

1st AIEE Energy Symposium 
Current and Future Challenges to Energy Security

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Europe Roadmap to 2050 and the future strategies of the energy industry

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2 The Oil Industry in Italy

Unione Petrolifera represents

Supply

Refining

Storage &
Distribution

Sales &
Marketing

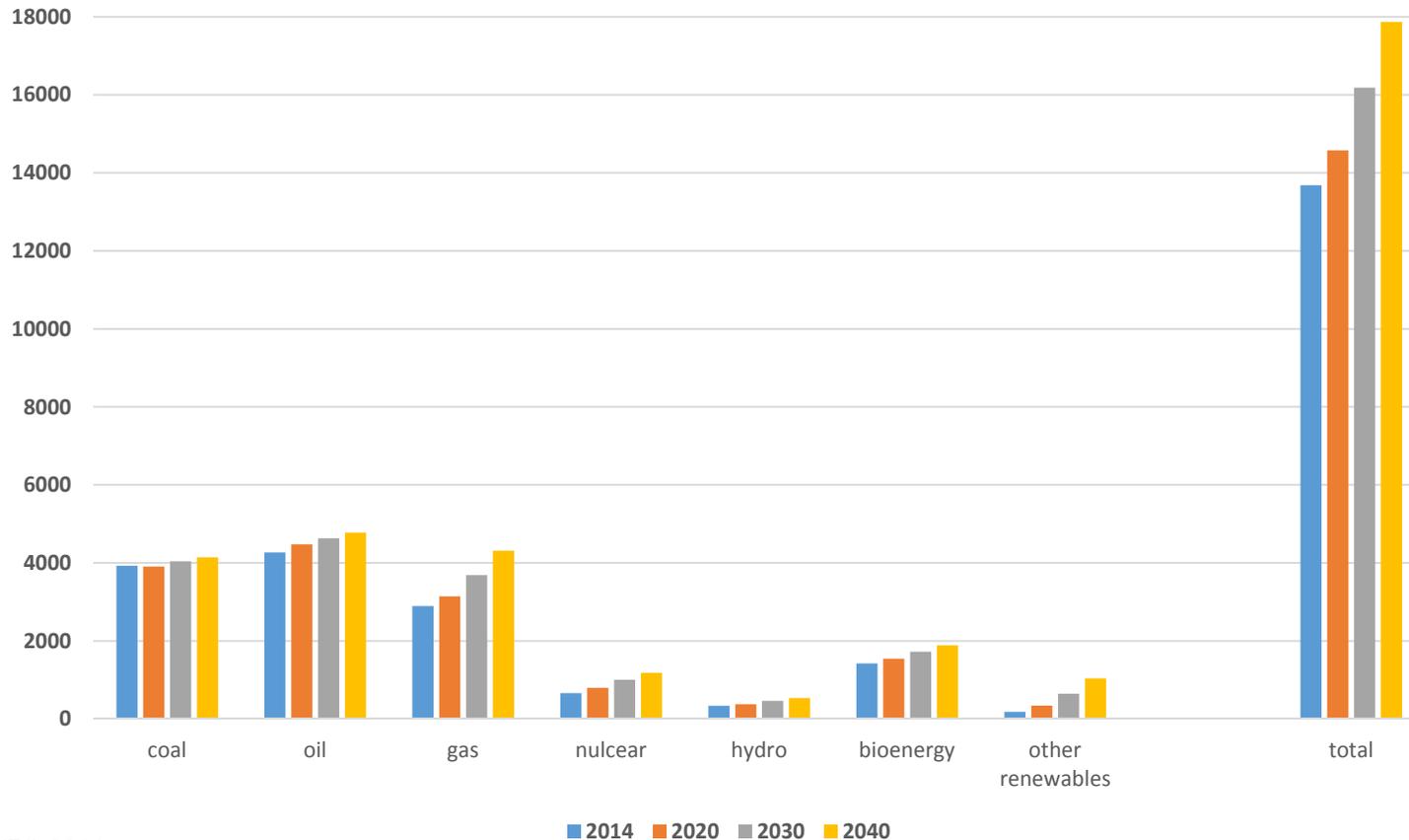


- 11 refineries with a total capacity of 87 million tons per year (100% of Italian refining capacity)
- 18.000 of the 21.000 Italian service station for the sales of fuels
- 22 million tons of independent storage capacity: 82% of the total Italian independent capacity
- Distribution of petroleum products within the Italian market approximately 60 million tons

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World energy demand increase 30% in 2040

World primary energy demand by fuel in new policies scenario (Mtoe)



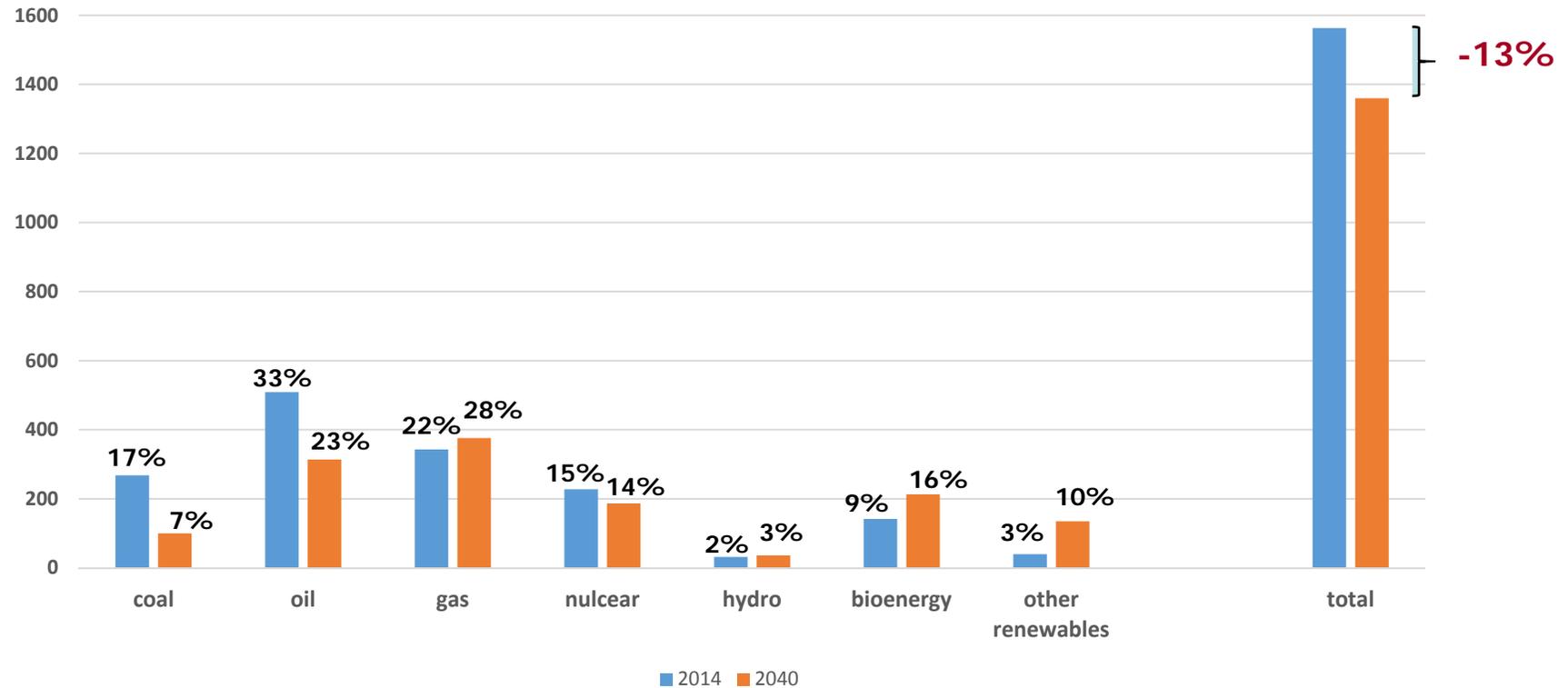
Fonte: Aie – WEO 2016

Oil will remain the first energy source

4

Europe: energy demand will decline 13%

European primary energy demand by fuel in new policies scenario (Mtoe)

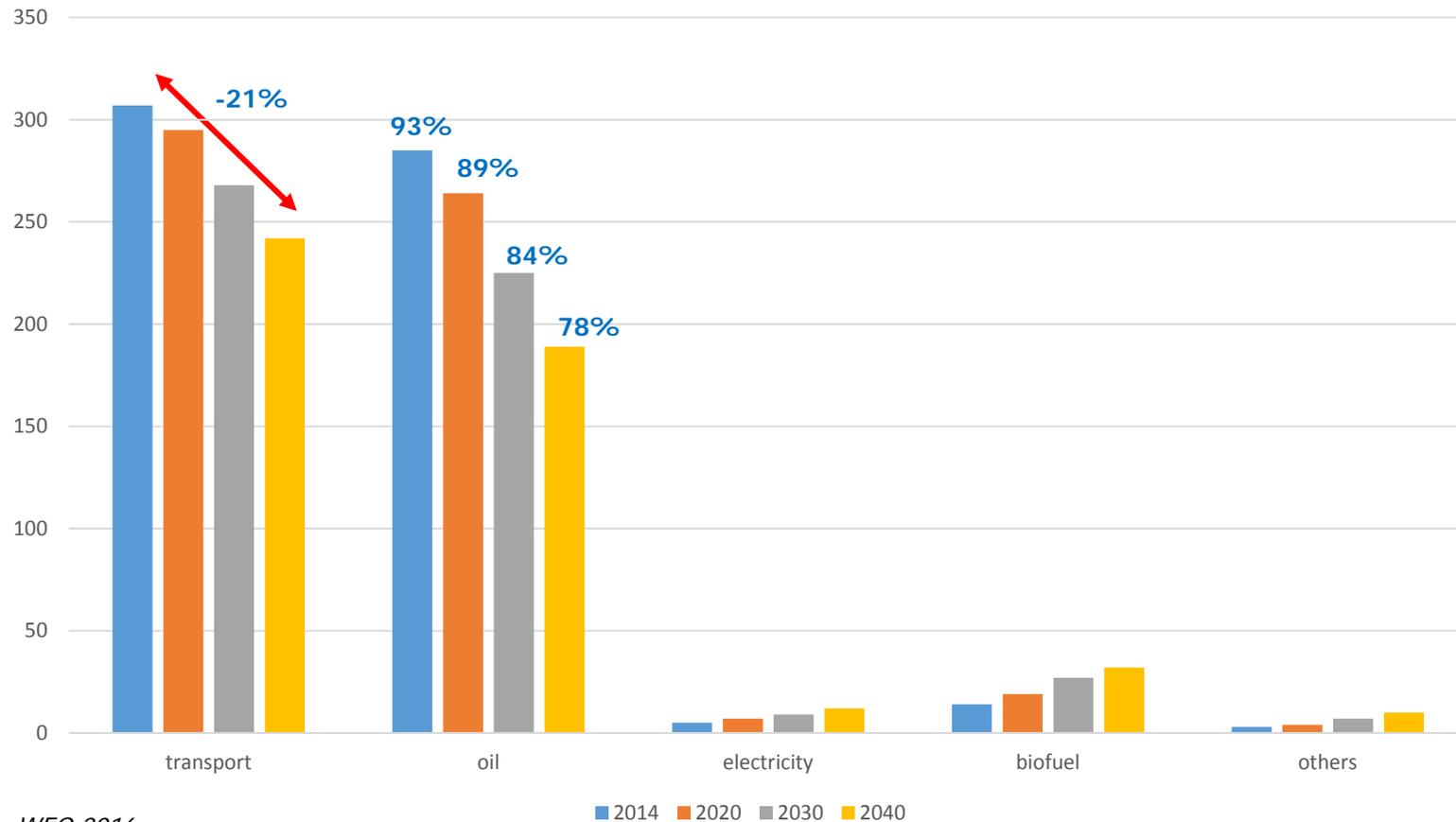


Fonte: Aie – WEO 2016

Gas will overtake oil starting from 2025

5

Oil will remain essential in EU transport



Fonte: Aie – WEO 2016

Today oil feeds 93% of transport sector

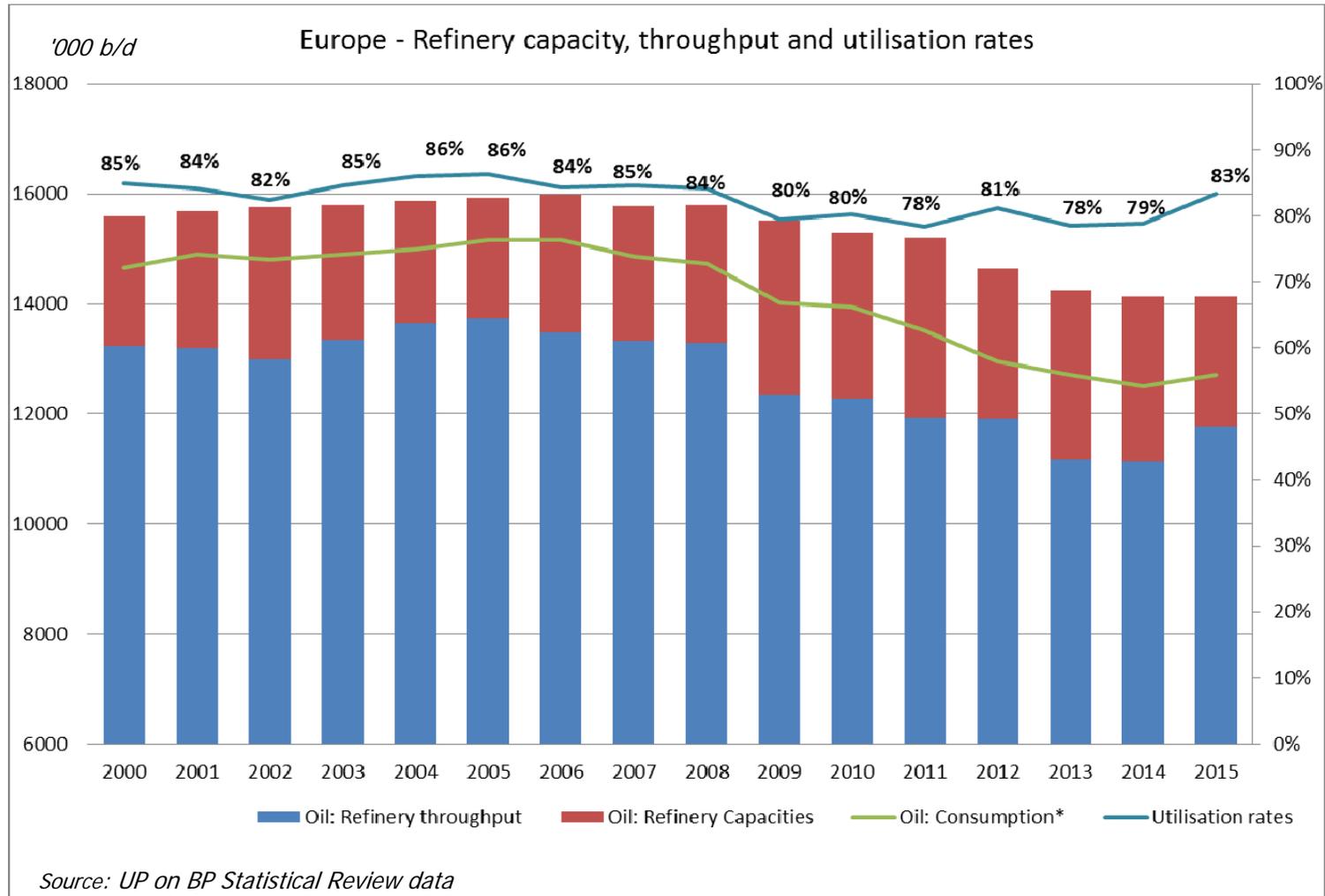
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Need for an efficient oil supply chain

- The Energy Union provides a framework to match 2030 energy and environmental targets. We agree with the Energy Union priorities:
 - To guarantee a reliable and affordable energy supply
 - To create a competitive energy market with sustainable prices
 - To cut GHG emissions through an efficient use of every kind of energy
- The real challenge is to achieve these goals together to avoid heavy impact on European industry
- Oil industry needs to change continuously to adapt its configuration to the new demand profile, maintaining higher operating standards and reliability

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Refining is strategic to defend Eu competitiveness



Need to invest to match environmental rules and market demand

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Logistic and distribution network development

- The restructuring of refining industry will imply the upgrading of the logistic infrastructures to ensure the security of oil products supply
- Refined products supply from the Middle East and Asia to Europe will be carried in large ships, requiring investments to accept such vessels
- Additional investments in storage and distribution infrastructures would be required to accommodate larger quantities of finished product and to supply remote areas, currently supplied by an inland refinery
- Alternative fuels (LNG, LPG, Methane) and biofuels (biodiesel, biogas, bioethanol) development will require the upgrading of storage and distribution system

The energy demand to meet the needs of more than 9 billion people in 2040-2050 will be enormous

The global demand will shift toward cleaner fuels but fossil fuels will inevitably continue to play a significant role

It's important that the environmental objectives are met in compliance with the market laws without duties or incentives which affect the competitive relationship between the different technologies (technological neutrality)

In Europe products demand will shrink but will remain the main fuel source in the transportation sector and an essential feedstock for chemical industry

It is crucial in the next decades to maintain an efficient and reliable oil supply chain infrastructure through upgrading investment in refining as well as logistic and distribution sectors to secure the coverage of fuel demand



Thank you for your attention