

INDIA'S OIL AND GAS TANKER OUTLOOK – APRIL 2022

MARKET UPDATES

India's April crude imports hit record with Mideast & Russian grades

- India's April crude imports hit record with refiners importing more mideast and Russian grades. Russian-origin crudes hit 5 per cent of India's total seaborne imports in April for the first time, rising from under 1 per cent throughout 2021 and Q1 2022.
- According to commodities at Sea, S&P global market intelligence, India's seaborne crude oil imports surpassed 4.8 million barrels per day in April, the highest on record, with higher Mideast and Russian volumes displacing cargoes from further afield, such as the US, Canada and West Africa.
- Yen Ling Song, associate director at S&P Global Market Intelligence said that a rebound in domestic demand as well as stronger oil product exports likely spurred India's crude import volumes.
- Iraq remained the top supplier to India, with flows stable at a combined 1.2 million b/d. Strong Middle East arrivals offset volumes from West Africa and the US.
- A strong Brent-Dubai exchange-of-futures-for-swaps (EFS) at the start of the year due to surging Brent prompted Indian refiners to turn more towards Dubai-pegged crudes from the Middle East. The share of crudes from the region increased to a record 73 per cent in April, up from 69 per cent in March and 67 per cent in February.
- Refiners have been highly attracted to discounts for Russian-origin cargoes and India has been a major alternative destination for Urals crude that would typically have been sold to refiners in Europe, said Yen Ling Song, adding that conversely, stronger demand from European end-users for other Atlantic Basin crudes—to replace Russian cargoes—pushed up these procurement costs, and India has instead turned more to the Middle East in the last month.

India's fuel sales moderate in April, fall 4% m/m

- India's fuel consumption moderated and slipped 4% in April from the previous month, data showed on Tuesday, as elevated domestic prices slowed activity in the world's third biggest oil consumer.
- Consumption of fuel, a proxy for oil demand, totaled 18.64 million tonnes, data from the Petroleum Planning and Analysis Cell (PPAC) of the oil ministry showed
- This was a slight retreat from the 19.41 million tonnes in March, a three-year high, when petrol sales hit an all-time peak, as the market accumulated supplies foreseeing price spikes while easing COVID-related curbs boosted demand.
- But likely weighing on consumption since then, domestic prices for petrol and diesel, linked to international prices of the two fuels that directionally follow increases in crude oil prices, have remained elevated.
- Demand in April did show a rise of about 12% from the same period in 2021, when economic activity in the country was still in the grips of the second wave of the COVID pandemic.
- Sales of gasoline, or petrol, were 3.8% lower from a month ago at 2.80 million tonnes. Cooking gas or liquefied petroleum gas (LPG) sales decreased 12.9% to 2.16 million tonnes from March, while naphtha sales fell 4.5% to 1.06 million tonnes from a month ago.

ONGC adopts new drilling technology MPD in Tripura; Successfully drills 3 wells

- ONGC has successfully drilled three gas wells in Tripura by using new technology, a senior company official said. The new technology - Managed Pressure Drilling (MPD) proved to be beneficial in the state because conventional drilling could not be used in these geographical locations, said ONGC Tripura Asset Manager, Tarun Malik.
- Earlier, Oil and Natural Gas Corporation (ONGC) had trouble in undertaking drilling work in some locations because of different geographical formations.
- Malik said ONGC plans to undertake gas exploration in new geographical formation areas with the latest technology.
- In Tripura, natural gas is used only for producing power generation in two mega power plants - NEEPCO's RC Nagar plant and OPTC's Palatana power plant. The demand for gas is less in the state due to lack of industrial consumption.
- Additionally, the facility will be capable of reloading LNG onto other LNG vessels for LNG supply to other terminals as well as reloading onto small-scale LNG vessels for bunkering services. The facility will also be capable of delivering LNG through truck loading facilities in the near future for onshore retail distribution.

India asks state firms to consider buying Russian oil assets

- India has asked state-run energy companies to evaluate the possibility of buying European oil major BP's stake in sanctions-hit Russian firm Rosneft, two people familiar with the matter said. BP has announced it is abandoning its 19.75% stake in Rosneft
- The oil ministry conveyed its intent to OVL, IOC, NS, Bharat Petro Resources Ltd, HPCL, NS subsidiary Prize Petroleum Ltd, Oil India and GAIL, the sources said.
- Oil ministry also asked OVL, to consider buying a 30% stake held by Exxon Mobile Corp in the Sakhalin 1 project in Russia's Far East. Exxon is the operator of the project. OVL already holds a 20% stake in the project.
- One of the sources said Indian companies hope to get stakes in Russian assets at discounted rates given the risk involved, dubbing the potential transactions distress sales.

DIRTY MARKET TREND

VLCC FIXTURES TREND

| Voyage Route | MARCH-2022 | | APRIL-2022 | | % CHANGE M/M | |
|--------------|------------|---------------------------------|------------|---------------------------------|--------------|---------------------------------|
| | Fixtures | Avg. WS/Avg. (USD Mill. in L/S) | Fixtures | Avg. WS/Avg. (USD Mill. in L/S) | Fixtures | Avg. WS/Avg. (USD Mill. in L/S) |
| MEG-WCI | 9 | 51.765 | 5 | 65.65 | -44% | 27% |
| MEG-ECI | 3 | 48.44 | 1 | 50.377 | -67% | 4% |
| MEG-WCI+ECI | - | - | - | - | - | - |
| ECM-WCI | - | - | - | - | - | - |
| ECM-ECI | - | - | - | - | - | - |
| WAF-WCI | 2 | 3.63 | 4 | 3.79 | 100% | 4% |
| WAF-ECI | 1 | 2.8425 | - | - | - | - |

SUEZMAX FIXTURES TREND

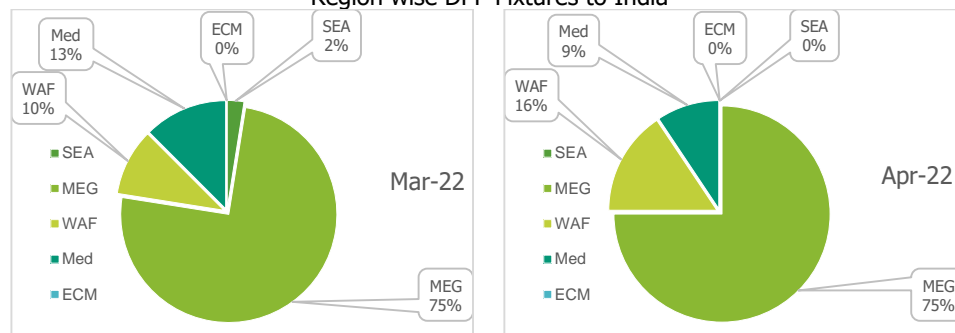
| Voyage Route | MARCH-2022 | | APRIL-2022 | | % CHANGE M/M | |
|--------------|------------|---------------------------------|------------|---------------------------------|--------------|---------------------------------|
| | Fixtures | Avg. WS/Avg. (USD Mill. in L/S) | Fixtures | Avg. WS/Avg. (USD Mill. in L/S) | Fixtures | Avg. WS/Avg. (USD Mill. in L/S) |
| MEG-WCI | 13 | 109.16 | 9 | 112.15 | -31% | 3% |
| MEG-ECI | 4 | 91.47 | 7 | 100.36 | 75% | 10% |
| ECMEX-ECI | - | - | - | - | - | - |
| WAF-ECI | 1 | 2.83 | - | - | -100% | -100% |
| WAF-WCI | - | - | 1 | 3.1 | - | - |
| MED-WCI | 4 | 2.79 | 1 | 3.7 | -75% | 33% |
| MED-ECI | 1 | 4.15 | 2 | 4.02 | 100% | -3% |
| SEA-WCI | - | - | - | - | -31% | 3% |

AFRAMAX FIXTURES TREND

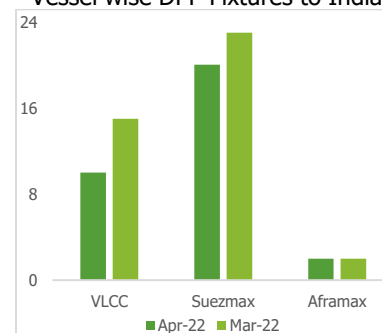
| Voyage Route | MARCH-2022 | | APRIL-2022 | | % CHANGE M/M | |
|--------------|------------|---------------------------------|------------|---------------------------------|--------------|---------------------------------|
| | Fixtures | Avg. WS/Avg. (USD Mill. in L/S) | Fixtures | Avg. WS/Avg. (USD Mill. in L/S) | Fixtures | Avg. WS/Avg. (USD Mill. in L/S) |
| SEA-WCI | - | - | - | - | - | - |
| SEA-ECI | 1 | 124.84 | - | - | -100% | -100% |
| MEG-WCI | 1 | 169.5 | 2 | 185.83 | 100% | 10% |
| MEG-ECI | - | - | - | - | - | - |

REGION WISE AND VESSEL WISE FIXTURES TREND

Region wise DPP Fixtures to India

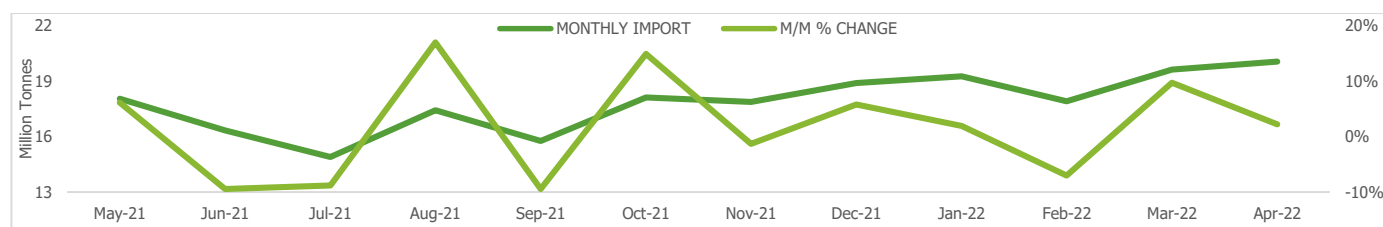


Vessel wise DPP Fixtures to India



DPP Fixtures Trend M/M -> WAF ▲ 6%, SEA ▼ 2%, MED ▼ 4%

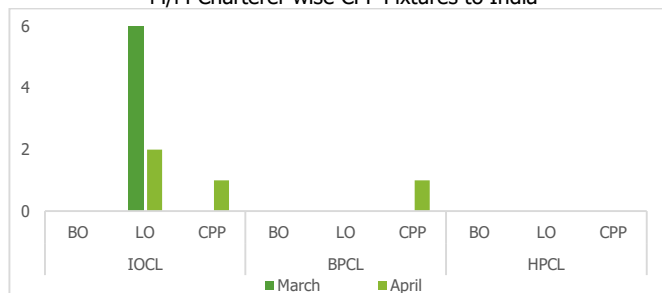
INDIAN MONTHLY CRUDE OIL IMPORTS



PRODUCT MARKET TREND

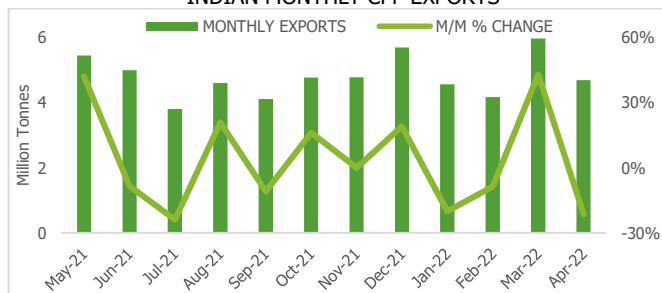
| Trade Routes | Mar-22 Avg. Freight (USD Millions) | Apr-22 Avg. Freight (USD Millions) | Percentage Change |
|-----------------|------------------------------------|------------------------------------|-------------------|
| WCI-WCI | - | - | - |
| WCI-ECI | - | RNR | - |
| WCI-ECI+WCI | RNR | - | - |
| WCI-WCI+ECI | - | - | - |
| ECI-ECI | - | - | - |
| ECI-WCI | RNR | - | - |
| ECI-ECI+WCI | RNR | RNR+0.330 | - |
| ECI-WCI+ECI | - | - | - |
| AG-WCI & ECI | - | 0.455 | - |
| ECI- Mauritius | - | - | - |
| No. of Fixtures | 6 | 4 | -33% |

M/M Charterer wise CPP Fixtures to India



DPP Fixtures Trend M/M-> IOCL ▼ 50%

INDIAN MONTHLY CPP EXPORTS

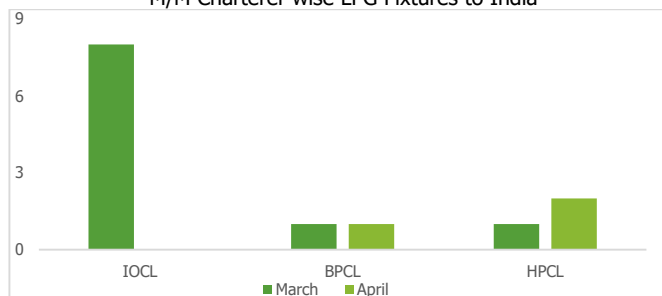


INDIAN CPP Exports Trend M/M-> ▼ 21%

LPG MARKET TREND

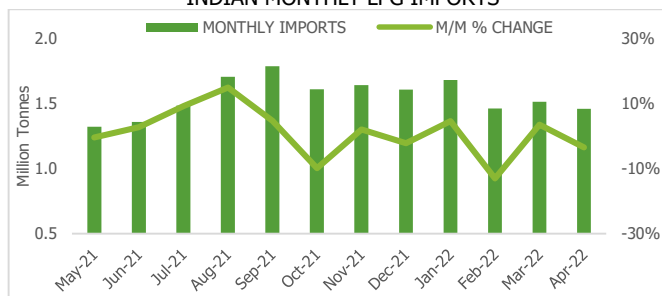
| Vessel Type | Avg Freight (USD Millions) MARCH-22 | Avg Freight (USD Millions) APRIL-22 | M/M % CHANGE |
|-----------------|-------------------------------------|-------------------------------------|--------------|
| VLGC | 2.12 | 2.59 | 22% |
| MGC | 0.935 | - | - |
| No. of Fixtures | 10 | 3 | -70% |

M/M Charterer wise LPG Fixtures to India



LPG Fixtures Trend M/M-> ▼ 70%

INDIAN MONTHLY LPG IMPORTS



INDIAN LPG IMPORT Trend M/M-> ▼ 3%

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