

Returns for your request for:

- 2) Minutes of all meetings between Petroineos and Scottish Government ministers and officials between January 1st 2023 and 22nd November 2023 inclusive.

Are as follows:

Meeting with CEO of Petroineos Trading Limited

Wednesday 28 June 2023

13:40-14:25

Scottish Parliament

Present

- **Neil Gray MSP**, Cabinet Secretary for Wellbeing Economy, Fair Work and Energy, SG
- **[redacted]**, Head of Critical Energy Infrastructure & Commercial Projects, SG
- **[redacted]**, Team Lead, Critical Energy Infrastructure, SG
- **[redacted]**, Senior Commercial Adviser, SG
- **[redacted]**, Deputy Private Secretary to Mr Gray, SG
- **Zhu Wenjin**, CEO, Petroineos Trading Ltd.
- **Wang Gong**, Executive Vice President, Petroineos Refining Ltd.
- **Keith Martin**, Chief Commercial Officer, Petroineos Trading Ltd.
- **[redacted]**, Head of Legal, Petroineos Trading Ltd

Agenda

An introductory meeting with Mr Zhu, the CEO of Petroineos Trading Limited, the trading entity of the Petroineos Joint Venture (JV) Grangemouth Refinery.

1. *Introductions*
2. *Grangemouth refinery business*
3. *Import terminal*
4. *Other investment opportunities (biorefinery and green hydrogen opportunities)*
5. *AOB and close*

Readout

1. The Cabinet Secretary thanked Mr Zhu for his kind words in his letter upon his appointment as Cabinet Secretary and welcomed Mr Zhu and his colleagues.
2. Mr Zhu thanked SG for its good working relationship both with officials and previous Cabinet Secretary and highlighted he wants this to continue. Mr Zhu also invited his team to give introductions.
3. Mr Zhu outlined topics for discussion including:
 - a. Grangemouth Refinery

- b. **[redacted]** and
- c. Green future including the biorefinery project and green hydrogen export opportunities.

Grangemouth Refinery

- 4. Mr Zhu discussed the background and financial performance explaining that PC entered into a JV with Ineos in 2011 and performance over the first 10 years **[redacted] [redacted]** 2022 due to the war between Russia and Ukraine resulting in **[redacted]**. However, **[redacted]**.
- 5. Mr Zhu explained **[redacted]**. Mr Zhu highlighted that PC is a state owned entity **[redacted]**. However, PC are keen to work with SG to manage the business' green transition whilst maintaining security of fuel supply in Scotland.
- 6. Mr Zhu thanked SG for their continued policy support and reiterated that whilst the refining market has been difficult, PC has always had a good relationship with SG Ministers and officials. This was especially appreciated last year with discussions with INEOS **[redacted]**.
- 7. Mr Zhu stated that now is a critical time to think about the future, the refinery is amongst the oldest in Europe and in the longer term is reaching the end of its life, however, there is a need to manage this in an orderly responsible way and PC will continue to communicate and engage with SG as it considers next steps in this process.
- 8. Mr Zhu stated PC are also keen to engage with SG as it considers new greener projects at the site including the potential bio refinery and green hydrogen opportunities.
- 9. Mr Gray thanked Mr Zhu for his helpful overview, and stated that SG's position is to ensure the refinery continues to operate for as long as possible, however SG is cognisant of the economic and commercial situation. Mr Gray also stated that he is very grateful for the investment PC have made in Scotland to date and will continue to make.
- 10. Mr Gray asked PC to explain further their current thinking around import terminal conversion and orderly transition as this is critical to SG. Mr Gray also offered further discussion at a later date on biofuels and future projects as it is critical we get the transition at Grangemouth right.

Project [redacted] – Import Terminal

- 11. Keith Martin (KM) gave an overview of **[redacted]**. Keith stated that this is the number one priority project for the JV (i.e. PC and INEOS) **[redacted]**.
- 12. KM stated **[redacted]**

13. Mr Gray impressed the criticality of the business' responsibility to ensure continuity of fuel supplies, [redacted], and asked to be kept updated on any problems / disruptions and asked whether PC has updated UKG.
14. [redacted] agreed. PC is also engaged with UKG and have a further meeting with DESNZ on 6 July (next week). [redacted] also stated that due to UK Energy Security Bill and Powers resting with Secretary of State, they are keen to also assure UKG on plans around security of fuel supply for Scotland.

Green Future – Bio refinery and Hydrogen Projects

15. Bio-refinery - [redacted] also gave an overview of PC's Bio refinery project, in which it hopes to manufacture biodiesel and sustainable aviation fuel. [redacted]. [redacted] mentioned positive relationship with SNIB and welcomed the support SE had provided [redacted]. Mr Gray stated he is keen to be updated on these discussion and happy to help facilitate any further engagement across Government – and requested a list of feedstock requirements for potential government aggregation.
16. Hydrogen – PC is keen to [redacted]. It sees Europe as a major importer for hydrogen and recognises Scotland's major export potential and Grangemouth's strategic location [redacted]. However, at present the UKG does not offer CfDs for hydrogen exports [redacted].
17. Mr Gray reiterated Scotland's hydrogen export ambitions and will also be advocating to the UKG the importance of ensuring the business models support this.
18. Mr Gray closed the meeting by thanking PC for coming and for their very helpful discussion. He reflected on the positive working relationship established by his predecessor, Mr Matheson, which has been maintained by officials, and reaffirmed his commitment to work with Petroineos as it considers and implements its transition opportunities. He stated that Grangemouth is critically important and right at the heart of Scotland's transition to net zero and getting that right is vitally important for both parties.
19. Mr Zhu thanked Mr Gray for taking the time to meet and extended an invite to visit Petrochina in China. Mr Gray thanked Mr Zhu for this invitation and said work was underway re an international ministerial visits programme this year that he would look to feed this into.

END

Returns for your request for:

5) All information held relating to the meeting between the Scottish Government and Petroineos on the 21st November as reported here (<https://news.stv.tv/scotland/scotlands-only-oil-refinery-to-shut-with-hundreds-of-jobs-at-risk-at-grangemouth#:~:text=STV%20News%20understands%20Petroineos%20spoke%20with%20the%20Scottish%20Government%20and%20unions%20on%20Tuesday%20after%20briefing%20staff%20earlier%20in%20the%20day.>)

Are outlined as follows:

From: Susie Townend <[redacted] @gov.scot>
Sent: Tuesday, November 21, 2023 7:25 AM
To: [redacted] <[redacted] @gov.scot>; [redacted] <[redacted] @gov.scot>; [redacted] [redacted] @gov.scot>; Susie Townend <[redacted] @gov.scot>
Subject: Grangemouth

I took a pre arranged call from [redacted] just now. They will announce prep to convert to import terminal to unions at 9 and staff at 10:30. Rolling prog of internal comms no press announcement but lines ready.

We can let Mr Gray know. Offer of mtg early next week and call for Mr Robertson before he travels to China.

Please keep very tight until 10:30. I'm driving g but will check in about 9.

Agreed to talk on Wed night re how has landed.

Susie

From: [redacted] @gov.scot <[redacted] @gov.scot>
Sent: Tuesday, November 21, 2023 8:59 AM
To: [redacted] (Energy Security) <[redacted] @energysecurity.gov.uk>; [redacted] (Energy Security) <[redacted] @energysecurity.gov.uk>
Cc: [redacted] @gov.scot; [redacted] @gov.scot
Subject: Announcement today

Morning Gents,

Our DD Susie Townend received a call from [redacted] at PI early this morning.

We understand PI will be announcing the preparatory work to convert to import terminal this morning to unions at 9am and staff at 10.30.

We received no prior notice of this.

Have you heard anything from PI?

Best regards,
[redacted]

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From: [redacted] (Energy Security) <[redacted] [@energysecurity.gov.uk](mailto:[redacted]@energysecurity.gov.uk)>
Sent: Tuesday, November 21, 2023 9:14 AM
To: [redacted] <[redacted] [@gov.scot](mailto:[redacted]@gov.scot)>; [redacted] (Energy Security) <[redacted] [@energysecurity.gov.uk](mailto:[redacted]@energysecurity.gov.uk)>
Cc: [redacted] <[redacted] [@gov.scot](mailto:[redacted]@gov.scot)>; [redacted] <[redacted] [@gov.scot](mailto:[redacted]@gov.scot)>
Subject: RE: Announcement today

Hi [redacted],

Thanks for checking in so promptly.

Yesterday, out of the blue we got an invite from PI CEO Franck to our DD Mike Botten to meet about an impending announcement.

We did not necessarily think that meant the announcement would be literally today and we were intending to update when we knew what they were going to do.

Mike is literally in that meeting now. I will seek an update as soon as we can and let you know.

Happy to chat on the phone of course, but maybe best to wait until we know.

Thanks,



[redacted] Senior Policy Advisor – Downstream Oil Resilience
Crisis Management and Fuel Resilience Team
E: [redacted] [@energysecurity.gov.uk](mailto:[redacted]@energysecurity.gov.uk)
M: [redacted]
1 Victoria Street, London, SW1H 0ET

From: Susie.Townend@gov.scot <[redacted] [@gov.scot](mailto:[redacted]@gov.scot)>
Sent: 21 November 2023 11:09

To: [redacted] <[\[redacted\]@petroineos.com](mailto:[redacted]@petroineos.com)>

Subject: Thanks - Info request

Dear [redacted]

Thanks for the call earlier. Could you please send me the information you were going to share with the staff?

Many thanks

Susie

Susie Townend | Interim Deputy Director for Energy Industries

Directorate for Energy and Climate Change | Scottish Government

E: [\[redacted\]@gov.scot](mailto:[redacted]@gov.scot) | M: [redacted]

I use she/her pronouns



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From: [redacted] <[\[redacted\]@petroineos.com](mailto:[redacted]@petroineos.com)>

Sent: Tuesday, November 21, 2023 11:20 AM

To: Susie Townend <[\[redacted\]@gov.scot](mailto:[redacted]@gov.scot)>

Subject: RE: Thanks - Info request

Susie

Good to speak. An email and video has gone to staff and we are conducting internal f2f comms over the next few days with all staff. The key points are summarised below and I attach a briefing pack we are using to frame the on-site discussions.

A letter will be sent to Mr Gray later today from PIMSL formalising our discussion and offering up a meeting next week – I'm also hoping to share with you our draft press release so you can align your comms.

Key Messages

- *Petroineos has informed employees at Grangemouth refinery about preparatory work that will soon be starting to enable a future transformation into a fuels import terminal.*

- *The energy transition is well underway and demand for the road fuels it produces has started to decline and will continue to do so. The business needs to adapt to reflect those changing circumstances.*
- *This is not a refinery closure announcement. Nothing changes for the refinery operation at Grangemouth today, where it remains business-as-usual for the team, for customers, and for suppliers.*
- *The timescale for any operational change has not yet been determined but preparatory work is expected to take around 18 months, so the expectation today is that nothing will change before Spring 2025 and possibly not for some time after that, depending on refining margins and other factors.*
- *Once the decision is taken to commission the new infrastructure, Petroineos will have the means of importing finished fuels for onward distribution to customers around the country through its established supply networks.*
- *What we are doing today is signalling the start of a process to prepare the business for the future. It is now a question of when, not if, Grangemouth will transition from refining fuel products to importing finished fuels for onward distribution.*
- *Given the refinery's significance in supplying fuel to customers in Scotland and beyond, management and shareholders felt it was important to be clear, open and honest with staff about the work that will soon be visible on site and why they are doing it.*

Please continue to treat this as confidential as we are not advising outside of staff and unions at this stage.

Regards
[redacted]