

EST technology:

an advanced way to upgrade the bottom of the barrel G. Rispoli

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1	EST: the answer to market needs
2	First EST Commercial Unit at eni's Sannazzaro Refinery
3	EST results and operation experience
4	Conclusions



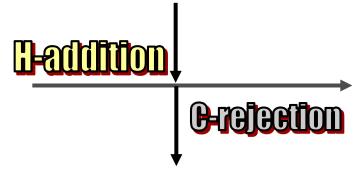
Bottom of the Barrel conversion

Current C-rejection technologies (i.e. Coking) do not provide complete *bottom of the barrel* conversion

H/C 1.3 H/C 1.9



+ 4% wt. Hydrogen



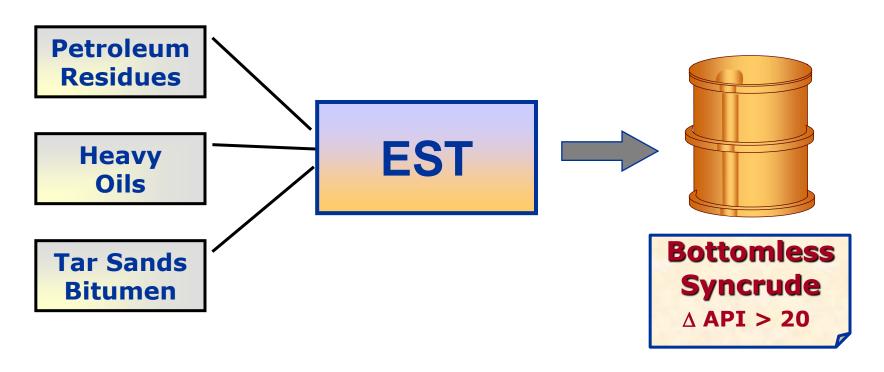
- 24% wt. Carbon



Over 100 million tons of petroleum coke produced annually world-wide



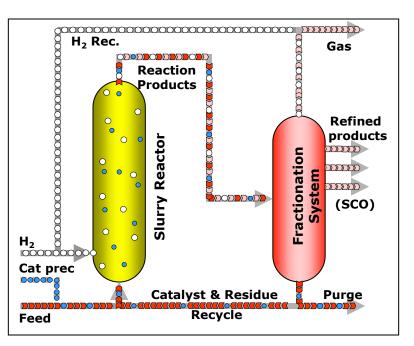
EST (Eni Slurry Technology) is a <u>proprietary</u> new process for heavy feedstock conversion & upgrading





EST is a hydrocracking process based on two unique features:

- 1. Nanodispersed (slurry) non ageing catalyst
- 2. Homogeneous & isothermal slurry bubble column reactor



The recycle of unconverted heavy ends



allows the total conversion of the bottom of the barrel to good quality middle distillates (feedstock conversion >97%)

EST can easily handle very heavy feedstock



EST Meets Fundamental Needs of Refining Industry

- Eni Slurry Technology (EST) is a new technology for the full conversion of the bottom of the barrel to distillates
- The availability at industrial level of EST enables the oil industry to solve crucial needs:
 - Meet the declining demand of Fuel Oil converting surplus of Refinery Residues into Distillates (Zero Fuel Oil - zero coke Refinery)
 - Meet the increasing demand of cleaner distillates without increase of the CDU capacity
 - Increase the refinery flexibility to supply of heavier crudes

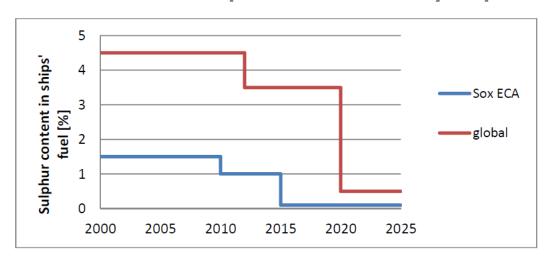
In this context, EST allows a better use of the conventional oil resources and promotes the use of non-conventional oil resources such as heavy and extra-heavy oils and oil-sands bitumen



Sulphur in Marine Fuels: towards new specifications

- New maritime regulations coming into effect starting in 2015
- → significant reduction of residue demand

Marine fuels Sulphur standards: key steps

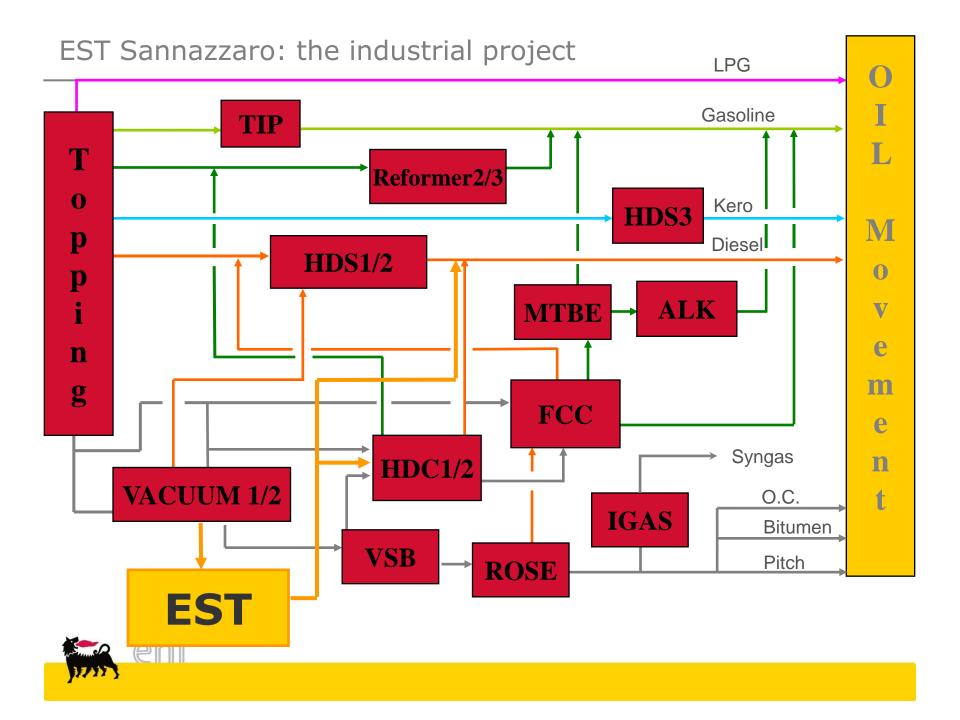


(Source: MARPOL 73/78, Annex VI Regulations for the Prevention of Air Pollution from Ships)

March 2014: the SECAs established to limit SOx and particulate matter emissions are:

- 1. Baltic Sea area as defined in Annex I of MARPOL
- 2. North Sea area (including the English Channel) as defined in Annex V of MARPOL
- 3. North American area (entered into force on 1st August 2012); and
- 4. United States Caribbean Sea (entered into force on 1st January 2014)



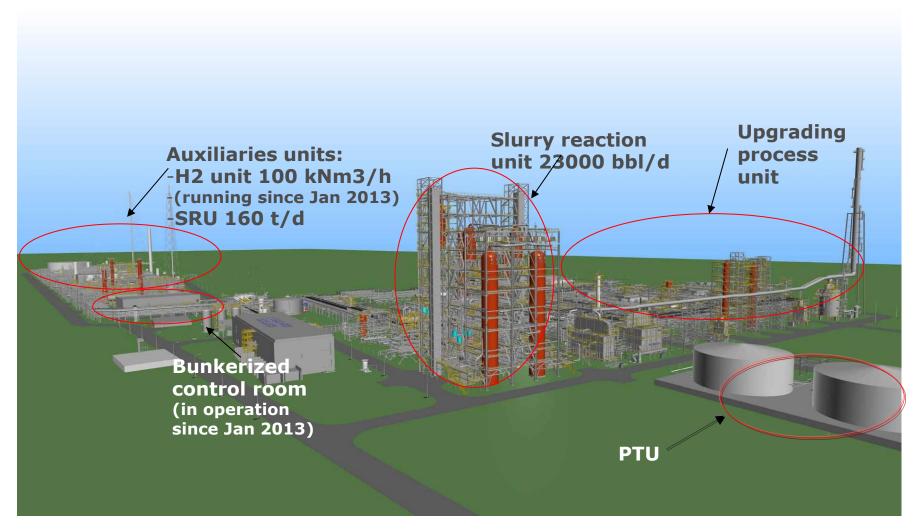


Integration of EST Complex in the Sannazzaro Refinery: Total refining capacity 11Mt/y





EST Complex Lay-out





EST Sannazzaro today





EST start-up and first year of operation

- The EST hydrocracker unit has successfully and safety begun operations and is producing high quality distillates
 (oil-in: 2013, October 14th)
- Syncronized start up / operation of all the auxiliary facilities associated with the Unit
- First results confirm the proper design of the plant:
 major equipments provided the expected performance (as per design)
 some minor adjustments in order to improve the global EST plant performance

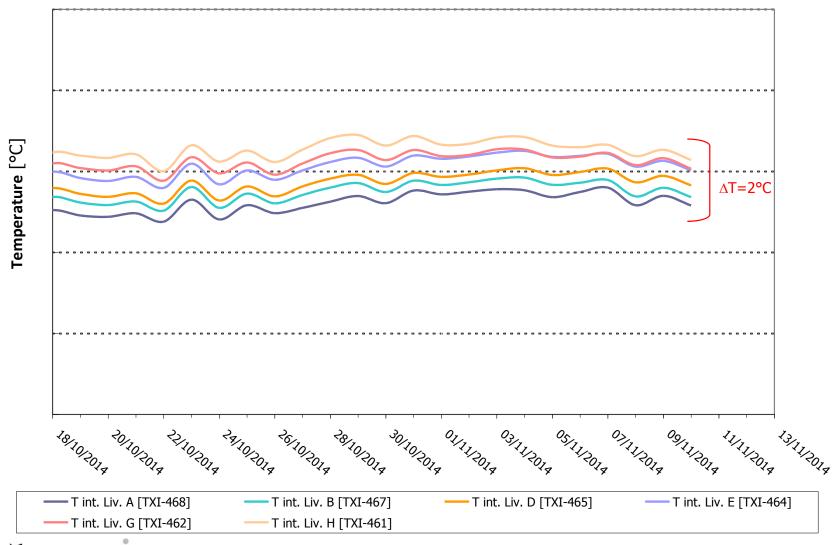


EST first results

- <u>Slurry reactors:</u> perfectly isothermal and homogeneous (axial $\Delta T < 2^{\circ}C$ and radial $\Delta T < 0.1^{\circ}C$)
- Gas/liquid separation: (no foaming occurrence)
- <u>Conversion</u>: EST plant has run at nearly 70-80% of design capacity (there are market constraints related to the reduction of purge volume accepted by cement factories compared to the their planned absorption capacity). Feed conversion up to 95-96% without coke formation
- <u>Product slate and quality:</u> Results are in good agreement with the expected product distribution as calculated by process simulation (based on EST Demonstration plant data). Euro V diesel yields is higher than 40 wt.%

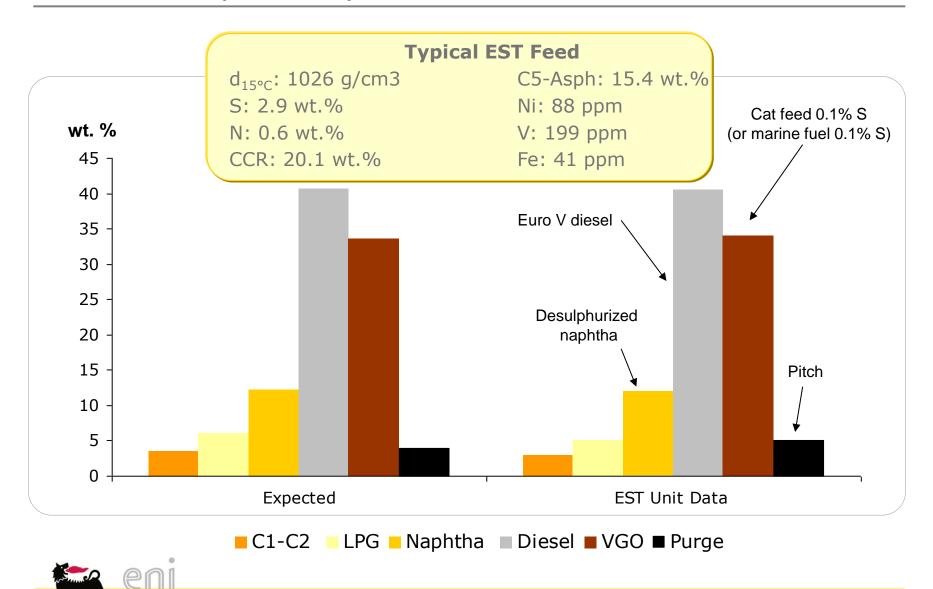


EST results: Slurry reactors temperature profile





EST results: product yields



EST second run

- A power failure occurred in Sannazzaro refinery (about 3 months after start-up), causing the upset of Steam Reformer plant
- Following this event, the decision of EST shutdown was taken, also supported by the following reasons:
 - the adverse scenario for cement industry that limited EST maximum production (due to reduction of purge volume accepted by cement industry whose capacity in Italy dropped by 40% in the last few years)
 - the opportunity to take advantage of maintenance activities to improve plant reliability, efficiency and operating procedures
 - ✓ New start up of EST unit: June 2014
 - ✓ Unit operating in a very stable mode
 - ✓ Still present constrains in cement market
 - ✓ Part of the pitch is sent to Sannazzaro existing gasification unit





Conclusion

- The first EST hydrocracker Commercial unit is in operation at eni's Sannazzaro refinery
- Key success factors:
 - Demonstrated reliability
 - High conversion to valuable products
 - No coke formation/production
 - Option to convert the Bottom of the Barrel overcoming conversion limitations
 - Environment-friendly technology
 - High energy efficiency
 - Excellent option for natural gas valorisation
- Further improvements of the technology are in the pipeline as a result of first year of operation
- Now, since the successful start up of the Unit, eni has started to license EST technology



Thank you for your attention

