

CEPSA Announces Completion of Research & Development Process for Vegetable Oil-Based Biofuels Production, Slated for Immediate Start-Up at its Refineries

- **The La Rábida Refinery (Huelva) will begin producing this new-generation biofuel in July and the Gibraltar-San Roque Refinery (Cádiz), in November**
- **Certified sustainable feedstock such as crude palm oil, animal fats and other waste products will be used in the manufacturing process**
- **Tests have been conducted since 2007 at both the Tenerife and La Rábida Refineries**

Under the auspices of CEPSA's Research Center, a new process for the production of biodiesel using hydrotreated vegetable oils has been successfully completed at the La Rábida Refinery facilities in Palos de la Frontera (Huelva). CEPSA has been steadfastly working on this Research & Development project for four years, in response to the need to comply with new EU Directives and Spanish legislation to promote the use of biofuels. These recent regulations establish the target of having biofuels account for 10% of transport fuels by 2020 (versus a target of 6.2% in 2011).

The process enables converting vegetable oils into biodiesel through hydrogenation using the same hydrotreating units as those used to remove sulfur from conventional diesel fuels. The initial production capacity of these facilities to manufacture so-called hydrotreated biodiesel at CEPSA's three refineries is estimated to exceed 100,000 m³ per year.

This initiative marks a key step towards meeting the latest EU regulations on renewable energies and will likewise help achieve a substantial reduction in Greenhouse Gas (GHG) emissions. CEPSA's Senior Vice President of Corporate Technology, Pedro Miró, highlighted that *"CEPSA considers research to be a critical element for creating value, competitiveness and sustainable growth, and likewise for optimizing the Company's production processes, improving the quality of its products and advancing its technological capabilities"*. Mr. Miró also underscored that *"This project reaffirms CEPSA's staunch commitment to R&D as a fundamental strategic tool to help businesses grow and adapt in a constantly-evolving industry such as energy"*.

This project reflects CEPSA's unswerving endeavor to promote and encourage innovation and continuous improvement as one of the main cornerstones of the Company's identity, and is an integral component of its new strategy focus, as articulated in its slogan "Innovating For You".

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