



NEWS RELEASE

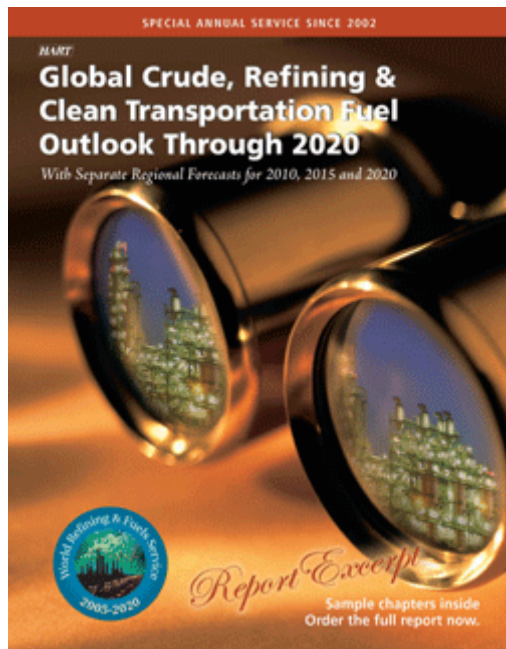
Hart Energy Publishing LP, 4545 Post Oak Place, Suite 210, Houston, TX 77027-3105 • (713) 993-9320 • Fax (713) 840-0923

Contact: Jeff Miller
Corporate Director of Marketing
Hart Energy Publishing, LP
(713) 993-9325 ext. 127
jmiller@hartenergy.com

Hart Energy Publishing Releases 2006 Edition of WRFS

HOUSTON, TEXAS (February 9, 2006) - - - Hart Energy Publishing has released the 5th edition of World Refining & Fuels Service through 2020. In this year's edition, besides recalculating all sections based on new assumptions, Hart has included:

- Refining competitive ranking per country, per refiner, per refinery;
- Canadian synthetic crude integration with the U.S. and Asia;
- Special in-depth analysis on India, China and Russia;
- Implication analysis on recent U.S. Energy Law and Renewable Fuels Standards and
- Completely revamped biofuels and GTL sections.



The report discusses how much demand will increase during the forecast period and the effect that it will have on refining capacity and crude oil supply. It also studies the impact fuel quality requirements will have on petroleum demand, refining configuration and interregional product flows through 2020, and assesses the industry's business outlook and its ability to deal with increasing demand and increasingly restrictive quality requirements.

The report analyzes the future balance between petroleum supply and product demand in eight global regions: North American, Latin American, Western Europe, Southeast Europe, Commonwealth of

Independent States (former Soviet Union), Asia-Pacific, The Middle East, and Africa. One

-more-

prediction the report's authors make is that refining margins will remain strong at least through 2010. "Refined product margins have firmed considerably over the past year, driven by a tightening balance between available refining capacity and refined product demand," the report says. Although demand growth remains relatively strong, higher oil prices have resulted in the latest Outlook calling for less demand over than the next 15 years than in the previous analysis. However, demand for petroleum products globally is expected to increase 27% by 2020, and much of this growth will occur in the developing world, resulting in increased refinery expansion.

"The pace of expansion will be higher than that experienced for some time," the report says. "If all projects develop, capacity will keep pace with or slightly exceed some regional needs in the short-term." From 2010-2015, increasing processing requirements will keep capacity, particularly downstream capacity, tight. The need for refinery capacity expansion will be the greatest it has been since the 1960s through early 1970s. By 2020, global demand growth for refined products will require refining capacity to expand 22%, the report says.

"The industry has never faced such investment against the backdrop of the utilization rates forecasted for this period for all regions," the report says. "The issue is not whether investment needs to take place; rather, the issue is where will investment be best directed to generate optimal returns for refiners." The report expects total capital investments in refinery expansion and gas-to-liquids (GTL) to be \$204 billion for the forecast period, and capacity will account for 90% of the investments. The report's authors do not anticipate that overexpansion will occur, but say it is probable that the "wave" GTL projects expected to come on-stream after 2010 will help loosen the low-sulfur diesel market. Investment in GTL plants is expected to be \$21 billion during the forecast period.

Renewable fuel use for transportation is also expected to increase, tripling to more than 1 billion b/d globally by 2015, the report says. However, renewable fuels will only account for 2% of the global gasoline/diesel market by 2015.

The push for reducing automotive emissions will continue during the forecast period, the report says. Reducing traditional pollutants, including carbon monoxide, hydrocarbons, nitrogen oxides, and air toxics, will be the focus in less developed nations, while industrialized regions will be looking to reduce particulate matter emissions. "Such regions will also focus on climate

change concerns, which are likely to increasingly influence the development of fuel specifications as well as automotive emission standards,” the report says. “We believe that Russia’s ratification of Kyoto in late 2004 will serve as the springboard for concentrated international action in this area over the coming decade, just as ground-level ozone pollution control dominated the environmental focus on air quality issues over the past decade.”

The feedback from our 40+ subscribers currently utilizing WRFS is very positive. They have indicated that the information provided is extremely comprehensive and valuable, and that Hart’s consulting services help them achieve their global growth potential. Among the many good feedback, one client reported “...you have done a very good job of characterizing the worldwide situation...it is very complete and very impressive. We are pleased. Your outlook is consistent with other information we have obtained.”

For further information on this report please contact [Fred Potter](#) or [Kristine Klavers](#).

E Kristine Klavers

Frederick L. Potter

E. Kristine Klavers
Managing Director, IFQC & Consulting
VP, Hart Energy Publishing, LLLP
Hart Energy Consulting
4545 Post Oak Place, # 210
Houston, Texas 77027, USA
tel. 1-713-993-0032
kklavers@ifqc.org

Frederick L. Potter
Executive Director, Hart Downstream Energy
Senior VP, Hart Energy Publishing, LLLP
Hart Energy Consulting
1749 Old Meadow Road, Suite 300
McLean, VA 22102
tel. 1-703-891-4801
fpotter@hartenergy.com