

Cepsa, ready to face the challenges of IMO 2020

- **Director of Bunker business said Company is very well prepared for the changes of the International Maritime Organization**
- **The energy supplier has noted success in trials of its new, more sustainable marine fuels**

Thanks to its broad experience, Cepsa is ready to implement one of the greatest changes in the history of shipping - the new International Maritime Organization (IMO) regulation for marine fuels (IMO 2020) which will come into force on January 1 2020, and under which vessels will be required to use fuels with a maximum sulfur content of 0.5%.

The manager of the Company's Bunker business, Carlos Giner, gave an update on progress, during his presentation, of the energy supplier's strategy in relation to this new regulation, at a recent international meeting of the maritime industry held in Gran Canaria. The new standard will benefit the environment not only in the ports, but also on the high seas.

During his speech, Carlos Giner emphasized that (through its Research Center and through significant investments in its refineries) Cepsa has spent years working to ensure that it can successfully comply with the change in regulations. "We will be in a position to meet the requirements of the new international regulation framework months before they come into force.

"It is a significant challenge, and it is now very close, but Cepsa has always distinguished itself by its ability to anticipate the needs of the markets. We therefore have approached the change with foresight and dependability, as befits our position as a leader in this sector. We have the products, the experience, the professionalism and the resources to meet this challenge, not to mention our considerable ability to react to unforeseen developments in this highly complex sector," stated the Bunker manager.

Cepsa will supply the new, very-low-sulfur-content marine fuel (called VLSFO 0.5%) - as well as distillates and traditional 3.5% fuels for those vessels that have opted to install mechanisms to neutralize the emissions (scrubbers). In addition, the company will continue to supply liquid natural gas fuel, (which could eventually have an important role to play in the maritime industry), by road tanker or supply vessel. For this purpose, the company has a dual barge and an LNG barge).

Our new, high quality marine fuel.

Cepsa's wealth of experience in the manufacture of marine fuels over the last 90 years underpins its production of Very Low Sulfur Fuel Oil (VLSFO 0.5%). A guaranteed quality product, produced in the company's own refineries by the distillation of a suitable blend

of crude oils - rather than from a blend of finished products. This will also result in high availability of the product.

The company has already made significant investment in its plants to enable it to supply this product in the required quantities months before the implementation date of IMO 2020. Cepsa estimates that it will produce 2 million tons of this product in 2020, which will be available in the major Spanish ports.

After obtaining satisfactory results in the numerous trials carried out both in its Research Center and in prestigious independent laboratories (and having been sent out to a large number of customers), during May, the product will be subject to tests at an industry level (in vessels at sea).

Cepsa's bunker business: experience and leadership

In the words of Carlos Giner, "we have the backing of 90 years of experience in the marine fuels sector, as Cepsa's bunker business has been in existence since the opening of the Tenerife Refinery in 1930. We are the clear market leaders in Spain, and we also have a presence in Gibraltar, Panama and Fujairah (United Arab Emirates). In total, we sell over 6 million tons of marine fuel annually, and we have a presence in over 60 ports.

Moreover, Cepsa was the first bunker supplier in Spain and the Strait of Gibraltar to use mass flow meter technology (an innovative, high-precision control system which guarantees the quality of the product supplied), and one of the first in the whole of Europe and the Mediterranean. Similarly, it was the first supplier in Europe to use a multi-product barge.

In the Canary Islands, the Cepsa bunker area has its own storage facility in the Ports of Santa Cruz de Tenerife and Las Palmas, Gran Canaria, as well as the capacity to supply marine fuels to all other ports in the Archipelago by means of tankers.

Santa Cruz de Tenerife, April 12, 2019

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