MINISTRY OF HIGHWAYS & ROAD DEVELOPMENT AND PETROLEUM RESOURCES DEVELOPMENT

PETROLEUM RESOURCES DEVELOPMENT SECTION

Performance Report - 2018

MINISTRY OF HIGHWAYS & ROAD DEVELOPMENT AND PETROLEUM RESOURCES DEVELOPMENT

PETROLEUM RESOURCES DEVELOPMENT SECTION

PERFORMANCE REPORT - 2018

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Message from the Hon. Minister of Highways & Road Development and Petroleum Resources Development

It gives me great pleasure to present this report titled "Performance Report - 2018" to the Parliament on activities carried out by the Petroleum Resources Development Section of the Ministry of Highways & Road Development and Petroleum Resources Development together with Ceylon Petroleum Corporation (CPC), Ceylon Petroleum Storage Terminals Ltd (CPSTL) and Petroleum Resources Development Secretariat (PRDS) which come under the purview of my Ministry. This report describes services planned and rendered to fulfill the petroleum products requirements of the country during the period from January to December 2018"

As the Ministry responsible for making policies, strategies, programmes and projects in the field of upstream, midstream and downstream petroleum industry, the then Ministry of Petroleum Resources Development has taken several important policy decisions and initiated few programmes and projects during the year 2018 addressing key challenges of petroleum sector in Sri Lanka under the guidance of former Hon. Minister.

Accordingly, oil procurements are being carried out in a transparent manner enabling to ensure an uninterrupted fuel supply in the country. Further, steps have been taken to rehabilitate and develop very old infrastructure facilities which are very essential to render the petroleum related services efficiently and effectively. Among them, upgrading and development of Fuel Hydrant System and Refueling Terminal at Bandaranaike International Airport (BIA), Katunayake, Construction of Jet A-1 fuel transfer pipeline from Muthurajawela to BIA along the Colombo-Katunayake Expressway and associated facilities, Construction of a fuel transfer pipeline from Colombo port to Kolonnawa installation, Construction of an interconnected fuel transfer pipeline among Kolonnawa, Muthurajawela and Sapugaskanda terminals, increasing of fuel storage capacities, establishment of a lubricant blending plant and development of regional oil bulk depots enabling to provide a customer oriented service Island-wide could be highlighted.

As the Minister in-charge of the subject of Petroleum Resources Development in addition to Highways & Road Development, I assure that all necessary and vital actions will be taken to develop the upstream, midstream and downstream petroleum industry in a sustainable manner during my tenure while continuing with already planned activities. At present, my Ministry in collaboration with its agencies have been able to carry out the previously planned activities in a more efficient manner and identified new initiatives which are priorities to be implemented immediately in order to overcome the financial, technical and administrative issues of the three institutions. Also, the

investments on upstream petroleum industry will be timely where the government key attention should be given since there are more economical benefits to the country as a nation on implantation of oil and gas exploration and exploitation activities.

I earnestly believe that Hon. Deputy Minister, Secretary to the Ministry and other officials, Heads of institutions and officials and Boards of Directors will extend their fullest co-operation to uplift the performance of the petroleum sector to a satisfactory level.

Kabir Hashim, M.P.
Minister of Highways & Road Development and
Petroleum Resources Development

Message from the Hon. Deputy Minister of Petroleum Resources Development

I am pleased to send this message for the publication titled "Performance Report - 2018" of Petroleum Resources Development Section of the Ministry of Highways & Road Development and Petroleum Resources Development which will be tabled at the Parliament.

Several effective decisions with regard to strengthening institutional, human resources and financial capacities and implementation of delayed projects of the institutions namely Ceylon Petroleum Corporation, Ceylon Petroleum Storage Terminals Limited, Petroleum Resources Development Secretariat and Polipto Lanka (Pvt) Ltd were taken since 2015. Also, the Ministry has been able to expedite the continuously delayed projects and programmes which are essential for ensuring the uninterrupted fuel supply of the country even in the midst of various challenges.

Accordingly, the actions were taken to commence infrastructure development projects such as laying fuel transfer pipelines, construction of fuel storage tanks, rehabilitation of regional oil bulk depots by Ceylon Petroleum Corporation and Ceylon Petroleum Storage Terminals Limited and expedite oil exploration and development activities by Petroleum Resources Development Secretariat under the guidance of the then Ministry of Petroleum Resources Development.

I emphasize that the Petroleum Resources Development Section of the Ministry of Highways & Road Development and Petroleum Resources Development together with its entitit CPC, CPSTL and PRDS is always committed to take actions to contribute towards national socio-economic development of the country.

Anoma Gamage, M.P.
Deputy Minister of Petroleum Resources Development

Preamble

The Petroleum Resources Development Section of the Ministry of Highways & Road Development and Petroleum Resources Development as a major policy making body in respect of upstream, midstream and downstream petroleum industry in Sri Lanka presents this report titled " "Performance Report - 2018" at Parliament.

This report presents the details of the activities carried out by the then Ministry of Petroleum Resources Development and four agencies which come under its purview – Ceylon Petroleum Corporation, Ceylon Petroleum Storage Terminals Limited, Petroleum Resources Development Secretariat and Polipto Lanka (Pvt) Ltd during the period from January to December 2018.

I am pleased to note that several important policy decisions have been taken by the then Ministry of Petroleum Resources Development in collaboration with four agencies to ensure the uninterrupted fuel supply to the country. As the new Secretary to the Ministry of Highways & Road Development and Petroleum Resources Development, several productive decisions in the fields of finance, human resources development, administration and establishment, auditing, legislation and development have been taken by the Ministry while guiding and facilitating its agencies for the advancement of the upstream and downstream petroleum industry.

Since the attention of the government has driven towards introducing Natural Gas/ Liquefied Natural Gas (LNG) for energy sector, a "National Policy on Natural Gas" has been timely identified as need and the Ministry has formulated the said policy and it will be finalized during the second quarter of 2019 by incorporating public comments. Further, the Ministry will facilitate and provide necessary guidance to explore and develop the local oil and gas resources which are pending for a long time and to mainstream the oil purchasing process. In addition, it is very important to have a close supervision in respect of storage, distribution and marketing activities carried out by Ceylon Petroleum Corporation and Ceylon Petroleum Storage Terminals Limited in order to ensure the fuel security of the country.

Many activities have been planned for 2019 under the guidance of Hon. Minister and Hon. Deputy Minister. I expect that the staff of the Ministry as well as the staff of three institutions which come under the purview of the Ministry would extend their continued support to achieve the Ministry's objectives successfully with a view to ensure sustainable fuel supply in future.

Sunil Hettiarachchi
Secretary
Ministry of Highways & Road Development and
Petroleum Resources Development

Introduction

Recognizing the importance of having a policy making body separately in respect of upstream and downstream petroleum activities, the Ministry of Petroleum and Petroleum Resources Development was established under the Government Extraordinary Gazette Notification No. 1422/22 dated 08.12.2005. Subsequently, the Ministry of Petroleum Industries was established under the Government Extraordinary Gazette Notification No. 1651/20 dated 30.04.2010 which was responsible only for downstream activities of the petroleum sector and upstream activities were under the Presidential Secretariat. By virtue of Government Extraordinary Gazette Notification No. 1897/15 dated 18.01.2015 the functions of the Ministry of Petroleum Industries were assigned to the Ministry of Power and Energy. Later, the Ministry of Petroleum Resources Development which is responsible for upstream and downstream activities of petroleum sector was established by virtue of Government Extraordinary Gazette Notification No. 1933/13 dated 21.09.2015. Again, by virtue of the Extraordinary Gazette Notification No. 2103/33 dated 28.12.2018, Ministry of Highways & Road Development and Petroleum Resources Development was established.

The demand for the fuel consumption has increased due to rapid development taking place in the country at present. Based on the cross-cutting features of upstream and downstream petroleum industry among all economic development sectors, the petroleum sector has to be developed in order to ensure the fuel security of the country. In this endeavor, the Ministry of Highways & Road Development and Petroleum Resources Development, as the policy making and the chief accounting body inter-alia of the four entities namely the Ceylon Petroleum Corporation, the Ceylon Petroleum Storage Terminals Ltd, the Petroleum Resources Development Secretariat and Polipto Lanka (Pvt) Ltd plays an important role in formulation and implementation of all relevant policies, guidelines and development projects in achieving the set goals and targets while performing its duties and responsibilities of administration and management. There are five main Divisions of the Petroleum Resources Development Section namely; Administration, Development, Procurement, Finance and Internal Audit at the Ministry under the supervision of three Additional Secretaries to support the Secretary and the Hon. Ministers in order to ensure the efficient and effective decisions making.

MINISTRY OF HIGHWAYS & ROAD DEVELOPMENT AND PETROLEUM RESOURCES DEVELOPMENT

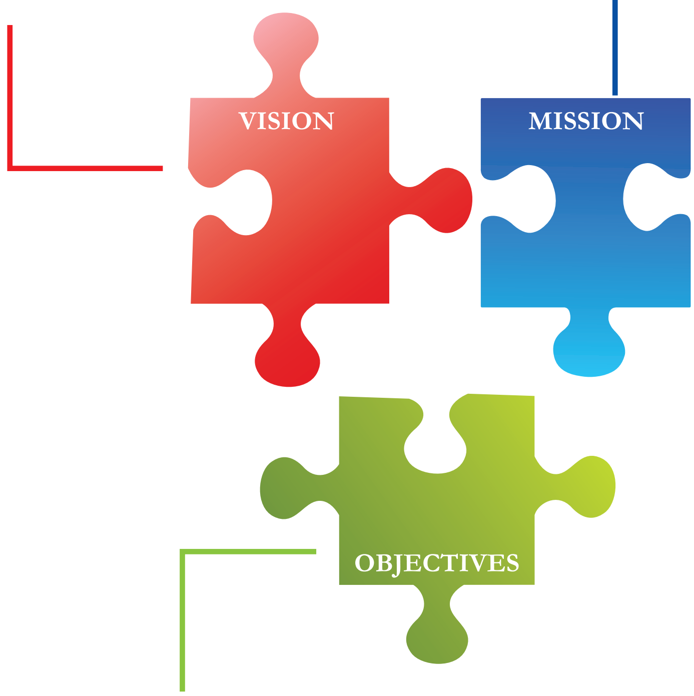
PETROLEUM RESOURCES DEVELOPMENT SECTION

VISION

“ To make both upstream and downstream petroleum industry the foremost contributor to the National Socio-economic Development of Sri Lanka”

MISSION

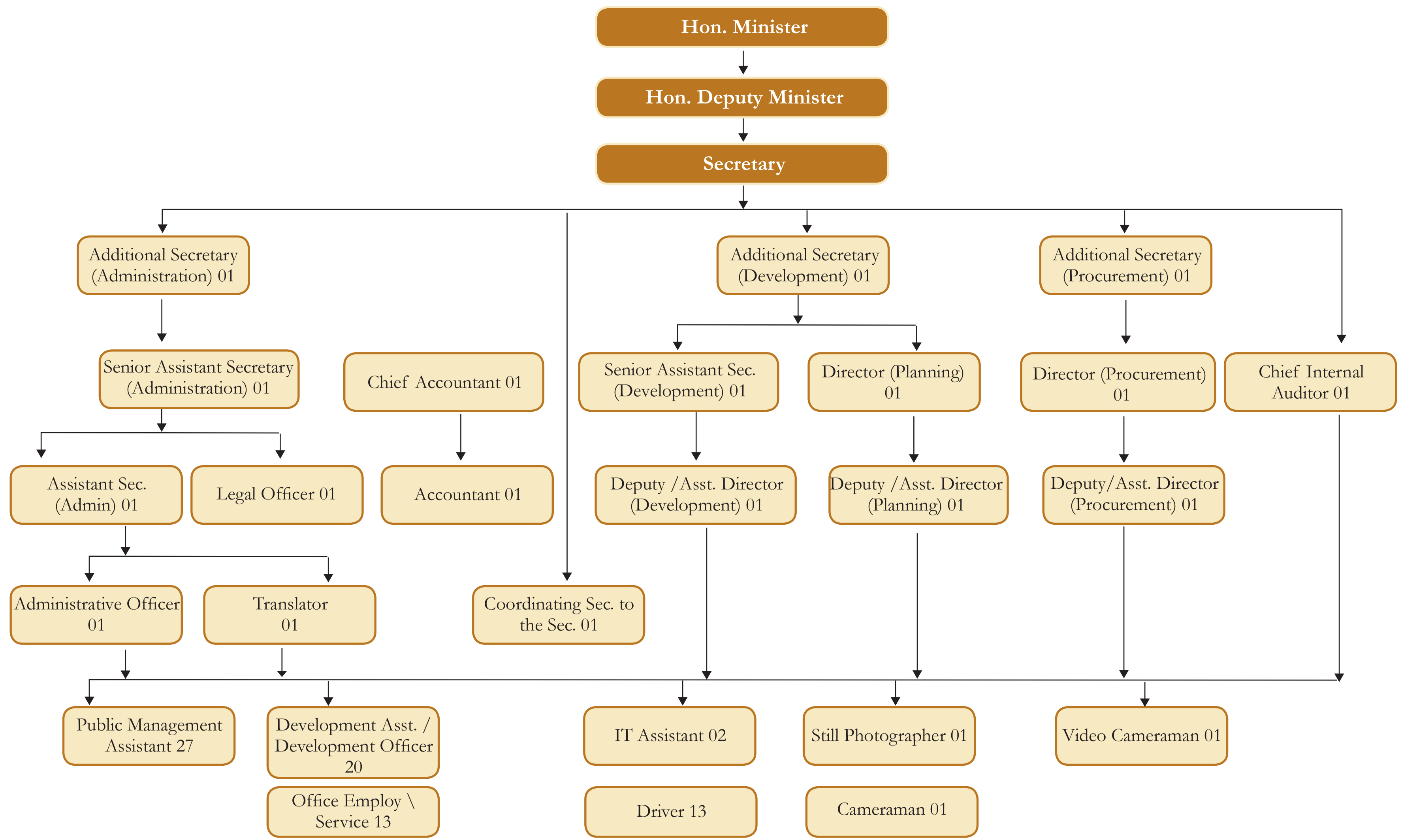
“ To manage the activities of upstream and downstream petroleum industry effectively and efficiently in a sustainable manner to contribute to the energy needs of the country and harness the petroleum resources of the country to the optimum by regulating, coordinating and facilitating institutions under its purview ”



OBJECTIVES

- Be a partner in the energy self-sufficiency of Sri Lanka by optimizing production of domestic oil and natural gas by 2030.
- Meet petroleum product demand of the country through our own processing by 2030.
- Upgrade quality of Diesel and Gasoline to EURO IV standards by 2023.
- Ensure more efficient, effective and safe storage and distribution of fuel through- out the country.
- Ensure the quality and reliability through-out the fuel supply chain.
- Promote efficient and effective use of petroleum products

ORGANIZATIONAL STRUCTURE



MINISTRY CADRE - AS AT 31ST DECEMBER 2018

Position	Approved	Existing	Vacant
Senior Level			
Secretary	01	01	-
Additional Secretary	03	02	01
Chief Accountant	01	01	-
Senior Assistant Secretary	02	-	02
Chief Internal Auditor	01	01	-
Director	02	02	-
Assistant Secretary	02	01	01
Assistant Director	02	02	-
Accountant	01	-	01
Legal Officer	01	01	-
Total	**16**	**11**	**05**
Secondary Level			
Administrative Officer	01	-	01
Translator	01	-	01
Total	**02**	**-**	**02**
Tertiary Level			
Development Assistant/Officer	20	13	07
Public Management Assistant	27	24	03
Information Technology Assistant	02	02	-
Coordinating Secretary to the Secretary	01	-	01
Still Cameraman	01	-	01
Video Cameraman	01	-	01
Total	**52**	**39**	**13**
Primary Level			
Driver	13	12	01
Camera Helper	01	-	01
KKS	13	10	03
Total	**27**	**22**	**05**
Total	**97**	**72**	**25**

CEYLON PETROLEUM CORPORATION

VISION

“To be the premier customer driven, environmental friendly enterprise in the petroleum and related industries in the region while contributing towards the prosperity of our nation”

MISSION

“ To achieve excellence in refining, sales & marketing of high quality products and meet the expectations of the stakeholders through a dedicated team of professionals and a loyal, efficient and effective dealer network and by providing total solutions and services exceeding customer expectations, while utilizing a high technology base for growth & development of the enterprise with total employee participation & innovation by maintaining high ethical norms in all its activities & with highest concern for health, safety & environment”

OBJECTIVES

- Retain highest level of market share
- Reach excellence in sales, marketing & operations to face a heavily competitive environment
- Maintain an economically viable refining sector
- Improve and maintain high level of professionalism at all levels of employees
- Institute structural changes to improve productivity and management
- Institute health, safety and environmental friendly measures to exceed the stipulated standards
- Uphold the national and social obligation for betterment of the community
- Ensure financial viability of the Corporation
- Retain Sri Lanka control in the petroleum downstream sector

CEYLON PETROLEUM STORAGE TERMINALS LIMITED (CPSTL)

VISION

"To be the most efficient petroleum terminal operator in South Asia"

MISSION

"To remain as the most efficient and effective terminal operator in the island, meeting stakeholders' expectations and committed to make perceivable and continual improvement at the level of customer satisfaction, while preserving the quality and ensuring the exact quantity of the petroleum products being delivered to the terminal facility users/customers, honouring the health, environmental and safety standards in force through dedicated participation of a loyal, contended and well trained workforce, guided by the feedback of the customers and the general public."

OBJECTIVES

- Remain most efficient terminal operator in the country
- Improvement of facilities to store, maintain quality of petroleum products and deliver in the country to meet the future demand
- Improve level of satisfaction of customer in quality improvements and prompt deliveries to maintain uninterrupted supply in the country
- Uphold national & social obligations for the betterment of the community
- Institute health, safety & environmental friendly measurement to exceed the stipulated standards
- Improve and maintain high level of professionalism at all levels of employees
- Introduce structural change to improve productivity and management
- Ensure financial viability of the entity

PETROLEUM RESOURCES DEVELOPMENT SECRETARIAT

VISION

"To ensure that all Sri Lankans benefit from the petroleum resources of the country by managing the industry in an equitable, safe and environmentally sustainable manner"

MISSION

"Design and monitor fiscal regimes that meet the country's evolving economic needs, matching them with a stable, efficient regulatory framework that attracts investment and encourages knowledge transfer, until the last economic reserves are produced"

OBJECTIVES

Exploitation of indigenous oil and gas resources and there by contribution to the tasks of socio – economic development and national energy security attainment.

1. Policies, Programs and Projects

a) Formulation of National Policy on Natural Gas

Following the two Natural Gas (NG) discoveries made in exploration Block M2 in Mannar Basin in 2011 and recent developments in the oil and gas exploration activities in the North East offshore Sri Lanka, actions have been taken to expedite the exploration activities and commercialize already discovered oil and gas deposits. It is planned to hold an international mini bid round for the development of the existing NG deposits and additional hydrocarbon prospects in the Block M2. In addition, oil and gas exploration activities are being carried out through foreign investors on joint study and multi-client basis.

It has been revealed that the smaller "Dorado" reservoir has 350 BCF (Billion Cubic Feet) of estimated mid case recoverable NG that can operate 630 MW power plant (50% plant factor) for about 10 years. The volumetric estimate of the Gas Initially In place (GIIP) in the complex larger "Barracuda" discovery exceeds 1.5 TCF (Trillion Cubic Feet) that needs further appraisal build with extensive reservoir studies and evaluation for optimal production design.

NG is being used worldwide at present as a clean source of energy. It has become an important fuel for Sri Lanka as well both in terms of energy and diversity of use. Therefore, there is potential for NG to be used in power, industrial, transportation, household and commerce sectors in Sri Lanka as a fuel or a feedstock. The sectoral NG demand is expected to be met by exploitation of indigenous NG resources and/or imported Liquefied Natural Gas (LNG) which depend on the availability, market conditions and policy.

Currently, the government is keen on using NG initially for power generation of the country and the interests of other parties such as industrialists, transporters on usage of NG for their purposes are also being discussed. In this context, the Petroleum Resources Development Secretariat (PRDS) under the guidance of the Ministry of Petroleum Resources Development (MPRD) in collaboration with Ceylon Petroleum Corporation has formulated a Draft National Policy on Natural Gas which is timely. This policy is also aimed to provide investors with protective legislation, and open new avenues of monetizing future NG reserves. The MPRD organized a full day workshop for the key stakeholders to review the draft NG policy document in May 2018. PRDS has submitted the final draft of the NG policy incorporating all stakeholder reviews to MPRD for necessary actions that requires, finetune the policy with a standard format and approval process with relevant government agencies. Accordingly, the MPRD is taking necessary actions to finalize the draft policy.

b) Oil procurements

Ceylon Petroleum Corporation (CPC) is the largest petroleum products importer to the country. A careful procurement mechanism has been established through a Special Standing Cabinet Appointed Procurement Committtee (SSCAPC) and a Special

Technical Evaluation Committee (TEC).

Oil import prices are based on two elements i.e. world market price and fixed premium. The volatile world oil market prices generally tend to create high premium levels for the single purchases in comparison with the purchasing through long-term agreements in most cases. CPC has now turned to oil procurements based on long-term contracts to attain a stable premium level. The uninterrupted fuel supply is ensured through the procurements based on long-term contracts and sometimes single purchases where demand fluctuations arise. Measures were also taken to maintain adequate stock levels and thereby achieve fuel security of the country.

c) Development & Upgrading of Aviation refueling terminal & the Existing Fuel Hydrant System and Installation of a Fuel Hydrant System at new Apron-E at Bandaranaike International Airport, Katunayake.

The Ministry with Ceylon Petroleum Corporation has taken necessary steps to enhance the aviation refueling terminal and fuel hydrant system at BIA in par with the Bandaranaike International Airport (BIA) Phase II, Stage 2 development project. The construction of additional storage facilities, expansion and modifications of the fuel hydrant system at BIA are the major components of this project. It has been planned to be carried out by Ceylon Petroleum Corporation under the purview of this Ministry in collaboration with Airport and Aviation Services Limited (AASL) in Sri Lanka.

As per the Cabinet decision dated 25.07.2017, bids were called on the basis of ICB procedure for the above procurement within a limited time frame in order to select a suitable EPC contractor. As per the Cabinet decision dated 21.11.2017, the contract was awarded to M/s WEC Engineers and Constructors Pte Ltd and China National Chemical Engineering Co. Ltd during January 2018 at negotiated bid price of USD 51.5 Million. The project has been planned to complete by July 2020. Currently, it is engaged in detailed engineering design activities.

d) Cross Country Pipeline project

The Dolphin pier at the Colombo Port is equipped with loading arms and other facilities to unload imported petroleum products like Diesel, Petrol, Kerosene, Aviation Turbine Fuel (Jet A-1) and Furnace oil and to transport them through the existing three pipelines to the Kolonnawa Terminal which are about 40-70 years old and need immediate replacement (or rehabilitation) for a continuous and uninterrupted operation in the future. These pipelines had been built in 1940s for the transport of petroleum products from the Colombo port to the Kolonnawa Installation out of which two pipelines have already been abandoned many years back due to the inability of carrying out maintenance and repairs as a result of the illegal encroachments on the pipeline terrace by squatters.

Two more pipelines had been constructed in 1969 along with the construction of Sapugaskanda Oil Refinery. The original 70 years old pipeline and the other two old pipelines which are about 43 years old are handling the total imports of finished petroleum products and crude oil whereas the design life span of such petroleum pipelines are only 25 years.

Renovation and modernization of these pipelines have been a very urgent need as a large quantity of the national requirement of the petroleum products is being transported into Kolonnawa fuel storage terminal through these deteriorated pipelines.

Expected Benefits:

- Fulfill national requirement of petroleum products
- Efficient transportation of petroleum products from Colombo port to Kolonnawa Terminal
- Maintain the quality of imported petroleum products until they reach end consumers
- Preparation for future demand and maintain continuous supply
- Reduce stock losses and reduce financial losses to CPC and CPSTL
- Reduce high maintenance cost of deteriorated pipelines

The Ministry coordinates all activities of the project with CPC and CPSTL. Almost all the preliminary steps of this project such as preliminary topographical surveys, geographical surveys, initial environmental Examination, identification of most suitable (feasible) pipe laying route, provision for compensation and remedies to the affected parties have been completed. Now it is in the process of finding funds and selecting a suitable contractor to implement the said project in time. The Ministry has taken several actions and policy decisions to implement this project.

As per the CPSTL Director Board decision dated 24.12.2015, the scope of this project will be to lay 01 new piggable 14" dia. pipeline, to lay 01 new piggable 18" dia. Pipeline and to lay three segments of 12" pipeline at shore Dolphin pier & Orugodawatta main rail crossing including Terminal modifications at Kolonnawa Terminal & installation of loading arms at Dolphin Pier for three pipelines as an EPC contract for the entire project from Kolonnawa Terminal to Dolphin pier in Colombo port.

Subsequent to a Cabinet Memorandum No. 16/0785/746/002-I dated 28.04.2016 based on the said scope of work, Cabinet decision dated 10.05.2016 has been granted to proceed with the project on G-G method with 100% financing on EPC turnkey basis by obtaining only one comprehensive proposal from each country of United States of America, People's Republic of China, Republic of India and Government of Malaysia recommended by the respective Embassy/ High Commission. Accordingly, the procurement process is in progress and Request for Proposals received from those countries are being evaluated.

e) Feasibility study on Construction of Jet A-1 Transfer pipeline from Muthurajawela to BIA and associated developments.

A jet A-1 pipeline from Muthurajawela to BIA has been proposed considering the present difficulties faced in fulfilling the ever increasing Jet A-1 fuel demand at the BIA, quality issues related with the existing fuel supply and responsibility of reducing the associated costs. Moreover, current expansion project of BIA is expected to increase the passenger turnover resulting further increase of Jet A-1 demand.

Clearance from the Road Development Authority (RDA) for the pipeline route was a long pending matter on debate due to unfavorable conditions for an oil pipeline construction and operation in the route proposed and approved by the RDA. Even though CPC has extensively requested RDA to provide clearance for the pipeline parallel to the Colombo Katunayake Expressway (CKE), the clearance was not granted. The approved pipeline route mainly goes through the heavily congested public roads belonging to RDA (A3 road, B152 road & B425 road), PRDA (Nugape Bopitiya road) & SLLRC.

Due to the difficulties in the approved route which might cause social and other issues leading to delay in completion of the project, CPC management decided to seek consultation of CCEM and OCEM to get the approval for the route along the CKE. Accordingly, it was possible to get the consent of RDA to accommodate the proposed Jet A-1 pipeline within the Right of way (ROW) of the Colombo Katunayake Expressway as the most appropriate option subject to carrying out an in-depth study giving due considerations to the stability and safety of CKE and to obtain the environmental clearance from CEA.

CPC is currently successfully engaged in the activities related to executing the above mentioned studies with the Consultants appointed for this task.

f) Development of oil tank farm at Trincomalee

Trincomalee tank farm currently contains 99 steel riveted storage tanks. British government built this tank farm in the late 1930's and the entire facility originally contained 102 riveted tanks each having a capacity of 12,500 m3. Currently, 14 tanks are being used by Lanka India Oil Company (LIOC) in the lower tank farm for their operations and there are 85 tanks in upper tank farm abandoned without utilization due to various reasons. As per the Memorandum of Understanding signed beween Sri Lanka and India in April 2017, it has been proposed to develop the said oil tank farm jointly with India. At the moment, it is at discussion level.

g) Establishment of a lubricant blending plant

Ceylon Petroleum Corporation has been successfully engaging in lubricant business and currently holds 11 percent of the market share. CPC is one of the three major competitors in the local lubricant market and two others are Chevron Ceylon Limited and Lanka Indian Oil Company. The top two market share holders have captured their share with all production benefits gained through their local blending plants. However, the CPC has been able to reach the third place of the lubricant market by selling only imported finished lubricant products. The average annual turnover of Rs. 2.5 billion is about 0.5 percent of the turnover from the lubricant business of the CPC and this could be considered as a separate profitable business arm of the Corporation.

In view of the above, CPC under the guidance of this Ministry has taken steps to establish a state-of-the-art lubricant blending plant at Muthurajawela in collaboration with Hyrax Oil SDN BHD, Malaysia under the

BOT model (Build, Operate and Transfer) to cater to the local market as well as to the export market. The plant has been designed to build with the total production capacity of approximately 72,000MT of lubricant and transformer oil per annum to ensure smooth supply to the customer. The total estimated cost of this project is USD 13 million and it will be fully invested by the contractor; Hyrax Oil SDN BHD, Malaysia.

With the establishment of the lubricants blending plant, price reductions would be expected in the lubricant market in the country in addition to benefits such as increasing profitability for CPC due to increased market share, foreign direct investment, enhance support services to CPC and its dealer network, create employment opportunities, saving foreign exchange, technical trainings and technology transfer, capturing export market, uninterrupted supply of quality lubricants without stock holding cost, opportunities for auxiliary industries and ability to cover up the losses of CPC.

The relevant Agreements have been signed by Ceylon Petroleum Corporation with Hyrax Oil SDN BHD, Malaysia on 6th May 2016 and the construction works were commenced accordingly. Time extension was given to complete the construction and commissioning the plant by the end of December 2017. However, with the change of the CPC's management in May 2017 commissioning of the plant has taken delayed since they needed to study the viability of the project.

h) Construction and Commissioning of a 15,000 m^3 Storage Tank with Internal Floating roof at Kolonnawa Installation.

CPSTL has decided to construct a 15,000m3 storage tank for Gasoline at Kolonnawa Installation as per the Board decision, 10/140th of 07/04/2015 aiming at availing sufficient storage capacity to accommodate import cargoes and refinery products to ensure country's fuel requirement by maintaining around 30 day stock at any given time as this is the core business of CPSTL.

The Engineering Estimate for the project is LKR 495 million and project duration is 18 months. In this context, a Technical Evaluation Committee (TEC) has been appointed to work on the procurement process and Cabinet Appointed Procurement Committee (CAPC) approved the bidding document which was finalized and submitted by the TEC. The Chairman, CAPC invited public bids through International Competitive bidding procedure. Bids were opened on 17.01.2017 and seven companies had submitted their bids. The TEC has recommended to award the contract to the substantially responsive evaluated lowest bidder, M/s. Indo East Engineering & Construction (Lanka) Pte Ltd. and approval of CAPC and Cabinet of Ministers was received for the same. The awarded Contract price is LKR 412,781,699.68 + VAT. Construction was commenced on 19.12.2017 and due date of completion is 19.06.2019. At present, 65% of the project is completed and works are in progress as planned.

i) Construction of 01 Nos. 5000m^3, 02 nos. of 7000m^3 and 03 nos. of 15000m^3 storage tanks at Kolonnawa Installation

With an increase of 4-5% of annual average fuel demand in Sri Lanka, there should be adequate storage facilities developed for each petroleum product in order to maintain at least a 30 day stocks at any given time at two main installations. Hence, it is evident that an additional 100,000 MT storage capacity is required to have immediately for the smooth and uninterrupted operation of refined products in the country.

As the first stage of this task, construction of 15,000m^3 storage tank for Gasoline at Kolonnawa Installation at a Total Estimated Cost of LKR 412 million within one 18 months was started in December 2017and construction work is in progress.

As the second stage of this task, CPSTL has decided to construct 6 storage tanks with total capacity of 64,000m^3 at Kolonnawa Installation at a Total Estimated Cost of LKR 2,225 million within 40 months aiming at availing sufficient storage capacity to accommodate import cargoes and refinery products to ensure country's fuel requirement by maintaining a 30 day stock of products handled in Sri Lanka at any given time as this is the core business of CPSTL.

In this context, a Technical Evaluation Committee (TEC) has been appointed to work on the procurement process and Cabinet Appointed Procurement Committee (CAPC) approved the bidding document which was finalized and submitted by the TEC. The Chairman, CAPC invited public bids through International Competitive bidding procedure. Bids were opened on 31.07.2018 and twelve companies had submitted their bids. Final CAPC meeting was held on 26.10.2018 and decided to negotiate with the lowest substantially responsive bidder for price reduction, CAPC to be re-appointed to proceed with the evaluation. Once evaluation is completed, Cabinet Approval to be obtained in order to award the contract. The coonstruction is scheduled to be started in March 2019 and completed by August 2022.

Introducing Euro 4 Standard Fuel

Ceylon Petroleum Corporation under the guidance of the Ministry of Petroleum Resources Development int roduced EURO 4 grade Super Diesel and Petrol Octane 95 on 02nd July 2018 as a substitution to the earlier Super Diesel and Petrol Octane 95. It will contribute to reduce the air pollution due to vehicular emissions which has increased over the years due to increased number of vehicles on the road and heavy traffic congestions. Euro 4 is a globally accepted European emission standard for vehicles that require the use of fuel with significantly lower sulfur and other toxic contents. Introduction of Euro 4 fuel was done in par with the government decision to restrict importation of vehicles that are only complying with Euro 4 and Bharat Stage 4 standards. Euro 4-compliant vehicles are more efficient and greener due to the technological advances which also requires Euro 4 fuel to offer such high performances. Moving to Euro 4 fuel is more than just reducing the environmental pollution as Euro 4 fuel also improves fuel economy due to better ignition and restores maximum engine performance by reducing and cleaning internal engine deposits.

2. Imports of Petroleum Products

CPC is significantly contributing to the development of the country through the importation and distribution of petroleum products. CPC always ensures the importation of quality and innovative products enabling to enhance the customer satisfaction. Table 2.1 shows the details of refined petroleum products imported from 2016 to 2018.

Table 2.1 CPC's Imports of Refined Petroleum Products 2016 – 2018

Products	2016 Quantity		2017 Quantity		2018 Quantity	
	Barrels '000	MT '000	Barrels '000	MT '000	Barrels '000	MT '000
Auto Diesel	9,070	1,213	10,560	1,416	8,793	1,178
Super Diesel	493	65	493	65	690	91
Petrol- 92 Octane	5,394	634	6,361	746	6,581	769
Petrol- 95 Octane	931	110	1,204	146	1,179	139
Jet A-1	2,671	337	2,235	282	3,656	461
Low Sulphur Fuel Oil (180 CST)	1,131	173	2,039	313	1,864	285
High Sulphur Fuel Oil (180 CST)	-	-	-	-	136	21

The Graph 2.1 below shows the trend of importation of Petrol, Diesel and Jet A-1 from 2014 to 2018. It reveals that during the period from 2014 to 2018 , there is a substantial rise of the said products' sales in Sri Lankan market.

Graph 2.1 CPC's imports of Petrol, Diesel and Jet A-1 2014 – 2018

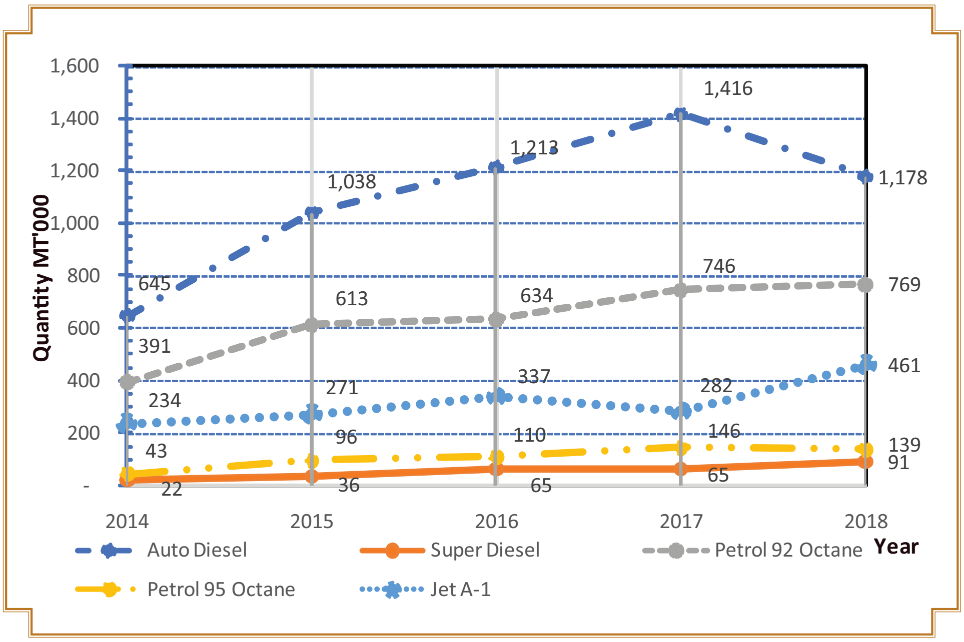


Table 2.2 below indicates the imports of crude oil from 2013 to 2018.

Table 2.2 Imports of Crude Oil from 2013 – 2018

Year	Quantity (MT'000)	Value of Imports (CIF) Rs. Million
2013	1,743	182,064
2014	1,824	187,760
2015	1,773	100,578
2016	1,685	87,198 (DES)
2017	1,499	100,911 (DES)
2018	1,763	160,933 (DAP)

The Table 2.3 below shows the details on demand forecast of CPC for the petroleum products in 2019. Lanka Auto Diesel will be considered as the highest demanded product (quantity wise) in 2019.

Table 2.3 Demand forecast of Petroleum Products by CPC–2019 (Quantity in MT'000)

Product Name	Total Sales Forecast	Refinery Production	Quantity to be Imported
Gasoline 92	1,186.54	180.50	1,006.04
Gasoline 95	223.03	-	223.03
Lanka Auto Diesel	1,637.59	570.90	1,066.69
Lanka Super Diesel 4 Star	97.31	-	97.31
Fuel Oil	802.99	553.39	249.60
Naphtha	164.80	130.60	34.20
Jet A - 1	643.61	250.43	393.18
Industrial Kerosene	4.39	-	4.39
Bitumen	37.67	34.02	3.65
SBP/ Solvent	1.12	1.05	0.07
Kerosene	198.09	62.61	135.48
LPG	21.11	21.11	-

Table 2.4	Government Taxes imposed on Petroleum Products as at 31.12.2018

Product	H/S Cord	Total Tax Rate (CID)	Exempted CID	CID	EXCISE	PAL
Gas Oil (0.05%)	2710.19.42	5.85	Rs. 5 Exempted Duty Waiver Per Liter	Rs. 0.85 Pay (Per Liter)	Rs.6 Per Liter	7.5% (Invoice Value)
Gas Oil (10 ppm)	2710.19.41	10.55	Rs. 0 Exempted Duty Waiver Per Liter	Rs. 10.55 Pay (Per Liter)	Rs.13 Per Liter	7.5% (Invoice Value)
Gasoline 92 unl	2710.12.21	35	Rs. 20 Exempted Duty waiver Per Liter	Rs.15 Pay (Per Liter)	Rs.27 Per Liter	7.5% (Invoice Value)
Gasoline 95 unl	2710.12.22	35	Rs. 0 Exempted Duty Waiver Per Liter	Rs. 35 Pay (Per Liter)	Rs.27 Per Liter	7.5% (Invoice Value)
Jet A-1	2710.19.20	-	Nil	Nil	Nil	0%
Fuel Oil	2710.19.60	-	Nil	Nil	Nil	7.5% (Invoice Value)
Crude Oil	2710.19.22	-	Nil	Free	Rs.27 Per Liter	7.5% (Invoice Value)

3. Storage and Distribution of Petroleum Products

3.1 Fuel Storage

Ceylon Petroleum Storage Terminals Limited (CPSTL) owns two main installations i.e. Kolonnawa and Muthurajawela and 11 bulk depots Island-wide. Based on the volumes handled and future expansion capability, the bulk depots are categorized into two types.

Grade I depots:
Peradeniya, Galle, Kurunegala, Batticaloa, Anuradhapura, Badulla, & Kankasanthurai

Grade II depots:
Kotagala, Haputale, Matara, Sarasavi Uyana

Kolonnawa Installation handles 12 petroleum products i.e Naphtha, Aviation Gasoline 100 octane, Gasoline 95 octane, Gasoline 92 octane, Illuminating Kerosene, Jet fuel, Industrial Kerosene, Special Boiling Point Products (SBP), Super Diesel, Auto Diesel, Fuel oil 800 Sec., Fuel oil (High Sulphur) 1500 Sec. and its tank capacities are given in Table 3.1 below;

Table 3.1 Tank Capacities at Kollonnawa

Product Type	Storage Capacity (MT)
Naphtha	13,570
Gasoline 95 Octane Euro4	17,827
Gasoline 92 Octane	41,641
Illuminating Kerosene	16,700
JET A-1	40,463
Auto Diesel	27,564
Super Diesel Euro 4	12,940
Fuel oil 800	48,683
Sp. Boiling Point (SBP)	770
Industrial Kerosene	1,564
TOTAL	221,722

Muthurajawela Installation handles 03 petroleum products i.e Gasoline 92 octane, Auto Diesel, Low Sulphur fuel oil 1500 Sec. and its tank capacities are given in Table 3.2 below;

Table 3.2 Tank Capacities at Muthurajawela

Product Type	Storage Capacity (MT)
Gasoline 92 Octane	53,829
Auto Diesel	117,039
Fuel oil 1500 Sec. L.S	51,904
TOTAL	222,772

3.2 Fuel Distribution

Distribution Function of CPSTL undertakes deliveries of bulk products on behalf of two marketing companies i.e. Ceylon Petroleum Corporation (CPC) and Lanka India Oil Company (LIOC). There are two main terminals at Kolonnwa and Muthurajawela. In order to carry out fuel distribution island-wide, CPSTL operates 11 outstation bulk depots and 01 Inland Rail Side Depot (IRD) through rail bogies and road tanker trucks from Kolonnawa & Muthurajawala terminals. Aviation fuel is stored only at Kolonnawa terminal and transferred to BIA Katunayake on daily basis by rail bogies & road tanker trucks. Furnace oil at Kolonnawa terminal is transferred to power plants by pipeline & road tanker trucks.

Kolonnawa terminal receives bulk products from refinery and through imported tankers discharged at Dolphin Pier at Colombo Harbour. Muthurajawela terminal receives only imported cargo discharged through

SPBM located approximately 06 km off Kerawalapitiya coast.

CPSTL's sales from respective locations in 2018 are given in Table 3.3 and Table 3.4 below. Total sales of petroleum products by CPSTL's locations during the reporting period is 2,851,218 kiloleters. 66% out of total products sales at Kolonnawa and Muthurajawela terminals have been transported by hired bowsers. 11% of products have been transported by CPSTL's own bowsers while 9% products sale have transported by pipelines. During the reporting period, only 1% of products have been transported by railway wagons while remaining 13% through collection by the customers themselves. Out of total products sales at bulk depots island-wide, 53% sales have been channeled through CPST:'s own bowsers. 40% sales have been channeled through hired bowsers while remaining 7% through collection by consumers themselves.

Table 3.3 **CPSTL's bulk products sales at Kolonnawa & Muthurajawela Terminals - 2018**

Products	Distribution Channel	Total Volume (KL)	Grand Total (KL)
Gasoline 92 Octane	Wagon(W)	-	872,975.40
	CPSTL(C)	167,884.20	
	Hired(H)	590,102.70	
	Collection(X)	114,988.50	
Lanka Auto Diesel(LAD)	W	38,341.98	1,290,945.51
	C	79,704.90	
	H	848,020.80	
	X	156,129.60	
	Pipe line(Power plant)	168,748.23	
Lanka Kerosene& Industrial Kerosene (LK& IK)	C	12,929.40	163,462.20
	H	133,689.60	
	X	16,843.20	
Lanka Furnace Oil(LFO)	W	2,135.97	147,859.27
	C	1,023.00	
	H	18,942.00	
	X	45,018.60	
	Pipe line(Power plant)	80,739.70	
Lanka Super Diesel(LSD)	C	10,236.60	115,156.80
	H	93,205.20	
	X	11,715.00	

Gasoline 95 Octane	C	29,818.80	252,120.00
	H	202,461.60	
	X	19,839.60	
Jet A-1	W	-	5,075.40
	C	5,075.40	
	H	-	
	X	-	
X Tra Mile	W	-	2,145.00
	C	6.60	
	H	1,980.00	
	X	158.40	
Lanka Solvent(SBP)	W	-	1,478.40
	C	1,056.00	
	H	422.40	
	X	-	
Total	**W**	**40,477.95**	**2,851,217.98**
	C	**307,734.90**	
	H	**1,888,824.30**	
	X	**364,692.90**	
	Pipe line (Power plant)	**249,487.93**	

Table 3.4 **CPST's bulk products sales at Bulk Depots in Island-wide - 2018**

Depots	Distribution Channel	Total Volume (KL)	Grand Total (KL)
Anuradhapura	CPSTL (C)	58,693.80	193,551.60
	Hired (H)	108,306.00	
	Collection (X)	26,551.80	
Badulla	C	44,985.53	74,731.73
	H	28,558.20	
	X	1,188.0	
Batticaloa	C	85,562.40	85,595.40
	H	33.00	
	X	-	

Galle	C	81,404.40	164,785.50
	H	76,754.70	
	X	6,626.40	
Haputale	C	44,457.60	66,277.20
	H	21,819.60	
	X	-	
KKS	C	78,190.20	81,727.80
	H	3,537.60	
	X	-	
Kotagala	C	67,557.60	68,712.60
	H	145.20	
	X	1,009.80	
Kurunegala	C	52,641.60	222,519.00
	H	134,679.60	
	X	35,197.80	
Matara	C	44,847.00	171,996.00
	H	109,032.00	
	X	18,117.00	
Peradeniya	C	128,601.00	175,065.00
	H	42,761.40	
	X	3,702.60	
Sarasaviuyana	C	30,624.00	34,551.00
	H	3,927.00	
	X	-	
IRD Vavuniya	C	-	4,633.20
	H	4,633.20	
	X	-	
Total	**CPSTL(C)**	**717,565.13**	**1,344,146.03**
	Hired(H)	**534,187.50**	
	Collection(X)	**92,393.40**	

4. Sales of Petroleum Products

4.1 CPC's Sales

An average of 20% price reduction has been made for all petroleum products with effect from January 2015 and as a result, a sudden increase in demand has been observed. However, this increase is significant in Petrol 92 Octane and 95 Octane. This trend has continued even in 2018. CPC has recorded a sale of 1337 Million liters of Petrol 92 Octane in 2018 and the growth rate is about 10% as against the year 2017.

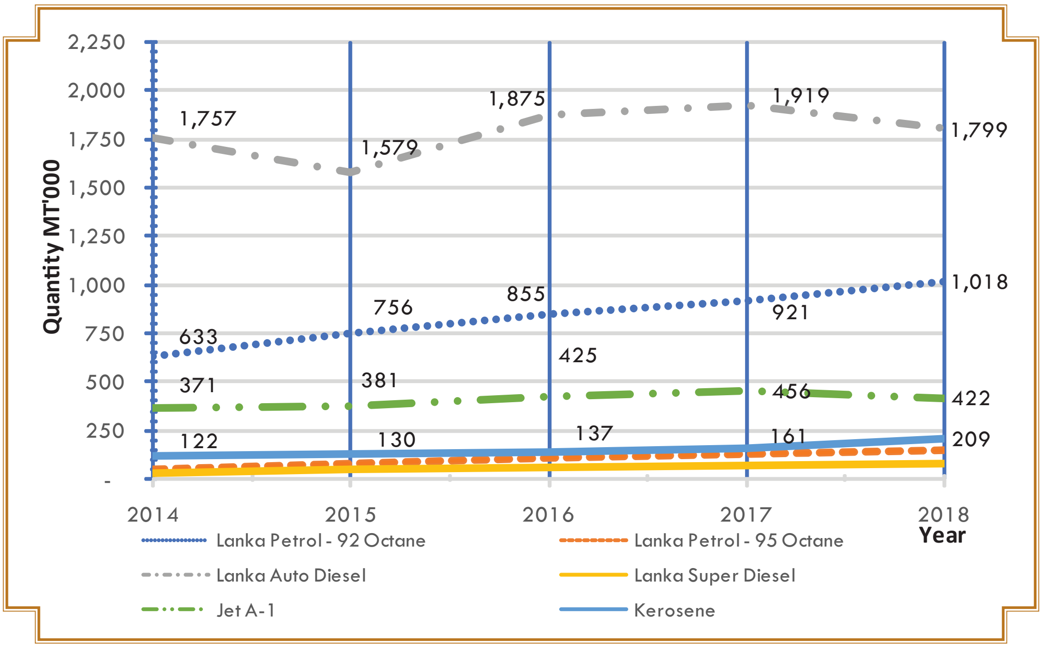
With the increased number of hybrid vehicles of which fuel economies exceed that of the diesel driven vehicles, the demand for Lanka Auto Diesel is almost stagnate and it has been marginally increased in 2017. But, it has again decreased in 2018. This has affected retail sales as well as consumer sales of Diesel. More than 55% of the demand for petroleum products in the country comes from the transport sector. CPC's island-wide sales of petroleum products are shown in Table 4.1 below.

Table 4.1 CPC Island-wide Sales from 2016 – 2018 (MT)

Type of Product	Retail Sales			Consumers Sales			Total Sale		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
Lanka Petrol - 92 Octane	850,105	916,426	1,013,250	4,793	4,594	4,448	854,898	921,020	1,017,698
Lanka Petrol - 95 Octane	105,698	131,483	149,736	4,546	4,405	4,822	110,244	135,888	154,557
Lanka Auto Diesal	1,322,812	1,331,815	1,375,662	552,557	587,152	423,316	1,875,369	1,918,967	1,798,978
Lanka Super Diesal	62,962	74,656	82,513	214	147	320	63,177	74,803	82,833
Lanka Kerosene	130,954	155,074	203,150	554	542	438	131,508	155,616	203,588
Lanka Industrial Kerosene	586	467	1,644	4,840	4,590	4,304	5,426	5,067	5,948
Lanka Chemical Naptha	-	-	-	120,187	139,303	69,357	120,187	139,303	69,357
Lanka Fuel Oil 800 Sec.	-	-	-	504,973	472,601	330,816	504,973	472,601	330,816
Lanka Fuel Oil 1500 Sec (High Sulphur)	-	-	-	37,384	60,879	99,799	37,384	60,879	99,799
Lanka Fuel Oil 3500 Sec.	-	-	-	-	-	-	-	-	-

Lanka Fuel Oil 1500 Sec (Low Sulphur)	-	-	-	83,185	240,016	199,720	83,186	240,016	199,720
Jet A-1	-	-	-	424,741	455,680	421,774	424,741	455,680	421,774
Lanka Solvents (SBP)	-	-	-	884	617	1,270	884	617	1,270

Graph 4.1 **CPC's Sales of Petrol, Diesel, Kerosene and Jet A-1 2014-2018 (MT'000)**



4.2 Sales Outlets

The filling stations newly established are equipped with more facilities than at existing filling stations and the availability of CPC products has been increased during the period from 2015- 2018. Further, these new filling stations will offer the facility of Petrol 95 and Super Diesel to consumers as most of the modern vehicles run on these advanced fuels. Petroleum products sales outlets belonging to CPC as at the end of 2018 are given in Table 4.2 below. Moreover, approval has been recently granted to open 46 nos. of new filling stations island-wide by CPC

Table 4.2	CPC's Petroleum Products Sales Outlets – 2018	
No	**Province**	**2018**
01	Western Province	295
02	Northern Province	179
03	North Western Province	178
04	Eastern Province	141
05	Southern Province	139
06	Central Province	100
07	North Central Province	79
08	Uva Province	49
09	Sabaragamuwa Province	72
	Total	**1,278**

4.3 Sale of Fuels to Power Sector

Due to prevailing average weather conditions and moderate increase of the demand for electricity by industries as well as domestic consumers, fuel sales for energy sector does not show any significant growth during the reporting period. CPC's sales to power plants are shown in Table 4.3 below.

Table 4.3 Sales to Power Plants 2011- 2018

Year	Ceylon Electricity Board						Independent Power Producers				Grand Total	
	Lanka Auto Diesel		Naphtha		Fuel Oil		Lanka Auto Diesel		Fuel Oil		Vol. Ltr '000	Value Rs. Mn
	Vol. (Ltr '000')	Value (Rs. Mn)	Vol. (Ltr '000')	Value (Rs. Mn)	Vol. (Ltr '000')	Value (Rs. Mn)	Vol. (Ltr '000')	Value (Rs. Mn)	Vol. (Ltr '000')	Value (Rs. Mn)		
2011	184,476	14,340	67,131	4,512	202,797	8,112	171,087	14,009	772,204	33,388	1,397,695	74,361
2012	251,599	27,693	89,701	7,491	203,315	12,655	213,443	21,094	881,606	57,831	1,639,664	126,764
2013	39,650	4,778	104,019	9,362	153,240	12,832	28,823	3,436	401,668	33,889	727,400	64,297
2014	191,105	23,113	136,091	12,248	165,423	14,992	138,579	16,828	455,518	46,653	1,086,716	113,834
2015	25,511	2,438	143,879	10,735	18,461	1,522	58,589	5,647	213,249	17,214	459,689	37,556
2016	141,006	13,395	174,270	12,896	258,643	20,691	223,968	21,250	156,968	12,711	954,855	81,213
2017	249,424	23,695	201,989	14,947	269,368	21,549	147,906	14,051	432,615	34,609	1,301,302	108,851
2018	149,174	14,783	100,568	7,442	233,604	19,553	57,311	5,771	325,569	27,212	866,226	74,761

4.4 Sale of Lubricants

The Lubricant market share maintained over the past two years were declared due to delay in commencement of the Lubricant blending plant scheduled for December 2017. With the commencement of the lubricant blending plant early 2019, CPC has planned to increase the sales volume up to the percentage level by end 2019. Market Leader and the Market Share is expand to reach above 25% by the end 2020. The Table 4.4 below shows the sales of Lubricants by CPC from 2011 to 2018.

Table 4.4 CPC's Sales of Lubricants 2011 – 2018 (KL)

Year	Volume (KL)	Value (Rs. Million)
2011	5,146	1,593
2012	5,602	1,986
2013	5,520	2,086
2014	5,687	2,384
2015	5,326	2,244
2016	5,445	2,296
2017	5,412	2,326
2018	4,083	1,883

4.5 Sales of Agrochemicals

- The Government lifted the Bann of Glyphosate and Cabinet of Ministers unanimously elected CPC Agrochemicals function as sole agent to import, repack and supply Ceypetco Glyphosate only for the tea and rubber plantation sector.

- After introducing Ceypetco Glyphosate, it has been recovering the continuous sales loss that ccurred up to 2017 and now, Agrochemical function returns back to normal condition as it was in the period of 2010-2015.

The Table 4.5 shows the imports of Agrochemicals from 2015 to 2018

Table 4.5 CPC's Imports of Agrochemicals 2015 - 2018

Product	Quantity		Value (US$)	Value - Rs Million (Local Purchases)
	Litre	Kg		
2015				
Glyphosate	508,000	-	171,880	-
Profenophos	5,000	-	28,250	-
Phenthate 50%	5,000	-	37,750	-
M.C.P.A. 60%	5,000	-	-	3.42
Total -2015	**523,000**	**-**	**237,880**	**3.42**

2016				
B.P.M.C.50%	10,000	-	36,700	-
Acephate 75%	-	14,400	151,200	-
Captan 50%	-	3,000	16,800	-
Diuron 80%	-	28,000	130,200	-
M.C.P.A. 60%	10,000	-	-	7.03
Manocozeb 80% WP	-	14,000	41,300	-
Total -2016	**20,000**	**59,400**	**376,200**	**7.03**
2017				
Abamactin	2,000	-	-	5.0
Pretilachor	3,000	-	-	3.4
Tebuconazole	1,000	-	-	2.5
Mancozeb		14,000	-	6.5
Total 2017	**6,000**	**14,000**	**-**	**17.41**
2018				
Insecticide	12,000	-	56,200	
Weedicide	5,440,000	30,000	1,415,716	
Fungicides	3,000	17,000	606,710	
Total 2018	**5,455,000**	**47,000**	**2,078,626**	

4.6 Sales of Bitumen

The bitumen production at CPC's refinery was stopped due to poor chemical composition of Murban crude oil after switching the processing crude oil from conventionally processed Iranian Light crude oil to Murban crude oil. The restart of bulk bitumen production in refinery was done with a new concept of importing raw material (fuel oil) suitable for bitumen processing.

The production was started on 5th June 2018 with imported fuel oil and the first bulk bitumen load was sold on 19th of June 2018. Since then the bitumen production was continued as per availability of raw material and Table 4.6 shows the total sales of Ceypetco bitumen during the year 2018.

Table 4.6 CPC's sales of bitumen

Material	Quantity	
	BBL	Bulk (kg)
Asphalt 80/100	6,488	2,867,040
Asphalt 60/70	19,250	7,815,440

4.7 Sale of Aviation Fuel

Aviation Function of Ceylon Petroleum Corporation (CPC) comprises of three refueling terminals namely Aviation refueling Terminal in Bandaranaike International Airport (BIA), Aviation Refueling Terminal in Rajapakse International Airport, Mattala (MRIA) and refueling unit at Colombo Airport, Rathmalana. Operations at BIA & MRIA are round o' clock operations whereas Colombo Airport is only a day time operation.

Being a state organization and the sole supplier of aviation fuel in Sri Lanka, Ceylon Petroleum Corporation is a main wheel of the Economy of the country. It has taken the whole responsibility for ensuring the supply of required demand of aviation fuel to all customer airlines efficiently and effectively with complying the stringent international standards.

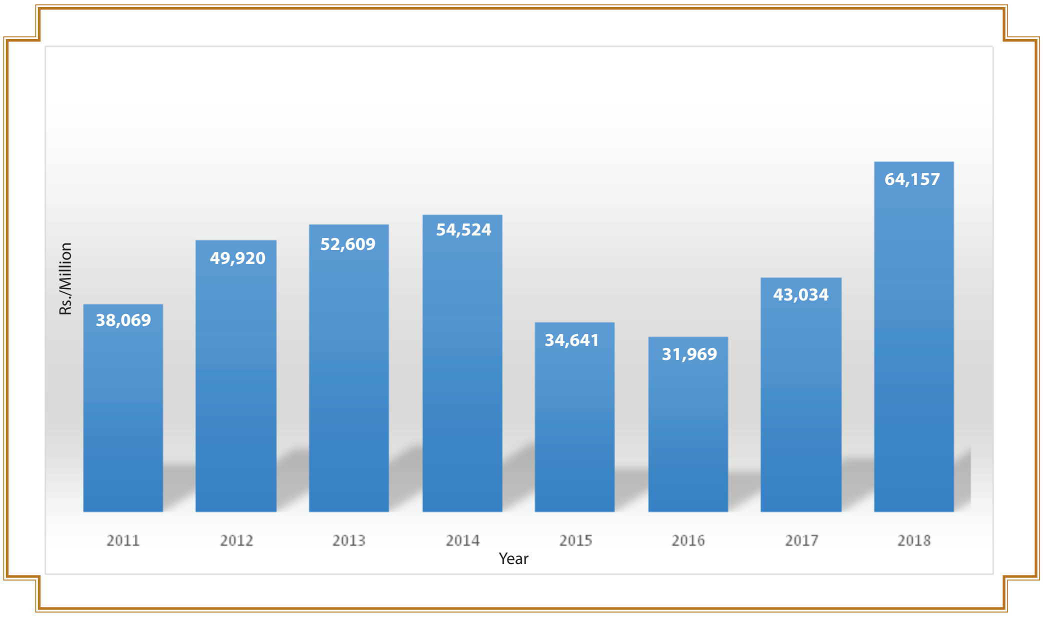
Aviation Refueling is given the highest priority and considerations all over the world to ensure the safety in the among all other factors since that, large number of human lives are at high risk than on ground.

In the Aviation refueling industry, the maintenance of a high level of quality assurance and a quality control program are of paramount importance. In this regard CPC has taken every precautionary measures to ensure the quality of the product and the service in its supply chain up to end of the delivery point.

To ensure the operation compliance with the accepted international standards, regular audits are carried out by international organizations such as JIG, ICAO & IATA and also by various other Airlines. Their findings and recommendations are recorded for corrective actions.

As per the successful service of the CPC Aviation function with compliance the required international standards, it has achieved the status of "Good" (Above average status) in the world refueling industry for five years since year 2014 according to the audit which was carried out as per the Joint Inspection Group (JIG) standards. This is prestigious achievement of obtained by an aviation refueling service provider in the world.

Graph 4.2 **Sales Income of Aviation Fuel (Jet A-1) 2011 – 2018 (Rs. Million)**



Ceylon Petroleum Corporation is serving around 60 airline customers and third – party fuel marketing companies around the globe with average sale of 1.6 million liters per day. Some of the major Airline customers are as follows.

- Sri Lankan Airlines – Airlines customer
- Emirates – Airline customers
- Turkish Airlines – Airlines Customers
- Saudi Arabian Airlines – Airline Customer
- Air Arabia – Airline customer (Budget Airline)
- Cargo Air Chartering – Third party player
- Oman Air – Airline Customer
- Jetex Flight Support – Third party player
- Aster jet fuel Pvt Limited – Third Party player
- Moon Jet Flight Support – Third party Player
- Thai Airways – Airline customer
- Uvair – Third party player
- ENOC – Third part player
- Aviation Service Management – Third Party player
- Kuwait Airlines – Airline customer
- World Fuel Service – Third party player
- Qatar Airways – Airline customer
- Hadid Fuel Operations Department – Third Party Player
- Spice Jet – Airline customer
- Mihin Lanka – Airline Customer
- Aurora Aviation – Third Party Player
- Rotana – Airline Customer
- United Aviation Services – Third Party Player

4.8 Refinery Production

CPC's refinery at Sapugaskanda contributes to approximately one third of petroleum oil requirement of the country. Table 4.7 below shows oil production by CPC's refinery for the period from 2005 to 2018 while the Graph 4.3 shows the percentage of refinery production in 2018.

Graph 4.3 Refinery Production (Percentage) – 2018

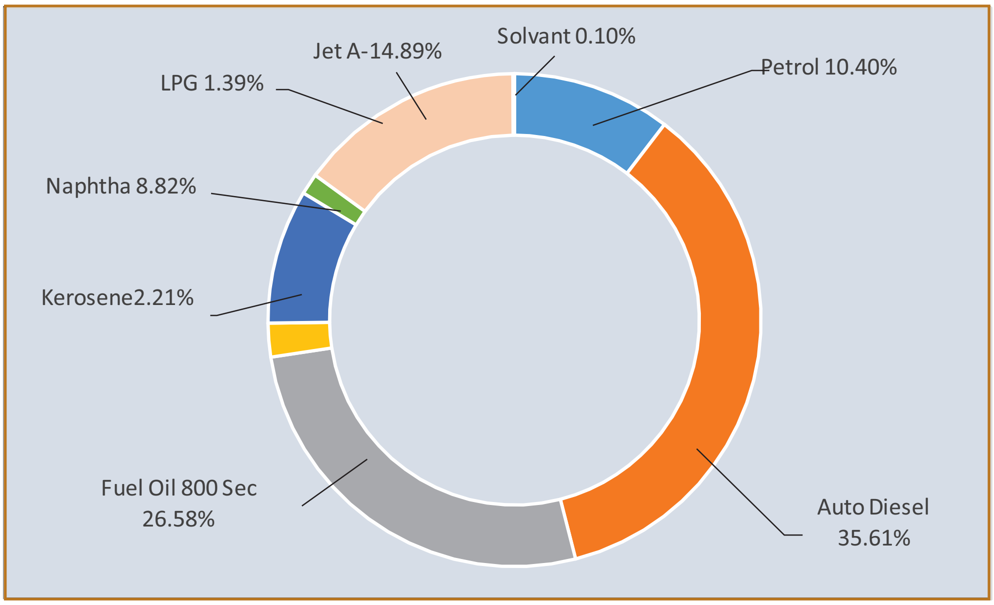


Table 4.7 Oil Production by CPC's Refinery from 2005 to 2018 (MT)

Year	Crude Oil Input	Output														
		Petrol	Auto Diesel	Super Diesel	Furnace oil					Kerosene	Chemical Naphtha	Bitumen	LPG	Jet A-1	Solvent	Total Output
					500 sec	800 sec	1000 sec	1500 sec	3500 sec							
2005	1,977,751	160,684	571,169	7,190	20,580	37,408	68,054	336,271	236,749	142,092	113,308	51,785	13,047	113,831	4,044	1,876,212
2006	2,140,132	193,585	628,210	-	16,510	35,135	88,063	372,985	253,533	143,930	109,175	55,386	14,721	130,926	5,878	2,048,037
2007	1,899,078	163,291	444,593	-	-	100,934	4,505	393,850	272,380	97,409	91,768	35,197	16,237	171,043	4,559	1,795,766
2008	1,868,346	163,702	451,132	-	-	18,801	-	468,002	244,402	111,133	100,416	45,450	16,208	154,433	2,562	1,776,241
2009	2,014,850	179,096	485,302	-	-	35,901	-	462,577	282,048	82,513	105,159	41,588	24,348	195,406	972	1,894,910
2010	1,752,715	157,972	441,545	-	-	47,918	-	396,034	241,930	92,775	84,289	34,945	22,927	126,407	2,734	1,649,474
2011	2,003,561	206,466	501,122	-	-	54,283	-	480,854	244,758	92,924	80,011	46,062	24,150	155,357	3,814	1,889,766
2012	1,596,059	151,536	394,161	-	-	66,953	-	364,607	217,240	74,909	69,841	26,548	17,437	93,159	3,699	1,480,090
2013	1,643,218	143,959	389,717	-	-	56,011	-	521,224	146,550	57,297	86,505	5,025	22,168	124,544	2,987	1,555,979
2014	1,760,170	152,261	495,983	-	-	52,011	-	419,579	169,037	65,195	120,116	-	28,116	168,481	2,514	1,673,293
2015	1,765,466	165,148	532,555	-	11,373	344,156	-	204,847	-	78,360	148,247	-	10,457	164,314	1,594	1,661,051
2016	1,746,180	165,782	578,657	-	-	478,901	-	-	-	104,244	154,467	-	8,837	147,525	635	1,639,047
2017	1,646,041	164,564	506,046	-	-	431,524	-	-	-	59,782	141,688	-	19,416	236,360	619	1,559,999
2018	1,698,634	165,782	567,577	-	-	423,577	-	-	-	35,195	140,575	12,737	22,084	237,293	1,596	1,604,870

5. Infrastructure Development

5.1 Ceylon Petroleum Corporation

(I) Upgrading of Automation System at Sapugaskanda Terminal

This project was commenced to upgrade the terminal automation system at Sapugaskanda Distribution Terminal since the existing software and associated instrumentation have become obsolete now. Installation & commissioning of Terminal Automation was completed. Site acceptance test was also completed.

(II) Procurement of Steam Boiler for Refinery

This project was initiated with the intension of replacing old power boilers to enhance the reliability of process steam required for refinery operation. A boiler was successfully installed and commissioned. Performance testing is in progress.

(III) Installation of New Hydrogen Compressor for O2K1

The objective of this project is to improve the reliability of Naphtha Unifier unit which is vital for the refinery operations. An order was placed for the process gas compressor house and piping. Piping fabrication work is in progress. Tender was called for the construction of foundations for compressor, compressor house, vessels & cable trenches. Evaluation was completed and approval of the tender board is awaited in order to award the tender.

(IV) Replacement of Crude Distillation Column, Gas Oil Hydro-treater Unit Reactor & Platformer Unit

The objective of this project is to increase the reliability of Refinery process units by avoiding operational difficulties and potential risks of the plant and to increase probability as a result of least technology. Invitations called for Expression of Interest (EOI) to select competent parties to carry out Front End Engineering Design (FEED). Two parties were selected as eligible process licensors to carry out the FEED study. Bids were called from selected process licensors for FEED study. Bids were opened on 13.07.2018 and single offer was received from M/s UOP LLC. Evaluation is in progress. Clarifications have been requested M/s UOP LLC for technical matters with the approval of CAPC.

(V) Commencement of Jet A-1 delivery from Sapugaskanda terminal

This project was implemented with the aim of increasing the stock level of Jet A-1 fuel in the country and also reducing the expenditure on throughput for Jet A-1 fuel. Under this project, new Jet A-1 storage facilities at the Sapugaskanda terminal were introduced by converting two kerosene storage tanks to store Jet A-1 fuel and installing required pipelines and road tanker loading bays equipped with aviation filters.

(VI) Installation of filtration for aviation fuel storage facility at Kollonnawa

This project was implemented with the aim of improving the quality of Jet A-1 fuel distributed from the Kollonawa Terminal as recommended by the Technical Service Provider of Aviation Function and also to provide more flexibility in accepting Jet A-1 cargo from the ocean tankers.

This project which was a long pending requirement as recommended by the Technical Service Provider of Aviation Function was successfully implemented and commissioned in January 2018 by CPSTL with the assistance of CPC aviation function.

(VII) Refurbishment of Loading Arms at the DTB

The Dolphin Tanker Berth (DTB) owned by the Sri Lanka Ports Authority (SLPA) was constructed in the year 1996 at the Colombo port for the purpose of loading and unloading of finished petroleum products to and from Kollonnawa storage terminal and unloading of crude oil tankers to the storage facilities at Orugodawatta and Sapugaskanda Refinery. The operation and maintenance of the DTB was carried out by the oil facilities division situated at the Colombo port which is currently attached to Ceylon Petroleum Storage Terminals Limitted (CPSTL). However, during the last 10-13 years regular maintenance program has not been executed due to the ownership issues of the facility which is currently with the SLPA, preventing either CPSTL or CPC incurring any capital expenditure on the facility. However, CPC has attended to the urgent repair work of the loading arms at DTB to ensure uninterrupted fuel supply of the country through this facility.

5.2 Ceylon Petroleum Storage Terminals Limited

(I) Design, Supply, Installation & Commissioning of Integrated Central Command and Control Solution with IP Based Video Surveillance at CPSTL Oil Installation Kolonnawa

CPSTL Oil Installation, Kolonnawa is a vulnerable location with respect to security aspects and it is essential to have a CCTV camera system to monitor online as well as to store data for forensic purposes. Further, tank farm, pump houses and other important locations are also needed to be monitored online and also for forensic purposes. Therefore, a reliable and effective CCTV system has to be installed at oil installation at Kolonnawa for this purpose. As per the preliminary study conducted, about 66 nos. of different types of cameras are to be installed within the oil installation.

Total estimated cost for installation of 66 Nos. of different types of cameras and laying a fiber optic backbone with servers and other equipment is estimated as Rs. 50 million approximately. Since it was decided to change the scope of this project enabling to include RFID system application, the relevant documents were prepared. Bids were invited and technical evaluation was preceded. As per the advice of management the scope has to be further reviewed and hence the tender was cancelled. TEC to be reappointed with a representative from University of Moratuwa.

(II) Civil works at CPSTL Muthurajawela terminal

CPSTL Muthurajawela terminal was commissioned in year 2004 to deliver 500MT of three products diesel, fuel oil and kerosene per day with a total staff of 52 nos. Due to the increased demand of fuel in the country in addition to above three products, petrol delivery has to be started and presently about 6,000 MT of fuel is delivered per day from the Muthurajawela Terminal with 272 nos. Staff. Therefore, it is necessary to develop the infrastructure facilities enabling to continue with the present quantity delivered from Muthurajawela Terminal. Total estimated project cost is Rs. 182 million and project period is one year.

Consultant's final proposal in this regard has been received. Final estimate and the bidding document is ready and but the Board approval is pending.

Land for Bowser parking

Sri Lanka Land Reclamation and Development Corporation has agreed to allocate 3 acre land adjoining to the Muthurajawela Terminal and a joint inspection with the officials of SLRDC was conducted. SLLRDC has been requested to submit the valuation of the land.

(III) Design, construction & supply of a state-of-the-art petroleum laboratory at Kolonnawa Installation

The current petroleum laboratory at the CPSTL was designed and built in 1962 by Shell Company. Except for the certain building modifications and additions to the laboratory, it has not been upgraded to meet the latest standards for testing as well the guidelines for health, safety and environment. The equipment currently available at the laboratory are very old to suit the present laboratory.

The scope of the proposed project includes construction of laboratory building with latest technologies/equipment enabling to provide more accurate and efficient services to the customers. Total estimated project cost is Rs. 625 Million and project period is 08 months. The bids received were evaluated and only one bidder with high price was qualified. As per the advice of CAPC the tender is to be recalled with purchase of the equipment and construction of building separate after reviewing the scope of equipment requirement. TEC prepared bidding documents and ready for final scrutinizing.

(IV) Installation of 12" dia. pipeline segments at Road, Rail Crossings and at Mahawatte area where dwelling units exist

Ceylon Petroleum Storage Terminals Limitted (CPSTL) is in the process of replacement of 12" dia, 5.5 km long pipeline from Colombo harbour to Kolonnawa Installation and at present 97.5% of the work is completed by the employees of CPSTL. Balance work at Mahawatta (140m-2.5% of the total work) has been unable to start due to occupancy of 20 squatter families on the pipeline route. CPSTL made arrangements to shift 20 houses under the funding by GOSL and clear the required area. Other surrounding squatters are also protesting even in the cleared area requesting new houses. Until the issue of squatters is resolved, balance work cannot be attended. Total estimated cost of this project is Rs. 900 million.

(V) Disaster Recovery & Management Centre (DRMC) for CPSTL Data Centre

The DRMC project of CPSTL is to support 24x7 ERP system operations of CPSTL, CPC and LIOC throughout the year for their business activities during a disaster to the CPSTL Data Centre due to accidental or intentional disruption. All three organizations cannot run their business activities without the System. The project includes the upgrade of Hardware in the primary Data Centre, migration of Software to New Hardware from existing Server Systems and the setting up of the DRMC Hardware and Software at a designated hosting site which will be selected via the tender process after determination of the party for DRMC project. Total estimated cost of the Project is around Rs. 260 million. Project is completed as planned.

(VI) Development of existing bulk depot at Anuradhapura

It is required to upgrade to bulk depot at Anuradhapura to cater future requirements fulfilling code requirements including enhancing of storage and gantry filling capacity, improvements to pump house, piping system and firefighting system, shifting of administration building and rest rooms etc. Total estimated cost is Rs. 300 million.

Soil testing was completed and approval of the Archeological Department has been obtained for excavation. Bids received are being evaluated. In the meantime, it was noted that the existing land for the proposed project is not sufficient and therefore, discussions are being carried out with Sri Lanka Railways (SLR) to acquire a 4 acre land which is belonging to the SLR. The project has been temporarily stopped due to this land acquisition issue.

(VII) Development of Existing Bulk Depot at LBD Kurunegala

CPSTL decided to develop existing bulk depot at Kurunegala as it was required to secure containment by introducing bund walls, relocate firefighting facility away from the tank farm area, relocate pipelines, establish access for tank farm, relocate rest rooms and other facilities away from the operational area, relocate gasoline gantry to a central location, rearrange gasoline storage tanks meeting applicable safety codes and standards.

The Board approval was granted for the project and budget allocation of LKR 109.2 million under 14/140th of 07.04.2015. Construction of three story building, fire pump house and fire office, filling gantry including installation of bulk meters and loading arms and installation of fire pumps are completed at present. Construction of boundary wall at the railway side is in progress. Bund walls and installation of product pipelines are yet to be attended and scheduled to be completed in 2019.

(VIII) Project on Expansion of Bulk Depot in Northern Province

The bulk depot in Northern Province is located on the premises of Cement

Corporation at Kankasanthurai. Cement Corporation has requested CPSTL to move out from their premises at the end of year 2011. Accordingly, Ceylon Petroleum Storage Terminals Limited tried to find a suitable land to establish a new bulk depot with the capacity of Diesel 4500m3, Petrol 2500 m3, Furnace Oil 2500 m3 and Kerosene 1000 m3 along with other associated facilities.

Expected Benefits;

- Uninterrupted supply of fuel in the Northern Province
- Maintain required environment and safety conditions
- Provide continuous supply of fuel for industrial sector which shows rapid growth after the war in the Northern and Eastern Provinces
- Reduce fuel transportation cost by using railway
- Customer satisfaction by providing quality products on continuous basis

However, under the guidance of Hon. Minister, several discussions were carried out with Ceylon Cement Corporation to release the land facility and continue the existing facility of CPSTL. Accordingly, a Cabinet Memorandum No.16/1891/746/001-I dated 13.09.2016 was submitted on "Acquisition of the land block at Kankasanthurai where the regional Bulk Depot of Ceylon Petroleum Storage Terminals Limited is situated for the Ceylon Petroleum Corporation and Develop the Same". Since there is an issue regarding the ownership of the said land block, actions are being taken to settle the issues as per the Cabinet decision. Land commissioner has sent a letter to Hon. Minister requesting approval to lease the land by CPC.

(IX) Installation of Internal Floating Roofs (IFRs) for Tank No. 17, 18, 19, 22, 23 and 41 in Kolonnawa Installation.

CPSTL decided to install Internal Floating Roofs (IFRs) for Gasoline storage tanks to reduce the evaporation losses as relevant codes and standards (API 650) also recommend.

As the first stage, internal floating roofs for tank no 18, 19 & 41 were installed at an expenditure of LKR 41,520,442.00 + TAX. As the second stage it has been planned to install IFR for tank No 17, 22 and 23 in 2018/2019. The estimated cost is LKR 19,000,000.00+ Taxes.

In this context, a Technical Evaluation Committee (TEC) has been appointed to work on the procurement process and Department Procurement Committee (DPC) approved the bidding document which was finalized and submitted by the TEC. The Chairman, DPC invited public bids through National Competitive bidding procedure. Bids were opened on 31.05.2018 and two companies had submitted their bids. Since the quoted prices are comparatively higher than the engineering estimate, it was decided to recall the Bids and recalling process is in progress.

(X) Embankment Protection in Zone 1-4 at Oil Installation, Kolonnawa.

The existing embankment area of Zone-1 to 4 near boundary wall at Oil Installation, Kolonnawa was severely damaged due to slope failure. Most of the places the slope was collapsed during the rainy season and appeared as unstable. Further erosion may experience during the rainy season and that was badly affected to the adjacent up side houses and structures near the boundary wall. Therefore, remedial works were attended to keep the area in stable condition by introducing slope correction methods.

Pre Contract Procurement works was completed and the contract was awarded to the M/s. Gamini Construction with the approval of relevant procurement committee at a Contract Price of LKR 30,293,544.75 + VAT. The job was completed by the contractor in the March, 2018.

(XI) Construction of Wagon Filling Gantry at Zone 03, Kolonnawa Installation.

The existing aviation fuel wagon filing facility at Zone-03, Oil Installation, Kolonnawa operates as an open filling facility without a gantry. The operational activities sometimes get interrupted in adverse weather conditions. Therefore, it was decided to develop the facility with a suitable gantry to improve the efficiency of aviation fuel wagon filling operation. The size of the gantry is 57m X 11m with a wide walking platform. This proposal is for an infrastructure development of rail tanker filling facilities for Jet A1 to fulfil the basic needs of the operators to work in any weather conditions with safe environment.The Engineering Estimate for the project is LKR 30 million and project duration is 06 months.

Pre Contract Procurement works was completed and the contract was awarded to the M/s. Laugfs Engineering (Pvt) Ltd. with the approval of relevant procurement committee at a Contract Price of LKR 28,423,215.40+ TAX. Construction work was commenced on 04.06.2018, and civil construction work was completed. At present, erection work is in progress and when consider the overall project 60% is completed.

(XII) Repairs to Tank No.3 and Tank No.4 at Kolonnawa Installation

Tank No. 3, 4 and 5 were put in to operation in July 1999. These tanks were continuously monitored and observed that there were corrosions and through holes in tank roofs. Hence replacement of roof plates of Tank No. 5 was completed in 2017.

Roof replacement of Tank No. 3and 4 are scheduled to be attended in the year 2018/2019. Due to operational requirements, CPSTL decided to repair Tank No. 4 initially. Tank No. 3 will be repaired only after the Tank No. 4 is put into the operation after repair works.

In this context, a Technical Evaluation Committee (TEC) has been appointed to work on the procurement process and Department Procurement Committee (DPC) approved the bidding document which was finalized and submitted by the TEC for "Repairs to Storage Tank No. 4 at Kolonnawa Installation".

The Engineering Estimate for the Repair to Tank No. 4 is LKR 39,788,500.00 + VAT and project duration is 7 months.

Pre Contract Procurement was completed

and the contract was awarded to the M/s. Walker Sons & Company Engineers (Pvt) Ltd. with the approval of relevant procurement committee at a Contract Price of LKR 36,040,408.68 + VAT. Repairs to Tank No. 04 project was commenced on 04.10.2018 and due date of completion is 04.05.2019. At present, 25% of the project is completed.

(XIII) Repairs to Tank No. 46 at Kolonnawa Installation

Roof plates, roof structure and three top most shell courses of Tank No. 46 have been damaged due to aerial attack in 2007. Temporary repairs were done at that time and tank was put in operation and continued up to now. Now major repairs are needed due to corrosion at the damaged areas. Repairs to Tank No. 46 includes supply of materials, replacement of roof plates, replacement of roof structure, replacement of top most three shell courses with all accessories, replacement of hand rails, blast cleaning & painting of tank and accessories, improvement to the earthing system, quick flush system and calibration of the tank.

Total estimated project cost for Repairs to Tank No. 46 at Kolonnawa Installation is LKR 148,014,607.00 and contract period is 10 months. The Board approval was granted by 11/185th of 21.06.2015, Board Paper 7 to the project of Repairs to Tank No. 46 at Kolonnawa Installation. The Bidding document has been prepared and the approval of MPC is awaited.

(XIV) Development and Upgrading of Pipeline System and Road and Rail Tanker Loading System in Zone 05 & 06 at CPSTL, Kolonnawa

Kolonnawa Terminal had been operated by three oil companies namely Caltex, Esso & Shell at different locations within the premises before the year 1962. From 1962 the three units were operated as a one unit having different types of products stored at different locations without conforming to Zonal classifications adopt in standard Petroleum Terminals. In order to standardize entire Terminal, Operation & Engineering functions decided to evaluate the existing system and to propose a system conforming to safety codes and standards. The existing tank farm, piping system and petrol pump houses were constructed not meeting required safety and other relevant petroleum standards pertain to the Petroleum Terminal. With the enhancement of Storage capacities, it is a mandatory requirement to fulfill the required safety standards.

Having identified various operational related facilities, non- conformity of safety standards, necessary improvements to the road and railway loading system, CPSTL decided to develop and upgrade of pipeline system and road and rail tanker loading system in Zone 05 & 06. Total estimated cost is LKR 170million.

Contract was awarded to the M/s. Laugfs Engineering (Pvt) Ltd. with the approval of relevant procurement committee at a Contract Price of LKR 36,724,158 + TAX.

Contract period is 6 months. Pump house construction work was commenced on 04.06.2018. At present, 50% of the project is completed. Construction of pipe trench and installation of product pipelines are yet to be attended and scheduled to be completed in 2019.

(XV) Consultancy Service for the Feasibility Study for Interlink Kolonnawa Oil Installation to Muthurajawela Terminal including SPBM

The overall objective of this consultancy is to do a feasibility study, Front End Engineering Design (FEED) and related documentation to link Kolonnawa and Muturajawela Petroleum terminals through a pipeline system in order to enhance the operational flexibility and installation of new Single Point Buoy Mooring (SPBM) along with pipeline system from SPBM to Muturajawela Terminal to establish a more economical, efficient, durable and safe ship unloading facilities considering the increase in demand and to ensure the CPSTL fulfils its objectives stipulated as a common user facility provider to the Ceylon Petroleum Corporation (CPC) and Lanka Indian Oil Company (LIOC) to continue operations for the benefit of the General Public to avail uninterrupted supply of petroleum products in the market.

Pursuant to the cabinet decision dated 29.08.2012 on CP No. 12/1150/510/022/TBR, the Board approval was granted by 12/140th of 07/04/2015, Board Paper 10 to interlink Kolonnawa Oil Installation to Muthurajawela Terminal.

In this context, a Technical Evaluation Committee (TEC) has been appointed to work on the procurement process and Ministry Consultant Procurement Committee (CPCM) approved the Expression of Interest (EOI) and Request for Proposal (RFP) which was finalized and submitted by the TEC. The Chairman, CPCM invited EOI through International Competitive bidding procedure. EOIs were opened on 14.08.2018 and eighteen consultancy firms had submitted their proposals. After evaluation EOI, 7 consultants were short listed. Then fourth CPCM meeting was held on 02.10.2018. and recommended to send RFP documents to the short listed consultants. Pre proposal meeting was held on 29.10.2018. Then proposals were closed on 17.12.2018. Out of seven companies, five companies submitted their proposals. At present, evaluation of technical proposals is in progress.

(XVI) Design, Supply, Construction and Commissioning of New Pump House, Extension of Existing Gantry and Related Facilities for Enhancing Road Tanker Filling Capacity at Muthurajawela Terminal

With an increase of 4-5% of annual average fuel demand in Sri Lanka there should be an adequate distribution facilities developed to meet increased demand and eliminate petroleum product shortage in the country. Also, there should be an additional delivery capacity in main petroleum product distribution facilities to meet additional demand may be imposed due to maintenance or any other issues would arise at any time in any of the two main installations. Hence, it is evident that development of fuel distribution facilities is required to have immediately for the smooth and uninterrupted distribution of refined Petroleum products in the country.

As an initiative of this task, CPSTL has decided to increase fuel distribution capacity to cater the increasing demand from 2016 to 2030 considering possible maximum utilization of existing filling facilities at Muthurajawela Terminal by extending existing gantry building to accommodate additional 8 nos. of loading bays, introducing new pump house and developing related facilities in Muthurajawela terminal. The approval of the CPSTL Approval of Board of Directors has been granted on 29.08.2016 for the said project under the estimated cost of LKR550 million within 12 months aiming at availing sufficient fuel distribution capacity to cater for increased demand and ensure uninterrupted fuel distribution as this si the core business of CPSTL.

In this context, a Technical Evaluation Committee (TEC) has been appointed to work on the procurement process and Cabinet Appointed Procurement Committee (CAPC) approved the bidding document which was finalized and submitted by the TEC. The Chairman, CAPC invited public bids in two envelope system through International Competitive bidding procedure. Technical bids were opened on 26.04.2018 and five companies had submitted their bids. After completion of technical evaluation, Financial Bids were opened on 03.08.2018 only for the technically qualified two parties under the recommendation of CAPC. After Financial evaluation, CAPC meeting was on 10.09.2018 & requested to check the due diligence. Due diligence received and report submitted to CAPC on 03.10.2018. CAPC's approval is awaited.

(XVII) Design, Manufacture, Supply, Installation, Testing and Commissioning of Internal Floating Roof For Tank No. 6, 7 and 8 at Muthurajawela Terminal

CPSTL has decided to carryout necessary modifications in Storage Tanks, Pipelines and other supportive systems to increase petrol storage capacity to meet current demand for petrol by acquiring additional 30,000m3 storage capacity from other products at Muthurajawela Terminal in year 2015. Diesel Storage Tanks TK-06, 07 & 08 were identified as a most suitable Storage tanks to be used to store Petrol as they are located adjacent to existing Petrol tanks and needs minimum modifications in piping arrangement. These tanks were installed with pressure vacuum valves to control evaporation.

It is required to install internal floating roofs for these modified tanks to minimize product losses and to increase safety measures as the losses at present is very high. Total Estimated Cost of this project is LKR 70 million.

Internal Floating Roofs for tanks 6, 7, 8 were already procured at a total price of LKR 46 million after following Tender procedures.

Pre Contract Procurement works were completed for modification works and the contract was awarded to the M/s. Laugfs Engineering (Pvt) Ltd. with the approval of relevant procurement committee at a Contract Price of LKR 17,424,268 + TAX. Modification works and the contract were commenced on 07.08.2017. At present, 30% of the project is completed.

6. Petroleum Exploration and Development

6.1 Joint Study in the Eastern Coast (JS 5 and JS 6 Blocks)

The Government of Sri Lanka has entered into a Joint Exploration Agreement with the French Super Major "TOTAL" on 18th February 2016 to explore 2 ultra-deep-water blocks (JS 5 & JS 6) off the eastern coast of Sri Lanka. Eastern Eco DMCC is the TOTAL's multi-client data acquisition partner who carries out the 2D seismic survey covering the joint study area on behalf of TOTAL. As the umbrella multi-client data acquisition project agreement was entered into between government of Sri Lanka and Eastern Eco DMCC on 30th May 2018 the TOTAL project started in September 2018. MV BGP Pioneer arrived in Colombo and official ceremony was held on 2nd September 2018 at the Colombo Port and acquisition of over 5,000 Km of 2 D started on 3rd September 2018 in the Eastern Coast. The acquisition of data was completed in November 2018 and now the data is being processed.

6.2 Natural Gas Commercialization (M2 Block in the Mannar Basin)

The Marketing Campaign launched with the assistance of IHS global has been completed successfully in 2017 and preparation of bid documents for the mini bid round is at the final stage. As the bid documents have been forwarded to the Project Committee (PC) and Cabinet Appointed Negotiation Committee (CANC) for their views PRDS wishes to publish the advertisement globally to find an investor to develop M2 discoveries soon after the approval of the CANC. A few leading oil companies have expressed their interest for developing these discoveries with the off-take guarantee. Furthermore, discussions are going on with Ceylon Electricity Board to incorporate 300 MW power plant to be established at Norochchole in their long-term energy plan. However, ambitious plan of PRDS is to promote further exploration operation in the M2 block via this bid round by allowing the selected investor to test and explore the whole block that hold evidence of hydrocarbon prospect. PRDS target is to commence the production of Natural Gas by 2023. Bids will be floated in first week of January 2019.

6.3 Schlumberger Umbrella Multi-client Data Acquisition Project

The Umbrella multi-client data acquisition project was entered into between Sri Lanka Government and Eastern Eco DMCC on 30th May 2018. The Eastern Eco DMCC is fully owned subsidiary affiliated to the pioneer off shore oil field services company "Schlumberger". The project was started on 3rd September 2018 from eastern off shore area of Sri Lanka and the vessel arrived in the western coast of Sri Lanka after completing the 2D data acquisition job for TOTAL. Under this Multi-client project, they will spend over USD 50 Million for the acquisition of 2D & 3D around the offshore areas of Sri Lanka. The main objective of the project is to enhance the existing data repository to enable PRDS to attract more investors for exploration & exploitation of hydrocarbon in Sri Lanka. Data acquisition has been carried out in the following manner.

JS5 & JS6	-	5000 lkm.
Cauvery Basin	-	250 lkm
Lanka Basin	-	500 lkm
Mannar Basin	-	2500 lkm

6.4 Petroleum Exploration Activities in Blocks M1 & C1

According to the petroleum system modelling analysis jointly carried out by the Petroleum Resources Development Secretariat (PRDS) and a few foreign Geo science experts, a high potential for oil and gas can be expected in the region where blocks M1 and C1 are located. Initially a leading Exploration company has forwarded a comprehensive proposal for exploration and production for above 2 blocks. Recently, the PRDS has obtained a cabinet approval for calling for competitive bids globally from prospective investors for above two blocks in order to maximize the benefits to Sri Lanka which is the more transparent method of procurement. Procurement process is in progress.

6.5 Marine Environment Baseline Study (MEBS) within EEZ of Sri Lanka

The PRDS initiated the MEBS project in collaboration with the National Aquatic Research and Development Agency (NARA) as an island wide research study to gather marine environmental baseline data in the above stated region, as a pre-requisite for conducting the mandatory environment impact assessments (EIAs) needed to be carried out prior to commencing petroleum exploration operations. NARA has already forwarded the final report of the project and the web site will be launched jointly by the PRDS and NARA soon. The data base is supposed to provide the time advantage to any hydrocarbon exploration company that would be operating in Sri Lankan territorial water. However, having such technologically advanced on-line system in place definitely will speed up the licensing process of the investors where all the services can be performed at a one stop shop.

6.6 Airborne Gravity, Gravity Gradiometric & Magnetic Surveys Onshore & Offshore, Sri Lanka

The PRDS received 4 proposals for Airborne Gravity, Gravity Gradiometric and Magnetic Surveys onshore and offshore, Sri Lanka and this is also a multi-client data acquisition project. The air borne gravity and magnetic survey project targets the onshore area of Jaffna, Andigama and Tabbowa in addition to off shore areas. Therefore, this type of diversification strategies when collecting data is vital for Sri Lanka to attract investors for oil exploration and exploitation. As the evaluation process of above bids were completed the PRDS is waiting for the final approval of the CANC to award this multi-client data acquisition contract.

7. Conversion of Plastic Wastes in to Fuel

Under a tri-party agreement signed between Central Environment Authority, University of Moratuwa and Mr. Ananda Withanage, the inventor of the plant in February 2009, the plant which converts the plastic wastes into fuel was established. The first batch trial of semi commercial plant was made on the 07th May 2014, clearing any doubts and pre-conclusions amongst authorities that this conversion process is not possible because this technology is not freely available in the world. The Industrial Technology Institute (ITI) tested both liquid and gaseous fuel where the test results were very encouraging. However, any further operations were not done until the essential safety requirements were installed at the plant. The semi commercial plant is expected to convert 750MT of unclean waste plastics per year into fuel and could be expanded to convert 6,000MT of haphazardly disposed waste plastic per year into fuel when the commercial plant is established. The funds received from the year 2011 up to 2018 under the Consolidated Fund are given in Table 7.1 below.

Table 7.1 Funds received by Polipto Lanka(pvt) Ltd

Year	Amount Rs. Million
2011	17.2
2012	38.2
2013	20.0
2014	50.0
2015	50.0
2016	55.0
2017	29.25
2018	20.4
Total	**280.05**

On 03rd September 2015, the semi commercial plant was inaugurated. This plant can be presented as an invention made by a Sri Lankan Inventor. There are 31 components in the plant designed and fabricated locally. Each of these 31 components were carefully tested one by one before commencing operations. In fact, no one could find any similar plant with similar components to be compared the world over.

During the operation, the process was able to continue by overcoming the practical difficulties while facing circumstances of on-going operation. 65,215 litres were sold and a sum of Rs.2,661,540 income was generated. The modifications such as capacity upgrading of Plastic Mixing Unit and replacing new pump unit to the sludge removing system were completed and it helps to improve the continuity of the production process. Further, the storing capacity at Polipto Lanka (Pvt) Ltd was increased up to 93,230 litres. However, there are some issues on selling the fuels produced at Polipto plant due to availability of competitive products and substitute fuels at lower prices in the market.

In order to overcome this matter, research work has been commenced to generate electricity using this product. A Diesel engine has already been installed. It was observed that the test result confirmed that the fuel produced at the plant can be utilized for the power generation purpose. A generator with a capacity of 150kwh has already been installed to continue the research work at Horana Plant premises.

Furthermore, the Hon. Minister of Petroleum Resources Development and officials made a plant visit on 7th June 2017. Consequently, the few discussions were held about the current situation of the project and financing in order to continue the project in a profitable manner with higher impact to reduce the waste polythene and plastic from the environment. In this context, the Ministry of Petroleum Resources Development took actions to restructure the Polipto Lanka (Pvt) Ltd by handing over the operations of the plant to Mr. Withanage, the Inventor with a little intervention of the government without having a burden to the government. Accordingly, a Cabinet Memorandum dated 02.08.2018 was submitted to obtain the approval of the Cabinet of Ministers for the said restructuring and the same has been approved by the Cabinet of Ministers at its meeting on 21st August 2018. Accordingly, the Polipto Lanka (Pvt) Ltd was handed over to Mr. Withanage by signing an Agreement with effect from 01.10.2018

8. Local Market Price Movements

When considering the pricing of fuels over the past in Sri Lanka, it is clear that the price revisions have taken place during a number of times, sometimes more than one time even in the same year. Table 8.1 shows the retail selling prices of major petroleum products as at 31st December from 2005 up to 2018 while Graph 8.1 shows the price revision trend for the three major products; Petrol of 92 Octane, Auto Diesel and Kerosene.

Table 8.1 Retail Sale Prices of Petroleum Products as at 31st December 2005 – 2018 (Rs/Litre)

Year	Type of Products							
	90 / 92 Octane Petrol (a)	95 Octane Petrol	Auto Diesel	Super Diesel (b)	Kerosene	Furnace Oil		
						1000 Sec	1500 Sec	3500 Sec
2005	80.00	83.00	50.00	55.30	30.50	31.40	30.30	26.00
2006	92.00	95.00	60.00	65.30	48.00	44.40	43.30	41.00
2007	117.00	120.00	75.00	80.00	68.00	52.70	51.70	46.65
2008	120.00	133.00	70.00	85.30	50.00	33.90	31.70	25.00
2009	115.00	133.00	73.00	88.30	51.00	34.90	32.70	26.00
2010	115.00	133.00	73.00	88.30	51.00	42.20	40.00	40.00
2011	137.00	155.00	84.00	106.30	71.00	52.20	50.00	50.00
2012	159.00	167.00	115.00	142.00	106.00	92.20	90.00	90.00
2013	162.00	170.00	121.00	145.00	106.00	92.20	90.00	90.00
2014	150.00	158.00	95.00	110.00	81.00	92.20	90.00	90.00
2015	117.00	128.00	95.00	110.00	49.00	82.20	80.00	80.00
2016	117.00	128.00	95.00	110.00	49.00	-	80.00	80.00
2017	117.00	128.00	95.00	110.00	44.00	-	80.00	80.00
2018	125.00	149.00	101.00	121.00	70.00	92.00	92.00	80.00

Note: (a) Introduction of Petrol 92 Octane took place in place of Petrol of 90 Octane with effect from 1st January 2014 and

(b) Introduction of Lanka Super Diesel Four Star (10ppm) took place in place of Super Diesel with effect from 22nd August 2014.

Graph 8.1 Retail Sale Prices of Petroleum Products as at 31st December 2005 – 2018

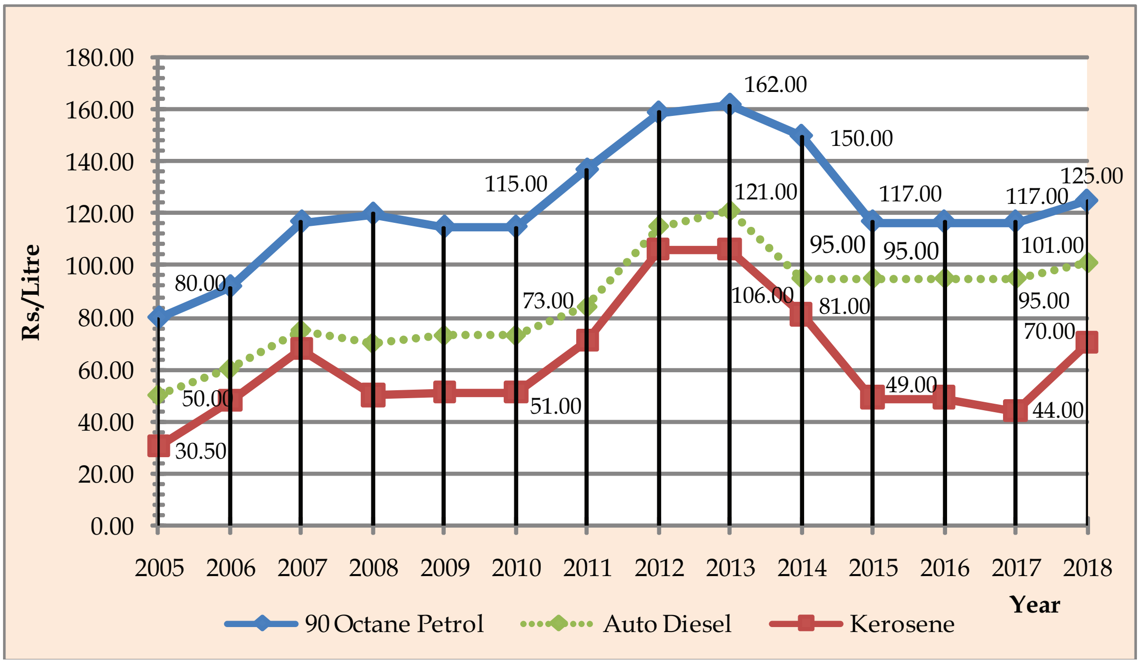


Table 8.2

Monthly Platts Prices of Refined Petroleum Products – 2018

Month	92 Octane Petrol			95 Octane Petrol			Auto Diesel			Super Diesel			Kerosene			Ex.Rate US $ 1= Rs.
	US $ / bbl	Rs./ bbl	Rs./ Litre	US $ / bbl	Rs./ bbl	Rs./ Litre	US $ / bbl	Rs./ bbl	Rs./ Litre	US $ / bbl	Rs./ bbl	Rs./ Litre	US $ / bbl	Rs./ bbl	Rs./ Litre	
Jan.	76.67	11,926.57	75.01	78.70	12,242.93	77.00	80.75	12,561.20	79.01	81.84	12,730.98	80.07	77.77	12,098.04	76.14	155.57
Feb.	74.23	11,620.82	73.09	77.08	12,067.49	75.90	77.51	12,134.23	76.32	78.11	12,228.74	76.92	80.05	12,532.20	78.87	156.55
Mar	74.29	11,696.87	73.57	77.17	12,149.26	76.42	77.74	12,239.45	76.98	78.39	12,342.61	77.63	78.98	12,434.16	78.25	157.44
April	78.43	12,386.66	77.91	81.11	12,810.92	80.58	83.71	13,221.87	83.16	84.29	13,313.03	83.74	85.18	13,454.28	84.67	157.94
May	85.31	13,583.86	85.44	87.60	13,949.11	87.74	89.52	14,254.76	89.66	90.53	14,414.68	90.66	89.94	14,322.17	90.13	159.23
June	81.52	13,076.65	82.25	83.55	13,403.01	84.30	86.88	13,935.99	87.65	87.40	14,019.80	88.18	86.93	13,944.73	87.76	160.41
July	81.12	13,037.00	82.00	83.14	13,360.98	84.04	85.53	13,745.82	86.46	86.88	13,963.59	87.83	87.36	14,039.93	88.36	160.71
Aug.	82.44	13,332.75	83.86	84.82	13,718.27	86.28	87.62	14,171.18	89.13	88.51	14,314.58	90.03	87.26	14,112.81	88.82	161.73
Sep.	87.53	14,545.56	91.49	89.55	14,881.74	93.60	92.88	15,434.87	97.08	93.80	15,587.18	98.04	91.67	15,234.54	95.88	166.18
Oct.	85.67	14,815.52	93.19	87.72	15,170.73	95.42	95.93	16,589.60	104.34	97.25	16,819.24	105.79	95.13	16,452.00	103.54	172.94
Nov.	66.93	11,953.44	75.18	68.64	12,257.98	77.10	81.69	14,588.61	91.76	82.29	14,695.85	92.43	82.94	14,812.35	93.22	178.59
Dec.	57.96	10,529.20	66.23	60.02	10,903.05	68.58	68.98	12,532.44	78.83	70.01	12,719.16	80.00	71.13	12,921.82	81.32	181.67
Aver. Price	77.67	12,708.74	79.93	79.93	13,076.29	82.25	84.06	13,784.17	86.70	84.94	13,929.12	87.61	84.53	13,863.25	87.25	164.08

Table 8.3

Monthly Platts Prices of Refined Petroleum Products – 2017

Month	92 Octane Petrol			95 Octane Petrol			Auto Diesel			Super Diesel			Kerosene			Ex.Rate US $ 1= Rs.
	US $ / bbl	Rs./ bbl	Rs./ Litre	US $ / bbl	Rs./ bbl	Rs./ Litre	US $ / bbl	Rs./ bbl	Rs./ Litre	US $ / bbl	Rs./ bbl	Rs./ Litre	US $ / bbl	Rs./ bbl	Rs./ Litre	
Jan.	66.78	10,144.22	63.84	69.50	10,558.20	66.45	65.14	9,896.52	62.28	66.02	10,030.21	63.12	65.15	9,896.68	62.28	151.92
Feb.	67.57	10,327.51	64.99	69.91	10,686.08	67.25	66.76	10,204.62	64.22	67.42	10,304.43	64.85	66.26	10,126.97	63.73	152.85
Mar	61.94	9,517.94	59.90	64.28	9,877.90	62.16	62.94	9,671.93	60.87	63.14	9,701.33	61.05	61.92	9,513.93	59.87	153.66
April	64.81	9,986.53	62.85	67.65	10,423.67	65.60	64.69	9,968.53	62.73	65.02	10,019.06	63.05	63.88	9,843.71	61.95	154.09
May	61.67	9,521.19	59.92	64.46	9,950.73	62.62	61.19	9,446.35	59.45	61.81	9,541.70	60.05	60.81	9,387.76	59.08	154.38
June	57.41	8,884.98	55.92	59.84	9,260.92	58.28	57.55	8,906.87	56.05	58.38	9,035.77	56.86	57.04	8,828.38	55.56	154.77
July	59.04	9,175.93	57.75	61.75	9,596.58	60.39	61.05	9,487.57	59.71	61.49	9,556.32	60.14	59.77	9,288.35	58.45	155.41
Aug.	64.77	10,037.08	63.17	67.53	10,463.43	65.85	63.61	9,857.34	62.03	64.40	9,979.46	62.80	63.19	9,791.00	61.62	154.95
Sep.	67.58	10,453.03	65.78	70.53	10,909.32	68.66	68.48	10,591.85	66.66	69.34	10,724.48	67.49	68.03	10,522.56	66.22	154.67
Oct.	67.43	10,473.51	65.91	70.16	10,896.28	68.57	68.65	10,662.45	67.10	70.27	10,913.99	68.68	68.36	10,616.71	66.81	155.32
Nov.	73.08	11,357.17	71.47	75.67	11,759.67	74.01	73.15	11,367.56	71.54	74.06	11,508.83	72.43	74.04	11,505.80	72.41	155.41
Dec.	73.36	11,366.26	71.53	75.37	11,677.47	73.49	75.31	11,669.02	73.44	75.89	11,758.66	74.00	75.45	11,691.10	73.58	154.95
Aver. Price	**68.10**	**10,504.94**	**66.11**	**68.10**	**10,504.94**	**66.11**	**65.71**	**10,143.43**	**63.84**	**66.44**	**10,255.31**	**64.54**	**65.32**	**10,083.58**	**63.46**	**154.36**

9. Institutional Administration

9.1 Ministry of Petroleum Resources Development

(a) Matters related to Parliament

The Ministry's parliamentary duties include solving problems and issues that crop up when it performs its subject matters, submitting the bills in Parliament or resolving the problems that arise while implementing the Government Financial Regulations and Administrative Procedures.

i. Parliamentary Questions

The Hon. Minister of the Petroleum Resources Development is responsible to give oral answers to the queries made by Hon. Members of Parliament within the scope of the Ministry and provide background reports connected thereto.

There were 08 queries during 2018 and all were answered by Hon. Minister and Hon. Deputy Minister.

ii. Parliamentary Sectoral Oversight Committee

16 Sectoral Oversight Committees (SOC) were formed as per the approval of the Cabinet of Ministers dated 19.12.2015. The sectoral oversight committee on "Energy" has been established comprising the Ministry of Power and Renewable Energy and this Ministry. The inquiring powers on all subjects in terms of Acts, proposals, agreements, reports and other matters under purview of the respective SOC have been assigned to the said SOC. Three such committee meetings relating to this Ministry have been conducted during the year 2018.

(b) Human Resource Management

The action has been taken to achieve the objectives of the Ministry through formally managing the establishment and administrative matters of the staff of the Hon. Minister, Hon. Deputy Minister and the Ministry.

Further, co-ordination of the establishment activities of the agencies coming under the purview are also carried out by the Ministry. Accordingly, the Ministry's service is provided for the activities such as preparation of schemes of recruitments, getting approval for the recruitments from relevant authorities and approving foreign leave for the officials.

i. Staff recruitments

Functions such as recruitments of the staff of the Hon. Ministers and Ministry, termination of the services, preparation of Scheme of Recruitments, maintenance of personal files of the staff, internal attachments and transfers are carried out under this subject.

04 staff officers have obtained transfers and 02 staff officers have assured duties. During the year 2018, 15 non-staff grade officers have obtained transfers from the Ministry and 04 non-staff grade officers have assumed duties in the Ministry on transfer basis. Newly appointed 13 PMAs have assumed duties. Administrative officer and a driver have obtained their retirement and one PMA has resigned.

ii. Fulfilling the Requirements of staff

Activities relating to the pensions of the officers who are entitled for the pensions, activities relating to Employees Provident Fund, overtime allowances, transport allowances, other special allowances, concessionary train season tickets, loan on concessionary interest rates were carried out under this subject.

iii. Capacity Building

Opportunities have been provided to the existing staff to participate at various training programs in order to deliver a more effective and efficient public service through trainings to develop their knowledge, skills and attitudes. Training programs provided by the Ministry during the period from January to December 2018 are given in Table 9.1 below.

Table 9.1 Training Programs Provided by the Ministry - 2018

No.	Course Details	Institute/Country	Number of Officers	Duration
Local Training				
01	Computer crimes & Admissibility of Digital Evidence	Miloda- Academy of Financial Studies	03	01 Day
02	Presentation & Public Speeking Skills	Miloda- Academy of Financial Studies	01	03 Days
03	Capacity Building Training Programme	Sri Lanka Institute of Development Administration	02	03 Days
04	Capacity Building Training Programme for SLAS Class - 1	Sri Lanka Institute of Development Administration	01	04 Days
05	Developing the right organizational culture in the public service	Foundation Institute	01	1 Day
06	Financial Regulations in the public sector	Miloda - Academy of Financial Studies	01	03 Days
07	Essence of Public Procurement Management	Miloda- Academy of Financial Studies	01	03 Days
08	Workshop on improving the current public sector	Light House Gally, Hotel Nippon	13	03 Days
09	Strategies for Realization of OGP Commitments with open data of the Public Sector	Sri Lanka Institute of Development Administration	01	01 Day
10	Certificate Course in English	Skills Development Fund Ltd	20	72hrs
11	Residential Capacity Building Training Programme	National Institute of Plantations Management	34	3 Days
12	Residential Capacity Building Training Programme	Sarvodaya Bandaragama	09	3 Days

13	Seminar on AR & FR	MPRD	10	2 Days
14	Sinhala Letter writing	National Institute of Plantations Management	02	2 Days
15	Governmet Payrall System	Miloda- Academy of Financial Studies	01	3 Days
16	Personal File Management	Miloda- Academy of Financial Studies	01	2 Days
17	Workshop on how to manage office equipment	Skills Development Fund Ltd	02	2 Days
18	Essence of Building Procurement Management	Miloda - Academy of Financial Studies	01	2 Days
19	Certificate in English for Employment Purposes	Miloda - Academy of Financial Studies	03	60 hrs
20	Form Letter writing skills	Miloda - Academy of Financial Studies	05	02 Days
21	Workshop on Advance B Accounts	Skills Development Fund Ltd	01	01 Day
22	Workshop on new CIGAS program	Miloda - Academy of Financial Studies	01	02 Days
Foreign Trainings, Seminar and Conferences				
23	SASEC Regional Gas & Petroleum Working Group	India	01	04 Days
24	LNG Value Chain training	Japan	03	15 Days
25	National Gas Industry Development & Technologies	Korea	04	14 Days
26	Management Auditing for the Public Sector Internal Auditors	Malaysia	02	8 Days
27	Infrastructure capacity building under Belt & Road Initiative	China	01	21 Days
28	Improvement and Utilization of Biomass Energies	China	02	21 Days
29	Capacity Building Training Programme	Thailand	15	07 Days

(c) Dengue Eradication Program

This program is implemented by the Ministry being an active partner for the national program launched by the Government to prevent dengue epidemic in the country. Accordingly, the Ministry has taken steps to identify and control mosquito breeding places within premises of Ministry and its agencies.

A supervisory committee has been formed by the Ministry and the dengue eradication activities are being successfully carried out on weekly, monthly and quarterly basis in addition to daily cleaning activities.

Internal Audit

Details of the Internal Audit Reports and Quarries Issued are givern in Table 9.2 below.

Table 9.2 Internal Audit Reports and Quarries - 2018

01	Expenditure reports of refinery and other branches in Ceylon petroleum corporation	07.03.2018
02	Delegation of authorities under Finance Regulations 136-139	06.03.2018
03	Study and evaluate the accounts including pay salary	20.03.2018
04	Checking duties on stores in badulla & the employees' behaviour	09.04.2018
05	Study and evaluate Payment vouchers in 2018	23.04.2018
06	Study and evaluate internal system of petty cash	03.05.2018
07	Study and evaluate leave register	22.05.2018
08	Examination of the legal matters of the Ministry	30.05.2018
09	Study and evaluate the vehicle administration system	04.07.2018
10	Bank account and issuing checks	06.07.2018
11	identify and evaluate the CIGAS System	06.07.2018
12	Study and evaluate annual survey of government inventory	06.07.2018
13	Cost control	06.07.2018
14	Study and evaluate Payment vouchers 2018	17.09.2018
15	Study and evaluate vehicle administration	01.10.2018
16	Study and evaluate liberalization of the Bitumen Trades	15.10.2018
17	Study and evaluate Employee's loan	16.11.2018
18	Examination of postal system of Ministry	16.11.2018
19	Study and evaluate Payment vouchers 2018	19.11.2018
20	Study and evaluate Training Programs of office staff	07.12.2018
21	Examination of PAYE Tax system	12.12.2018
22	Examination of Local Transport Expenditure	19.12.2018
23	Examination of Purchasing	28.12.2018
24	Study And Evaluate Communication, Electricity Bill , Water Bill And Building Rental	28.12.2018

Four Audit and Management Committee Meetings were conducted during 2018 in order to discuss about the solutions for the issues and problems identified by the Audit and Management Committee. Supervise 107 petrol sheds in selected arrears during the period from 01.01.2018 to 31.12.2018 and identified issues and problems and advised to the Ceylon Petroleum Corporation to take necessary actions.

9.2 Ceylon Petroleum Corporation

Human Resource Management (HRM) Function of CPC handles its main objective of empowering, motivating and developing the manpower of 2,492 permanent employees and 01 contract employees as at the end of December 2018. In addition, HRM Function handles all other HRM issues such as recruitments and promotions, performance appraisals, disciplinary managements, HR training & development, Leave records pertaining to salaries and increments, service confirmations, assessments, loan facilities, service awards & employment benefits at the retirements or termination of services etc.

Maintaining high professionalism among all levels of employees at CPC is the prime concern of the HRM Function and the objective of right person at the right place has received highly paid attention. According to the Action Plan – 2018, the following actions were implemented during the year 2018.

(a) Introduction of revised Manpower Plan

Following a proper job analysis, the manpower strength was determined and a new cadre has been prepared. The revised manpower plan will be implemented once the approval from the Management Services Department is received.

(b) Introduction of a Succession Plan

With the new cadre position arrangement, succession plan was prepared

(c) Implementation of Scheme of Recruitment and Promotions (SORAP)

Revision of the Scheme of Recruitment and Promotions was initiated during the year 2018. The promotion scheme will be developed based on performance appraisal and merit which will facilitate to promote the best employee while the revised recruitment scheme will facilitate to hire the people with high potential to the Corporation.

(d) Training and Development

The competency directory for all the positions and mapping the required skills are being done accordingly. The training needs of the staff are identified. Appropriate training programs are being conducted in-house and at external training institutions. The training programs are mainly based on the immediate improvement for better performance and to prepare the staff for the future responsibilities and to prepare the successors. During the year 2018, employees were given local and overseas trainings.

i. Local Trainings

- Workshops and Seminars conducted at external institutions

Grade	No. of Officials from CPC Head Office	No. of Officials from Refinery
A Grade - Executive level	96	37
B Grade - Clerical and Allied	85	16
C Grade – Skilled and Semi -skilled	49	-

- Academic courses sponsored by CPC

Grade	Officials from A Grade	Officials from B Grade	Officials from C Grade
Certificate level	2	9	1
Diploma level	4	5	-
Degree/ Post Graduate	4	3	-

- **In-house training courses – Refinery**

  i. 02 First Aid training programmes were conducted (duration = 2 days) for 02 groups of employees (i.e Rescue/ECOT teams) by St.John Ambulance Services, as follows.

  - Group I - A,B Shifts & Day duty 04 January 2018 - 18 participated
  - Group II - C,D Shifts & Day duty 10 January 2018 - 23 participated

  ii. HAZMAT training Programme for non-executive staff was held on 25.01.2018, 22.06.2018 and 26.10.2018 - 78 employees participated.

  iii. Familiarization programme for newly recruited employees attached to kolonnawa Security Department conducted on 11.05.2018.- 36 participated.

  iv. Familiarization programme for Internal Audit staff conducted as follows.

  - 01.02.2018 32 employees partcipated
  - 18.06.2018 15 employees participated
  - 19.06. 2018 15 employees participated

  v. One day Programme on positive attitude and personality building skills was conducted for Refinery Executives and supervisors by Skill Development Fund Limited on 13.12.2018. - 46 participated

  vi. 02 days Programme on communication skills was conducted for Refinery Management & Executive Officers by SDFL on 18-19.12.2018 - 45 participated

  vii. Introduction to Refinery Process and fire safety Programme was conducted for C-6 grade 99 employees on 26.06.2018

- **Other training programmes – CPC Head Office**

  i. Introduction programme for newly recruited engineers at National Institute of Plantation Management – 16 Engineers participated

  ii. Fire training conducted by the Municipal council Fire Department for 60 employees in six days of August 2018

- **Fire & Safety Programmes**

  i. Monthly fire & safety training

programme for non-executive staff was conducted on 13.02.2018 & 06.05.2018 – 35 employees and 23 employees participated respectively.

➢ **Industrial Visits**

i. Half day industrial visit by group of Sri Lanka Army was conducted 17 May 2018 -30 officials participated.

ii. Half day industrial visit by Engineeering Mechanics of Sri Lanka Navy was conducted 24 May 2018 – 66 officials participated.

iii. Half day industrial visit by student of Unversity of Moratuwa was conducted on 04 July 2018 – 25 students participated.

iv. Half day Industrial visit by Central Bank of Sri Lanka was conducted on 09 July 2018 - 12 officers participated.

v. Half day Industrial visit by Students of University of Kelaniya was conductes on 20 July 2018 - 40 students participated.

vi. Half day industrial visit by students of Monaragala Vidyaloka Maha Vidyalaya was conducted on 24 July 2018 – 50 students participated

ii. Foreign Training

Corporate management identified the awareness training needs and proceeded with the approval of the top management. Foreign trainings/seminars/inpections were given to 55 employees during the year 2018.

Table 9.3 Foreign Trainings/Seminars/ Inspections provided by CPC – 2018

No.	Program	Country and Duration	No. of participants
1	22nd Refining Petrochemicals Technology Meet (RPTM)	India 12th to 16th January 2018	02
2	Factory Acceptance Test for Coriolis Mass Flow Meter	Switzerland 27th January to 02nd February 2018.	02
3	Workshop on the 2010 HNS convention and IOPC Fund Meeting	London 26th April to 02nd May 2018	02
4	Invitation to LNG Value Chain Training Programme	Japan 14th to 29th June	02
5	22nd St. Petersburg International Economic Forum	Russian Federation 24th to 26th May 2018.	02
6	Factory Acceptance Teat for "Supply Installation & Commissioning of Fire Alarm System(4184T)"	Austria 02nd to 06th July 2018	02
7	TSA Foreign Training Programs for Aviation Executives in 2018.	Malaysia 16th to 20th July 2018	03
8	TSA Foreign Training Programs for Avaition Non Executives (Supervisory Grade) in 2018.	Malaysia 12th to 16thh August 2018	03

9	Modern Management Practices	Thailand 16th to 22nd September 2018.	05
10	31st LAW ASIA	Cambodia 02nd to 05th November 2018	01
11	National oil Companies assembly	Amsterdam 24th to 25th September 2018	01
12	World Master Championship 2018	Spain 04th to 16th September 2018	02
13	Suriya Jaya International Championship	Indonesia 05th to 10th November 2018.	03
14	14th Argus Bitumen Trading Asia 2018	Singapore 17th to 19th October 2018	01
15	IOPC Fund	London 29th October to 01st November 2018	01
16	Official Visit to Ukraine	Ukraine 26th to 30th September 2018	01
17	3rd LNG Value Chain Training Programme	Japan 03rd to 14th December 2018	01
18	Ceylon Petroleum Corporation Vs. Agros Meditation	London 24th October 2018	07
19	Natural Gas Development and Technologies (Sri Lanka)	Korea 18th November to 01st December	03
20	Training Course on Advance Mechanical Seal Technology	India 04th to 07th December 2018	03
21	PETRONAS Aviation TSA International Seminar 2018	Malaysia 18th to 21st December 2018	02
22	Inception Meeting of South Asia Subregional (SASEC) Regional Gas and Working Group	India 04th to 05th December 2018	02
23	Coaching Camp	Thailand 13th to 18th December 2018	04
	Total		**55**

(e) Recruitment & Promotions

During the year 2018, 14 professionals including 13 engineers were hired for the organization to strengthen the professionalism of the management too and 02 Drivers for C grade were recruited.

(f) Welfare activities 2018

i. In-plant, on-the-job industrial training opportunities were given to nearly 116 students from National Universities and other government institutions as a part of their course requirement. CPC consider this as a Corporate Social

Responsibility (CSR) activity to support the quality education of the students.

ii. Service Awards were offered to employees who have rendered a meritorious service to the CPC as follows.

20 years' service - 37 employees
25 Years' service - 40 employees
(awarded 02 gold coins each)
30 years' service - 30 employees
35 years - 16 employees

iii. The loans granted during the reporting period are as follows.

Housing loans - 25
Motor vehicle loans - 13
Motor bike/Three-wheelers loan - 58
Housing Repair Loan - 360

9.3 Ceylon Petroleum Storage Terminals Limited

➢ **Human Resources Management & Development**

Human Resources Development Function of CPSTL focuses especially on uplifting of knowledge and attitudes of the technical and non – technical employees of the organization towards higher productivity, minimizing wastage, build up a pool of disciplined personnel from labour grades to managerial level.

As the technology changes at an increasingly rapid pace, it requires new skills, resulting changes in job description frequently blur boundaries between previously distinct jobs, producing greater demands for multi skilled staff.

- HR plan was developed for the period of 2018 -2022 after detail analyzing of all functional activities and HR related matters which is long overdue since the inception of CPSTL in 2003.
- Proper Job Descriptions were introduced to "A' Grade and "B" Grade staffs after analyzing current requirements and updates. This process will be continued to "C" grade too.
- Criteria and Marking scheme for recruitment & promotions was prepared and board approval was obtained at 185th Board meeting held on 21st June 2018.
- The cadre of the CPSTL was revised & updated in 2016 with effect from May 2016 which was last updated in the year 2008
- The designations in the present cadre have been upgraded to meet the present HR needs of the organization.
- Recruitment criteria was last updated in the year 1991-1992 –At present the work is in process to introduce a new recruitment & promotional scheme named "SORAP".
- New Recruitments for 2018

  Actions were taken to absorb more professional and qualified staff to Finance, operations and IT sectors

Position	No. of New Recruitments
Accountant Grade A 5	01
Asst. Mgr. Investigation Grade A 5	01
Trainee Data Centre Superintendent Grade B 2	05
Mooring Masters	02

- Local training programs on various fields to improve the capacities of the staff and changing attitudes were provided and 32 officials have been attended the foreign trainings and inspections from January to December 2018. A summary of the local training programs provided during the period from January to December 2018 are given in Table 9.4 below while Table 9.5 is gives a summary of details on foreign trainings and inspections for the same period.

Table 9.4 Local Training Programs – 2018

No	Training Period	No. of Training Programmes/ Workshops	No. of Participants
01	½ day	08	611
02	01 day	23	1129
03	02 days	02	27
04	03 days	02	28
05	10 days	02	25
06	30 hrs.	01	16
07	60 hrs.	01	33
	Total	**39**	**1869**

Table 9.5 Foreign Trainings provided by CPSTL - 2018

Program	Country	No. of Participants
Witness/Pre-Inspection / Instrument Training Tours		
Official visit to M/s JFE Steel Corporation in Tokyo, Japan for Third Party Inspection of Steel Plates	Tokyo, Japan	02
Official visit to M/s Dunlop Oil & Marine Ltd. in United Kingdom for Pre- shipment inspection of 03 Nos. Marine Hoses	UK	02
Official visit to M/s Bristol Fire Engineering LLC in UAE for Third Party Inspection of 02 Nos. Diesel Engine Driven Fire Pump Units and Accessories	UAE	02
Official visit to M/s Yokohama Rubber Co. Ltd. in Japan for Pre-shipment inspection of Marine hoses and accessories	Japan	02
Official visit to M/s PT. Zigler in Indonesia for Pre- shipment inspection of 01 no. Brand New Fire Truck	Indonesia	02
Sponsored Training Tours		
LNG Value Chain Training Program –I phase	Japan	01
LNG Value Chain Training Program –II phase	Japan	01

Scholarship Programme on "Logistics Management Training for South Asia"	Japan	01
Training Tours		
Training Program on "Corporate Management for Sri Lanka (LKCM17)"	Japan	03
"31st Law Asia Conference 2018"	Cambodia	01
Training Programme on "Modern Management Practices" in Siam University.	Thailand	05
"2018 Calm Buoy Forum"	France	02
Conference on "SAP TechEd 2018"	India	06
"Customer Seminar for the Chemical, Petrochem and Oil & Gas Industries"	Switzerland	01
"23rd Annual Logistics Research Network Conference 2018" **	UK	01
Total No. of Tours		**15**
Total No. of Participants		**32**

Note **

The Chartered Institute of Transport and Logistics (CILT), United Kingdom successfully conducted the "23rd Annual Logistics Research Network Conference", on 05th to 07th September 2018, in Plymouth University, United Kingdom.

The research paper titled "Utilization of railway for bulk petroleum product transfers in Sri Lanka."; co-authored by Mr. Janak Dharmaprema – Acting Chief Information Officer, CPSTL and Varuna Gunasekara - Senior Software Engineer, CPSTL was accepted to be showcased in the above conference. Presentation on this regard was made on 07th September 2018, during the conference session titles "Oil and Gas Supply Chain".

This is the first time, where a research conducted by CPSTL was showcased in an international conference of this nature. It is a great achievement by CPSTL to contribute their knowledge and experience towards international research on logistics and transport. CPSTL is the biggest entity performing the country's biggest logistical operation which facilitates every other Sri Lankan industry.

➢ **Special Programmes conducted during the year**

- With a view to improve the productivity of CPSTL through attitude change of employees by means of Time & Monetary Management, "Positive Thinking Proactive Behavior and Attitudes Programme" has been introduced and 08 nos lectures have been delivered by the Chairman –CPSTL to around 1,000 employees were participated covering all grades of employees in CPSTL.

- A special programme on "Positive Thinking Proactive Behavior and

Attitudes Programme" were successfully conducted on 05th April for the employees who are serving in Bulk Depots (Magalle & Matara) and Regional office (South).

- HRD function organized the outbound training programme on " Mindfulness for Improving Service Excellence through Productivity " for the all grades employees of Automobile and Premises & Engineering Services Functions at the Auditorium of Sri Lanka Foundation, Colombo 07.
- A skill upgrading training program for Fitters and Welders attached to Engineering function conducted by National Apprentice and Industrial Training Authority. (Obtained National Vocational Qualification – NVQ)
- A special program was organized on "Leadership & Improving Productivity through Positive Attitudes" on 21st September, 2018 at Malima Club House, Uswetakeiyawa for the senior officers from Ministry of Petroleum Resources Development, CPSTL, CPC and PRDS.

➢ **Internal Audit**

Being the sole authority function to maintain a controlled environment, Internal Audit Division ensures that all the chores are performing according to the laid down rules & regulations of CPSTL. Actions were taken to shift the principle of internal auditing from Systems Based to Risk Based from the year 2018. That is a major footstep put forward in order to ensure the management attention is drawn on the areas of internal environment, objective setting, event identification, risk response, control activities, communication and monitoring. The risk grading system that was introduced has pin pointed the gravity of the issues and whose attention should be given for those issues.

Accordingly, Internal Audit Function had scheduled an Internal Audit Programme consisting of 106 numbers of distinct audits, covering both system based audits and risk based audits, in order to confirm hazardous free smooth operational condition throughout the year to accomplish CPSTL objectives efficiently & effectively.

The summary of performance can be depicted as follows.

➢ Total number of audit queries - 106
➢ Total completed number of audit queries - 64
➢ % of completion 60%
➢ Total completed number of audit queries with management comments - 40
➢ Total completed number of audit queries to be answerable - 24

9.4 Petroleum Resources Development Secretariat

9.4.1. Amendments to the PRD Act and Formulation of New Regulations

Making amendments to the PRD act and formulation of new regulations have been long standing requirements and at present those amendments are at the final stage. Such reforms have been initiated to accomplish the primary task of establishing a robust regulatory framework, designed to govern and protect the fiscal and environmental interest of the associate parties while ensuring the continuous maintenance of efficiency and transparency of Petroleum Operations are been carried out. PRDS intends to propose few provisions and revisions as amendments to the proposed Petroleum Bill and then to obtain the relevant approval and certification from the Attorney General's Department.

9.4.2 Capacity Building of the Upstream Petroleum Sector

PRDS continued providing assistance to the local universities, local suppliers, key stakeholders and public focusing sector specific awareness, knowledge/ technology transfer and investment promotion. The following initiatives/ programs/events were executed in line with upstream petroleum development goals.

- Two awareness sessions were conducted for the relevant key ministries and government institutions about the formulation of natural gas policy.
- Few awareness/training and guest lecturers were delivered by PRDS recourse staff for the undergraduates, graduate engineers and related student associations.
- Offered industrial training opportunities for 3 undergraduates at PRDS facility.
- Provided material/technical/ supervisory/mentoring assistance for three undergraduate research projects conducted by the final year students of three key local universities.
- Public awareness sessions, invited resource/guest lecture programs by Chambers, Institution of Engineers and other Associations.
- Continued providing information and assistance to local companies through arranged training sessions (two sessions) and help-desk facility at PRDS with a view to develop their understating about latest upstream industry developments, promote local supplier chain and promote business partnerships globally.

10. Accounts

10.1 Ministry of Petroleum Resources Development

Table 10.1 Recurrent Expenditure – Office of Hon. Ministers (Rs. Million)

Types of Expenditure	Budgetary Provisions 2017	Actual Exp. 2017	%	Budgetary Provisions 2018	Actual Exp. as at 31 Dec. 2018	%
Personal Emoluments	23.50	22.72	97	24.23	20.94	86
Travelling Expenses	6.49	5.14	79	6.63	5.62	85
Supplies	11.08	10.90	98	10.70	9.01	84
Maintenance Expenditure	5.39	5.36	99	3.80	3.67	97
Services	17.52	17.35	99	6.80	6.45	95
Transfers	1.20	1.14	95	1.37	1.15	84
Total	**65.18**	**62.61**	**96**	**53.53**	**46.84**	**88**

Table 10.2 Recurrent Expenditure – Ministry Administration (Rs. Million)

Types of Expenditure	Budgetary Provisions 2017	Actual Exp. 2017	%	Budgetary Provisions 2018	Actual Exp. as at 31 Dec. 2018	%
Personal Emoluments	46.16	45.50	98	44.39	42.81	96
Travelling Expenses	5.29	4.97	93	6.60	6.55	99
Supplies	7.36	7.25	98	6.90	6.70	97
Maintenance Expenditure	5.22	5.19	99	4.85	4.75	98
Services	19.81	19.68	99	33.10	32.72	99
Transfers	0.66	0.66	100	0.71	0.71	100
Total	**84.50**	**83.25**	**98**	**96.55**	**94.24**	**98**

Table 10.3 Capital Expenditure – Office of Hon. Ministers (Rs. Million)

Types of Expenditure	Budgetary Provisions 2017	Actual Exp. 2017	%	Budgetary Provisions 2018	Actual Exp. as at 31 Dec. 2018	%
Rehabilitation of Capital Assets	2.62	0.83	32	1.70	0.65	38
Acquisition of Capital Assets	2.00	1.99	99	1.50	0.12	8
Total	**4.62**	**2.82**	**61**	**3.20**	**0.77**	**24**

Table 10.4 Capital Expenditure – Ministry Administration (Rs. Million)

Types of Expenditure	Budgetary Provisions 2017	Actual Exp. 2017	%	Budgetary Provisions 2018	Actual Exp. as at 31 Dec. 2018	%
Rehabilitation of Capital Assets	2.00	1.33	67	2.00	0	0
Acquisition of Capital Assets	3.00	2.85	95	1.50	0.56	37
Capacity Building	2.00	1.99	99	4.50	3.23	72
Petroleum Sector Development Framework	0	0	0	2.50	2.29	92
Total	**7.00**	**6.17**	**88**	**10.50**	**6.08**	**60**

Table 10.5 Recurrent & Capital Expenditure – Public Institutions

Types of Expenditure	Budgetary Provisions 2017	Actual Exp. 2017	%	Budgetary Provisions 2018	Actual Exp. as at 31 Dec. 2018	%
Petroleum Resources Development Secretariat	87.30	84.37	97	94.00	75.98	81
Recurrent Expenditure	**87.30**	**84.37**	**97**	**94.00**	**75.98**	**81**
Petroleum Resources Development Secretariat	42.00	41.85	99	50.00	36.96	74
Polipto Lanka (Pvt) Ltd	40.00	29.25	73	20.40	16.05	79
Capital Expenditure	**82.00**	**71.10**	**87**	**70.40**	**53.01**	**75**
Total Expenditure	**169.30**	**155.47**	**92**	**164.40**	**128.99**	**78**

Table 10.6 Government Officers Advance Accounts and Actual Expenses

	2017			2018		
	Max. limit expenditure	Min. limit receipts	Max. debit limit	Max. limit expenditure	Min. limit receipts	Max. debit limit
Limit	6.0	2.3	13.0	5.50	2.50	15.00
Actual Expenditure	5.97	2.71	11.87	5.17	2.97	10.78

10.2 Ceylon Petroleum Corporation

Table 10.7 CPC Income Statement

Description	As at 31st December 2017 Rs. Mn (Audited)	As at 31st December 2018 Rs. Mn (Unaudited)
Revenue	445,950.386	520,967.224
Cost of Sales	(418,961.837)	(523,983.111)
Gross Profit / (Loss)	**26,988.549**	**(3,014.887)**
Other Operating Income	670.446	812.825
Selling & Distribution Expenses	(15,498.189)	(14,911.630)
Administrative Expenses	(4,959.844)	(6,021.760)
Operating Profit / (Loss)	**7,200.962**	**(23,135.452)**
Exchange Rate Variation	(4,922.004)	(82,717.291)
Finance Income	11,067.082	12,889.174
Finance Expenses	(10,530.811)	(12,065.056)
Profit /(Loss) before tax	**2,815.229**	**(105,028.625)**
Income tax Expense	(1,759.595)	(22.010)
Profit/(Loss) for the year	**1,055.634**	**(105,050.635)**
Other Comprehensive Income		
Items that will not be reclassified to Profit or Loss:		
Re-measurement gain/(loss) on Retirement Benefit plan	(887.512)	137.696
Revaluation of property, Plant & Euipment	10,210.907	159.841
Tax on Other Comprehensive Income		-
Items that are or may be reclassified subsequently to profit or loss:		
Net Gain/(Loss) on available-for-sale financial assets	(0.500)	(16.500)
Other comprehensive loss for the year	**9,322.895**	**281.037**
Total comprehensive Income	**10,378.529**	**(104,769.598)**
Total comprehensive Income attributable to :		
Owners of the entity	10,378.529	(104,769.598)
Non-controlling interests	-	-
	10,378.529	**(104,769.598)**

Table 10.8	CPC Financial Statement	
Description	**As at 31st December 2017 (Audited) Rs. Mn**	**As at 31st December 2018 (Unaudited) Rs. Mn**
ASSETS		
Non - Current Assets		
Property, Plant & Equipment	23,608.585	23,406.070
Investment Property	40.128	38.681
Intangible Assets		
Investment in Subsidiary	5,000.000	5,000.00
Non-Current Financial Assets	29,874.032	25,419.541
Trade & Other Receivables	8,963.640	12,970.642
	67,486.385	**66,834.934**
Current Assets		
Inventories	44,152.978	56,934.359
Trade & Other Receivables	86,990.589	94,907.195
Short term Investments	10,685.474	99,314.811
Cash and Cash Equivalents	9,385.759	11,279.951
	151,214.800	**262,436.316**
Total Assets	**218,701.185**	**329,271.250**
EQUITY AND LIABILITIES		
Capital and Reserves		
Contributed Capital	28,487.125	28,487.125
Capital Reserve	4,992.686	4,992.686
Available for sales Reserve	(21.500)	(38.000)
Revaluation Reserve	10,210.907	10,370.748
Retained Earnings	(220,661.110)	(325,574.048)
Non Controlling Interest	-	-
Total Equity	**(176,991.892)**	**(281,761.489)**
Non - Current Liabilities		
Retirement Benefits Obligation	1,708.014	1,680.958
Loans & Borrowings	189.898	1,539.455
	1,897.912	**3,220.413**
Current Liabilities		
Trade and Other Payables	214,077.733	313,111.745
Current portion of Loans & Borrowings	75.959	37.980
Short term Borrowings	179,641.473	294,662.601
	393,795.165	**607,812.326**
Total Equity and Liabilities	**218,701.185**	**329,271.250**

10.3 Ceylon Petroleum Storage Terminals Limited

Table 10.9 CPSTL Income Statement

Description	As at 31 Dec. 2017 Rs. (Audited)	As at 31 Dec. 2018 Rs. (Unaudited)
Revenue	14,176,146,910	13,126,192,465
Direct Expenses	(7,400,983,212)	(7,700,911,326)
Gross Profit	**6,775,163,199**	**5,425,281,139**
Other Operating Income	457,796,444	224,945,876
Administrative Expenses	(4,025,018,806)	(4,363,910,726)
Operating Profit	**3,207,941,337**	**1,286,316,289**
Finance Income	189,440,805	71,859,312
Finance Cost	(124,072,738)	(3,045,785)
Profit Before Tax	**3,273,309,403**	**1,355,129,816**
Income Tax Expense	(473,737,588)	
Profit for the Year	**2,799,571,815**	**1,355,129,816**
Other Comprehensive Income not to be Reclassified as Profit or Loss in Subsequent Periods		
Actuarial gain on Defined Benefit Obligations	(94,946,584)	-
Tax on Other Comprehensive Income	(12,760,821)	-
Other Comprehensive Income for the Year, Net of Tax	(82,185,763)	-
Total Comprehensive Income for the Year, Net of Tax	**2,717,386,052**	**1,355,129,816**

Table 10.10 **CPSTL Financial Position**

Description	As at 31 Dec. 2017 Rs. (Audited)	As at 31 Dec. 2018 Rs. (Unaudited)
Non-Current Assets		
Property, Plant and Equipment	16,754,748,458	16,198,012,906
Intangible Assets	277,797	-
Other Financial Assets	444,255,366	1,906,770,496
	17,199,281,621	**18,104,783,402**
Current assets		
Inventory	407,496,049	531,871,232
Trade and other receivables	9,071,571,994	6,868,016,417
Other Financial Assets	1,838,973,439	1,504,355,041
Cash and Cash Equivalents	1,474,120,011	3,140,767,991
	12,792,161,492	12,045,010,681
Total Assets	**29,991,443,113**	**30,149,794,083**
Equity and Liabilities		
Capital and Reserves		
Stated Capital	7,500,000,000	7,500,000,000
Capital Reserve	979,000,000	979,000,000
Retained Earnings	16,684,197,986	17,388,327,802
Total Equity	**25,163,197,986**	**25,867,327,802**
Non-current liabilities		
Defined Benefit Obligation	1,473,989,898	1,300,325,517
Deferred Tax Liabilities	1,017,152,375	1,017,152,375
Interest Bearing Loans and Borrowings	-	-
	2,491,142,273	**2,317,477,892**
Current liabilities		
Trade and Other Payables	1,845,584,533	1,964,988,389
Interest Bearing Loans and Borrowings	-	-
Income tax payable	491,518,321	-
Total Liabilities	**4,828,245,127**	**4,282,466,281**
Total Equity and Liabilities	**29,991,443,113**	**30,149,794,083**

Muthurajawela Terminal