



Milford Haven refinery to be converted to oil storage terminal

Puma Energy is looking to capitalise on the UK's growing need for fuel imports as refineries close

Puma Energy (co-owned by Swiss commodity company Trafigura and Angola's state oil company Sonangol) has acquired a series of UK assets from Murco Petroleum, a subsidiary of Murphy Oil Corporation. The deal includes the Milford Haven facility in Wales and three inland terminals at Westerleigh, Theale and Bedworth, as well as Murco's wholesale and distribution business in the UK. The acquisition adds approximately 1.4mn cm of storage capacity to Puma Energy's midstream operations of 5.6mn cm.

Under the terms of the agreement, which represents Singapore-based Puma Energy's first acquisition in the UK, the company will convert the Milford Haven site into a state-of-the-art storage facility, reportedly taking on all the terminal and distribution employees.

As noted in *Petroleum Review's Retail Marketing Survey* (see p7), the UK has become increasingly reliant on fuel imports following a raft of refinery closures (including Milford Haven). This trend has created opportunities for storage and

distribution operations.

Puma Energy also recently signed a sales and purchase agreement with BP Australia to buy its Australian bitumen business, subject to regulatory approvals. The company is one of the largest traders of bitumen, with a worldwide distribution and marketing network, owning and operating one of the world's largest bitumen vessel fleets.

Puma Energy Australia General Manager Ray Taylor said the decision to acquire the bitumen business comes at a time when the Australian bitumen market is going through transition. 'The Australian bitumen market is increasingly reliant on imports after the shutdown of several refineries. Our global supply and distribution network and our fleet of vessels ensure supply security and enable us to source high quality and competitively priced products for our customers.'



Milford Haven refinery

Source: Murco Petroleum

Statistics

UK energy efficiency

Overall UK energy efficiency, measured as energy consumption per unit of economic output, continues to improve year on year, according to provisional statistics for 2014 released by the Department of Energy and Climate Change (DECC). Overall energy production fell between 2013 and 2014, and temperature-corrected consumption fell further.

The growth of renewables means that low carbon generation – including nuclear power – accounted for a record 36% of supply. Meanwhile, production of both coal and oil were at record low levels in 2014, says DECC.

Overall primary energy production fell by 2%, compared to 2013, to 112mn toe. The decrease, the smallest for over 10 years, was due to falls in nuclear output (due to outages), coal production being down by 10% as a result of geological conditions at some mines in 2014, and oil production down 2.3% as a result of long-term decline and maintenance activity. However, gas production rose slightly, by 0.3%, following the start-up of the Breagh and Jasmine fields.

Primary energy consumption on a fuel input basis decreased by 7% and, on a temperature adjusted basis, was down 3.1%, continuing the downward trend of the last nine years. The daily average temperature for 2014 was 1.2°C higher than 2013, with 2014 being the warmest year on record.

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