



# **PROCUREMENT PLAN – 2021**

**FOR**

**CRUDE OIL**

**&**

**PETROLEUM PRODUCTS**

**PREPARED & PRESENTED BY**

**COMMERCIAL FUNCTION**

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## **1 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

## 2 Executive Summary

### 2.1 Total Estimated Funds Requirement for 2021 Imports

Table 1. Total Estimated Funds Requirement for 2021 Imports

<b>Crude Cost (USD Million)</b>	<b>Cost of Refined Products (USD Million)</b>	<b>Total Import Cost of Crude Oil &amp; Refined Products (USD Million)</b>
<b>721.35</b>	<b>1778.27</b>	<b>2,499.62</b>

Source: Based on the data given by Finance Function

### 2.2 Crude Oil Import Plan for 2021

Table 2. Crude Oil Import Plan for 2021

<b>Crude Type</b>	<b>Required Quantity (MT)</b>	<b>Estimated Shipments</b>	<b>Estimated Delivery</b>
Murban Crude and Other Crude	1,669,500	18	02 Shipments per month

Throughput per day: 5,300 MT

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

Source: Economics and scheduling forecasted data - 2021

## 2.3 Refined Petroleum Products Import Requirement for 2021

Table 3. Refined Petroleum Products Import Requirement for 2021

	<b>Gasoline 92 Octane</b>	<b>Gasoline 95 Octane</b>	<b>Super Diesel (Gas Oil10 ppm)</b>	<b>Auto Diesel (Gas oil ) (With CEB )*</b>	<b>Jet/Kero</b>	<b>Bitumen</b>	<b>Fuel Oil*</b>
Forecasted Demand	1,255,148	177,770	81,236	2,125,052	574,624	27,788	836,569
Forecasted Refinery Production	168,889	-	-	568,544	300,510	25,088	436,590
<b>Forecasted Quantity to be Imported</b>	<b>1,056,259</b>	<b>177,770</b>	<b>81,236</b>	<b>1,556,508</b>	<b>274,114</b>	<b>2,700</b>	<b>399,979</b>

Units in MT

\* With CEB Forecasted Demand & Local Consumers' Annual Requirement

Source: Based on the Forecasted data

## 2.4 Forecasted Aviation Gasoline, Bitumen & Lubricant Demand for 2021

Table 4. Forecasted Aviation Gasoline Demand

	<b>Aviation Gasoline (MT)</b>
<b>Quantity</b>	<b>264</b>

Source: Based on Forecasted data

### 3 Term Tender Allocation

#### 3.1 Balance Cargos to be imported in 2021 through Term Contracts scheduled during 2020

Table 5. Balance Cargos to be imported in 2021 through Term Contracts scheduled during 2020

No	Term Contract Reference No.	Name of the Supplier	Total Shipments Planned under the contract	No of Shipments allocated for 2021
1	BK/TERM/CRUDE OIL/MURBAN/2020-2021-R	Emirates National Oil Company (Singapore)	12	11
2	BK/TERM/GAS OIL(0.05% M.S.)/GAS OIL(0.001% M.S.)/DTB-MUTHU/2020-2021	Emirates National Oil Company (Singapore)	06	06
3	BK/TERM/GAS OIL(0.05% M.S.)/DTB-MUTHU/2020-2021	Emirates National Oil Company (Singapore)	04	04
4	BK/TERM/GASOLINE(92 UNL)/DTB-MUTHU/2020-2021	E3 Energy UAE	06	06
5	BK/TERM/GAS OIL(0.05% M.S.)/MUTHU/2020-2021	Swiss Singapore	06	06

Source: Based on the Commercial Function data

#### 3.2 Term Tenders Scheduled in 2021

Table 6. Term Tenders Scheduled in 2021

No	Term Contract Reference No.	Name of the Supplier	Total Shipments Planned in 2021
1	BK/TERM/GASOLINE(92-95 UNL)/DTB-MUTHU/2020-2021	BB Energy Asia Pte Ltd	07

Source: Based on the Commercial Function data

### 3.3 Quantity scheduled to be imported through existing term contract (2020) and planned term tender in 2021 up to now

Table 7. Quantity scheduled to be imported through existing term contract (2020) and planned term tender in 2021

<b>Product</b>	<b>Quantity(MT)</b>
Gasoline 92 UNL	211,800
Gasoline 95 UNL	-
Super Diesel	42,000
Auto Diesel	554,800
Jet/Kero	-

### 3.4 Balance Quantity to be imported after the allocation of the Term Tenders

Table 8. Balance Quantity to be imported through term or single tenders

	<b>Gasoline 92 Octane</b>	<b>Gasoline 95 Octane</b>	<b>Gas Oil10 ppm</b>	<b>Gas oil 500 ppm</b>	<b>Jet/Kero</b>	<b>Bitumen</b>	<b>Fuel Oil*</b>
<b>Forecasted Quantity to be imported</b>	1,086,259	177,770	81,236	1,556,508	274,114	2,700	399,979
<b>Quantity already scheduled to be imported</b>	211,800	-	42,000	554,800	-	-	-
<b>remaining Quantity to be import in 2021</b>	874,459	177,770	39,236	1,001,708	274,114	2,700	399,979

Units in MT

Source: Based on the Forecasted data



## 4 Assumptions and Limitations

### 4.1 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 5,300 MT.
- ii. The average of the wet and dry forecast of CEB has been considered.

### 4.2 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.

## 5 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.

Table 9. Forecasted Total Yield of Refined Products from 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)	168,889	-	-	568,544	240,408	60,102	436,590

Source: Based on the data given from the Refinery

## 6 Crude oil and Refined Products Purchase Plan 2021

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 2021 with the current status of procurement preparedness activities.

Table 10. Crude Oil Purchase Plan for 2021

<b>Crude Type</b>	<b>Quantity (MT)</b>	<b>Status of the Tender</b>	<b>No. Of Shipments</b>
Murban Crude	1,669,500	Term Contract Awarded	18

Throughput per day: 5,300 MT

Most feasible parcel size is 90,000 MT

Source: Based on the data given from the Refinery

## 7 Cargo Combinations Planned under the existing Term Contracts

Table 11. Forecasted Import Quantities under the term Contracts

No	Term Contract Reference No.	Name of the Supplier	Product Type & Combination	Quantity per Shipment (MT)	No. of Shipments
1	BK/TERM/CRUDE OIL/MURBAN/2020-2021-R	Emirates National Oil Company (Singapore)	Murban Crude Oil	90,000MT	12
2	BK/TERM/GAS OIL(0.05% M.S.)/GAS OIL(0.001% M.S.)/DTB-MUTHU/2020-2021	Emirates National Oil Company (Singapore)	Gas Oil (0.05% M.S.)	30,300MT	06
			Gas Oil (0.001% M.S.)	7,000MT	
3	BK/TERM/GAS OIL(0.05% M.S.)/DTB-MUTHU/2020-2021	Emirates National Oil Company (Singapore)	Gas Oil (0.05% M.S.)	37,300MT	04
4	BK/TERM/GASOLINE(92 UNL)/DTB-MUTHU/2020-2021	E3 Energy, UAE	Gasoline (92 Unl)	35,300MT	06
5	BK/TERM/GAS OIL(0.05% M.S.)/MUTHU/2020-2021	Swiss Singapore Pte Ltd, Singapore	Gas Oil (0.05% M.S.)	37,300MT	06
6	BK/TERM/GASOLINE(92-95 UNL)/DTB-MUTHU/2020-2021	BB Energy Asia Pte Ltd	Gasoline (92 Unl)	26000MT	07
			Gasoline (95Unl)	9000MT	

## 8 Appendixes

### 8.1 Appendix I

#### Cost Estimation of Crude Oil and Petroleum Products

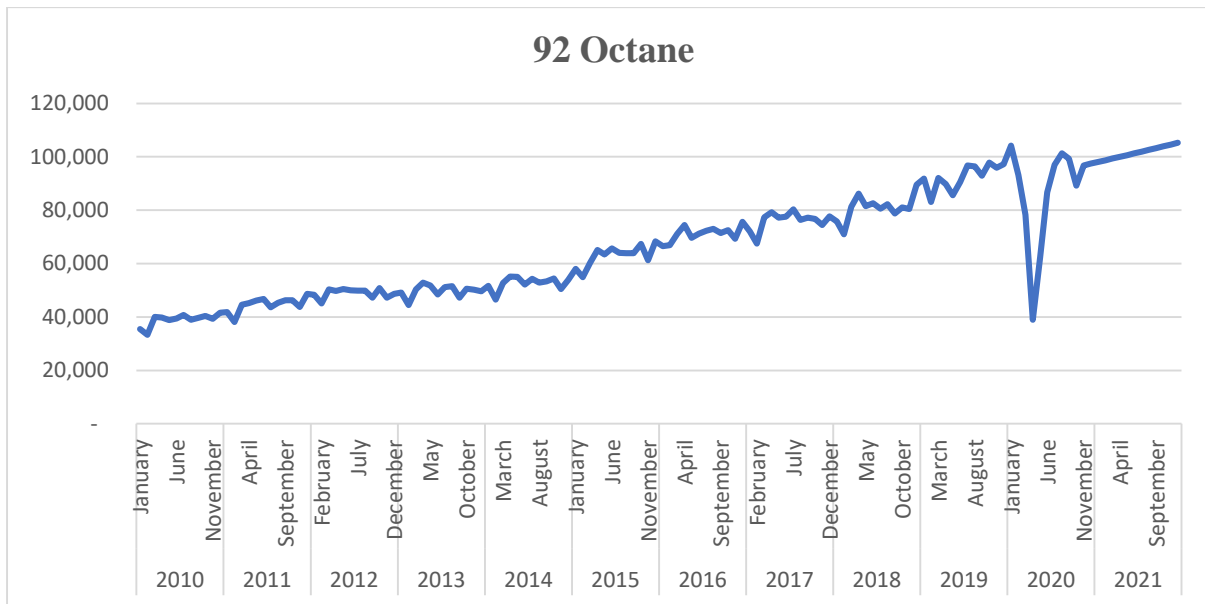
Table 12. Cost Estimation of Crude Oil and Petroleum Products

	Gasoline 92 RON (MT)	Gasoline 95 RON (MT)	Gas Oil 10 ppm (MT)	Gas oil 500 ppm (with CEB) (MT)	Jet / Kero (MT)	LSFO (MT)	HSFO (MT)	Crude Oil (MT)	Av Gas (MT)	Bitumen (MT)
Forecasted Demand	1,255,148	177,770	81,236	2,125,052	574,624	746,961	89,606	1,669,500	264	27,788
Stocks as at 31st December 2020	50,000	6,000	7,000	150,000	43,000					
Forecasted Ref. Production	168,889	-	-	568,544	300,510	436,590	-	-	-	25,088
Forecasted Qty. To be Imported in MT	1,086,259	177,770	81,236	1,556,508	274,114	310,371	89,606	1,669,500	264	2,700
Forecasted Qty. to be Imported in BBL	8,981,252	1,469,804	604,265	11,577,912	2,189,318	2,060,049	594,745	12,688,200	2,265	16,992
Estimated DAP Value per BBL(US\$)	63.62	67.57	69.62	66.25	132.07	58.88	54.31	56.81		
Value of Imports (US\$/Mn)	571.38	99.32	42.07	767.05	144.85	121.30	32.30	721.35		
Total Estimated Value of Refined Products Imports (US\$/Mn) (with CEB requirement)										1,778
Total Estimated Value of Refined Products + Crude Oil Imports + Av. Gas + Bitumen (US\$/Mn)* (with CEB requirement)										2,500

Source: Based on the calculated data

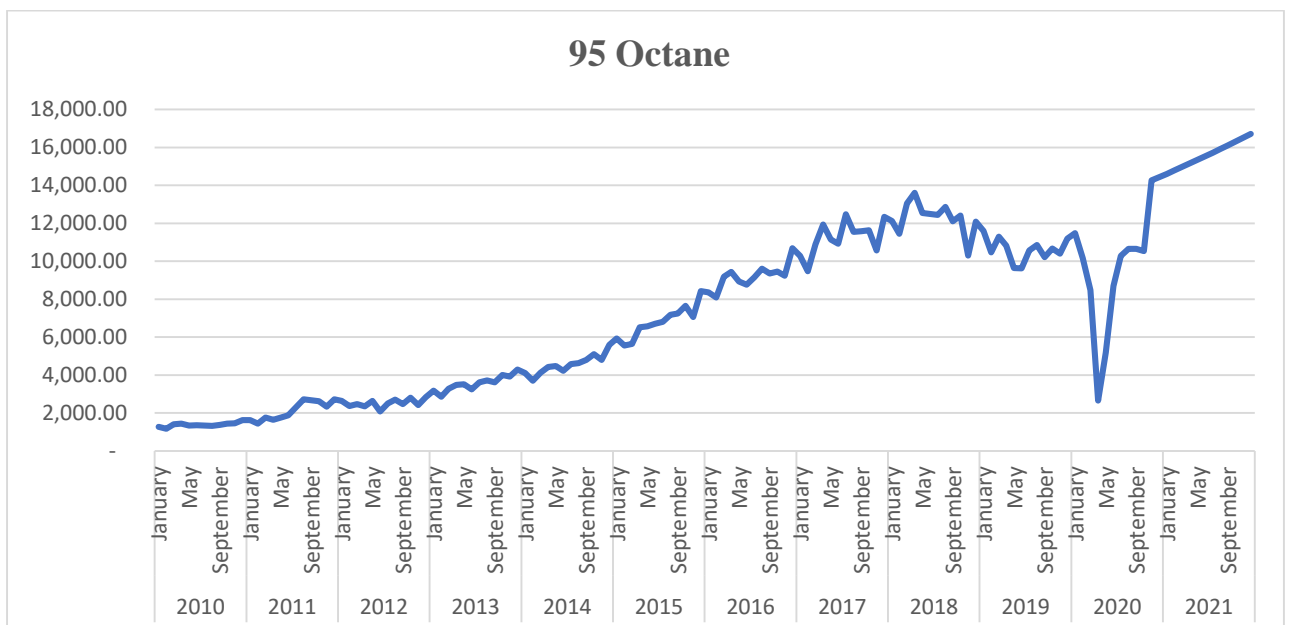
## 8.2 Appendix II

### Graphical Representation of Gasoline 92 UNL Sales



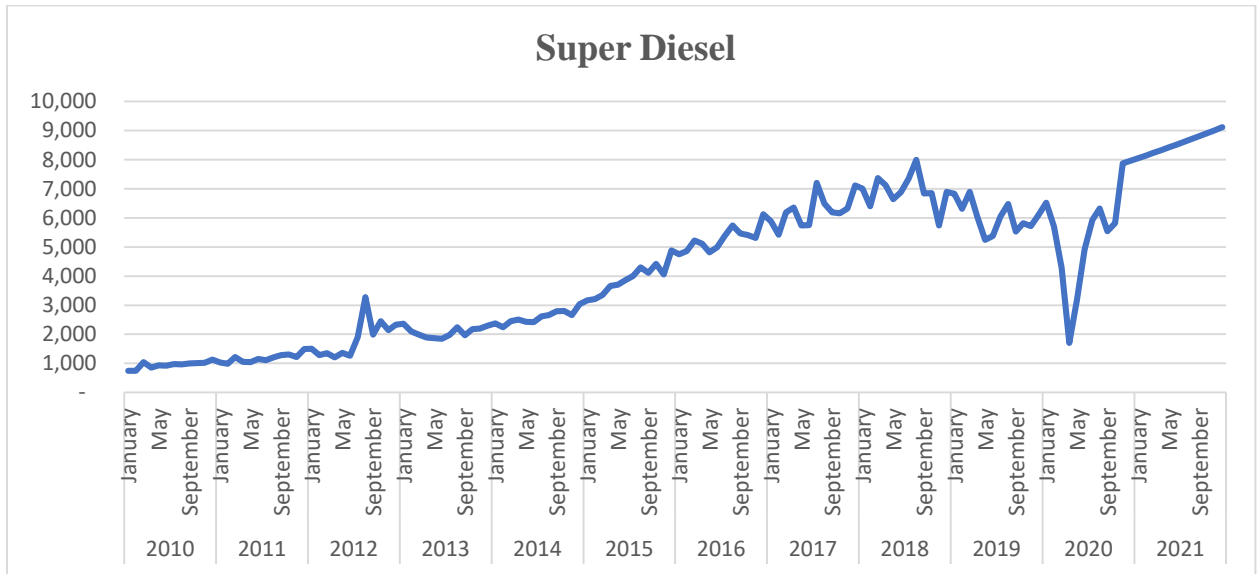
## 8.3 Appendix III

### Graphical Representation of Gasoline 95 UNL Sales



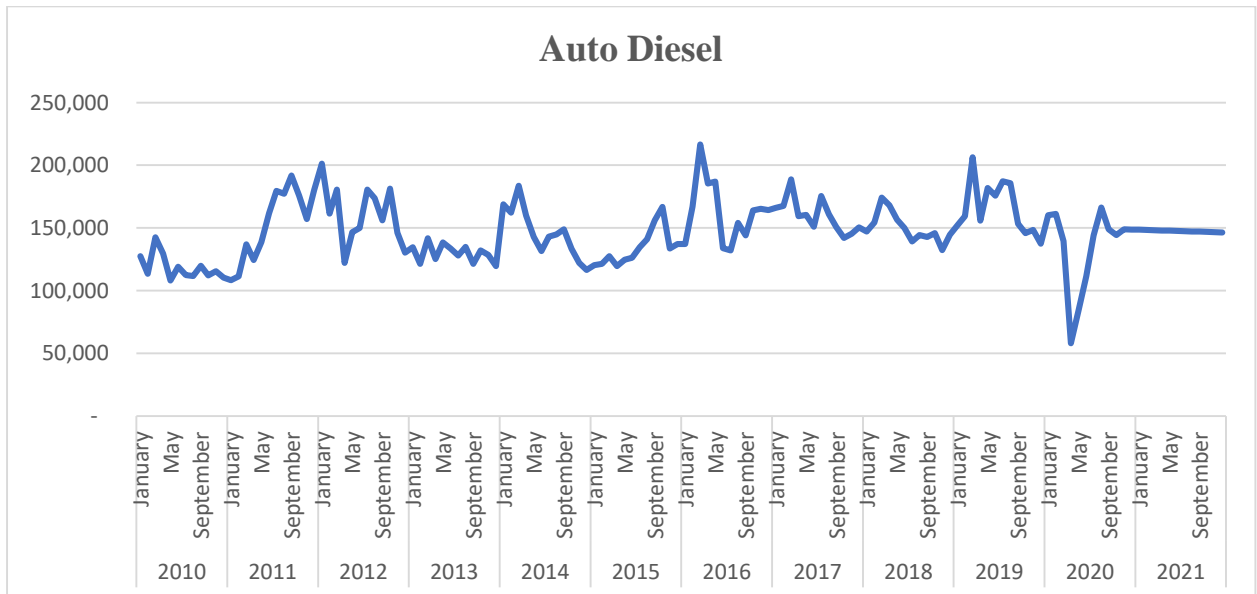
## 8.4 Appendix IV

### Graphical Representation of Super Diesel Sales



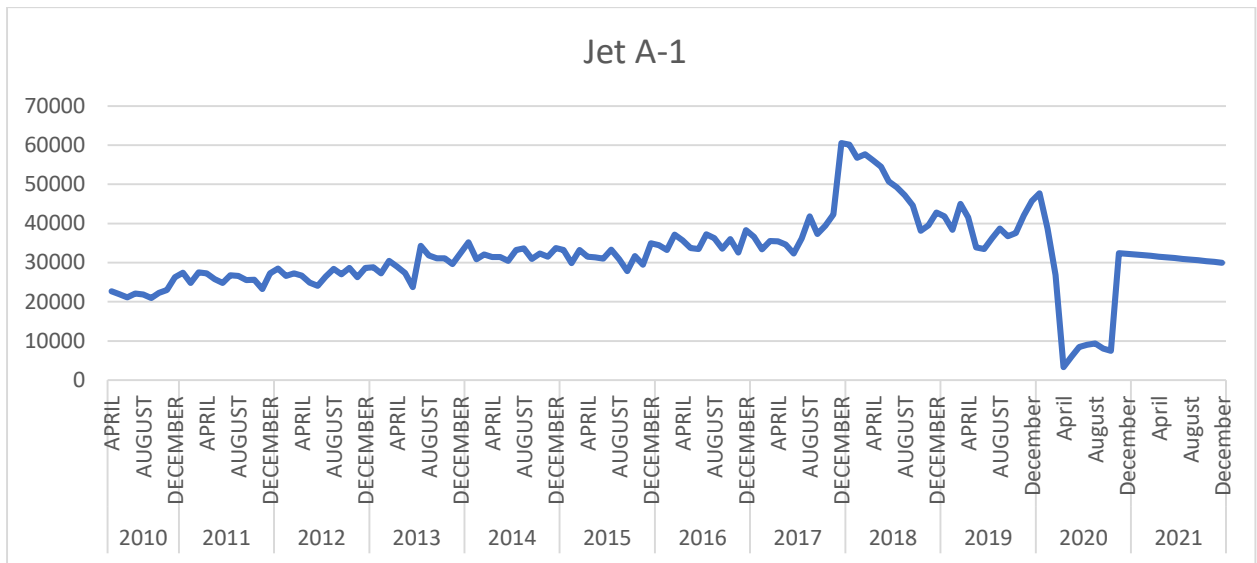
## 8.5 Appendix V

### Graphical Representation of Auto Diesel Sales



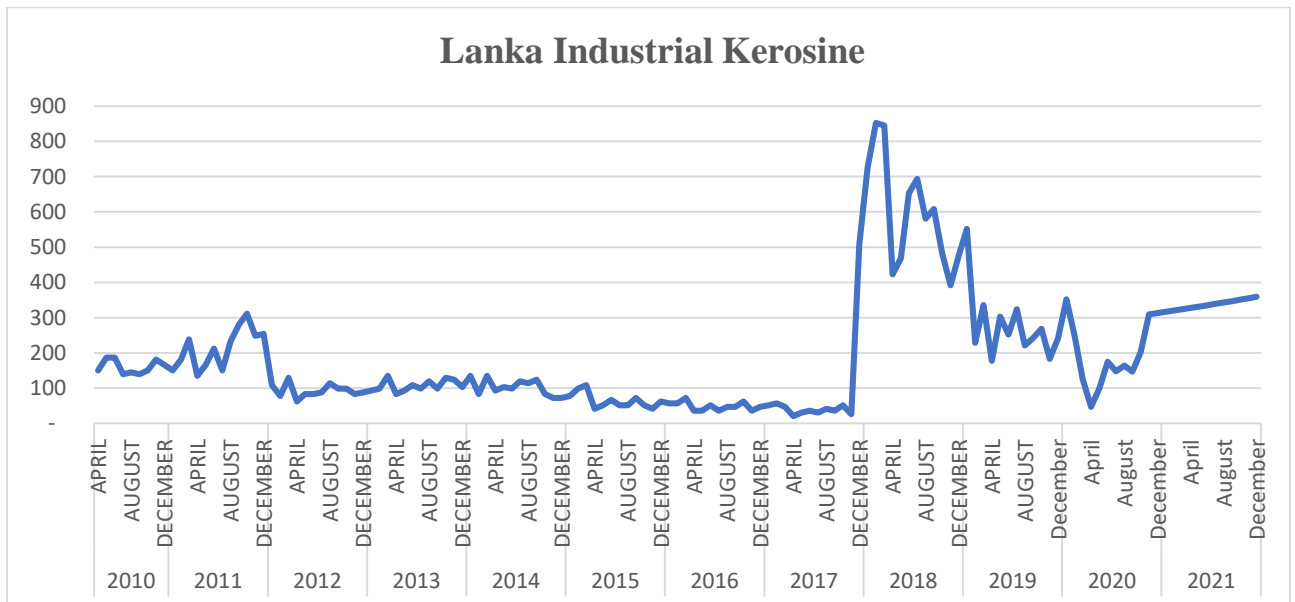
## 8.6 Appendix - VI

### Graphical Representation of Jet A-1



## 8.7 Appendix - VII

### Graphical Representation of Lanka Industrial Kerosene



## 8.8 Appendix – VIII

### Graphical Representation of Lanka Kerosene

