

## **160516 Preem signs major cooperation agreement with US firm Beowulf Energy**

Preem and Beowulf Energy LLC (US) have signed a cooperation agreement to examine the possibilities of a new residue hydrocracker plant in Lysekil to better meet the demand for transportation fuels. The purpose of the cooperation agreement is to develop the residue hydrocracker design basis for future investment decisions, and in parallel commence with the process of obtaining the necessary permits. The aim is to upgrade as much of the heavier fractions (heavy oil) as possible to sulphur free gasoline and diesel fuel.

One of the driving forces behind studying this type of project is the new rules for sulphur content in bunker fuel, which will reduce the market for heavy oil. With the help of a new plant, Preem would expect to produce up to 90 percent sulphur-free fuel from the nearly 2.5 million cubic meters of heavy oil produced annually at the refinery.

“The analysis, detailing and permitting process is estimated to take 2 to 3 years, and if it is confirmed attractive this would be an important strategic investment opportunity in line with Preem’s efforts to utilize the raw material in the best way possible and minimize environmental impact,” says Preem’s CEO Petter Holland. “It would also make us more flexible and competitive in the future. This is a complex project and a potentially very important competitive improvement, so we have chosen to go forward together with Beowulf Energy, which has a unique mix of skills and expertise in the energy sector as well as experience with project implementation and financing of this type of project.”

“We are delighted to partner with Preem on such a noteworthy project,” said Paul B. Prager, Chairman and CEO of Beowulf Energy. “This is an important and environmentally progressive development that addresses fuel market and generates significant economic benefits for Lysekil, Sweden and the region.”

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Preem is the largest fuel company in Sweden, with a refining capacity of more than 18 million m<sup>3</sup> of crude oil every year. We refine and sell gasoline, diesel, heating oil and renewable fuels to companies and consumers in Sweden and abroad. Preem has a nationwide service network with close to 600 fuel stations for private and commercial traffic. Preem has over 1,200 employees, of which 900 work at our two refineries in Gothenburg and Lysekil, Sweden.

Beowulf Energy LLC is a U.S.-based energy infrastructure project developer, investor and asset manager which, since 1990, has acquired, developed and/or operated over US \$6.0 billion of shipping, power and energy infrastructure assets globally. The company’s in-house expertise spans multiples disciplines, enabling it to provide an integrated and active management approach involving investment and operational professionals. Headquartered in New York, Beowulf Energy has regional offices covering North America, the Caribbean, Europe and MENA, and a history in Eastern Europe and South Asia.