



Increasing Oil Storage Capabilities in Pakistan

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Pakistan State Oil





**A Symbol of
Relentless
Quest for
Excellence**

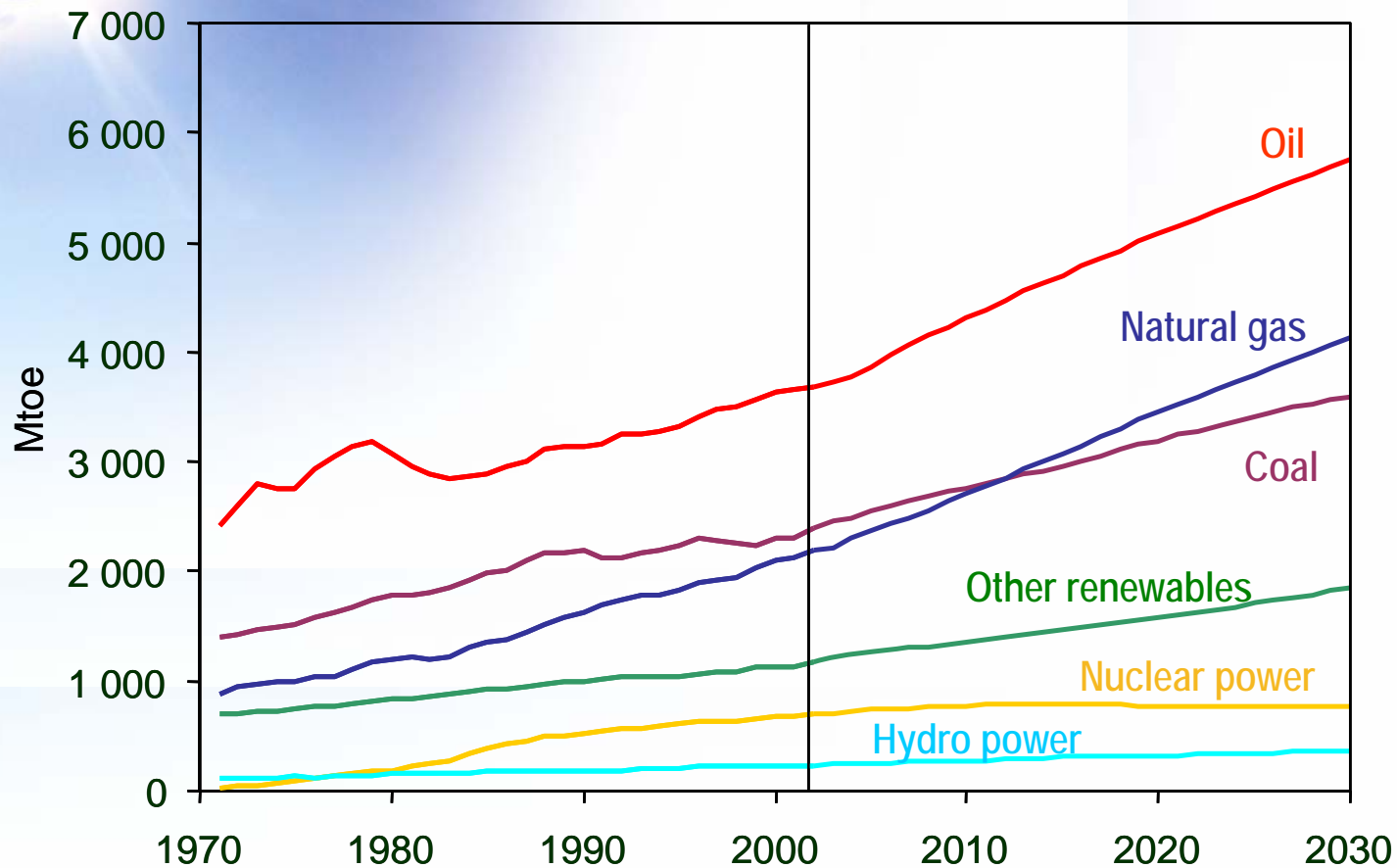


Company Profile (Pakistan State Oil - PSO)

- Largest Company in Pakistan with turnover of around Rs 254 billion (US\$ 4.3 billion)
- Oil market leader with 79.2% share in Black Oil and 58.3% share in White Oil
- The Blue Chip Company, winner of KSE Top Companies Award, AIOU - Commonwealth of Learning Strategic Leadership Award, and MAP's Management Excellence Award
- First OMC in Pakistan to obtain ISO 14001:1996 certification at Keamari Terminal 'C'
- Obtained ISO 9001:2000 certification for 12 installations/depots, Karachi Airport aviation station, CoCo retail outlets, MQTUs and Industrial Consumer department
- First Pakistani company to be Foundation Member of the World Economic Forum, Switzerland
- First oil marketing company to introduce plastic card technology in Pakistan
- Socially responsible corporate citizen
- Popular topic of case studies in Pakistan



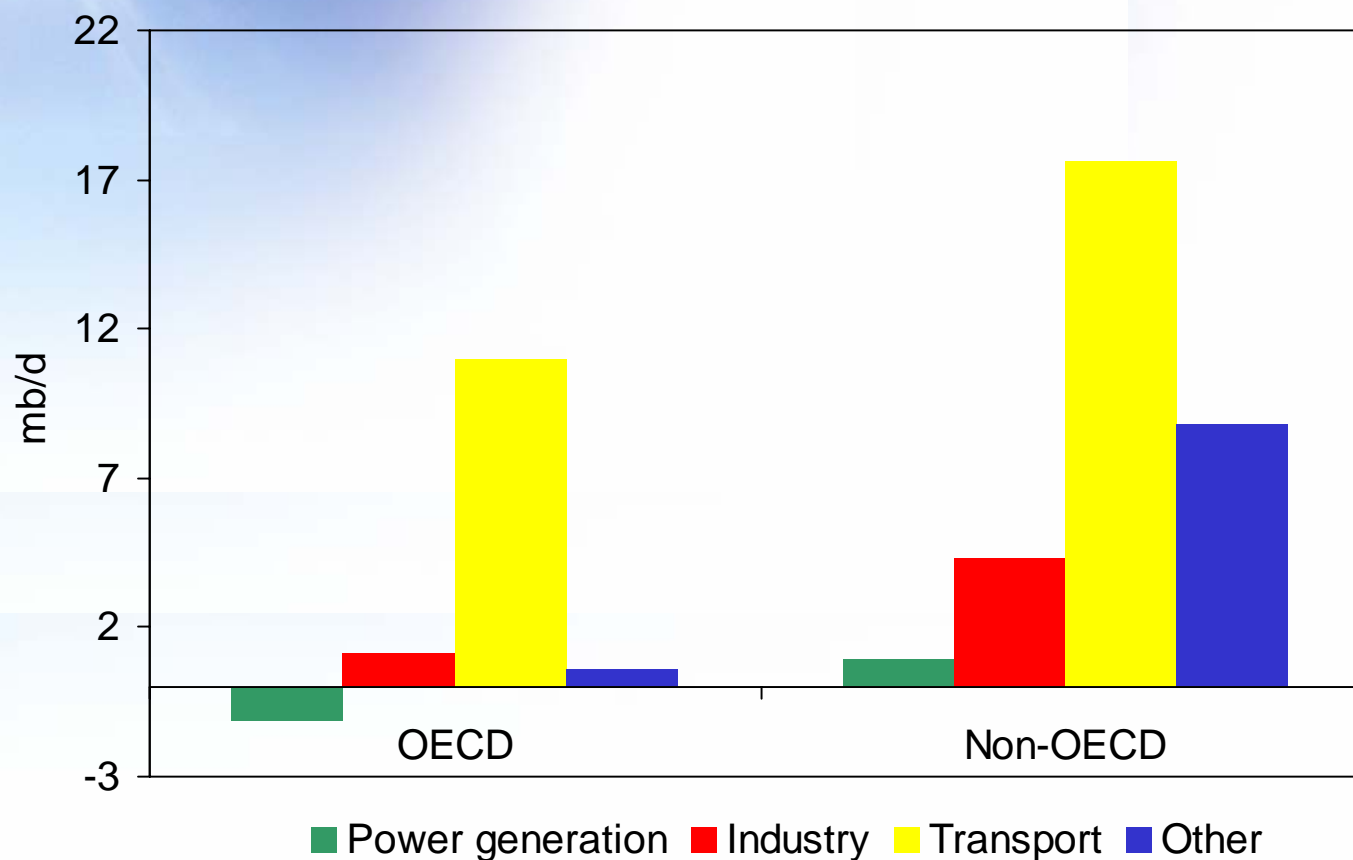
World Primary Energy Demand



- Fossil fuels account for almost 90% of the growth in energy demand between now and 2030.
- Oil being the single largest fuel in the global primary energy mix, though its share will decline.

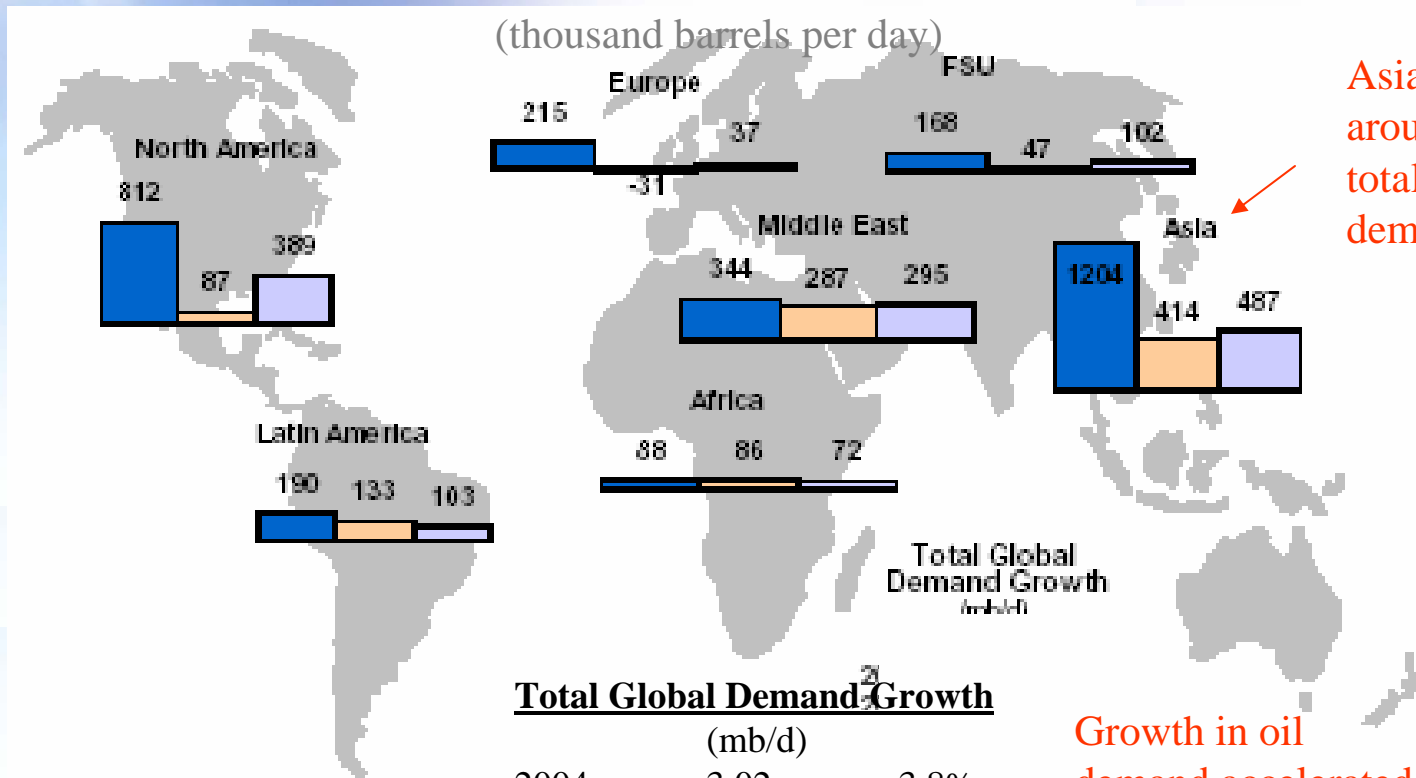


More rise of Oil Demand in Developing Countries (2002-2030)





Global Oil Demand Growth 2004/2005/2006



Asia Contributes
around 29% of
total world oil
demand

Total Global Demand Growth

| | (mb/d) | |
|------|--------|------|
| 2004 | 3.02 | 3.8% |
| 2005 | 1.02 | 1.2% |
| 2006 | 1.49 | 2.1% |

Growth in oil
demand accelerated
slightly in 2006



Overall demand growth could pick up in 2006

Demand by Product

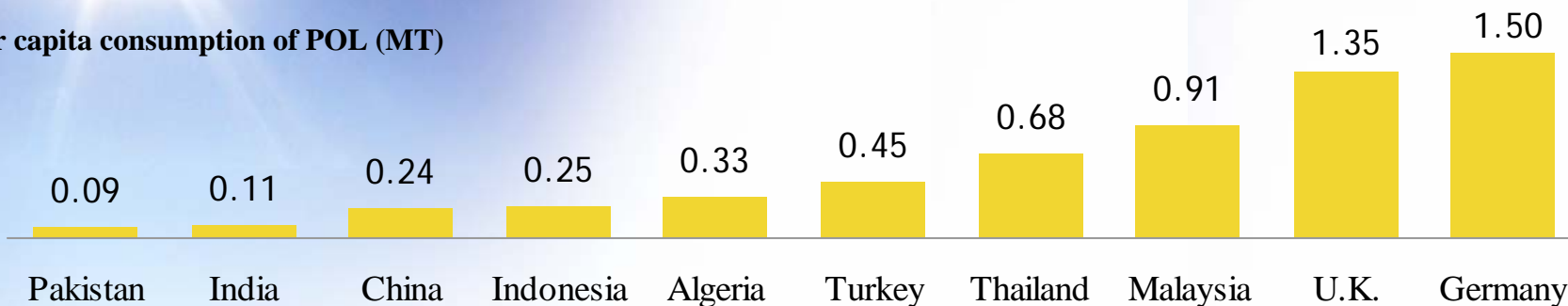
(thousand barrels per day)

| | | Demand | | | Annual Change | | Annual Change (%) | |
|-------------------|----------|--------|-------|-------|---------------|------|-------------------|--------|
| | | 2004 | 2005 | 2006 | 2005 | 2006 | 2005 | 2006 |
| Motor Gasoline | China | 1,069 | 1,092 | 1,182 | 23 | 90 | 2.2 | 8.2 |
| | Pakistan | 31 | 29 | 26 | (2) | (3) | (5.0) | (10.7) |
| Jet & Kerosene | China | 239 | 245 | 263 | 6 | 17 | 2.6 | 7.1 |
| | Pakistan | 24 | 28 | 31 | 4 | 3 | 14.7 | 9.2 |
| Gas/Diesel Oil | China | 2,150 | 2,264 | 2,430 | 114 | 166 | 5.3 | 7.3 |
| | Pakistan | 158 | 153 | 137 | (5) | (16) | (2.9) | (10.4) |
| Residual Fuel Oil | China | 829 | 750 | 721 | (79) | (29) | (9.5) | (3.9) |
| | Pakistan | 85 | 75 | 97 | (9) | 21 | (10.8) | 28.2 |
| Other Products | China | 2,145 | 2,244 | 2,385 | 99 | 141 | 4.6 | 6.3 |
| | Pakistan | 24 | 25 | 22 | 0 | (2) | 1.2 | (9.1) |
| Total Products | China | 6,433 | 6,597 | 6,981 | 163 | 385 | 2.5 | 5.8 |
| | Pakistan | 322 | 311 | 314 | (11) | 3 | (3.5) | 0.8 |



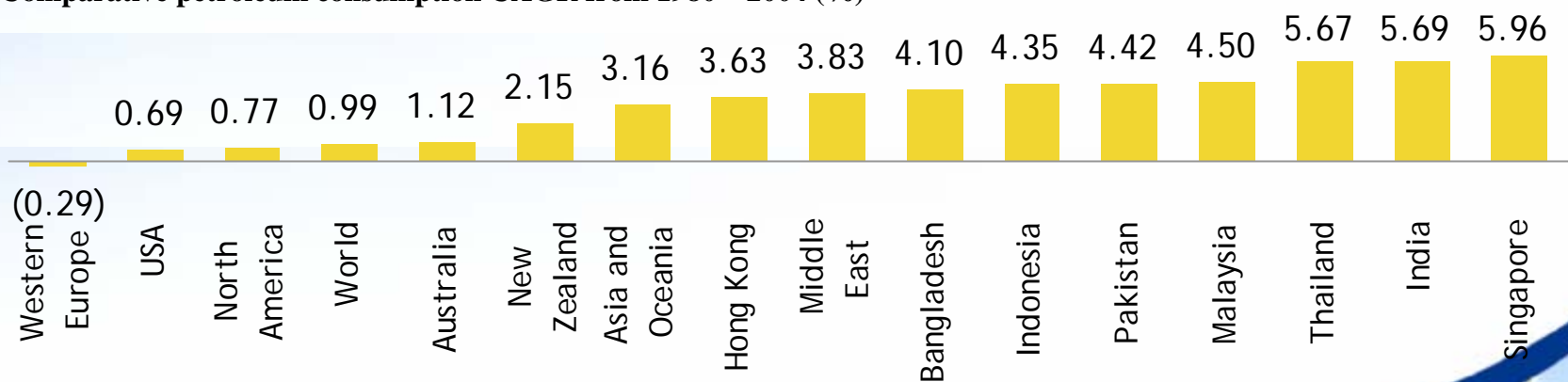
Attractive growth prospects

Per capita consumption of POL (MT)



Source: BP statistical Yearbook 2005, World Population Data Sheet—Population Research Bureau

Comparative petroleum consumption CAGR from 1980—2004 (%)



Source: BP statistical Yearbook 2005, EIU



Petroleum Demand Growth

| | Year | Volume (M Toe) | CAGR % | Proportion in Energy Mix % | |
|--------------------------------|------|-------------------|--------|-------------------------------|---|
| Short Term Growth | 2005 | 16.8 | - | 31.1 | % |
| | 2010 | 20.6 | 4.2% | 28.6 | % |
| Medium Term Growth | 2015 | 24.2 | 3.3% | 24.7 | % |
| | 2020 | 30.7 | 4.9% | 23.4 | % |
| Long Term Growth | 2025 | 34.4 | 2.3% | 20.2 | % |
| | 2030 | 40.6 | 3.4% | 18.6 | % |
| Cummulative Growth rate | | | 3.0% | | |
| Average Growth Rate | | | 3.6% | | |

Source: PIP/OCAC Energy Plan



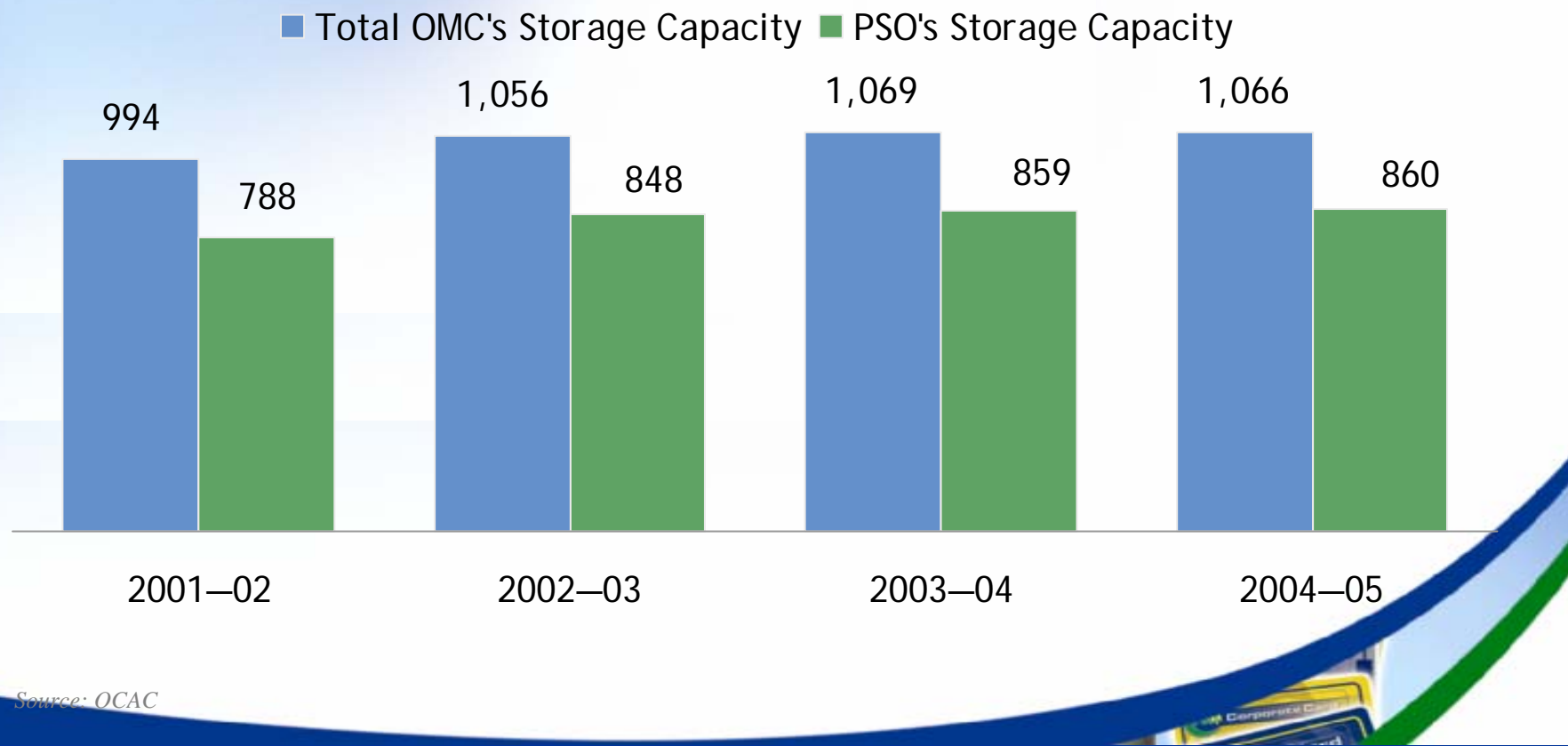
Strategic response to demand growth

- **Increasing Oil Storage Capabilities**
- **Building Strategic Petroleum Reserves**
- Demand restraining by higher energy efficiency
- Use of Non-Conventional energy sources
- Use of emergent technologies



Oil Marketing Companies Storage Capacities

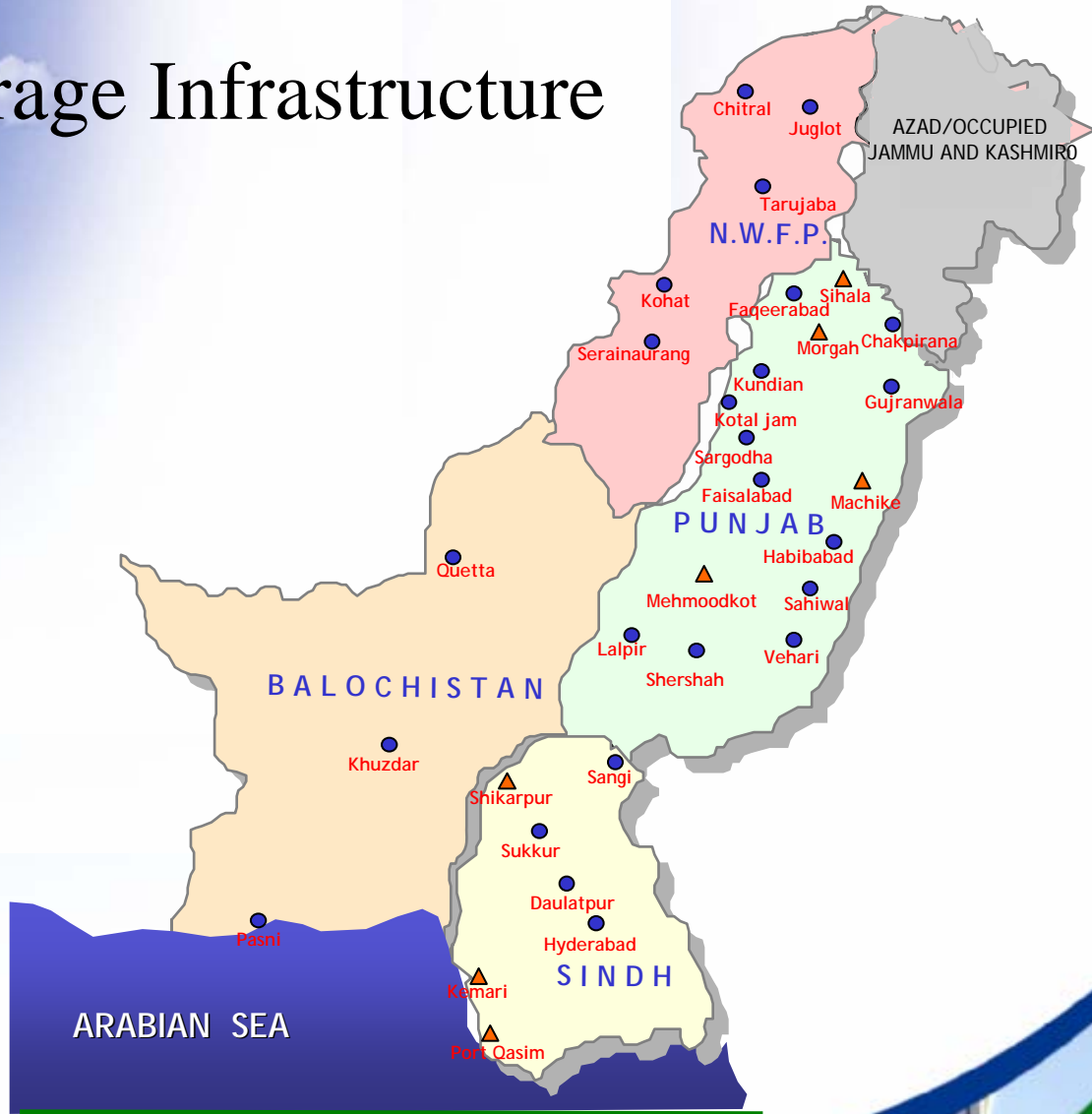
In '000 MT



Source: OCAC



Oil Storage Infrastructure



Legend

- ▲ Installations
- Depot



OMC infrastructure by company

| OMC infrastructure by company | | | | | | |
|---------------------------------------|-------|-------|--------|------|-------------|--------|
| Category | PSO | Shell | Caltex | APL | Total PARCO | Admore |
| Total storage capacity in '000s MT | 860 | 156 | 48 | 2 | — | — |
| % share | 80.7% | 14.6% | 4.5% | 0.2% | — | — |
| Storage Installations | 9 | 5 | 5 | — | — | — |
| % share | 47.4% | 26.3% | 26.3% | — | — | — |
| Depots | 27 | 15 | 12 | 1 | — | — |
| % share | 49.1% | 27.3% | 21.8% | 1.8% | — | — |

Source: OCAC 2004-2005



Largest Storage Capacity



Keamari Storage Terminal

Zulfiqarabad Oil Terminal





Oil Storage Development

- Enhancing the Storage
- Upgrading the facilities
- Strategic direction



Gwadar Port

Focus of infrastructure development

- Strategically located very close to Iranian seaport - Bandar Abbas & Major Oil Export Terminals in UAE, Saudi Arabia, Bahrain, Kuwait & Iraq in the Arabian Gulf
- Best available natural coastline providing an outlet for land-locked Central Asian Countries through transit trade & transshipment facilities



Potential Projects at Gwadar

- Marine Fuel Bunkering
- Jet Fuel Storage Facilities
- Storage Warehouse
- Study on oil refineries and storage
- Consumer outlet and allied infrastructure



PSO: Nexus for development partnership

- Collaboration on storage infrastructure development initiatives
- Sharing of technical information
- Pooling of professional expertise
- Investment and project development partnership



Thank You