

C1 China Minor/Teapot Refinery Review

You will get:

1.1 Capacity and Influence of China's Independent Minor Refineries



1.2 The Role of Independent Minor Refineries in China's Oil Market

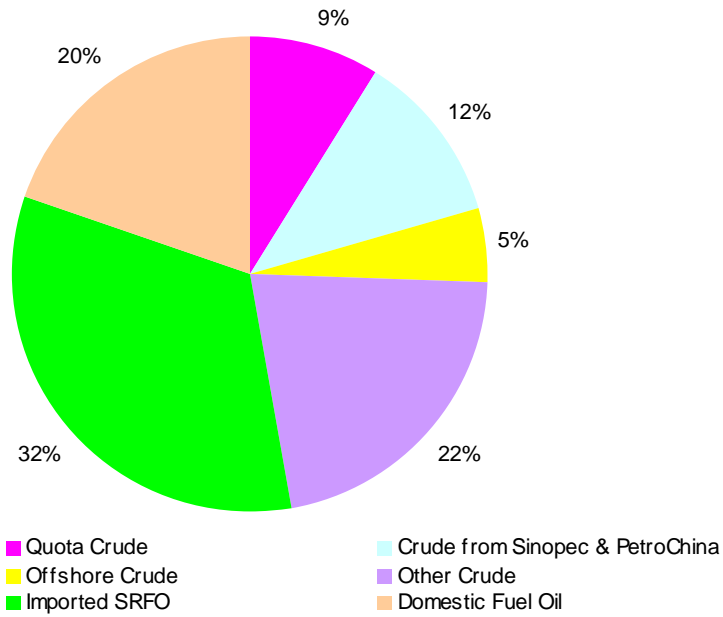
The operations of independent refineries have always been both overt and stealthy, in the gray area of legal and illegal.

On the one hand, they play an important role in the supply of oil products, especially that of gasoil... On the other hand, the central government has tough regulations on the operation of independent refineries. In 1998, the country drastically reorganized its refining industry: independent refineries with capacity exceeding 1-mil-mt/yr were merged with Sinopec or PetroChina, and among the rest, only 82 were allowed to continue operation as refineries, bitumen plants, solvent oil plants or lubrication plants. (See Appendix B15 for details.) All of the other 111 refineries were ordered to shut down. Of the 82 refineries allowed to remain in business, 21 are based in Shandong.

Those permitted to carry on are under stringent controls. First, their supply of crude oil is limited. Each refinery has a quota and additional supply is prohibited. ...

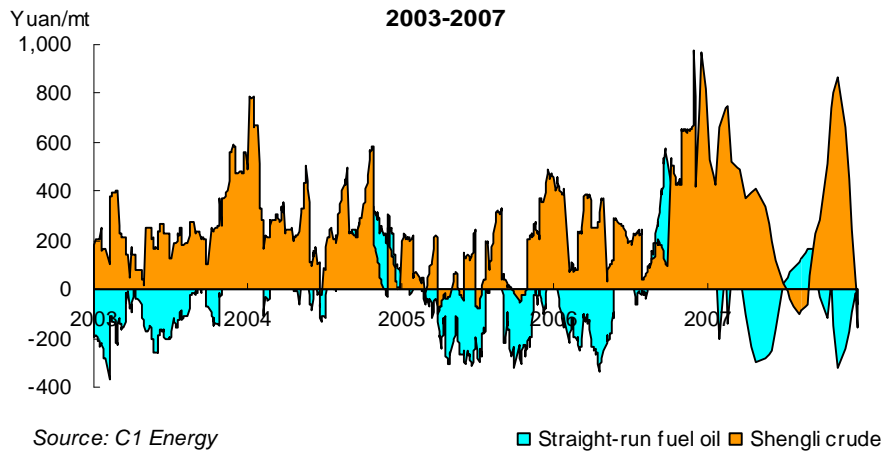
2.1 Diversified Feedstock Supply

Feedstock Mix for Independent Refineries in 2008



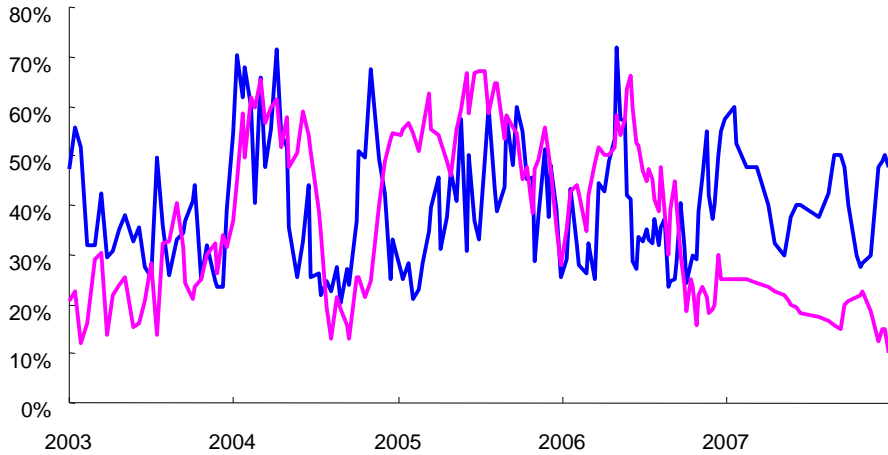
6.1 Refining Margins

Refining Margins of Independent Refineries in Shandong in 2003-2007



6.2 Operation Rates

Run Rates of China's Minor Refineries in 2003-2007



Source: C1 Energy

— Shandong — Guangdong

APPENDIX:

B2. Topping Capacities of China's Minor Refineries by End 2008

Region	Location	Refinery	Parent Company	Topping Capacity (kt/yr)
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B3. Capacity Expansion Plans of Independent Refineries in 2009-2010

Region	Location	Refinery	Parent Company	Schedule	CDU	FCC	DC	HU	CR
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B4. Refining Units and Capacities of Shandong's Independent Refineries by End 2008 Unit: kt/yr

Location	Refinery	Parent Company	CDU	FCC	DC	HU	CR	GFU	PU	SU	MTBE
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B7. China's Topping Capacity Distribution by Region

Region	Total	Independent Refineries	Refineries under Sinopec and PetroChina
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B8. China's Topping Capacity Distribution by Ownership

Ownership	Total Capacity
	(-mil-mt/yr)