

SE Asia Pacific
 HD **News Briefs**
 BY Staff Reports
 WC 736 words
 PD 15 August 2014
 SN Platts Oilgram News
 SC PON
 VOL ISSN: 0163-1284, Volume 92, Issue 160
 LA English
 CY (c) 2014 McGraw-Hill, Inc.
 LP

Essar's refining margins jump 29% over April-June

Essar **Oil**, India's second-largest private refiner and part of UK-listed Essar **Energy**, this week reported a current price gross refining margin of \$9.04/barrel for the April-June quarter, up 29% from \$7.01/**b** in the corresponding period last year.

TD

During the first quarter of financial year (April-March), its 20 **million** mt/year (400,000 **b/d**) Vadinar refinery processed 5.14 **million** mt of crude, unchanged from a year ago.

During the quarter, Essar **Oil** realized 66% of its revenues from the domestic market, it said in an earnings statement. The **company** said it had about 1,400 retail outlets across the nation, with over 300 in various stages of commissioning. It said it was now working to restart diesel **sale** from our retail outlets in phases.

Essar **Oil** CEO LK Gupta said: "Operationally we continue to do well with the refinery operating at over 100% capacity. Our capability of sourcing, blending, and processing of heavy and ultra-heavy crude, coupled with a product mix geared towards light and middle distillates have resulted in healthy margins."

During the quarter the **company** posted a net profit of Rupees 6.84 **billion** (\$112 **million**), against a net loss of Rupees 8.63 **billion** in April-June 2013. Net sales rose 11%, to Rupees 248.11 **billion**, up from Rupees 223.58 **billion**.

Vitol launches Viva after completing Shell **acquisition**

Switzerland-based trader Vitol Wednesday launched its Viva **Energy** Australia business after completing a \$2.6 **billion acquisition** of Shell's 120,000 **b/d** Geelong refinery and 870-site retail network, pledging to invest A\$1 **billion** (\$926 **million**) in Viva's **operations**.

Viva **Energy**, which also acquired the Anglo-Dutch major's bulk fuels, bitumen and chemicals businesses, and part of its lubricants **operations**, is now the exclusive distributor of Shell-branded fuels and lubricants in Australia. Most of Shell's downstream staff in Australia will remain with Viva.

"We expect to invest A\$1 **billion** over the next five years so we can continue to meet more than a quarter of Australia's fuel needs efficiently and safely," said Viva **Energy** CEO Scott Wyatt. "Our customers will continue to benefit from Shell's investment in R&D and the high level of service they have come to expect."

On February 21, Shell Australia announced that it had entered a binding agreement to sell its 120,000 **b/d** Geelong **oil** refinery and 870-service stations network to Switzerland-based Dutch trader Vitol for \$2.6 **billion**. The deal excluded Shell's aviation supply **operations** and lube **oil** blending and grease plants in the Queensland capital Brisbane, which are being converted to bulk storage and distribution facilities.

AWE farms into ROC-operated block in Bohai Bay

Australia's AWE has agreed to farm into a 40% **stake** in ROC **Oil's** block 09/05 in **China's** offshore Bohai Bay Basin, the companies said Thursday.

Block 09/05 is in the western part of the prolific Bohai Bay, approximately 10 km (6.2 miles) southeast of Tanggu, **China's** largest port. The block covers an area of 335 sq km in water depths of approximately 5 to 10 meters.

"The block has the benefit of low drill and development costs, proximity to existing infrastructure and attractive fiscal terms," AWE said in a statement.

Under the terms of the deal, AWE will pay ROC \$2 **million** for past costs, 60% of the first exploration well and 54% of the second exploration well. Should drilling costs exceed the initial gross estimate of \$14.7 **million** each well, AWE would then contribute at a 40% working interest.

The first exploration well, QK11-1-1, was spudded Thursday and will test a low-risk, material-size prospect that is covered by a recently acquired 3D seismic survey. Several other prospects and leads have been identified within the block, providing follow-up potential for the second commitment well, expected to be drilled in the third quarter of 2015, AWE said.

ROC, which retains 60% of the block, is an established operator in Bohai Bay. The **company** was awarded 100% of the block in May 2012 by state-owned **China** National Offshore **Oil** Corporation, and CNOOC has the right to participate in up to 51% of any development.

Staff Reports

CO esseg : Essar Energy PLC | essoil : Essar Oil Ltd | essgro : Essar Group

IN i14001 : Petroleum Refining | i1 : Energy | i14 : Petroleum/Coal Products | iindstrls : Industrial Goods | i13 : Crude Oil/Natural Gas | i1300002 : Oil Exploration | iexplo : Natural Gas/Oil Exploration

NS cnatrd : Natural Reserves/Resources Discovery | ncdig : Corporate Digests | c24 : Capacity/Facilities | ccat : Corporate/Industrial News | ncat : Content Types

RE austr : Australia | india : India | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | indsubz : Indian Subcontinent | sasiaz : Southern Asia

IPD Refining

PUB The McGraw-Hill Companies, Inc.

AN Document PON0000020140912ea8f00002