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ExxonMobil Singapore to Make More GII

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ExxonMobil will expand its API Group II base oil plant in Singapore, which is already the largest Group II source in Asia-Pacific and one of the largest base oil refineries in the world, the company announced last week.

The firm did not disclose how much the project will cost nor the size of the expansion, but noted that construction will start next quarter and be completed in 2019.

ExxonMobil's 1.5 million metric tons per year Group II plant is located in the Jurong region of Singapore's main island and is part of ExxonMobil's integrated operation which spans Jurong and nearby Pulau Ayer Chawan and includes two fuel refineries with combined crude oil distillation capacity of 592,000 barrels per day. The site also includes a chemical plant, a lubricants blending plant, and a 678,000 t/y Group I plant on Pulau Ayer Chawan.

ExxonMobil has developed a habit recently of expanding base oil plants in approximately 300,000 t/y increments, having completed expansions in 2015 of 300,000 t/y and 325,000 t/y at both the Jurong plant's Group II train and its Group I/II plant in Baytown, Texas, respectively.

The American refining giant – by far the world's largest producer of base oils – has been sinking base oil investments into Group II projects. In addition to the expansions at Jurong and Baytown, the company is constructing a new Group II plant in Rotterdam, scheduled to open by 2018.

“Our new investment in Group II base stocks will enable our customers to blend lubricants that satisfy more stringent specifications, help reduce emissions, and improve fuel economy and low-temperature performance,” said Ted Walko, global base stock and specialties marketing manager.

With the new expansion of the Jurong plant, the company will also continue to make Singapore the focus of its refining activities in Asia-Pacific.

“Our latest investment affirms our confidence in Singapore, where we have a strong manufacturing base and operate ExxonMobil's largest integrated refining and petrochemical complex,” said Gan Seow Kee, chairman and managing director of ExxonMobil Asia Pacific Pte. “We continue to invest in our Singapore facility to improve supply to customers and the competitiveness of our manufacturing assets, all with a focus on long-term business growth in Asia Pacific.”

An industry source told Lube Report Asia today that ExxonMobil ships significant base oil volumes from Singapore to China and India – the region's two largest lubricant markets – though he did not specify if those cargoes come from Jurong or Pulau Ayer Chawan.