

In conversation with...

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What does completion of the Rotterdam hydrocracker project mean for global base stocks supply across Europe/the world?

The completion of the Rotterdam refinery expansion represents a game-changer in the supply of Group II base stocks for Europe and indeed across the world. It is the first world-scale production of Group II base stocks in Europe, and will improve availability across the EMEA region and globally. Rotterdam will enable blenders with more choices to meet emerging OEM specifications, as well as provide blenders with greater formulation flexibility and efficiency. I am also proud to say that the project will improve the overall site energy efficiency by 5%.

How has the refinery expansion changed ExxonMobil's global footprint?

Rotterdam will significantly change our global footprint; ExxonMobil will have the capacity to optimize supply chains for our customers by leveraging new local production, ensuring sustained distribution to customers for many years to come. It will increase storage capacity and supply reliability and enable ExxonMobil to enhance collaboration with additive companies to provide maximum product coverage. Security of supply, particularly for our EHC™50 and EHC™120 base stocks, will increase around the world.

To support this expansion, we also opened a new hub terminal for vessel and truck loading in Valencia, Spain. This means Group II products are now available from Valencia, Rotterdam, Vado and Liverpool with distributors in Dubai and Durban. Our supply network continues to expand with a new hub terminal in Hamburg scheduled for summer 2019. By leveraging our global network we will continue to strengthen our global supply capability through additional output, as well as ensuring the highest standards in customer service and product integrity.

How significant is production of ExxonMobil's EHC Group II slate on the industry? How will it impact this region and beyond?

Our EHC™ 50 and EHC™ 120 Group II base stocks provide benefits in many European PCEO and HDEO formulations, including potentially reducing additive treat

rates and/or Group III base stocks content that are needed in some formulations. We know lubricant blenders face growing performance demands from ACEA and bodies such as the European Automobile Manufacturers' Association to reduce emissions targets. The general trend for energy efficiency and lower emissions creates increased demand for higher quality base stocks like Group II. Rotterdam's production capacity is 1 million tonnes per year, high enough to significantly reduce European reliance on imports, something that historically has not been the case. It also positions ExxonMobil as one of the largest Group I and Group II producers globally.

How will increased production of Group II base stocks affect Group I base stocks? Is it feasible Group I supplies will ultimately be eliminated?

We see the European and global Group II demand evolving; our investment in Rotterdam is positioned to meet these evolving Group II needs as Group II replaces Group I in many engine oil applications. However, Group I is still the preferred base stock choice in many industrial, marine and heavy-duty industrial applications so it remains a significant and integral part of our global supply network. As such ExxonMobil remains committed to Group I base stocks production.

With Rotterdam now fully operational, what/where next for ExxonMobil?

We recently announced the decision to proceed with a new investment at our Singapore manufacturing complex that strengthens supply availability of our lubricant base stocks and IMO-compliant fuels. The project represents the latest in a series of ExxonMobil investments to expand base stock production, resulting in an additional 20kbd of Group II base stocks. We will also be introducing a new, unique high-viscosity Group II base stock as a result of this expansion. So while our Rotterdam project has come to an end, we are constantly evaluating new opportunities to accommodate demand shifts and meet our customers' needs.

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