



NEWS RELEASE

HART Energy Publishing LP, 1616 S. Voss, Suite 1000, Houston, Texas 77057 USA • (1) 713.993.9320 • Fax (1) 713.840.8585

Press Contact: Florence Kosmala
Director of Marketing
HART Energy Consulting
(1) 713.260.6423
fkosmala@hartenergy.com

Hart Study: Refiners with Low Sulfur Capabilities Likely to Fare Better over the Coming Decade

HOUSTON, TEXAS (Jan. 12, 2010) – Low sulfur diesel and gasoline are likely to spearhead an economic recovery for the refining industry just beyond 2010, a study from Hart Energy Consulting shows.

Strong global GDP growth (2.7%) in 2010 should buttress refined petroleum product demand, especially in the Asia Pacific region and other emerging markets. Over the next decade, global demand will grow by 1.7% annually and Asia Pacific will account for nearly half that increase. Worldwide environmental initiatives will spur even higher growth in lower sulfur products. Demand for low sulfur gasoline and diesel will increase by nearly 17 million barrels per day by 2020 (more than 70% increase). The oversupply situation in gasoline will be offset by a tight demand/supply balance for clean diesel.

“Refiners with more flexibility and complexity will be better placed to improve margins as markets emerge from the economic downturn. Refineries that can quickly increase yields of these low sulfur fuels are the ones that are set to be the most profitable in the short run,” said Terry Higgins, executive director, Global Refining for Hart Energy Consulting.

The full study covers petroleum product demand and supply, country specific and global crude and NGL production, as well as a thorough analysis of the impact of environmental regulation and public policy requirements. This year Hart Energy Consulting added a special review of the impact of current issues such as

- Developing climate policies on vehicle fleet and fuel quality and demand
- Economic subsidies on supply & demand of renewable and low-carbon fuel

- A short-term economic recovery: crude oil prices forecast, GDP forecast, vehicle ownership projections, petroleum demand...

For more information on the study findings, methodology and geographical coverage, Terry Higgins, executive director, Global Refining, is available for comment at +1.703.891.4815 or thiggins@hartenergy.com.

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