



Cepsa and Bio-Oils begin construction on the largest 2G biofuels plant in southern Europe with investment of 1.2 billion euros

- **The facility will double Cepsa's and Bio-Oils' current second-generation biofuels production capacity to 1 million tons**
- **The new plant will begin production in 2026 and is expected to generate 2,000 direct and indirect jobs during construction and operation**
- **2G biofuels, produced from agricultural waste or used cooking oils, are an immediate, circular economy solution to decarbonize land, sea, and air transport without the need to change existing engines**
- **Juan Manuel Moreno Bonilla, President of the Regional Government of Andalusia said: "Andalusia is ready to become Europe's major producer and distributor of clean energy, playing a key role in the irrevocable goal of decarbonizing the planet. This future biofuel plant by Cepsa is a clear and valuable example, a project included in our Project Accelerator Unit, allowing it to be processed in just six months, less than half of what is usually required"**
- **Teresa Ribera, Third Vice-President and Minister for the Ecological Transition and the Demographic Challenge, stated: "It is not enough to just change the color of molecules or electrons; the industries behind them, the services behind them, are a great opportunity to reindustrialize and modernize our productive fabric. That is why we want to include the industrial value chain in the change process and why we want to dedicate more than 750 million euros to this program, ensuring that the heavy goods needed for success are produced in Spain"**
- **Maarten Wetselaar, Cepsa CEO, highlighted: "Today we are breaking ground on our second-generation biofuels plant, the first major milestone of our Positive Motion strategy. This strategic project for Spain and Andalusia will make us a European benchmark in the field of green molecules and facilitate the immediate decarbonization of sectors that cannot run on electrons, like aviation. This is the start of a new chapter for Cepsa and this region that will generate quality employment and a new era of industrialization"**
- **Pratheepan Karunakaran, Executive Director at Apical, said: "The global production of SAF is expected to triple in 2024, compared to the 2023 levels, reaching 1.5 million tons. Yet, the availability of sustainably available feedstock remains a challenge for many countries. As we continue to expand Apical's global footprint and capacities, the availability of waste and residue is set to grow in tandem, enabling value-added partnerships to be forged for our waste stream to drive the production and adoption of SAF. Our 2G biofuels plant with Cepsa, which will be the largest aviation fuel processing facility in southern Europe, is an excellent example of how industry players can come together to unlock the potential of SAF and scale up adoption in an affordable manner"**



Cepsa and Bio-Oils, a subsidiary of Apical, are beginning construction of the largest second-generation biofuels plant in southern Europe. This facility, which will flexibly produce 500,000 tons of sustainable aviation fuel (SAF) and renewable diesel (hydrogenated vegetable oil or HVO) annually, will allow the joint venture formed by both companies to double its current production capacity. The new 2G biofuels plant, along with the existing facilities operated by Cepsa and Bio-Oils in Huelva, Spain, will form the second largest renewable fuel complex in Europe, with a total production capacity of 1 million tons per annum.

The new facility is expected to be operational in 2026 and will be built in Palos de la Frontera (Huelva), next to La Rábida Energy Park. Its development involves a 1.2-billion-euro investment and the creation of 2,000 direct and indirect jobs during the construction and operation phases.

The start of construction of this project was celebrated today at a ceremony attended by Juan Manuel Moreno Bonilla, President of the Regional Government of Andalusia, Teresa Ribera, Third Vice-President and Minister for the Ecological Transition and the Demographic Challenge, Maarten Wetselaar, CEO of Cepsa, Anderson Tanoto, Managing Director, RGE, which manages a group of resource-based manufacturing companies including Apical and Bio-Oils, and Pratheepan Karunakaran, Executive Director of Apical.

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Pratheepan Karunakaran explained: "The global production of SAF is expected to triple in 2024, compared to the 2023 levels, reaching 1.5 million tons. Yet, the availability of sustainably available feedstock remains a challenge for many countries. As we continue to expand Apical's global footprint and capacities, the availability of waste and residue is set to grow in tandem, enabling value-added partnerships to be forged for our waste stream to drive the production and adoption of SAF. Our 2G biofuels plant with Cepsa, which will be the largest aviation fuel processing facility in southern Europe, is an excellent example of how industry players can come together to unlock the potential of SAF and scale up adoption in an affordable manner."

This new plant, which will be built with the latest technology for the production of renewable fuels, will have a minimal environmental impact. Thanks to the consumption of renewable hydrogen, 100% renewable electricity and different heat recovery and energy efficiency systems, this facility will emit 75% less CO₂ than a traditional biofuel plant and is designed to achieve net zero emissions in the medium term. Likewise, it will not consume fresh water, but will only use reclaimed water, and its water emissions will have a minimal impact on the ecosystem thanks to a powerful water treatment plant. The facility will also be digitally native and will incorporate the latest advances for the industry in artificial intelligence, internet of things (IoT), and data analysis.



This facility will enable the development of other key projects to reposition Spain and Andalusia in the international energy landscape. In addition to SAF and renewable diesel (HVO), the plant will also produce biogas, a fundamental raw material for the production of green hydrogen, essential for the decarbonization of industry such as this very plant or the energy park alongside it, or for the production of fertilizers. Additionally, another product is captured from the treatment of biogas – biogenic CO₂ – which is essential for the production of green methanol to decarbonize maritime transport. As such, this project is a key element of the entire Andalusian Green Hydrogen Valley ecosystem being led by Cepsa.

The initial work for the development of these facilities will focus on earthmoving and land improvements, urbanization, and infrastructure foundation, as well as the start of marine construction at the southern pier of the Port of Huelva given that the project also encompasses the development of auxiliary facilities in the port necessary for its operation.

The new plant will secure the majority of its raw material supply from organic waste such as agricultural waste and used cooking oils through a global, long-term agreement with Apical, enabling it to address one of the main challenges facing the industry: access to raw materials. 2G biofuels promote the circular economy by using waste for their production that would otherwise be discarded or end up in landfills.

Compared to traditional fuels, the renewable fuels developed in this complex by Cepsa and Bio-Oils will prevent the emission of 3 million tons of carbon dioxide (CO₂) per year, equivalent to 4% of road transport emissions in Spain.

The construction of this facility will involve the installation of 590 kilometers of pipelines (more than the distance separating the cities of Huelva and Madrid) and 1,400 kilometers of cable (almost the distance between Huelva and Paris).

Committed to the energy transition

Biofuels are a present-day solution to accelerate the decarbonization of transportation, a sector that currently accounts for 15% of global CO₂ emissions. They are a strategic technology for achieving an immediate energy transition that can reduce CO₂ emissions by up to 90% compared to traditional fuels, making them a key element in promoting the decarbonization of land, sea, and air transportation.

As part of its 2030 *Positive Motion* strategy, Cepsa is driving the development of an ecosystem focused on accelerating its own decarbonization and that of its customers through the production of green molecules, mainly renewable hydrogen (and its derivatives) and 2G biofuels, to become a leader of the energy transition. The creation of one of the largest renewable fuel complexes in Europe is part of Cepsa's goal of leading 2G biofuel production in Spain and Portugal. Under that plan, the Company is developing an annual production capacity of 2.5 million tons of biofuels this decade, of which 800,000 tons will be SAF, enough sustainable jet fuel to fly across the planet 2,000 times. Since 2022, Cepsa has been producing and marketing 2G biofuels to its customers in the aviation, maritime, and land sectors. Last year it became the first company to permanently offer SAF (produced in its facilities from agricultural waste and used cooking oils) at five of Spain's main airports: Madrid, Barcelona, Palma de Mallorca, Seville and Malaga. In addition, the energy company also offers these biofuels in 60 Spanish ports.

Operating at the forefront of the bioeconomy, Apical is well-positioned to accelerate energy transition through embracing circularity as a core pillar of its sustainable business strategy. By implementing a waste-to-value approach, the company optimizes its integrated supply chain to access broad range of agricultural waste and residues feedstock and upcycle them into renewable fuels such as sustainable aviation fuel through this new state-of-the-art biofuels plant.



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Cepsa is a leading international company committed to sustainable mobility and energy with a solid technical experience after more than 90 years of activity. The company also has a world-leading chemicals business with increasingly sustainable operations.

Through its strategic plan for 2030, Positive Motion, Cepsa projects its ambition to be a leader in sustainable mobility, biofuels, and green hydrogen in Spain and Portugal, and to become a benchmark in the energy transition. The company places customers at the heart of its business and will work with them to help them advance their decarbonization objectives. ESG criterion inspire all of Cepsa's actions as it advances toward its net positive objective.

Over the course of this decade, it will reduce its Scope 1 and 2 CO₂ emissions by 55% and its carbon intensity index by 15-20%, with the goal of achieving net zero emissions by 2050.

Bio-Oils was founded in 2005 to develop biofuel projects, with the strategic goal of becoming a leading industrial player in the Spanish and European biodiesel market. The "La Rábida" biodiesel plant, owned by Bio-Oils, a member of the Singapore-based Apical group of companies located in Palos de la Frontera (Huelva), began operating in 2008 and is now one of the most efficient plants in Spain, benefiting from a strategic location with pipeline connections to loading docks for ships, trains, and tankers.

Through an ambitious R&D program, Bio-Oils has extensive experience in the production of high-quality biofuels from a wide variety of oils. The plant currently uses all available first-generation oils, and has been adapted to process other residual raw materials. Committed to operating under the highest sustainability standards, Bio-Oils is a member of APPA (Association of Renewable Energy Producers), FOSFA (Federation of Oils, Seeds, and Fats Associations), EBB (European Biodiesel Board), EABA (European Algae Biomass Association), and AIQBE (Association of Chemical, Basic, and Energy Industries of Huelva).

Apical is a leading vegetable oil processor with an expanding global footprint. Its vertically integrated refining and value-added processing makes it an integral supplier that supports the food, feed, oleochemicals, and renewable fuel needs across all industries. With integrated assets in strategic locations spanning Indonesia, China, and Spain, Apical operates numerous refineries, oleochemical plants, renewable fuel plants, and kernel crushing plants. Through joint ventures and strategic partnerships, Apical also has processing and distribution operations in Brazil, India, Pakistan, Philippines, Middle East, Africa, USA, and Vietnam. Apical's growth is built on the foundations of sustainability and transparency, and motivated by its strong belief that the company can make a more meaningful impact, even as it continues to grow its business and deliver innovative solutions to its customers.

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