



Global Trends, Security and Strategy

UK Tank Storage Association

Coventry, 18th September 2025

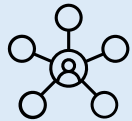
Energex

Energex is a specialist practitioner-based commercial advisory service

A practitioner-based advisory service in the energy sector, partnering with clients to drive informed decisions and impactful change in strategy, assets, and people



Hands-on experience: Our partners and senior advisors have hands-on experience in operating and growing energy markets from their inception



Deep Industry Network: Our extensive industry experience across sectors brings with it a deep industry network



Advisory Pedigree: We combine practitioner expertise with our experience as industry focused advisors



Jason Rajah

Infrastructure Partner

✉ : jraja@energex.partners



Jonathan Martland

Oil & Biofuels Partner

✉ : jmartland@energex.partners

Some of our bulk liquids storage clients:





UK tank storage plays a crucial role in altering fuel supply chains

Main Discussion Topics

UK and Geopolitical Environment



Storage as an enabler

Tank storage has been vital in continually changing supply chains due to geopolitical events e.g. Russian Crisis

Current products flows and changes in UK supply dynamics



Terminals are increasingly important to balance the UK market given refining closures

Security of supply



UK Strategic Defence Review has placed importance on security of supply and stocks holdings being within the UK

Energy Transition landscape



Operators have the existing know-how, permits and infrastructure to be the backbone of energy transition

Government support



Operators are essential to the current and future supply system, this needs further support from the government

Shifts in the global landscape increase the strategic importance of tank storage with increased requirements for imports and logistics



Refinery and Petrochemical closures

- Closures of refineries and petrochemical plants within both the UK and Europe are **lengthening supply chains** with long haul imports from **low-cost production regions**
- We have seen this in the UK with the closure of Grangemouth and Lindsey within a year of each other



High Energy and Gas Prices

- There is a growing **margin pressure** for UK producers and operators and pressure to compete with producers in low energy cost regions
- Although gas prices are no longer at the highs of Russia/ Ukraine, they are still elevated



High Cost of Carbon

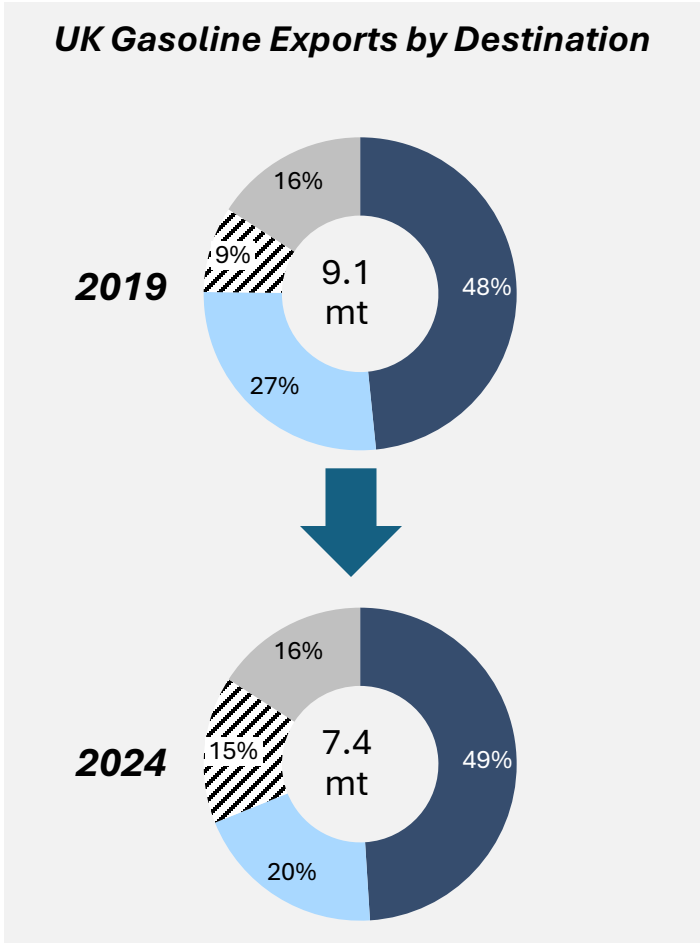
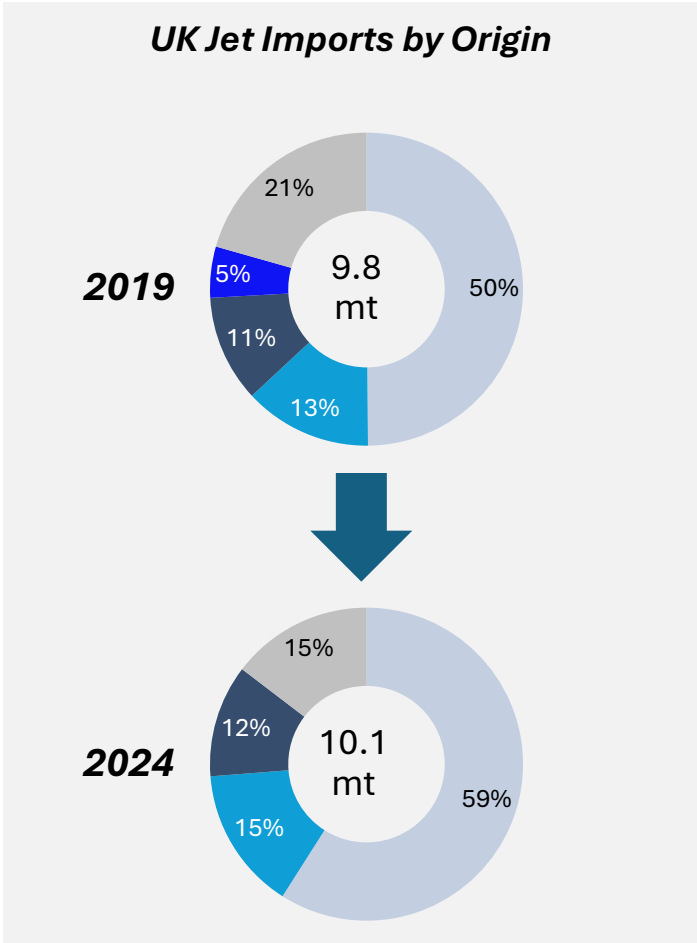
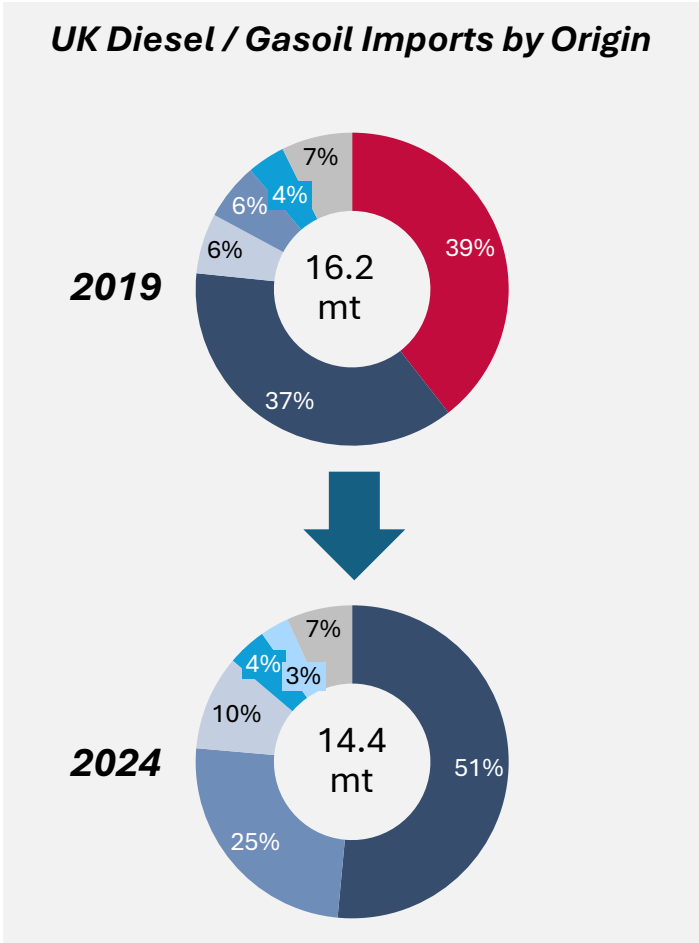
- As free carbon allowances are phased out, **carbon related taxes are likely to make industry uncompetitive**. Without efforts to decarbonise or shift over to green projects, we will see increased risk of refinery closures within the UK of the highest carbon emitters



Tariff Uncertainty

- Uncertainty around tariffs and trade agreements could lead to **changes in trade flows**, for example double counting ethanol from the US
- Differences with EU treatment of e.g. CBAM and biofuels policies leads to arbitrages

UK is reliant on imports for diesel and jet fuel to clear deficit while exporting gasoline

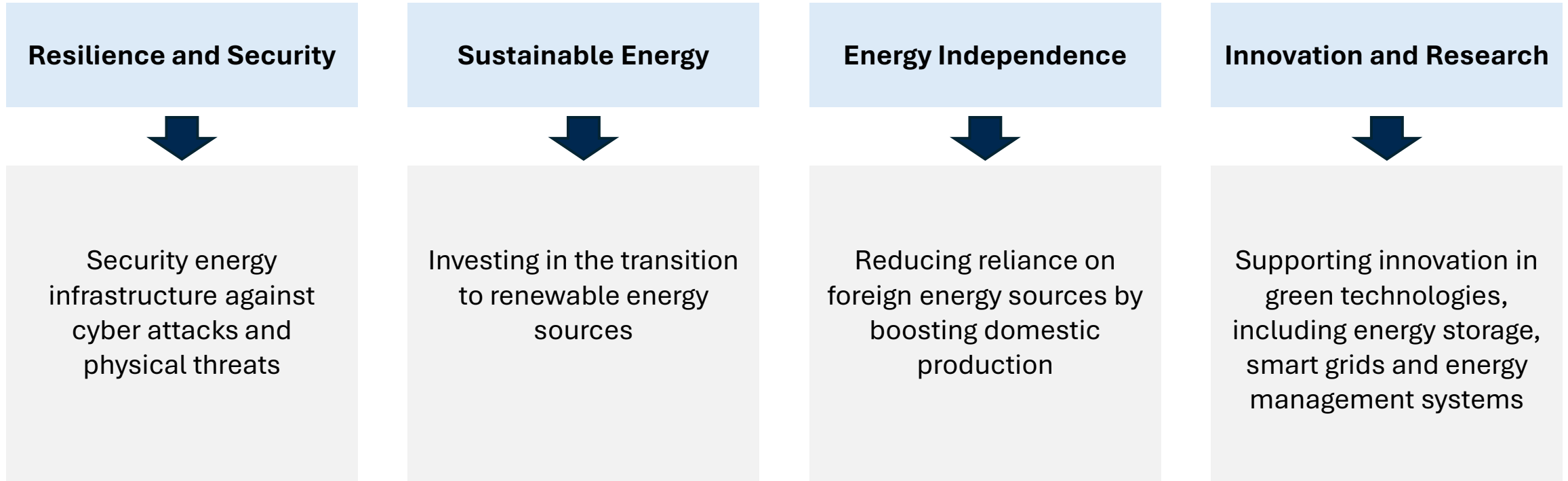


Northwest Europe
 Gulf of Mexico
 Middle East Gulf
 India West Coast
 US Atlantic Coast
 Other
 Baltic (Russia)
 West Africa
 Red Sea Gulf of Aden

Source: Vortexa

The UK government is placing greater emphasis on energy infrastructure that is robust, sustainable and secure

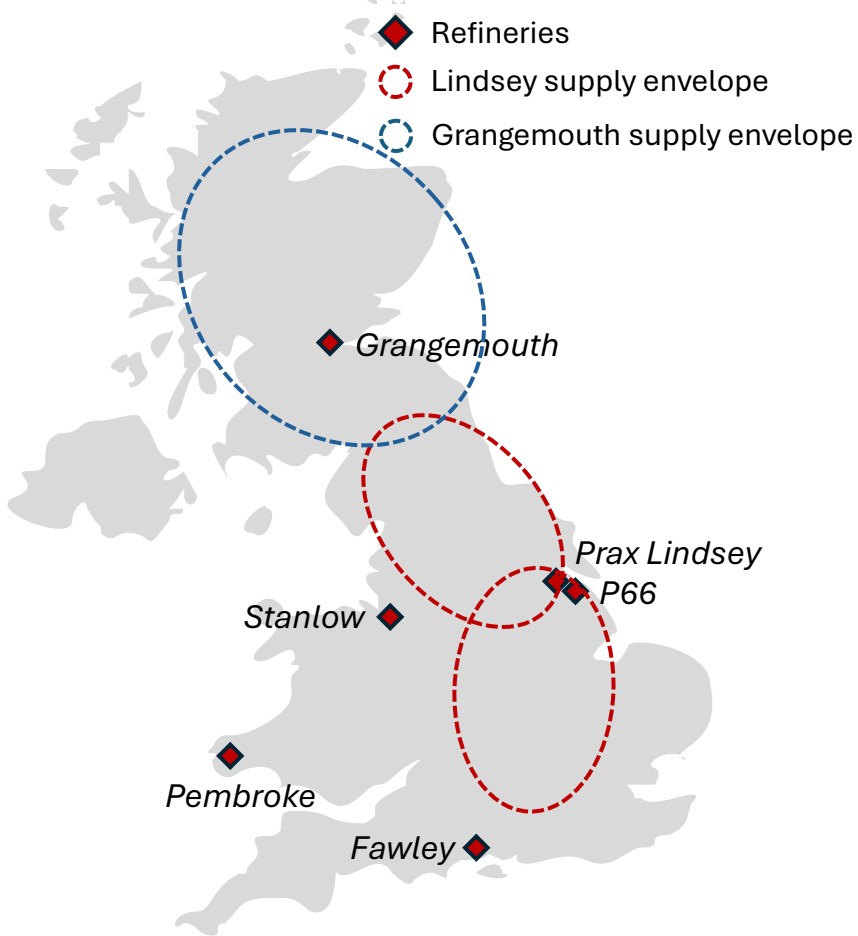
Key Pillars of the UK Strategic Defence Review 2025



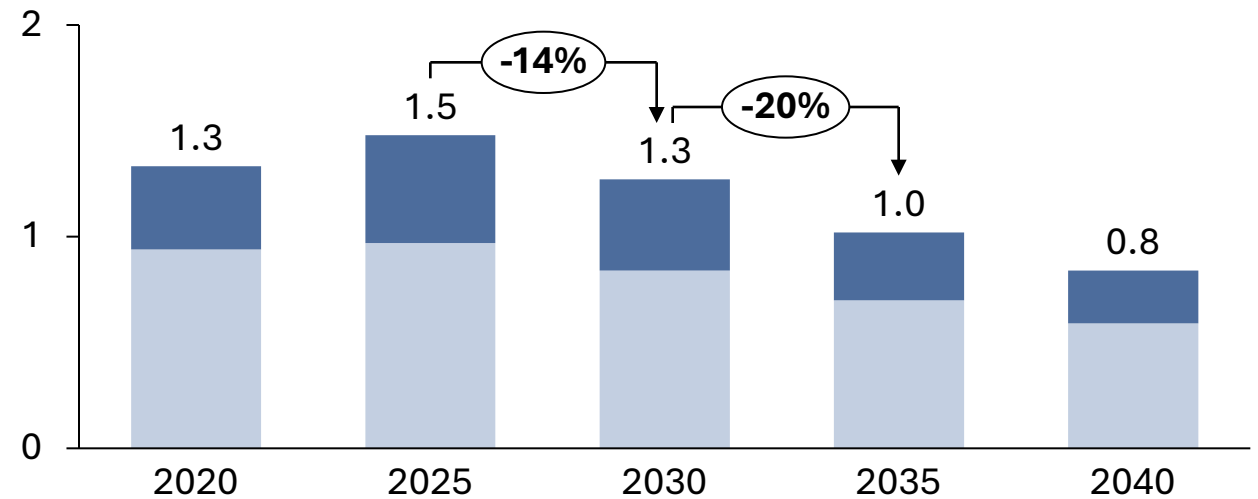
- Part of the Strategic Defence Review, increased importance was placed on strategic reserves to act as a buffer and maintain supply security from diversified sources in the event of broken-down supply chains
- Tank storage is vital to maintaining supply resilience and catering to increased reserve requirements

The shutdown of Grangemouth and Lindsey is likely to substantially alter the UK supply landscape, allowing storage providers to capture greater market share

UK refinery map



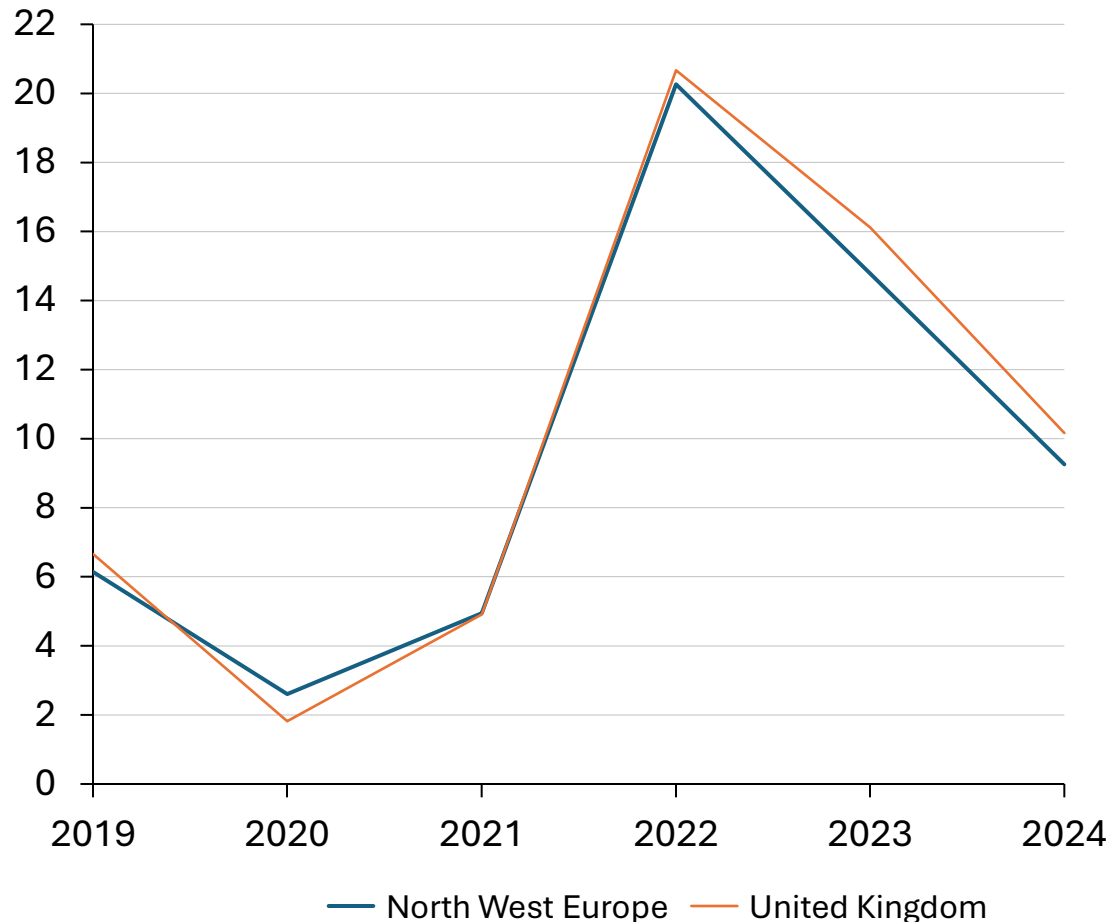
UK Northeast gasoline and diesel demand MTPA, 2020 - 2035



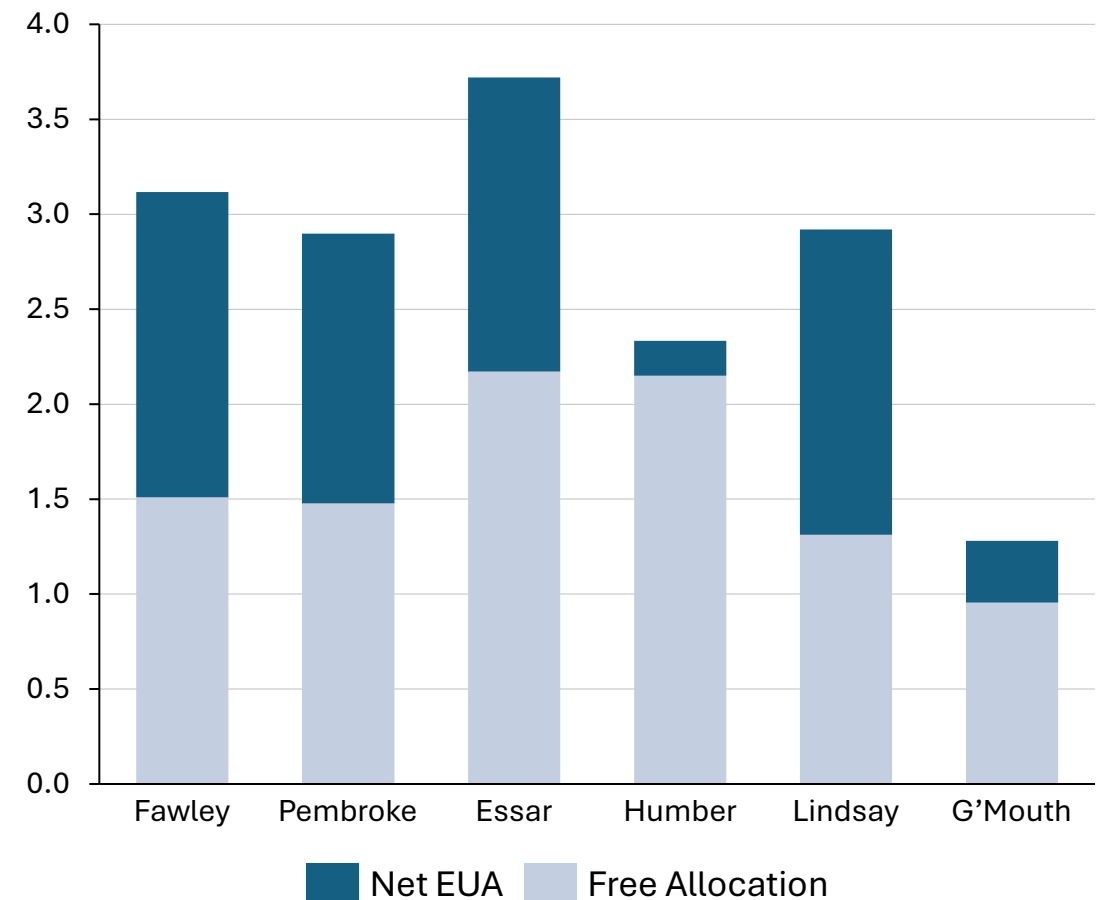
- Closure of Grangemouth and Lindsey closure will drive an annual reduction of over 5 million tonnes per annum of road fuels into the UK market
- Supply gaps may be particularly felt in the Northeast with recent closure of Prax Lindsey
- Existing competitors in the region are unlikely to meet the demand requirements, presenting opportunity for storage providers to fill volume gaps

Despite these two closures, other UK refineries are still at risk, facing declining refining margins and expensive carbon taxes as free allocations are phased out

UK and NWE average refining margins
USD/BBL, 2019-2024



Verified UK refinery emissions cost per barrel @ \$100 tonne CO₂
USD/BBL, 2023 (2023 emissions/CDU capacity)



Notes: [1] Free allocation for Esso is around 60% of company emissions, which covers Fawley and other activities

Source: Stratas Advisors; Energex Analysis

Tank Storage will be a backbone of energy transition, operators are already announcing projects to cater to an increasing green fuels demand

UK Tank Storage Transition Projects

Non-Exhaustive



- Stanlow Terminals has launched a **strategic investment program** focused on key projects
- The UK's **largest biofuels storage hub**, a **hydrogen transport hub**, and carbon dioxide transport and storage facilities



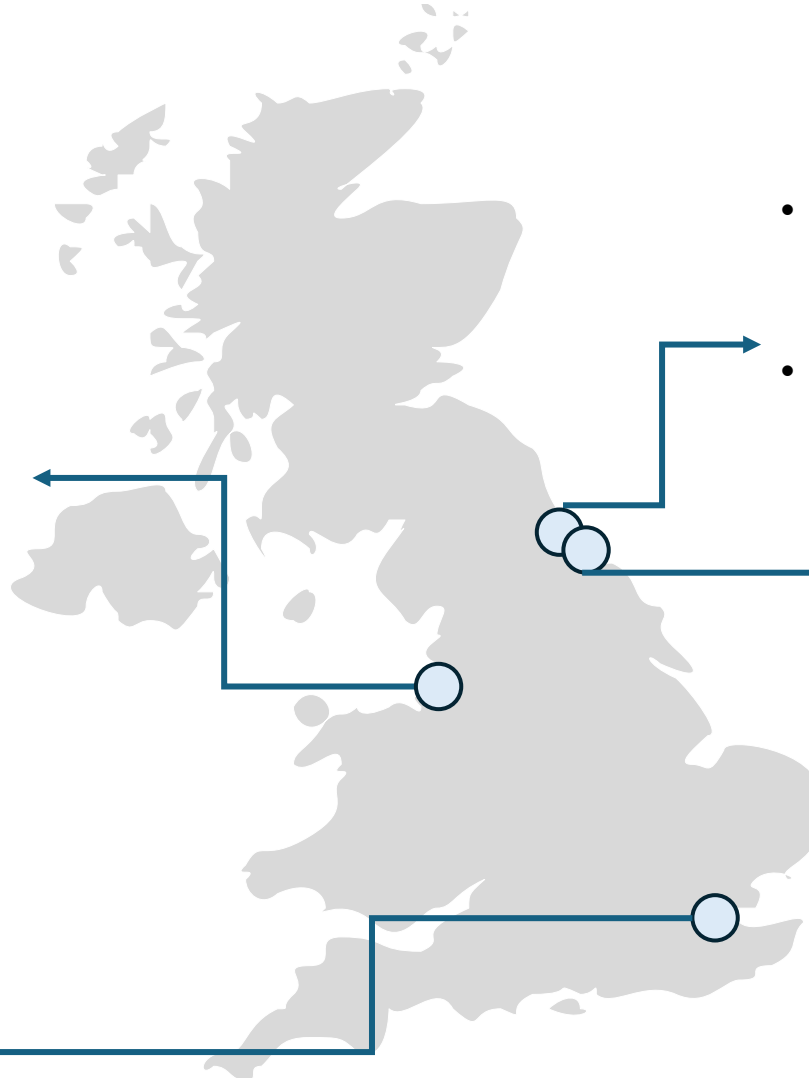
- On-site **used cooking oil (UCO) processing** at Dagenham site in partnership with Olleco



- Partnering with Alfanar on the **Lighthouse Green Fuels Project SAF** production project
- Also partnering with Enfinium on UK's first 'Rail to Zero' carbon capture rail corridor



- **Tees Valley H₂ hub**, including electrolyser and refuelling station
- Exploring **storage of green H₂ in existing oil infrastructure** using liquid organic hydrogen carriers (LOHC) at Immingham



The UK energy transition policy establishes ambitious goals e.g. SAF and Road fuels regulations, yet operators need additional assistance to achieve them



SAF Regulations

- Mandate requiring aviation fuel suppliers to blend 2% in 2025, growing to 10% in 2030 and 22% by 2040
- The mandate has a HEFA cap from 100% in 2025/26 to 71% in 2030 and 35% by 2040



Road Transport Regulations

- RFTO requires for suppliers to blend increasing proportion of renewable fuels, such as ethanol and biodiesel, into transport fuel
- Crop caps limit the share of 1st generation biofuels to 2% in 2032



Policy and government considerations

- Stable policy and without changes, giving certainty for investors to fully develop a project
- Support in development stages in terms of early stage funding, making it easier to get to Financial Investment Decision (FID)
- Giving off-takers access to subsidies to have confidence and secure financing allowing products to reach end markets as whole supply chain gains clarity
- New green products will become increasingly important for energy security – policy and e.g. approach to stock holdings should reflect this

In summary, TSA members are even more critical in a changing world

- | | | |
|---|--------------------------------------|---|
| 1 | Current UK flows and Dynamics | UK supply landscape is changing with the closure of two refineries, storage terminals will be even more vital to plug supply gaps |
| 2 | Security of Supply | The UK needs to ensure it has strategic reserves from diversified sources so supply chains are resilient to shocks, and take into account changing energy mix |
| 3 | Energy Transition | Storage and handling infrastructure will be key to green supply chains with many producers announcing UK projects, but imports and distribution will be needed to meet demand and get to customers |
| 4 | Support | Our bulk liquid storage and handling industry needs support from government in order to commit to investments in projects, currently support and subsidy is focused on large scale production projects |

A photograph of a red brick building entrance. The entrance features a black door with a brass handle and a transom window above it. To the left of the door are two tall, narrow windows with white frames. A long black flower box filled with yellow daffodils, pink and white flowers, and greenery sits on a ledge in front of the windows. A small black light fixture is mounted on the brick wall to the right of the door. A white callout box with the word 'Contact' is positioned over the left window.

Contact

Energex

18a St James's Place
London
SW1A 1NH

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+44 (0) 20 3805 4450

info@energex.partners

www.energex.partners