



Netherlands National Petroleum Stockpiling Agency



15-5-2009

Introduction to COVA

Presentation at the occasion of IE-EU-HANDA Workshop on "ESTABLISHMENT OF
EMERGENCY OIL STOCKS IN SOUTH EAST EUROPE
28th May 2009



Netherlands National Petroleum Stockpiling Agency



COVA mission

Maintain the quantities of compulsory stocks, imposed under the prevailing legislation, at the lowest possible cost.



Structure of COVA

- Non profit organisation
- Supervisory Board appointed by Ministry of Economic Affairs
- Executive Board responsible for management of COVA
- 7 employees



History

- 1973 First oil crisis - formation of IEA by OESO
- 1976 Dutch Oil Stockpiling Act – traders to keep assignable safety stocks
- 1978 ICOVA – interim agency / stock keeping levy
- 1980 Non obligatory transfer of stocks to ICOVA permitted
- 1987 Formation of Government controlled agency COVA
- 2001 New stockpiling act / ticketing allowed



Minimum stock piling requirements in Ktons by COVA:

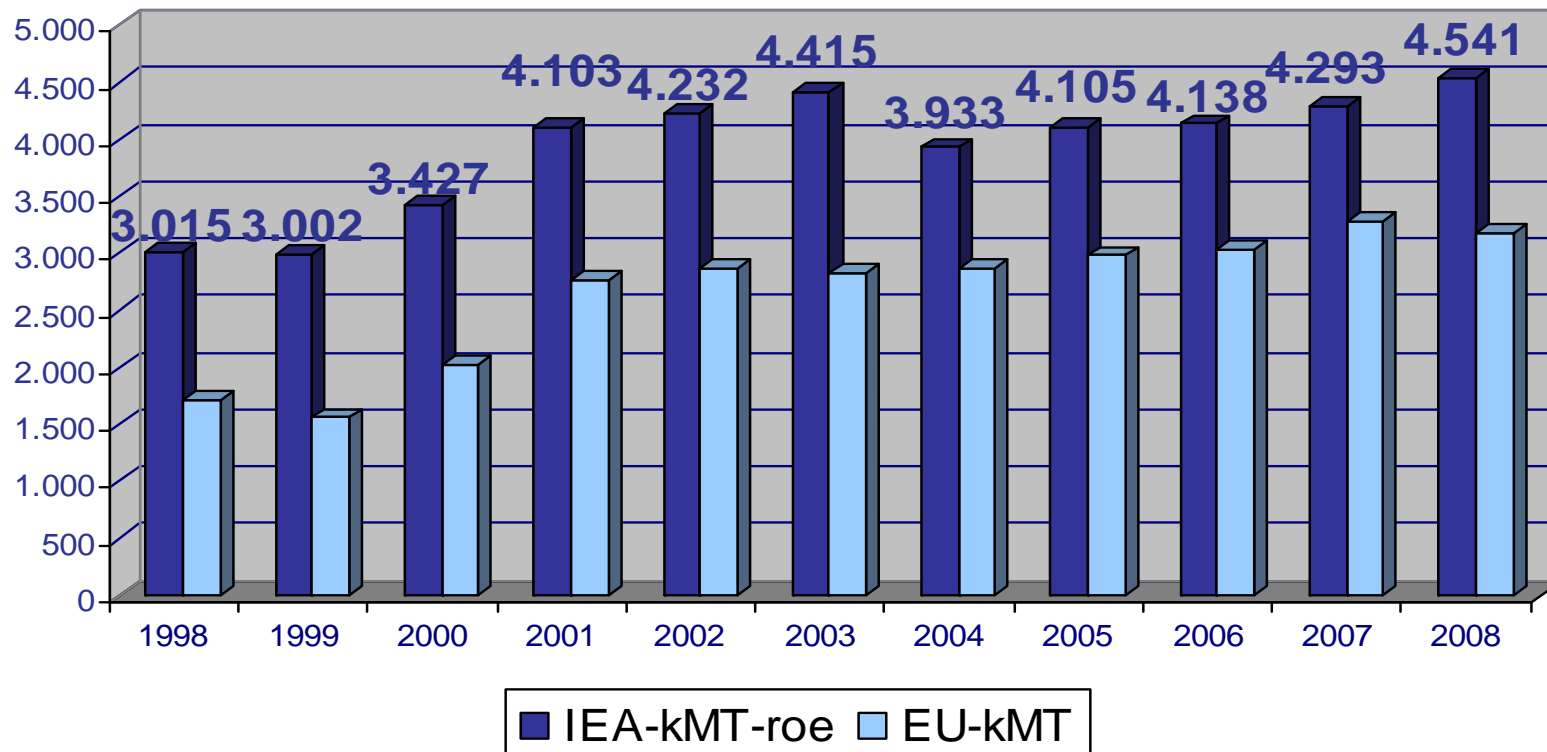
	2004	2005	2006	2007	2008	2009
IEA (coe)	3.933	4.105	4.138	4.293	4.541	4.750
EU-basis						
Cat A	750	759	747	792	780	794
Cat B	2.116	2.215	2.289	2.479	2.375	2.356
Cat C	9	12	6	7	21	18
Total	2.875	2.986	3.042	3.278	3.176	3.168

PM 0.7 mio ktons coe obligation on industry



Development COVA stockholding obligations conform IEA and EU

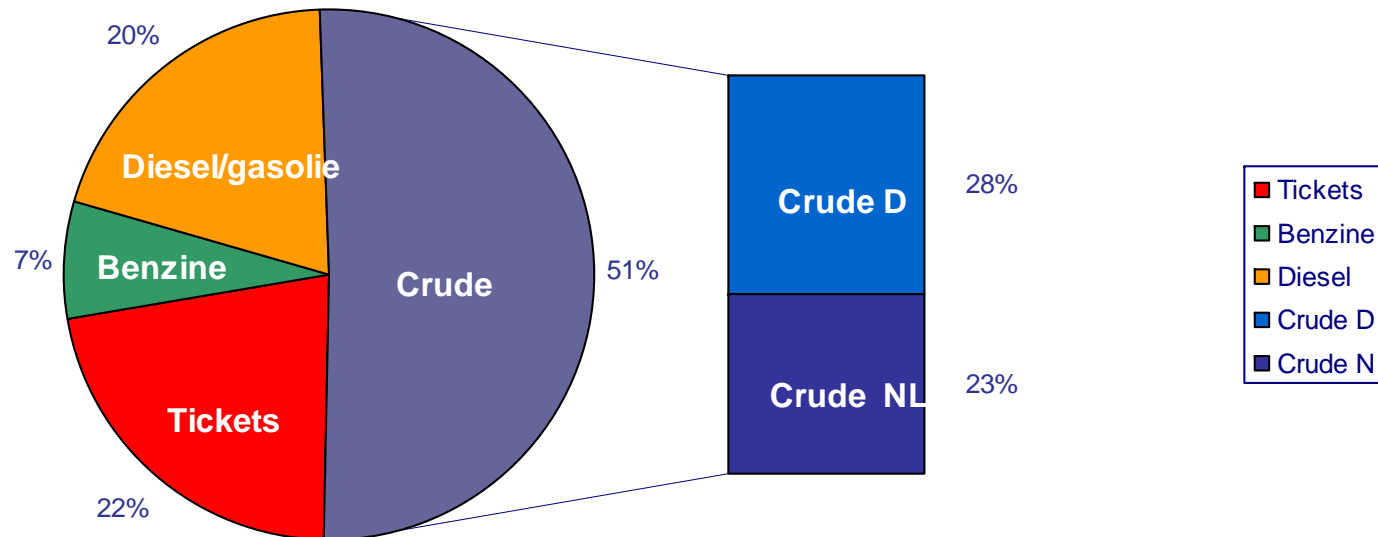
(law change in 2001 increasing COVA share in total obligation)





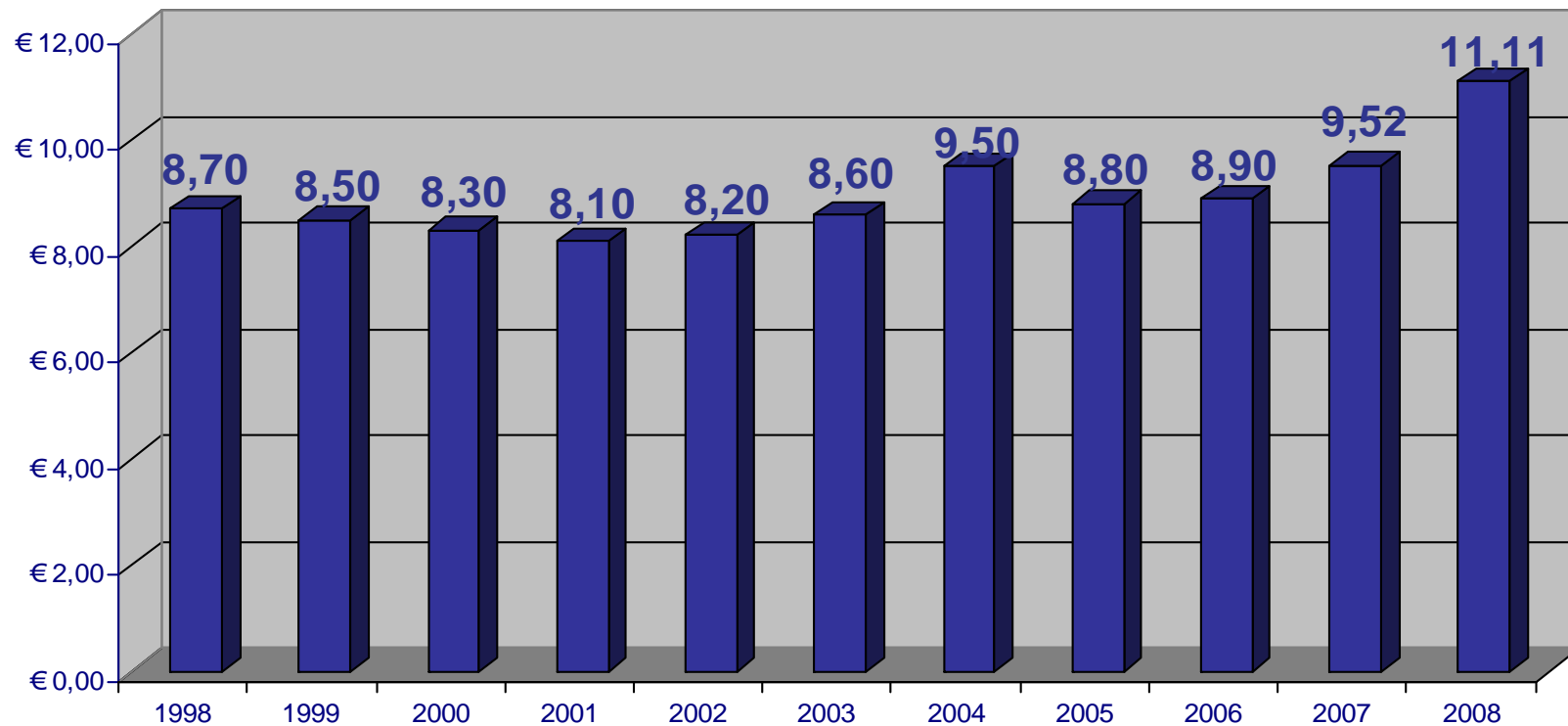
Composition of COVA stocks

(kmt ROE 01/07/2008)



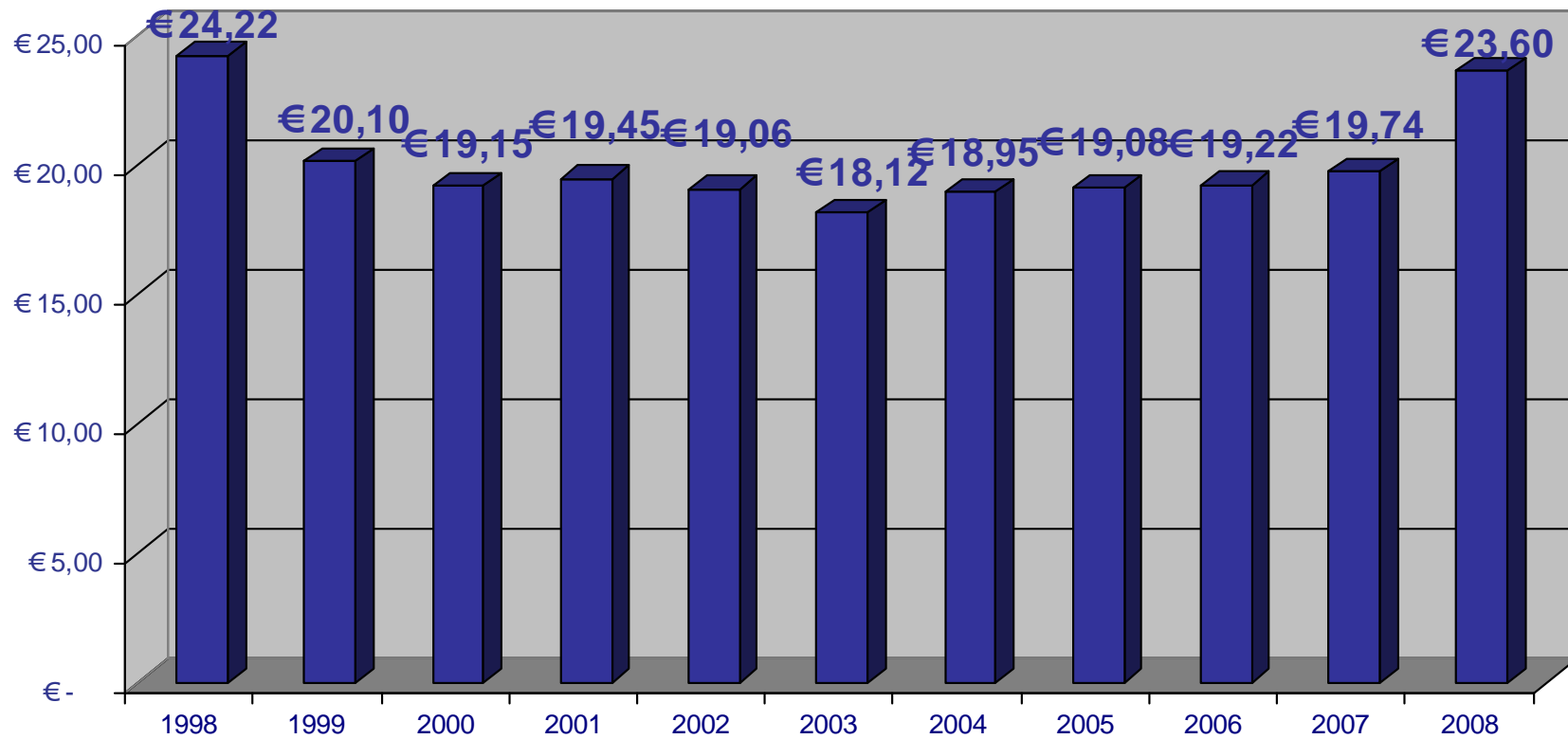


Cost of keeping physical stocks (€/cbm)





Total cost per unit stock (€/mt roe)





Revenues and expenses 2007

Stockholding levy of €5.30/1000 ltrs

Revenues	84 mill.
Storage including insurance/inspection	40 mill.
Fees for tickets	18 mill.
Financing mainly interest on loans	23 mill.
Operational expenses, organisation o/h	1 mill.
Total expenses	83 mill.
Operating income	1 mill.

Result on product sales: 11 mill.