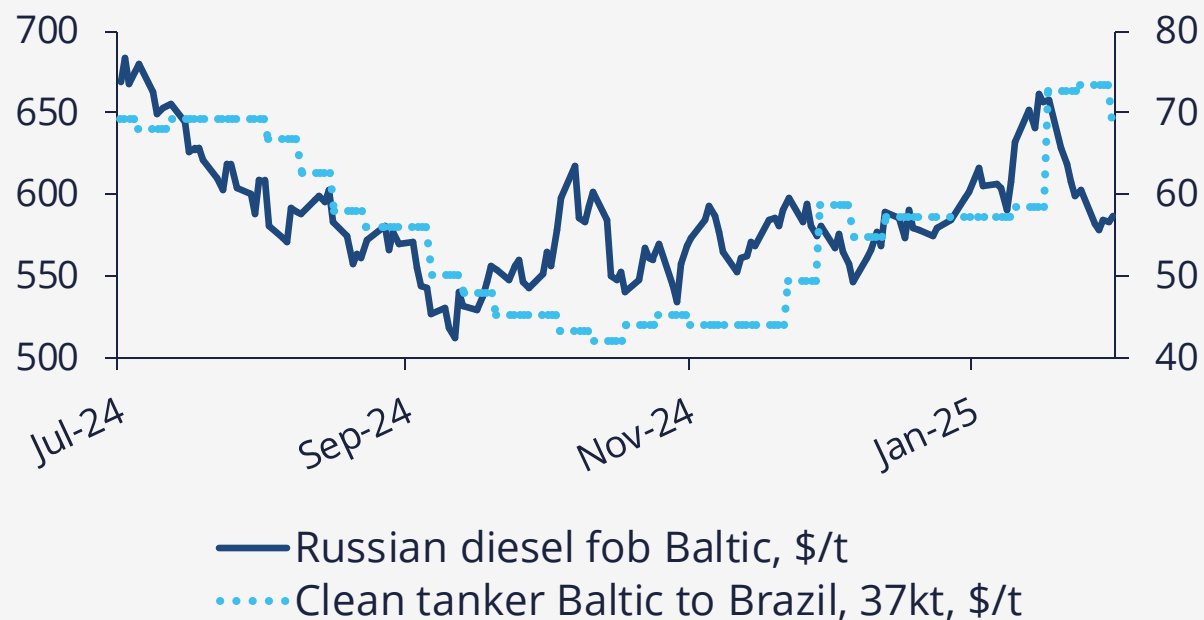
- Alternative Ports: Red Sea, Arab Gulf, and West Coast India
- Alternative Delivery: ITT, in-situ, ex-pipe
- Small Parcels: 150,000 bbls and 200,000 bbls

| Diesel supply routes to Europe are longer since the war

- Exclusion of Russian diesel in 2022-23 cut off supply routes that took 3-4 days and replaced it with routes that take 3-4 weeks.
- Journey times grew again when Houthi attacks shut off Gulf of Aden in 2024.
- As well as costs, long routes introduce risk of disruption, e.g. Houthis.



Prices, tanker freight rates for Russian oil products



- Discounts for Baltic and Black Sea diesel, gasoline, naphtha, fuel oil and VGO vs. non-Russian prices — and implied outright prices.
- Freight rates for key routes from the Baltic and Black Sea to new destinations.

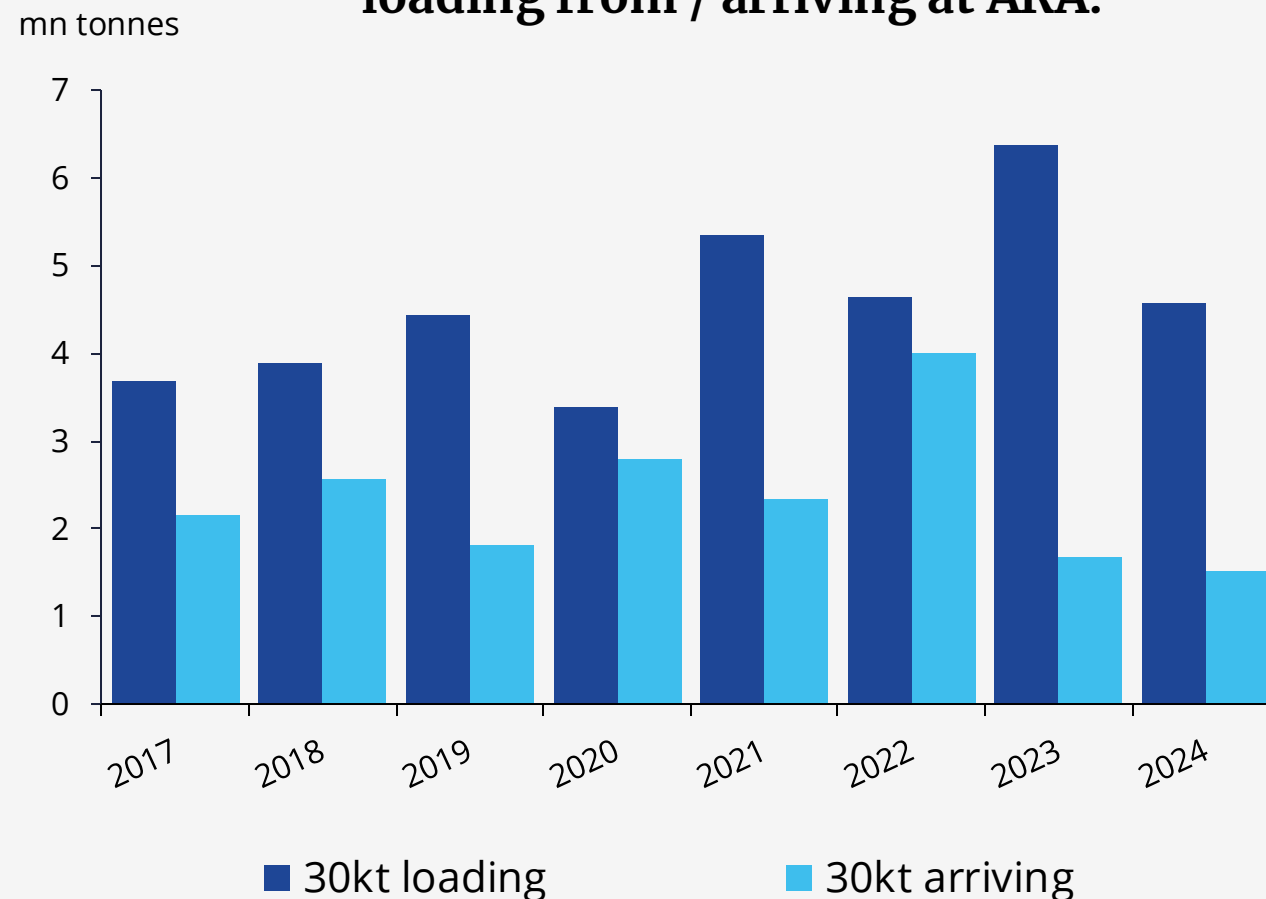
Russian products and price caps			\$/bl
	Low	High	±
Premium products (price cap \$100/bl)			
Gasoline			
fob Baltic	68.57	73.37	+1.17
Diesel			
fob Baltic	77.55	80.24	+0.51
fob Black Sea	81.71	84.40	+0.27
Gasoil			
fob Black Sea	68.58	77.31	+0.17
VGO			
fob Baltic	55.15	57.15	-0.77
fob Black Sea	60.15	62.15	-0.77
Discounted products (price cap \$45/bl)			
Naphtha			
fob Baltic	52.56	55.37	nc
fob Black Sea	51.97	57.02	-0.09
Fuel oil			
fob Baltic	45.30	51.69	+0.20
fob Black Sea	44.86	51.21	+0.20

Now 3-4x as many 30kt cargoes load at ARA, vs. arriving there


- Argus is pricing 30kt fob ARA cargoes, based on activity in an Argus Open Markets (AOM) screen and daily market survey.
- The fob ARA price relates transparently to cif prices at different European ports — just add freight.
- The fob ARA 30kt trade is 3-4x more liquid than the cif ARA 30kt trade now, so it's easy to participate.

Source: Vortexa

Diesel and gasoil on 30kt vessels loading from / arriving at ARA.

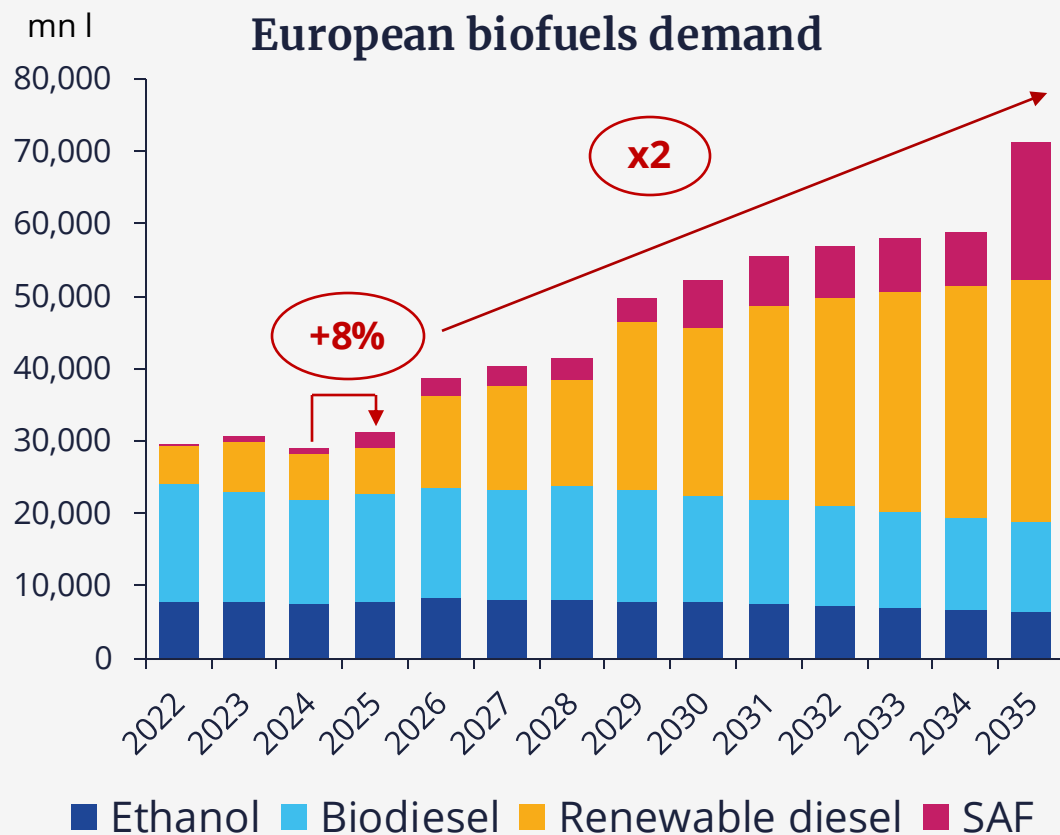


| Argus Open Markets (AOM) screen for diesel cargoes

DIESEL FOB ARA CARGO						+ BID		+ ASK				
	DATE	BRO	PRI	QTY	PRICE			PRICE	QTY	PRI	BRO	DATE
	11-15 Feb	*	TRA	30,000	-3.00			+2.50	30,000	LIT	*	11-15 Feb

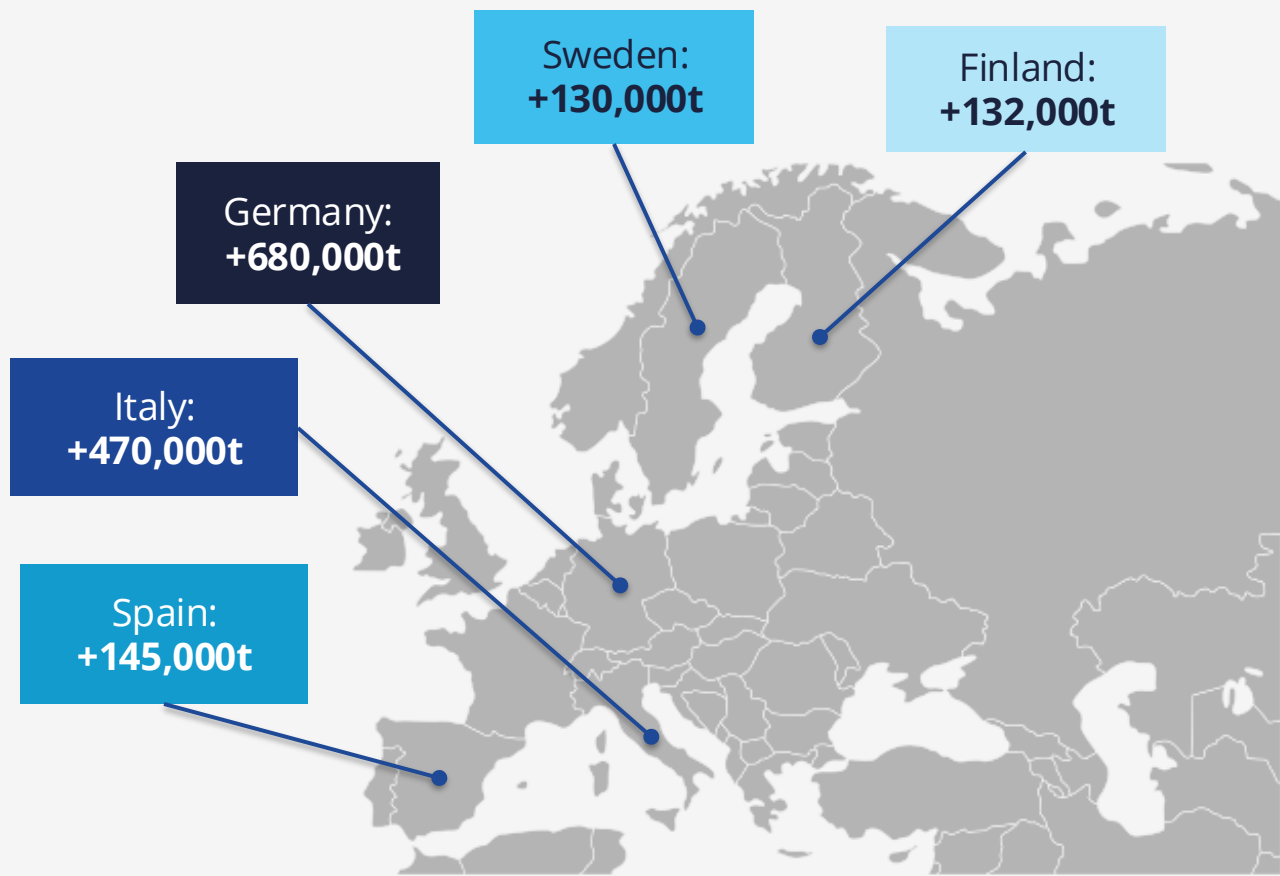
- Here we see Trafigura bidding and Litasco offering 30kt fob ARA cargoes in the AOM screen in a recent session.
- Optionality expanded to allow bids and offers for different regional specs with volumes of 30kt, 15kt or 10-15kt.

European biofuels demand expected to double by 2035



~ Argus Analytics

Growth in biofuels consumption expected in 2025



HVO market from strength to strength – tripling in spot market liquidity and record paper trade

HVO Class II activity on Argus Open Markets

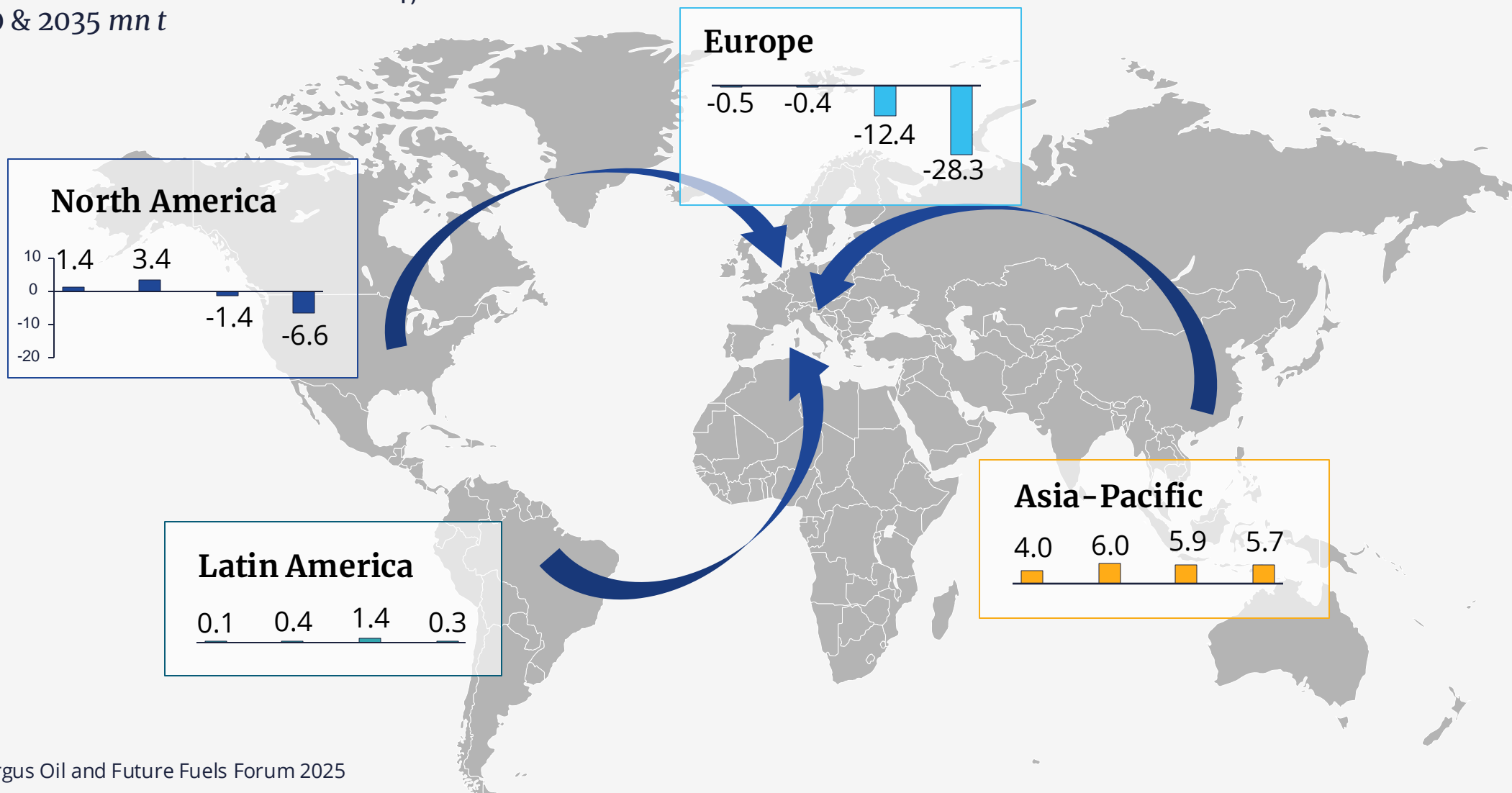


Argus News & Analysis

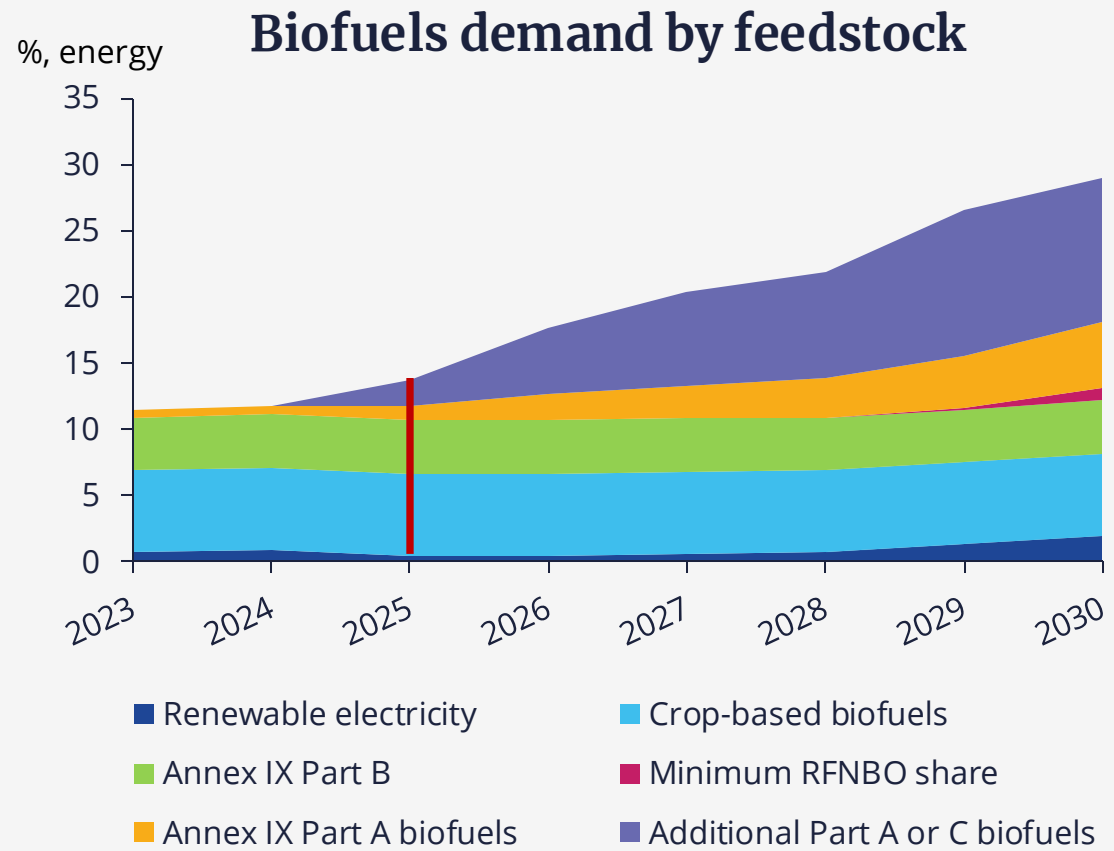


Geopolitics shape Europe's HVO supply

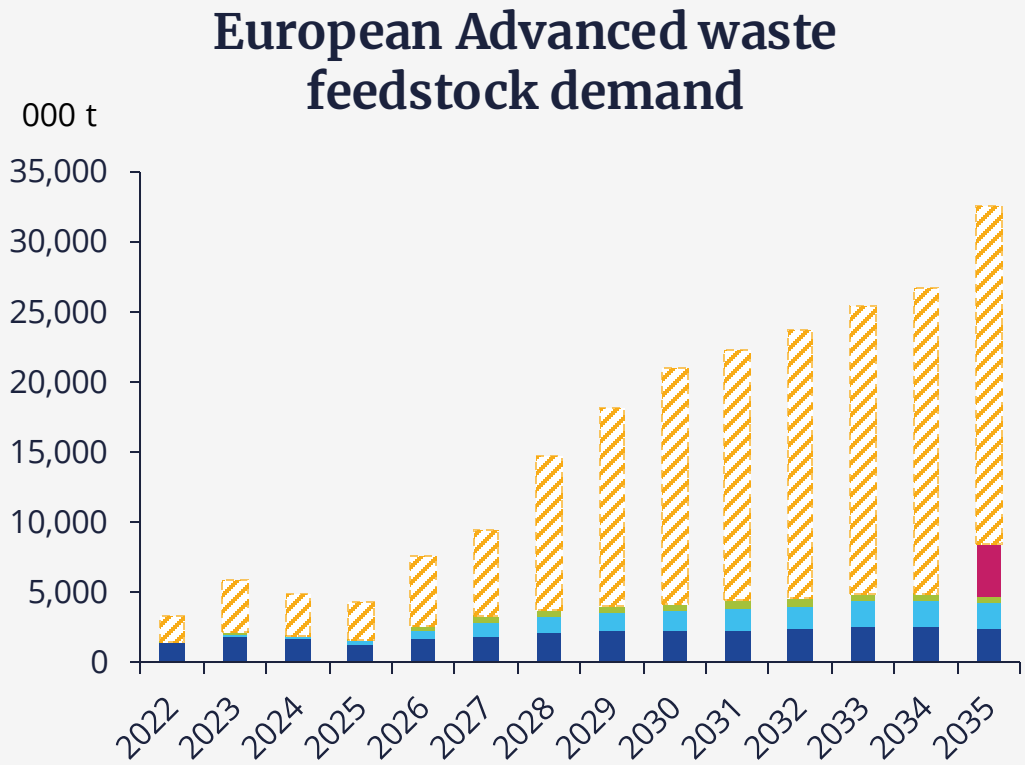
Renewable diesel and SAF balances: 2024, 2025, 2030 & 2035 mn t



Biofuels reality: Advanced waste biofuels demand is rising, but feedstock supply uncertain



~ Argus Consulting



~ Argus Analytics

- Pome oil
- Crude tall oil
- Tall oil pitch
- Intermediate oilseeds
- Other advanced