Petrol Shortage In Australia?

Posted by Big Gav on January 27, 2008 - 10:48am in The Oil Drum: Australia/New

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Topic: Supply/Production

Tags: australia, petrol, refining, supply [list all tags]

There was a question floating around the TOD editors forum today about reports of petrol shortages in Australia.

This was news to me, so I thought I'd see if there was any truth to the rumour.

After doing some digging, it seems that Shell's Sydney refinery is having technical problems that have caused the flow of premium unleaded to cease for the time being (no skin off my nose - but I had a look at the local servo and it appears that there is no premium to be had, at any price).

I was also interested to see that both Shell and Caltex have other refineries reporting technical problems or scheduled maintenance this month, which means that a lot of the local refined products supply is coming from Singapore instead, causing a jump in Asian prices (not helped by problems in China and Vietnam).

ABC - Shell shortage hits Sydney servos

Daily Telegraph - Holiday petrol runs dry

Bloomberg - Caltex Australia Has `Small Fire' at Sydney Refinery

Caltex Australia Ltd., the nation's biggest oil refiner, had a `small fire" this afternoon at a processing unit at its Kurnell refinery south of Sydney, which has been put out, New South Wales Fire Brigades said. The fire, which broke out shortly before 3:20 p.m. local time on a flange at a processing plant on the site, was `quickly" extinguished by Caltex's fire response team and the fire brigades, Graham Jarrett, a spokesman for the state's fire brigades, said by telephone. There were no injuries or damage, he said.

Caltex Australia, half-owned by Chevron Corp., operates two refineries with a combined capacity of more than 35 million liters (9.2 million gallons) per day. The Kurnell plant is the largest refinery in New South Wales and the second-biggest in the country, processing about 20 million liters a day of crude. `The process plant was being shut for routine maintenance and the fire brigades along with the Rural Fire Service are remaining in attendance to monitor the situation," Jarrett said.

The fire won't have an effect on production because the processing unit was being shut down for routine maintenance, said Richard Beattie, a spokesman for Sydney-based Caltex Australia. It's uncertain whether the incident will lengthen the duration of the maintenance, he said. He couldn't give details of the affected unit.

NineMSN - Shell says shuts Australia gasoline unit for months

Royal Dutch Shell said on Friday it will keep a gasoline-making catalytic cracking unit at its 85,000 barrels per day (bpd) Clyde refinery in Australia shut for several months following an unplanned outage. The shutdown at Clyde and the partial closure of Shell's 125,000-bpd Geelong plant, have prompted the refiner to ship in hefty volumes of clean products from Singapore, which traders said could be largely gasoline, raising prices by \$2-4 on Friday's Asian close.

"We've had an unplanned shutdown at the catalytic cracker unit and that has resulted in us having to bring forward our planned maintenance at Clyde," said Peter Scott, a spokesman for Shell's Australia unit. "The cracker unit will be shut down for several months."

Reflecting the anticipated prompt demand and concerns over tight gasoline supply in Australia, shipbrokers said Shell had booked a total 120,000 tonnes of refined products in four medium-ranged (MR) tankers, one of which is carrying gasoline, from Singapore to Australia. ...

An industry source said that the Geelong turnaround would last about eight weeks. "There are no production problems. It's just some regular maintenance and they are going to have a partial shutdown," said an industry source who declined to be identified.

Traders said the shutdown at the two Shell facilities, along with the three-week closure of Caltex Australia's catalytic cracker at its 105,000-bpd Lytton refinery since earlier this month, would put demand for oil products, particularly gasoline on the boil. "It's not just Shell's refineries, you have Caltex's Brisbane's plant that is on a planned turnaround at the moment too, all this is going to make the market tight on clean supplies," an Australian based trader with an oil major said.

Regional demand has been squeezed by the disruption of gasoline exports from China, which have diverted supplies to a tight domestic market.

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