



PROCUREMENT PLAN – 2020

FOR

CRUDE OIL

&

PETROLEUM PRODUCTS

PREPARED & PRESENTED BY

COMMERCIAL FUNCTION

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List of Abbreviations

AV Gas=Aviation Gasoline

ADNOC = Abu Dhabi National Oil Company

BBL = Barrel

CPC = Ceylon Petroleum Corporation

CEB= Ceylon Electricity Board

DAP =Delivered at Place

Kg= Kilogram

MT = Metric Tons

Mn.Liters = Million liters

Ppm = Parts Per Million

SSCAPC= Special Standing Cabinet Appointed Procurement Committee

SRC= Stock Review Committee

TEC= Technical Evaluation Committee

USD= United States Dollars

1. Executive Summary

1.1 Total Estimated Funds Requirement for 2020 Imports*

Crude Cost (USD Million)	Cost of Refined Products (USD Million)	Total Import Cost of Crude oil & Refined Products (USD Million)
887.58	2,157.05	3,044.63

* Refer Appendix I

Table 01: Based on the data given by Finance Function

1.2 Crude Oil Import Plan for 2020

Crude Type	Required Quantity (MT)	Estimated Shipments	Estimated Delivery
Murban Crude and Other Crude	1,925,000	21	02 Shipments per month

Throughput per day: 5,500 MT

Most feasible parcel size 90,000 MT/700,000 BBL

Table 02: Economics and scheduling forecasted data - 2020

1.3 Refined Petroleum Products Import Requirement for 2020

	Gasoline 92 Octane	Gasoline 95 Octane	Super Diesel (Gas Oil10 ppm)	Auto Diesel (Gas oil) (With CEB)*	Jet/Kero	Bitumen	Fuel Oil*
Forecasted Demand	1,340,485	155,340	78,607	2,126,262	775,507	42,250	1,011,565
Forecasted Refinery Production	187,790	-	-	629,953	346,500	39,550	516,594
Forecasted Quantity to be Imported	1,152,695	155,340	78,607	1,496,309	429,007	2,700	494,971

Units in MT

* With CEB Forecasted Demand & Local Consumers' Annual Requirement

Table 03: Based on the Forecasted data

1.4 Forecasted Aviation Gasoline, Bitumen & Lubricant Demand for 2020

	Aviation Gasoline (MT)	Bitumen (MT)	Lubricant (Mn. Liters)	Agro Chemical	
				Kgs	Lits.
Quantity	347	42,250	-	34,200	579,000

Table 04

2. Term Tender Allocation

2.1 Balance Cargos to be imported in 2020 through Term Contracts scheduled during 2019

No	Term Contract Reference No.	Name of the Supplier	Total Shipments Planned under the contract	No of Shipments allocated for 2020
1	BK/TERM/GAS OIL (0.05% M.S.)/ JET-A 1/DTB-MUTHU/2019-2020-R	M/S Mena Energy DMCC, U.A.E	08	03
2	BK/TERM/GAS OIL (0.05% M.S)/DTB-MUTHU/2019-2020	Emirates National Oil Company (Singapore) PTE LTD., Singapore	07	05
3	BK/TERM/GASOLINE (92-95 UNL)/ DTB-MUTHU/2019-2020	M/S. Vitol Asia PTE LTD., Singapore	08	06
4	BK/TERM/GAS OIL 0.001% M.S/GASOLINE 92 UNL/ DTB-MUTHU/2019-2020	M/S. Vitol Asia PTE LTD., Singapore	08	03

Table 05: Based on the Commercial Function data

2.2 Term Tenders Scheduled in 2020

No	Term Contract Reference No.	Name of the Supplier	Total Shipments Planned in 2020
1	BK/TERM/GAS OIL (0.05% M.S.)/ JET A-1/DTB-MUTHU/2020	TBN	8
2	BK/TERM/ GASOLINE 92 UNL/ DTB-MUTHU/2020	TBN	6
3	BK/TERM/GAS OIL (0.05% M.S.)/ GASOLINE 92 UNL /DTB- MUTHU/2020	TBN	4
4	BK/TERM/GAS OIL (0.05%M.S.)/DTB-MUTHU/2020	TBN	8
5	BK/TERM/GAS OIL (0.001% M.S.)/ GASOIL (0.05% M.S) /DTB- MUTHU/2020	TBN	5

Table 06

2.3 Quantity scheduled to be imported through existing term contract (2019) and planned term tender in 2020 up to now (Total Quantity of Table 5 and 6)

Product	Quantity(MT)
Gasoline 92 UNL	519,800
Gasoline 95 UNL	42,000
Super Diesel	56,000
Auto Diesel	958,940
Jet/Kero	220,000

Table 07

2.4 Balance Quantity to be imported after the allocation of the Term Tenders

	Gasoline 92 Octane	Gasoline 95 Octane	Gas Oil10 ppm	Gas oil 500 ppm	Jet/Kero	Bitumen	Fuel Oil*
Forecasted Demand	1,152,695	155,340	78,607	1,496,309	429,007	2,700	494,971
Quantity scheduled to be imported	519,800	42,000	56,000	958,940	220,000		
remaining Quantity to be import in 2020	632,895	113,340	22,607	537,369	209,007	2,700	494,971

Table 08: Based on the Forecasted data

Balance Quantity to be imported through term or single tenders which will be allocated in future.

3. Assumptions and Limitations

3.1 Assumptions

In order to prepare this Procurement plan, following assumptions were made;

- i. The number of stream days of Refinery for 2020 would be 350 days. The average daily throughput would be 5,500 MT.
- ii. The average of the wet and dry forecast of CEB has been considered.

3.2 Limitations

- i. Production capacity of Refinery is not adequate to cater the country's total demand.
- ii. Current storage capacity for Refined Products is not sufficient at the Ceylon Petroleum Storage Terminals Limited (CPSTL) at Kolonnawa and Muthurajawela Terminals.
- iii. Non availability of proper Pipe Line Network for bulk transportation.
- iv. Unpredictable circumstances such as war, natural disasters and political and economic eventualities can influence the international price of fuels in an unusual manner.

4. Refined Products Yield

Determination of the crude oil requirements for the refinery and the corresponding yields were carried out by the Economics & Scheduling Department of the Refinery. Further, the production capacity of CPC Refinery is not adequate to cater the country's demand as Refinery expansion project has not yet been happened and further increase of production cannot be expected due to the present condition of the Refinery.

Forecasted Refinery Production	Gasoline 92 Octane	Gasoline 95 Octane*	Gas Oil 10 ppm*	Gas oil 500 ppm	Jet A-1	Kerosene	Fuel Oil
Quantity (MT)	187,790	-	-	629,953	277,200	69,300	516,594

Table 09: Forecasted Total Yield of Refined Products from the Refinery

5. Crude oil and Refined Products Purchase Plan 2020

At the CPC Refinery, Crude oil is processed and refined into petroleum products such as Gasoline, Kerosene and Diesel. Due to the refinery production is not adequate to cater the demand for petroleum products, CPC has to import refined petroleum products to satisfy the customer requirements. Following Table depicts the Crude oil purchase plan for 2020 with the current status of procurement preparedness activities.

Crude Type	Quantity (MT)	Status of the Tender	No. Of Shipments
Murban Crude	1,080,000	Term Contract Awarded	12
Murban Crude	845,000	*	9

*No Tender has yet been scheduled to import this balance quantity
Throughput per day: 5,500 MT
Most feasible parcel size is 90,000 MT

Table 08: Crude Oil Purchase Plan for 2020

6. Cargo Combinations Planned under the existing Term Contracts

No	Term Contract Reference No.	Name of the Supplier	Product Type & Combination	Quantity per Shipment (MT)	No. of Shipments
1	BK/TERM/GAS OIL (0.05% M.S.)/ JET-A 1/DTB-MUTHU/2019-2020-R	M/S Mena Energy DMCC, U.A.E	Gas Oil (0.05% Max. Sulphur)	17,300	8
			Jet A-1	20,000	
2	BK/TERM/GAS OIL (0.05% M.S)/DTB-MUTHU/2019-2020	Emirates National Oil Company (Singapore) PTE LTD., Singapore	Gas Oil (0.05% Max. Sulphur)	37,000	7
3	BK/TERM/GASOLINE (92-95 UNL)/ DTB-MUTHU/2019-2020	M/S. Vitol Asia PTE LTD., Singapore	Gasoline (92 UNL)	30,000	8
			Gasoline (95 UNL)	7,000	
4	BK/TERM/GAS OIL 0.001% M.S/GASOLINE 92 UNL/ DTB-MUTHU/2019-2020	M/S. Vitol Asia PTE LTD., Singapore	Gas Oil (0.001% Max. Sulphur)	7,000	9
			Gas Oil (0.05% Max. Sulphur)	17,300	
			Gasoline (92 UNL)	16,000	

Table 09: Forecasted Import Quantities under the term Contracts

7. Appendixes

Appendix I

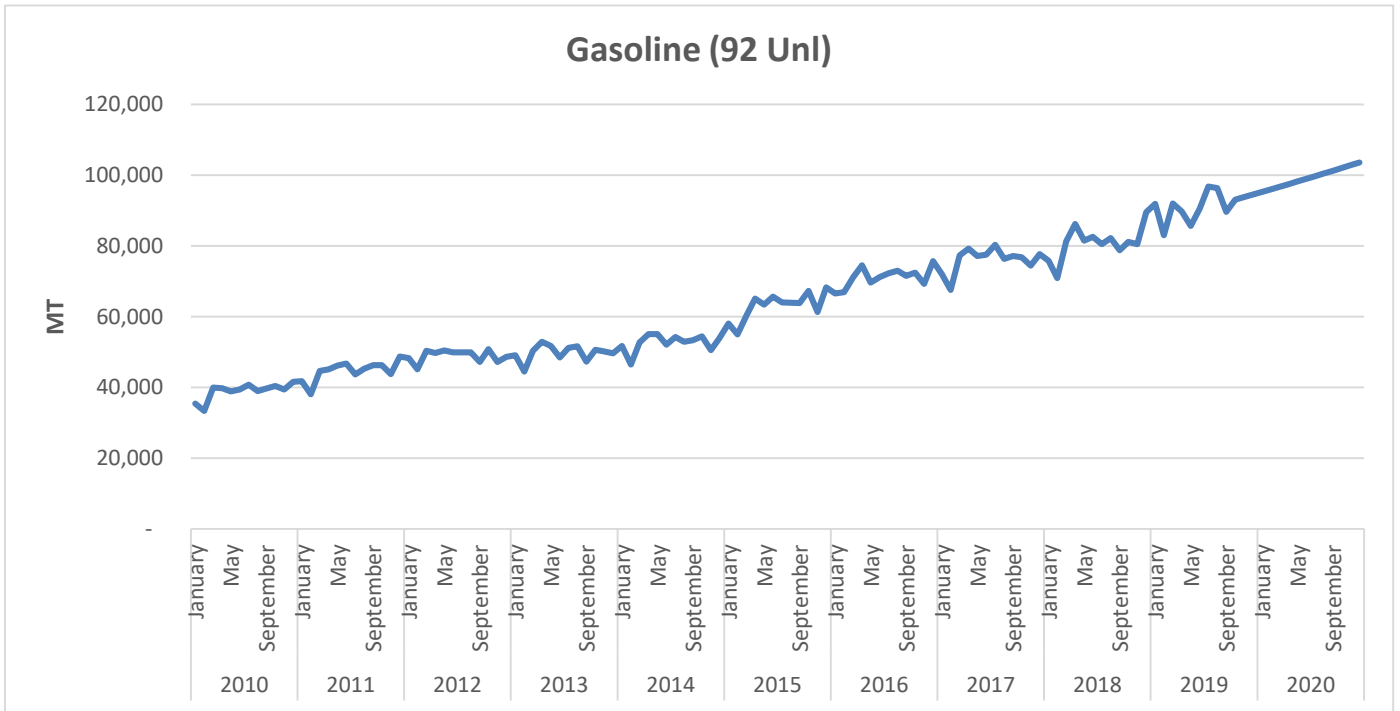
Cost Estimation of Crude Oil and Petroleum Products

	Gasoline 92 RON (MT)	Gasoline 95 RON (MT)	Gas Oil 10 ppm (MT)	Gas oil 500 ppm (with CEB) (MT)	Jet / Kero	LSFO (MT)	HSFO	Crude Oil (MT)	Av Gas	Bitumen (MT)
Forecasted Demand	1,340,485	155,340	78,607	2,126,262	775,507	867,494	144,071	1,925,000	347	42,250
Stocks as at 31st December 2019	50,000	6,000	7,000	150,000	43,000					
Forecasted Ref. Production	187,790	-	-	629,953	346,500	516,594	-	-	-	39,550
Forecasted Qty. To be Imported in MT	1,152,695	155,340	78,607	1,496,309	429,007	350,900	144,071	1,800,000	347	2,700
Forecasted Qty. to be Imported in BBL	9,797,907.50	1,320,390.00	589,552.50	11,222,317.50	3,432,056.00			14,640,780.00		
Estimated DAP Value per BBL(US\$)	68.48	73.15	80.67	78.44	74.79			60.62		
Value of Imports (US\$/Mn)	671.00	96.58	47.56	880.25	256.70	148.23	56.31	887.58	0.44	1.1475
Total Estimated Value of Refined Products Imports (US\$/Mn) (with CEB requirement)										2,157
Total Estimated Value of Refined Products + Crude Oil Imports + Av. Gas + Bitumen (US\$/Mn)* (with CEB requirement)										3,046
Total Estimated Value of Imports (Rs.Mn) (with CEB requirement)										548,240

Table 10: Based on the calculated data

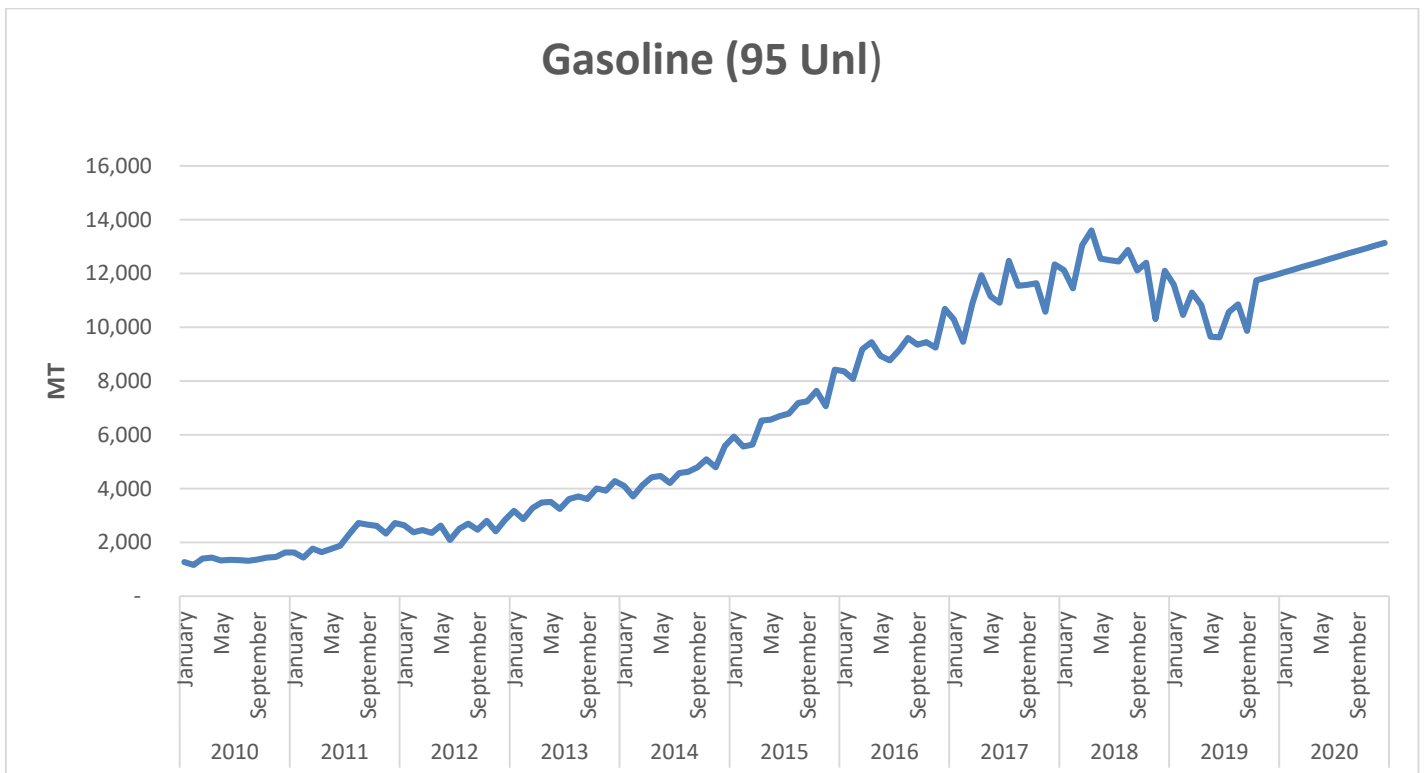
Appendix II-

Graphical Representation of Gasoline 92 UNL Sales



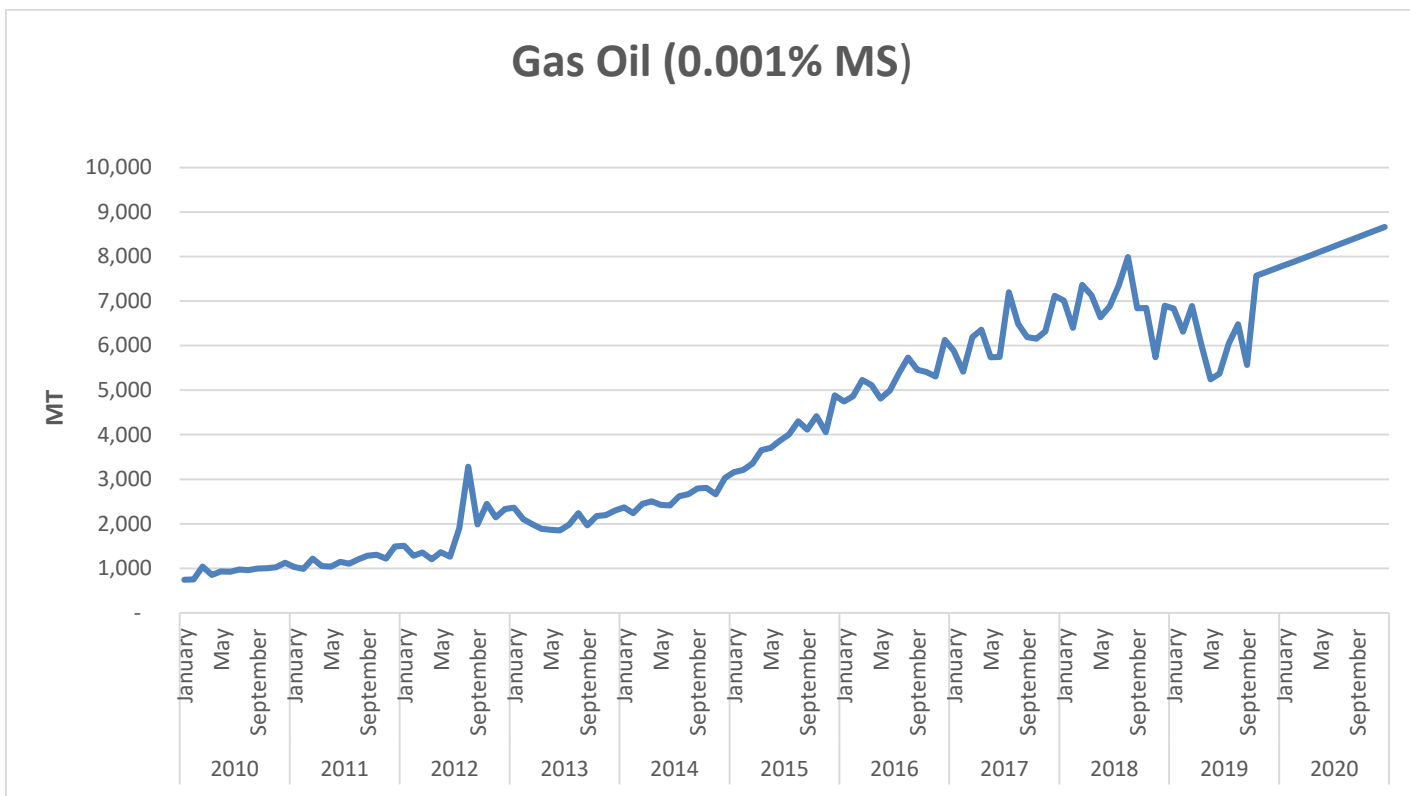
Appendix III

Graphical Representation of Gasoline 95 UNL Sales



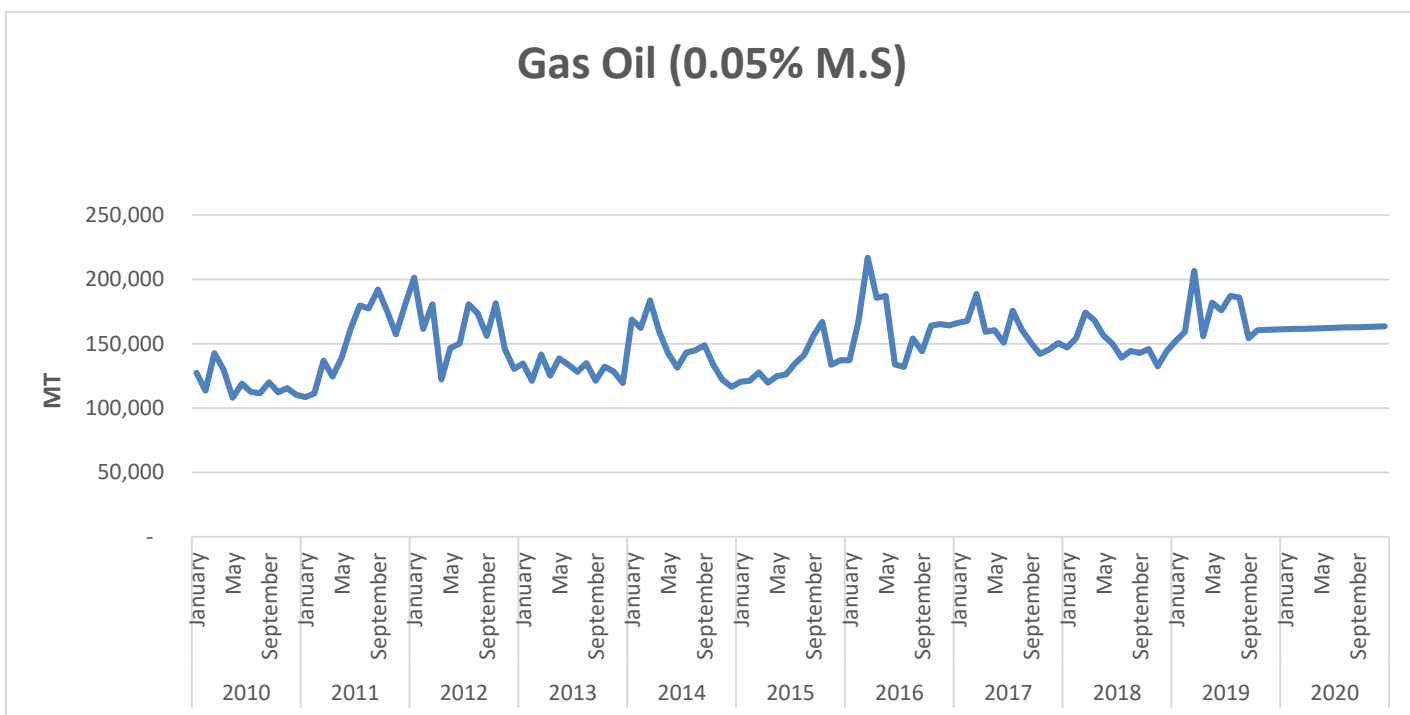
Appendix IV

Graphical Representation of Super Diesel Sales



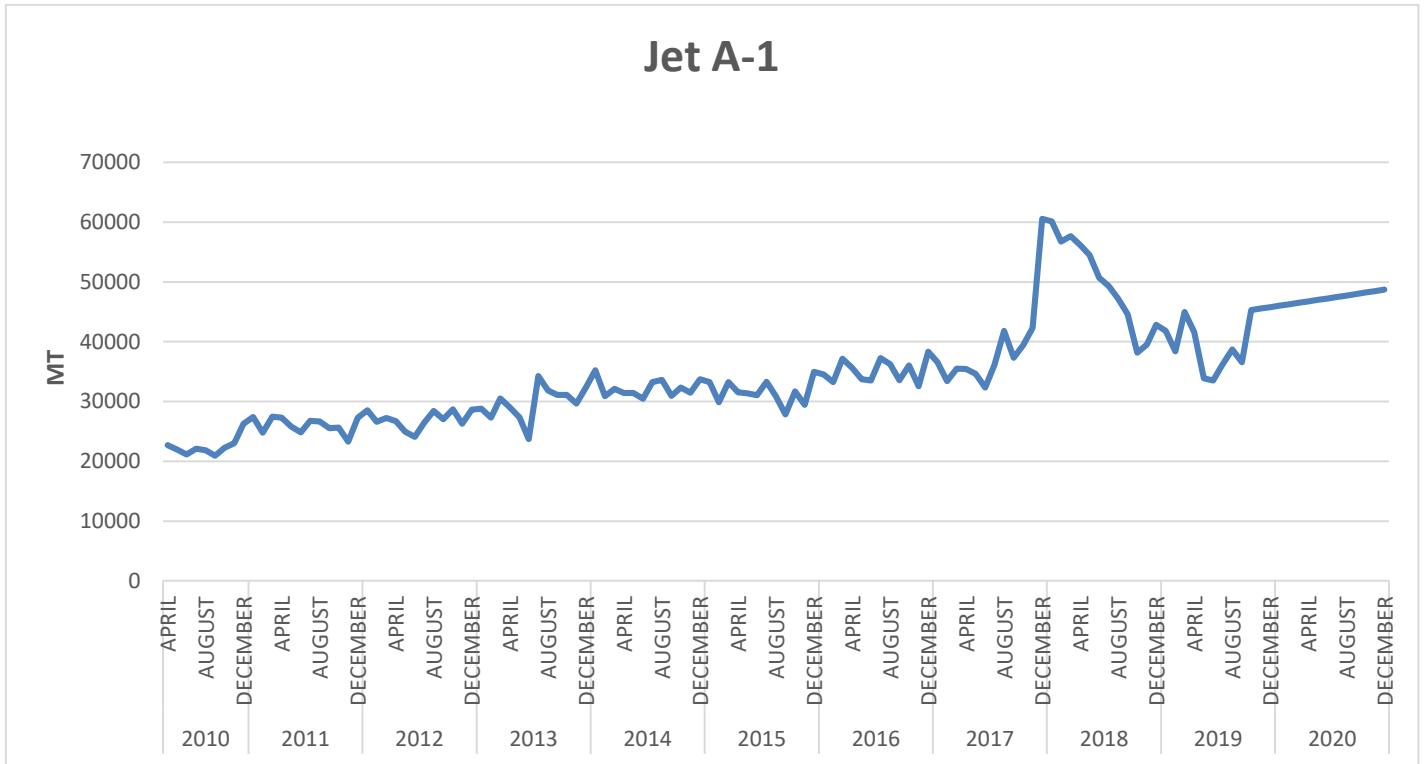
Appendix V

Graphical Representation of Auto Diesel Sales



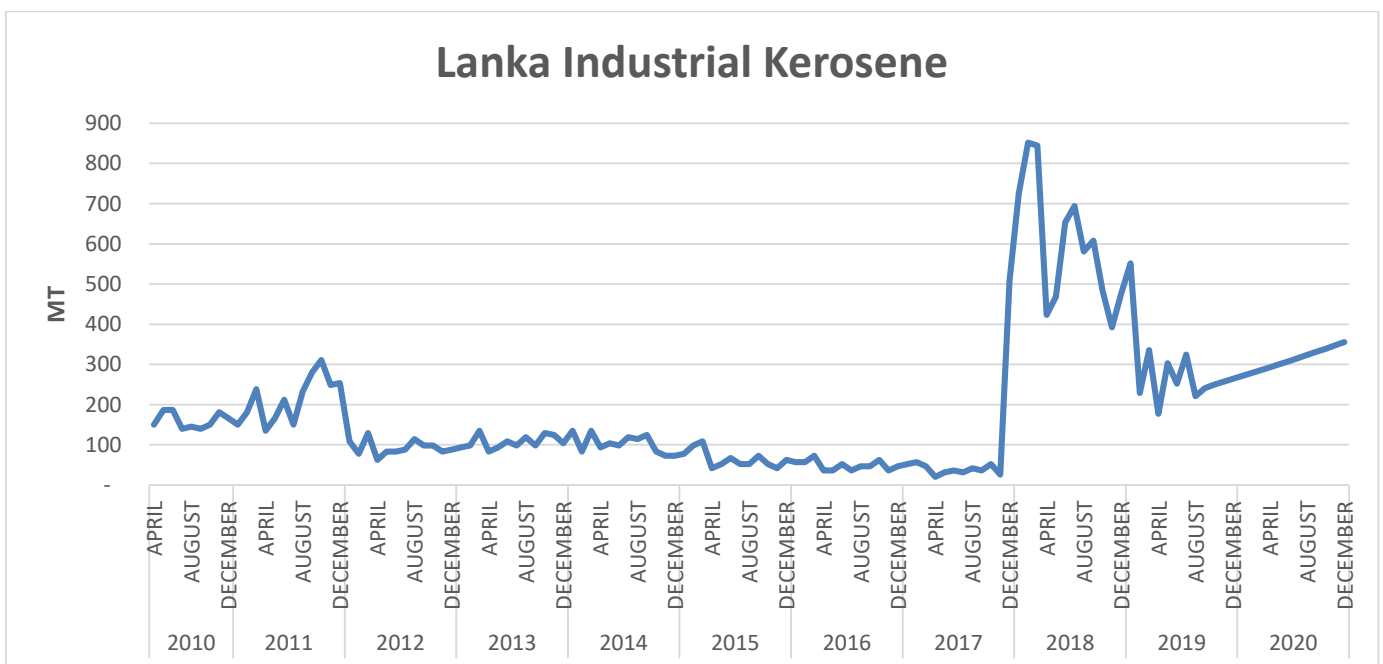
Appendix - VI

Graphical Representation of Jet A-1



Appendix - VII

Graphical Representation of Lanka Industrial Kerosene



Appendix - VIII

Graphical Representation of Lanka Kerosene

