

Orange Disc

your local global brand

ISSUE NO14 2007



GULF ADDING VALUE

BENEFITING CUSTOMERS, LOCALLY AND GLOBALLY

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COMMUNICATION



Since Gulf Oil International's 2006 Convention, I have reviewed the results of the Gulf group over the last five years. During that time the Gulf group has restructured and grown. It has emerged as a true international competitor in the lubricants market. In the

short term, we have achieved an extraordinary feat of expanding the business and improving our operations in all areas worldwide.

This rapid growth is attributable to Gulf's unique appeal as a brand. It is further strengthened by a team of highly-qualified professionals around the globe. It is a testament to the strength of the brand that all stakeholders are so eager to continue their guardianship. As was evident at the convention, a sharing of knowledge will undoubtedly play an even more instrumental role in future years. Following the period of restructuring, Gulf is again a unified group of common interests and businesses under the banner Your Local Global Brand. Today, Gulf's licensees are committed not only to their own operations but have invested in the Gulf brand with a common philosophy that is shared within the Gulf Oil International group.

This philosophy is encapsulated in the convention's theme – Listening to you, Working with you and Growing with you. Gulf has always understood the need to listen to its customers so as to be in the forefront of competition and provide customers with the best value for their investment. This applies equally for Gulf employees and we pride ourselves in creating wealth and jobs for those that share an association with the brand.

Over the years, Gulf has faced obstacles and achieved numerous milestones. If faced with obstacles, Gulf has overcome through innovation, creativity and investment. The new plant in Yantai China, inaugurated in November 2006, is one such investment. This milestone project was completed on schedule guaranteeing quality of production and management standards.

We have also seen significant growth in Latin America and the Middle East, with successful operations in Dubai and the development of the Gulf Express network in

Saudi Arabia. In Europe too, the ever-growing network of licensees and official distributors for lubricants has contributed significantly to the turn around. All this has been achieved in very competitive markets with base oil prices at their highest ever levels. The development of the Gulf franchised service station networks with Gulf's brand attributes and image has attracted strong new independent players. The power of the brand has allowed them to position their network directly alongside the majors.

Another example of how Gulf functions is the strict attention to current technical and environmental developments. Again, customers come first. These factors are constantly monitored by our highly-trained research and technical staff.

Any successful brand also needs to be protected against misrepresentation and misuse of the trademark, to maintain its heritage. Gulf is constantly vigilant for those who use the brand inappropriately or without formal agreements with Gulf Oil International.

Gulf has also been 'growing' through new business alliances with established entities and by constantly updating its image and style. Gulf's motorsport program is one good example of such dynamism and we are confident of great results next year. The new website is also a landmark, sending positive messages to customers and underlining Gulf's commitment to keeping up with the times.

These and many more projects were undertaken during 2006. For 2007 our target is to consolidate, grow and share this growth with all of you. To remain competitive in an ever-changing market, it is vital to share knowledge, build relations, care for the brand and drive hard for high returns on investment. These principles have propelled us to where we are today and I am confident that we can work together to further expand the scope of the Gulf brand this year and for many years to come.

I would like to wish you all a very happy and prosperous year ahead.

Alain Dujean
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NEW AFFILIATES

“THE LEGEND RETURNS” AS NORDIC OIL SIGNS FOR GULF IN DENMARK, NORWAY AND SWEDEN



GOI and Executives of Nordic Oil celebrate the recent signing of the agreement for Nordic to become Gulf distributors and fuel licensees in Norway, Sweden and Denmark

Orange Disc is proud to announce the return of the Gulf brand in force to one of its former strongholds, with the signing of the brand's newest affiliate, Nordic Oil, who will operate in Denmark, Norway and Sweden.

Nordic Oil operate a fully integrated oil company. It will run a network of service stations and will distribute and market the full range of Gulf lubricants and associated products across, Denmark, Norway and Sweden.

It has been more than twenty years since Gulf was last seen in Sweden and Denmark but recognition of the Gulf brand is still strong and Nordic has already had positive feedback from the market about its move to Gulf.

In less than 2 years, Nordic Oil has already established itself as an emerging player in the region, opening almost 150 service stations in Sweden. These will now be re-branded as Gulf and the company is looking at acquiring or opening new sites.

In March 2006 Magnus Sanderson and Martin Steinkamp from Nordic Oil first contacted Gulf Oil International with the aim of

representing Gulf lubricants in Sweden. Following a trip to the TNB blending plant in Holland, there was no doubt that Gulf was the brand Nordic were looking for. “The goal for Nordic Oil Lubricants, “ explains Sanderson, “is that Gulf, with all the excellent products available, shall once again be recognized as a major lubricant brand in Denmark, Norway and Sweden. Together with inspired partners and with help from the Gulf family all over the world we know that we will succeed.”

Nordic Oil Lubricants will present the complete range of Gulf lubricants and will, on a wide scale, reintroduce Gulf lubricants and Car Care products to motorists, commercial transport and general industry in Denmark, Norway and Sweden.

Arve Johnsen, the Chairman of Nordic Oil, is a legend in the Scandinavian oil business. In 1971 he was given the assignment by the Norwegian Government to set up a national oil company and started Statoil, of which he was CEO for nearly two decades.



Arve says: “ It’s with great joy and expectation that we now seek to make Nordic Oil one of the leading independent oil companies in the Nordic countries. Gulf is a strong brand and I am sure that we will have a great future together.”

Christen Ager-Hanssen, CEO of Nordic Oil AS, is very proud when he expresses his vision for Nordic Oil together with Gulf. “Nordic Oil has a dedicated and highly experienced

team and we are certain we will achieve the desired results. I am very happy that we are working with Gulf, a true legend in our region as well as in the rest of the world.”

Orange Disc wishes everyone at Nordic Oil success in their enterprise and looks forward to profiling the company, in more detail, in an upcoming edition. For further information please contact Martin Steinkamp: martin.steinkamp@gulfoil.se

MERCHANDISE

DAKOTA OPENS NEW FLAGSHIP STORE

We have previously featured Dakota's excellent Grand-Prix range of Gulf-branded jackets, clothing and accessories. The latest news from Dakota is that it has opened its flagship Grand Prix Originals store in Dusseldorf, Germany.

The shop is located in the 'Meilenwerk' development. This is a fantastic classic car centre occupying more than 20,000 square meters and aims to provide everything for classic car enthusiasts – workshops, restaurants, display arenas for car clubs and retail outlets for companies that serve the classic car market.

Meilenwerk is a fascinating concept for “petrolheads” everywhere and more information can be found at www.meilenwerk.de. We hope any Gulf Oil enthusiast will visit the store if they are in Dusseldorf, and we are sure that the staff there will extend a very warm welcome.

Further information about Dakota's current range of products is available from Marco Ruf: marco.ruf@dakota.de



The Meilenwerke display arena Dakota's Grand Prix Originals store inside this exciting development



NEW APPOINTMENT



CEDRIC du BERNARD

Cedric joins Gulf Oil International (UK) Ltd to work in the financial control area of the operation, where he reports to GOIUK's Vice President of Finance, Camille Nehme.

Having graduated in accountancy and management in 2002, Cedric then moved to ISEG Business School where he graduated and gained a diploma in 2004.

Cedric joins Gulf from French Car giant, PSA where he worked as assistant management account controller in the price controls and profitability department of Peugeot.

Orange Disc wishes Cedric all the best in his new role and wishes him every success.

Cedric du Bernard can be reached by e-mail at: cb@gulfoiltd.com



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 NEW AFFILIATES – POLAND

GULF GOES TO THE POLES



Gulf recently signed a distribution agreement for its products in Poland. The operating company of Gulf's new affiliate is Oil Trading Poland (OTP), which is based in the North in Szczecin.

OTP is rapidly establishing a distributor network in Poland and pictured here are its principals, Rene de Reus (second from left) and Rob van den Bosch (third from left), signing up the distributor for Poland's capital city, Warsaw.

A profile of the OTP can be found on page 9 of this edition. Orange Disc welcomes OTP to the Gulf family and wishes it every success in its new venture.

For more information contact Rob van den Bosch: rob@oiltrading.pl

 SPAIN

GULF OIL INTERNATIONAL HOLDS CORPORATE CONVENTION IN MADRID

Gulf Oil International held its corporate convention this year in Madrid, Spain. The convention was a huge success. Over 40 executives from Gulf worldwide convened to discuss trends relating to their business, to share best practice and to find joint solutions to challenges.

This year the convention included some new features, the most prominent being the introduction of working groups. In each of these, the participants shared their knowledge and devised solutions to issues relevant to the workshop's specific topic. This way of working together as a team received great praise from attendees. The convention also was organized to coincide with the last race of the Le Mans Series. Everyone was treated to

a day at the Jarama racing track, where the drivers explained the intricate workings of a modern sports car. They then watched the race itself.

In keeping with the use of modern technology, all the presentation materials were handed out to the participants on a CD, which also included a gallery of images, a training video and technical information. Already, several of the marketing/technical aids requested during the meeting have been published on the Gulf International website.

The convention has greatly strengthened relationships between



Gulf executives worldwide and has established a common ground through which Gulf can continue to grow the brand internationally.

It is now up to all the attendees to keep up the momentum so as to help Gulf grow all over the world. For more information contact: Aakash Andrews: aakash@gulfoilltd.com

TAG HEUER LAUNCH GULF-BRANDED WATCH

Gulf Oil International is proud to announce that, in March 2007, TAG Heuer will be introducing a Monaco Vintage Second Edition watch bearing the Gulf brand. This watch is a limited edition with a production of just three thousand units. Only accredited TAG Heuer distributors around the world, who have snapped up the entire stock, will sell these watches.

Gulf's relationship with TAG Heuer goes back to the days of Steve McQueen in the movie Le Mans. Gulf Oil International is delighted to be able to continue this association with TAG Heuer and, in turn, uphold the legacy of Gulf. Further details from Aakash Andrews: aakash@gulfoilltd.com



GULF'S REVISED SERVICE STATION MANUAL

Gulf Oil International has revised its service station manual, two appendices have now been included:- Appendix I, Network Development, describes additional methods by which retail station operators can offer non-fuel-related services which can also provide their business with additional profit, as well as offering the customers a higher level of service. A case study taken from the Thai market is included in the manual – to illustrate the ideas discussed.

These non-fuel-related profit initiatives, not only increase profits but are created to contend with the rapid pace of change in the fuel industry. A four-step process is shown as a way for fuel retail operators to respond to various local market challenges. This new section will undoubtedly be helpful for those that are always looking for alternative and innovative ways to attract consumers to their service stations.

Appendix II, Alternative Profit Centres, suggests guidelines for the effective running of a service station network, using best practices to achieve an effective operation.

The services station manual and the new appendices can be downloaded by Gulf's official fuel licensees from the extranet section of the website.

For further information please contact Aakash Andrews: aakash@gulfoilltd.com





INDIA

ALL INDIA DISTRIBUTOR CONFERENCE 2005-06



Gulf Oil Corporation Ltd's (GOCL) annual distributor conference for 2005/06 was held in the Autumn in Bangkok, Thailand. It was attended by the top distributors from across India, along with their families and also by GOCL's Sales & Marketing team. The country's best Distributors were recognized with awards in various categories – which ranged from 'Outstanding Performance with Individual Products' through to that for the 'Most Promising Distributor'.

The two awards presented were for All India Best Distributor and the Chairman's for highest Market Share – the latter going to

the distributor who achieves maximum market share for Gulf brand in any market place. M/s Sri Bharathi Agencies from Namakkal in Southern Region took the All India Best Distributor Award. Incidentally, M/S Dharma Lubes is GOCL's oldest distributor with a relationship of more than 20 years to their credit.

The country's four regions were also evaluated and the Best Region Award was announced with the honour being given to the Eastern Region.

For further details contact Bijoy Paul: bpaul@gulfoil.co.in



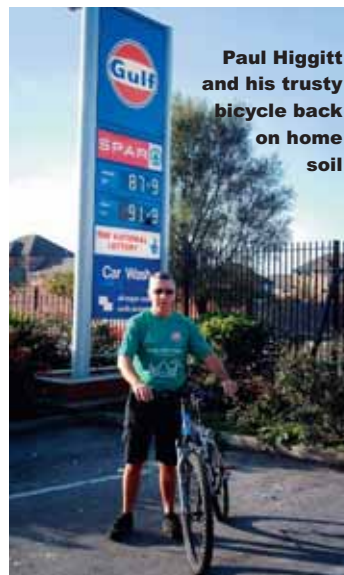
UNITED KINGDOM

PAUL ENDURES A BUMPY RIDE TO HELP THE BLIND

Paul Higgitt is the general manager of the Gulf service station operated by AE Reynolds in Sefton Street, Liverpool. In September he embarked with others on a 450km charity bike ride in India that took him from Agra to Jaipur and across the challenging terrain of Rajasthan. The fund raising event was held in aid of the UK's Royal National Institute for the Blind.

The riders averaged around 90km each day, often over very rough terrain. Most nights were spent recovering in campsites. The spectacular scenery and exposure to the rich history and culture of this part of India was the lesser of Paul's rewards. His outstanding achievement of raising around US\$10,000 (with special thanks to all his sponsors, including Gulf Retail UK) will be a memory he will cherish for many years to come.

For further details contact Keith Jewers at Gulf Retail on: k.jewers@gulfoil.co.uk



Paul Higgitt and his trusty bicycle back on home soil



ECUADOR

GULF MAKING AN IMPRESSION IN ECUADOR 30 YEARS ON

As part of its recent 80th anniversary celebrations, The Universe – one of Ecuador's leading newspapers, has been republishing its best lead stories over this period.

One such article, which appeared on September 10, 1976, notes the important presence of Gulf in Ecuador at the time of military dictatorship. Previous to the military dictatorship of the 1970's, Ecuador's oil business had been handled by Gulf Oil Corporation of the USA, Anglo and Castrol. Then the government decided to nationalise the petroleum industry.

Thirty years later, the prestigious Gulf trademark has been re-introduced into Ecuador. This has been achieved with the Ecuadorian company Lubricantes Internacionales S.A., largely through the efforts and dedication of Francisco Lopez and of Gulf Oil International.

For more details contact: Sandro Navas Giangrande gnavas@interactive.net.ec



JAPAN



Mr A Hasegawa joined GOTCO-Japan as sales manager on November 1 and is responsible for developing Gulf automotive lubricant sales.

Mr Hasegawa started his career as a management trainee in Petrolub International, which was partly owned by BP and handled various marketing assignments, mainly in Tokyo, for 30 years.

Mr Hasegawa brings a wealth of knowledge and experience in lubricant sales and customers services to his new job. He will be a valuable asset to the Gulf brand's sales and promotion efforts in Japan and Orange Disc wishes him every success in his new position.

hasegawa@gotco.jp



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GULF EXPANDS IN BALI

Banoli Motors is a well-established auto tyre distributor in Bali. Until recently, it sold a small quantity of lubricants provided by a local supplier – but they were only available in drums.

Banoli's manager recognised an opportunity to expand this side of his business through the sale of higher margin lubricants in small packs. His choice of product brand for his store was Gulf.

He was delighted by the attention given to him by the team at PT Gulf Oil Lubricants Indonesia and especially the support they provided. The main plus point with Gulf was the range of small pack products offered, allowing him to expand his customer offering with this new product range and to compete with all the other brands in the market.

The other decisive factor was the wealth of information, product leaflets and other point of sale materials that Gulf Indonesia provided to his team. We wish him and Banoli Motors every success in the future.

For further details contact E.S.Natarajan: esn@gulfoillub.co.id

UK

GULF MAKES A BIG RETURN TO MERSEYSIDE

During the early nineties, Gulf was one of the dominant petrol retailers in the Liverpool area, in North West England, with a market share of more than 20 percent. The brand then disappeared from the Merseyside streets as a result of corporate restructuring exercises. Now, more than a decade later, the brand is once again making major inroads into the area and, after only a few months' operation, the regional target of 12 million litres p.a. is well in sight.



With a series of large, modern sites joining the network in Kirkby, Liverpool and Bootle, the development represents a significant gain for Gulf and a strong message of the brand's intentions in the area. Gulf UK Retail Director, Keith Jewers, explained that the demographics of this regional market has changed massively since Gulf was a dominant supplier in the area. Nonetheless, the core principles of Gulf's UK operation, namely securing the trust and respect of dealers by providing a fair and workable deal appropriate for the local market conditions, are helping Gulf to establish a strong reputation in the area once more. For further details contact Keith Jewers at Gulf Retail on: k.jewers@gulfoil.co.uk

ARGENTINA

ANOTHER RECORD YEAR FOR ARGENFRUIT

Gulf Oil Argentina is proud to announce that the 2006-2007 spray oil season has been the most successful in the company's history.



The key to this success is ARGENFRUIT SUPREME, the latest in its range of premium quality emulsifying oils that has proved to be a star performer. This most recent GOA insect control product conforms to the important American FDA safety classifications 21 CFR 178.3620 (b and c) for indirect use in food and 21 CFR 573.680 for use in animal feed.

For further details of Argenfruit Supreme and the entire range of environmentally-friendly Argenfruit products, contact Pablo Carballo at GOA on: p.carballo@gulfoil.com.ar

PANAMA

GULF IN PANAMA, CENTRAL AMERICA AND THE CARIBBEAN



Gulf Oil Panama (GOP), managed by Sr. Orlando de Vicente, has been expanding the network of Gulf Lubricant Distributors in the Central America and Caribbean region. GOP channels the communications and support from Gulf Oil International to these distributors. There is now an established presence in the following countries: Costa Rica, *Industrias del Golfo Azul, S.A.*; Honduras, *Hondupetrol*; El Salvador, *Delta Motors*; Dominican Republic, *Bonanza Dominicana*; as well as in Panama itself. Also there is on-going work to appoint new distributors in Guatemala, Nicaragua, Belize, Jamaica and Trinidad and Tobago.

In the 'home territory' Orlando is analysing business opportunities for Gulf in the forthcoming canal widening project (the Panama canal is one of the world's greatest waterways., and a multi-billion dollar project has been agreed to widen the canal. The large amount of machinery to be used will drive up the demand for high-grade lubricants).

Gulf Oil Panama supports its regional distributors with training and product supply, and also in helping set up local sale promotions. Here we see two examples, in "Dom Rep" and Honduras, where recent marketing and technical services have resulted in increases in the sales volumes and, thereby, further enhanced Gulf's presence in the region.



Top: Hondupetrol proudly displays Gulf products to customers. Left: Gulf products featured in a spare parts shop in Panama. Below: One of Dominica Bonanza's Oil Change Service Sites



 FINLAND

FAST FUN IN FINLAND

Gulf's Finnish Licensee, US-Parts Finn-AM OY, recently invited a number of journalists from some of Finland's motoring magazines together with a large group of its retailers to announce the launch of the new Gulf portfolio – and to also have some fun at the Helsinki Karting Centre. US-Parts has agreed a year-long deal for Gulf branding to appear at this popular Helsinki venue. This features not only trackside advertising, but also one of the karts running in Gulf racing colours.



The Karting Centre staff all sported the latest Gulf T-shirts at the event and Gulf branding was further enhanced by the presence of the US-Parts-owned Ford GT. The day proved extremely popular and effective, and US-Parts plans to host a number of similar events for a variety of different customer groups in the near future. For further details contact Kari Martiala on: kari.martiala@usparts.fi

 PHILIPPINES

PHILIPPINES HEADLINE



Gulf Oil Philippines in association with Auto Masters organised a joint vehicle servicing initiative during weekends, from October 14 through to November 5, known as The Auto

and Motorcycle Care Service Caravan. The Caravan was based at various malls: SM City, Robinson, Gaisano Mall, NCCC Mall and Wal-Mart. It offered free servicing for cars and motorcycles, along with engine oil changes at a specially discounted price. The theme of the Caravan was 'Have a great weekend with your family as we pamper your vehicle at your favourite malls'. The programme received an overwhelming response and generated excellent media coverage as well as adding value to the Gulf brand. For further details, contact Mr Joy Sarkar on: js@gulfoilphilippines.com

 TURKEY

INTERNATIONAL AWARD FOR GULF OIL TURKEY WEBSITE

The Gulf Oil Turkey website recently received an award at the International Web Awards 2006, a contest organised by the prestigious Web Marketing Association.

Gulf Oil Turkey's www.gulf.com.tr website, prepared by MagiClick Digital Solutions, which entered the contest under the 'energy industry' category, was deemed worthy to receive the 'perfection standard' award. It received 59.5 points out of 70 following evaluation of design, content, innovation, ease of use, technology and interactivity criteria. And against a category average of 50.2, it outshone its competitors through its creative design coupled with style and innovative employment of flash technology.



With more than 96 categories to enter, more than 7,000 websites from 33 countries took part in the contest. A jury of leading agency professionals evaluated the candidate sites. Appraising the award, the marketing and advertising manager of Gulf Oil Turkey, Banu Onur, said: "Even though we are quite new in the Turkish market as Gulf Oil, we are proud to make our mark and be recognised in such a significant way." For more information contact Banu Onur on: bonur@deltapetrol.com

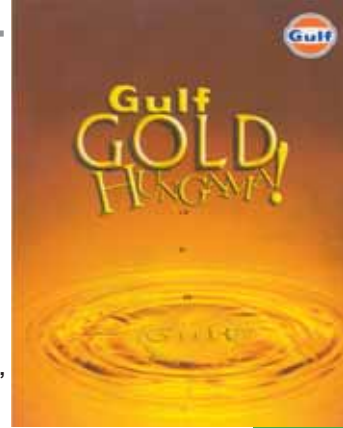
 INDIA

GOLDEN OPPORTUNITIES FOR RETAILERS IN INDIA

In the summer, Gulf Oil Corporation Ltd launched a major promotion called "Gulf Gold Hungama", for retailers of its entire automotive lubricant product range. This scheme ran for a period of 3 months and ended in August 2006.

Through the incentive, retailers were able to win Gold coins weighing up to 10gms – depending upon the volumes they achieved during the scheme period. In addition, there was a lucky draw scheme in which they could win one of 220 prizes, including items such as a 4-Stroke motor cycle, Colour TVs, Microwave Ovens, Mobile Phones and DVD Players.

The scheme was extremely successful and allowed Gulf Oil to get into to new outlets as well as enhancing its sales in existing retail outlets. For more information contact Bijoy Paul: bpaul@gulfoil.co.in



 ARGENTINA

MARKETING ACTION

Gulf Oil Argentina has recently launched its new advertising campaign, the first phase of which includes newspaper advertisements and roadside posters, as pictured here. Also included in the campaign is a series of radio commercials. This campaign is set to run into the New Year and we hope to feature some more examples of GOA's creative work in forthcoming editions of Orange Disc. Further details from Ana Maria Vello: amvello@gulfoil.com.ar



MARKETING



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NEW PRODUCTS: PART 3 – INFORMATION

In the past two issues of Orange Disc, the updated automotive product portfolio has been reviewed and we plan to cover the industrial products at a later date. But In this issue we take a break from the sequence of articles about the products themselves, to update readers on the very important aspect of product information.

In Orange Disc 13 we announced the launch of the new Gulf Oil International website (www.gulfoilltd.com). On the website there is a whole section in which the various products and services offered by Gulf are described in great detail.

This overview description of oils, greases and car care products is insufficient for the serious business of winning over professional customers. Many such people expect to be informed about each product in greater detail, to be able to compare the various options available to them, especially at the time of deciding which product to buy and use.

Gulf Oil International (GOI) recognises this and has decided to upgrade the quality and accessibility of the more detailed product information to

complement the overview already described. Some product information is available to customers online, other information is provided by GOI – again using internet technology – for Gulf marketers to access and use in their local business transactions.

For each product GOI has prepared a Technical or Product Data Sheet (PDS), similar to the one shown.



The product's general features and benefits are described, together with a set of key technical data, such as typical physical and chemical properties. The product's performance and any specific approvals or endorsements are also listed. These PDS documents are accessible from GOI via a special online database, that can be accessed from nearly every page featuring products on the new website.

Hyperlink access to the Product data Bases can be found on all the product pages of the website

Users can search for Gulf Product data by product name, application or OEM approval



Gulf marketers can also obtain copies of the OEM approval certificates from the same database and can also extract the essential information required to write and issue Material Safety Data Sheets.

Users of the GOI website will notice that there is a second hyperlink in the 'access to the Product Data Bases' frame on the product pages. This takes the user into a second database full of recommendations for Gulf products for many different applications in vehicles.

An example of Gulf Product Recommendations for a selected vehicle



The database contains hundreds of different makes of cars, buses, trucks, and tractors, and there are many models listed for each manufacturer. Users can quickly search for their vehicle by make, model/variant and year of manufacture. For each model the appropriate Gulf product is recommended for the engine and transmission.

GOI staff are constantly striving to not only update the product portfolio but also to improve the accompanying product data. Today's internet technology offers the best way to ensure that the latest information is always available.

The GOI website is, by its very nature, international, and users should be aware that not every product featured will be available in every market where Gulf operates. Therefore, customers should always contact the nearest Gulf distributor to verify product availability and possible alternatives.

For more information, contact: rpinchin@gulfoilltd.com

NEW PRODUCTS



GULF ARRIVES IN POLAND



Oil Trading Poland is one of the newest of Gulf's growing number of affiliates and Orange Disc now looks at its lubricant market and the operating company behind Gulf's entry into this market

Oil Trading Poland (OTP) started to seriously investigate the lubricant market in this former iron-curtain country in 2005. The company's founders – Rene de Reus, who handles the company's marketing and sales activities, and Rob van den Bosch, who oversees operations and finance – noticed that the Gulf brand was not represented in Poland. With their automotive and business development background, they soon came to the conclusion that Poland offered great opportunities for the introduction of the full Gulf product range.

Most major brands were already active in Poland but the market leaders were local state owned companies – with the overwhelmingly dominant brand being marketed by Orlen en Lotos.

Like many of the former Eastern-bloc states, the total car parc in Poland has been growing rapidly since the fall of Communism. The level of demand for vehicle lubricants in Poland is around 90 kT/y with about 90% of this being for older cars.

Poland has, however, been subject to one of the steepest rises in new car registrations in Europe over the past 15 years. Between 1990 and 2004, the number of cars in the country rose by 128%. New vehicle registrations currently stand at around 300,000 p.a. of which new passenger cars account for more than 90% of that figure. With the progressive modernisation of the car and truck park, the resultant

demand for high-quality lubricant is increasing every year.

The introduction of Gulf onto the Polish market has not been easy. Automotive professionals had heard of the Gulf brand, but consumers were totally unaware of Gulf's existence.

To tackle this problem, OTP offered its account managers special training which included taking them to Gulf Oil Nederland, so they were fully acquainted with the brand, its impressive history and the meaning of Gulf's 'Your Local Global Brand' strategy.

Another hurdle that OTP is working to overcome is that prices from the state-owned companies for the 'commodity' oils, such as mineral oil based hydraulic fluids, are 10-15 % lower than Gulf's. Gulf is very much, therefore, a quality sell.

In the beginning, OTP directly

Above: The OTP Team: sailing into new waters for Gulf

Right: OTP signs up new distributor in Elblag

Lower right: Training is an essential part of bringing new staff and distributors up to speed about the Gulf brand and products

Below: Gulf on show at a trade expo in Katowice

targeted end users such as garages, transport companies and other customers across Polish industry in general. Having assessed the impact of this strategy, OTP subsequently decided that a much faster way of fully penetrating the Polish market – with its population of 38.5 million people – was to make use of the network of independent lubricant distributors that already existed. This meant concentrating on selling through distributors. The main advantage of this approach is that these resellers can offer their client both cheap local mineral oils and more expensive high-quality Gulf.

The head office and warehousing facility of OTP is located in the North West of Poland, in the city of Szczecin (pronounced: stetjin) from where lubricants are distributed all over Poland.

The OTP team is growing and, like many Gulf affiliates around the globe, is also looking for new and specialist



areas to market Gulf products. For example, OTP is now also targeting the marine business. To facilitate this, it has employed a naval engineer, who will concentrate exclusively on marine business.

Like many of the new members of the European Union, Poland holds enormous promise for Gulf. In OTP Gulf has a new partner that already looks to be making inroads into tapping the potential this expanding market has to offer.

For more information, contact: rob@oiltrading.pl



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ADDING VALUE



Gulf's Brand and Marketing Manager, Aakash Andrews, explains the great efforts that are put into ensuring that Gulf adds value at all levels

Gulf's business differs to other wholly owned fuel and lubricant operations worldwide in that adding value is at the core of Gulf Oil International's (GOI) operation. This is illustrated by many different aspects of the work it does.

For Gulf, adding value is a segmented process – a two-stage effort – whereby adding value to a customer first entails GOI adding value to the local operating companies and then these Gulf entities, in turn, adding value to the end users.

Without GOI's active role in supporting its affiliates, it would be a much tougher task for them to serve their customers well. GOI is quick to acknowledge the importance and value of its local entities and always endeavors to serve them in the best possible manner.

Illustrations of the value added by GOI to the Gulf entities include:

- Providing Marketing support as a global umbrella

- Developing new products and on-going technical and marketing support across the Gulf portfolio
- Providing brand guidelines so the brand is used consistently around the world
- Exploring opportunities to enter new markets, to expand the brand internationally
- Policing the brand

PROVIDING MARKETING SUPPORT AS A GLOBAL UMBRELLA

Gulf lives up to its motto of being a 'local global' brand. While its licensees ensure that the Gulf brand receives the best possible presence in their respective local markets, GOI puts in place initiatives and marketing support to help ensure that the Gulf brand has a presence around the world which serves as a unifying force through which the brand can be identified anywhere, no matter how different local

operations may be.

Gulf's involvement in the Le Mans Series and the Le Mans 24 Hours race is a prime example of this. Gulf has a strong legacy in motorsport and GOI's sponsorship of Paul Belmondo Racing offers a global focal point. Gulf licensees and affiliates are given many opportunities to complement this with local exploitation. Individual Gulf entities are then free to explore local sponsorship programmes to suit their own and their customers' needs.

Another example of GOI providing global added value is Gulf's corporate website. This provides individual entities with information and technical resource, and the end-user with a window into the world of Gulf. Local operating companies around the world are now also using the GOI website as a template for their own site. This is one of a number of steps towards establishing a consistent message in the representation of the brand.

PRODUCT MANAGEMENT

GOI develops new and improved products to meet the requirements of customers the world over. All Gulf Companies and Licensees can draw on a broad portfolio and the services of experts, to solve end users' problems or improve process efficiency, thereby adding value to their customers' businesses. Many examples are reported in this and previous editions of Orange Disc.

EXPANDING THE BRAND

The Gulf brand continues to grow and is always finding new areas of the globe to expand into. GOI heavily invests time, expertise and effort into partnering with new businesses. By carefully exploring all aspects of potential new opportunities in different countries, Gulf ensures that it forges alliances with reputable and established companies and ensures that the Gulf brand will continue to be handled in the most professional manner.

POLICING THE BRAND

The Gulf brand is strong and recognisable around the world. Its potential to generate high revenues therefore also attracts unlawful users of the Gulf trademark. GOI plays an

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active role in minimising the illegal use of the Gulf trademark by contesting its unauthorized usage worldwide. Gulf respects and values the agreements its distributors and licensees have with GOI for the use of the Gulf trademark. It will therefore take all steps necessary to curtail operations that are not officially authorized and whose activities devalue the brand.

GOI has encountered many such individuals or companies over the years and has succeeded in bringing them to justice and removing their products from the market.

Policing the brand for Gulf licensees adds value to Gulf's customer base. Close monitoring of the usage of the Gulf brand ensures that Gulf customers are not purchasing inferior quality products. The quality of Gulf products and the satisfaction of the company's consumers are critical to the success of the Gulf business.

GOI also has licenses with numerous merchandisers. These companies produce top-quality, Gulf-branded products and have been carefully selected to represent Gulf in the market.

Various criteria are considered while selecting a merchandiser. These include: suitability and quality of products, as well as the reputation

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CASE STUDY: COLOMBIA DIFFERENTIATION THROUGH PRODUCTIVITY

By Juan Jose Piedrahita

When playing in a world of giants with fat chequebooks and top brand exposure, the only way to make volume and create your own space is through adding value.

At Prolub (Gulf's licensee in Colombia), we believe in creating profits through customers' productivity and that is why we developed a concept called 'La Flota'™. (The Fleet) for the Commercial Vehicle Owner-Operator sector. In Colombia, as elsewhere, this represents a very high percentage of the total light, medium and heavy-duty trucking market.

We focused on the individual owners' basic needs and supplied single truck owners with uniquely special treatment that gave them benefits of a sort usually reserved for large fleets. We created a community of consumers (La Flota) and gave them added value by way of special pricing, technical support, a strong filtration and lubrication program and extended oil drain interval plans. In addition, we provided them with personalised service and a full range of easy-to-interpret business information.

A very special bond has been created with this 2,300 strong group, which is today by far our most important and most profitable customer set. They not only proudly exhibit their La Flota ID card during their visits to our company, but even

brag about it to their colleagues and friends.

La Flota is a 'marketing through productivity' concept. Our customers consume significantly less lubricants and filters than they used to, thus optimising their costs, decreasing equipment down time and extending repair intervals.

Most importantly, they get to control their main business asset in ways that they did not think possible, with

purchasing data, maintenance information and engineering know-how. This key information makes their business

more productive - and for longer. In return, our company gets a large number of returning customers and a fast growing consumer group.

La Flota has allowed us to create presence and become a growing player. But most of all, the value it adds gives the Gulf brand a personal touch that helps us to generate a lot of new business and amazing customer loyalty.



CASE STUDY: NL THE STRENGTH OF THE BRAND

By Robert Kruijff

Within Gulf Oil Nederland BV, I'm responsible for the lube plant Transnational Blenders BV (TNB). The company sells lube oil to a lot of GOI licensees all over Europe and we are constantly looking to improve our offer and add value to our customers.

We therefore spent five years investing in the plant and in 2005 it was my task to re-shuffle the organisation. I hired more staff and implemented a new IT system. Nowadays TNB focuses on the European



market to help Gulf licensees sell more Gulf product, which in turn adds value to their own businesses.

Price and quality are often the most important factors in lubricant sales and the investment in our improved plant and systems help deliver this. Our facilities offer us the flexibility to produce a large range of high quality products and our storage capacity means we can buy base products when the markets are favorable and we can get the best prices. This is value we can then pass on to our customers.

Driving everything is the Gulf brand. If we sold a cheap unknown product it would be hard to distinguish oneself from lower-quality brands. We supply the customer with a high-quality branded product for a more competitive price than many majors, yet at a price that allows them to compete with the unknown brands. The ultimate value added through our efforts means that, through the Gulf brand, our customers find it easier to make a bigger margin.

Gulf Oil Nederland BV and GOI work assiduously together to add further value by way of customer support. Within GON, Leo Determan and John van der Hoogt tackle all product-related issues interacting regularly with Richard Pinchin of GOI.

If you're interested in visiting the plant, please contact me on r.kruijff@gulf.nl or inform Paul Stannard from GOI.



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ADDING VALUE

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and sales capacity of the company in question. In the past, Gulf has encountered products that were being sold without Gulf's prior consent. Now Gulf's seeks to ensure that customers are not buying inferior products sold with Gulf branding and also to make sure that the value of Gulf's license is not compromised for those who are officially sanctioned to use the brand.

Gulf believes its customers should receive nothing but the best.

The global network of Gulf entities, in turn, offers added value to customers both at distributor and end-user level. Every Gulf operating company can cite its own examples. Here we present four very different case studies, which give an idea of the wide scope of how this occurs on a national basis. For more information, contact: aakash@gulfoilltd.com

CASE STUDY: SAUDI ARABIA

GULF EXPRESS EXPANDS ITS PORTFOLIO TO CREATE EXTRA VALUE FOR CUSTOMERS

By Sajid Saeed

Over the last four years, Advanced Petroleum Services Limited (APSL), which distributes Gulf products in Saudi Arabia, has developed a unique and fit-for-purpose quick lube chain by the name of Gulf Express (GE). Operating 28 outlets in Saudi's major cities, GE is the largest non-vehicle manufacturer automotive service chain in Saudi Arabia.

GE has built a steady customer base over the past few years with its core product of oil change service packages and APSL management decided that it was time to broaden the offer to provide more value for the customer.

After evaluating customers' needs, it was determined that the first foray into diversification must remain strictly within automotive services. Ancillary services like automatic transmission service, gearbox fluid service and engine flushing were introduced.

More than 10% of customers chose one of these premium services, bringing the company good returns as some of them cost more than the price of the oil change itself. This high price is offset by the low frequency of these services. Automatic transmission, for example, is rarely serviced more than once a year. Over the last six months, these services have significantly added to the bottom line of GE.

More recently came air conditioning service – launched in alliance with AC Delco (General Motors). Given Saudi Arabia's hot climate, this is expected to be extremely popular in the coming summer.

All of these services offer the customer the additional value of increasingly making GE a one-stop shop, so that dealing with their car servicing is a simpler and more convenient operation, saving the customers time and, therefore, money.

The focus has now progressed towards the promotion of other products. The first of these was Gulf Express car floor mats. These sold out quickly. In-car fragrances were next and also proved very popular.

APSL now envisages more growth in the retail of automotive accessories. Naturally, such a market could never have been available if there wasn't a ready customer base – GE services upwards of 20,000 cars a month – a market large enough to justify this diversification.

The key to holding and growing GE's clientele is the high degree of customer satisfaction at each visit. GE's popularity so far is clear evidence that the underlying service philosophy really adds value to the end-users.



Gulf Retailer Services

your local global brand

CASE STUDY: UK ATTRACTING MORE CUSTOMERS TO GULF UK RETAIL SITES

By Richard Owen-Hughes

GULF RETAILER SERVICES PACKAGE ADDS VALUE FOR UK DEALERS

Intense competition in the UK retail fuel market has resulted in the closure of many retail sites. About a quarter of the sites existing in 2000 have been shut. To survive in this market the retail dealers seek to extract more value from business conducted on their premises.

GULF RETAILER SERVICES is a package of products and services introduced to the UK market last year. The package is designed to add value to Gulf UK's retail dealers. Simply put, better run service stations, with a greater range of products on offer, in turn, attract more customers and a larger average total purchase per visit. This thereby helps the retailer grow a profitable business. The range of services offered by Bayford (the Gulf fuel licensee) includes:

- An employment law, business

support and Health & Safety advice line – funded by Gulf Retail – provided by a leading international consultancy firm and available 24/7

- Preferential deals on business insurance
- Access to independent financial planning and business development advice
- Legal services

■ Convenience store consultancy
The convenience store consultancy has been a particular highlight of the service and a perfect example of adding value for dealers and their customers alike.

This marketing proposition is designed solely to meet the needs of the 'cash-rich time-poor' nature of people's lifestyles in the UK today. Thus Gulf now offers not only added value but also added convenience to its UK retail customers, as many now do their shopping at the same time as they fill up their cars.

COVER FEATURE

GULF OPENS ITS NEW BLENDING PLANT IN CHINA



Gulf reached yet another historical landmark on November 2, 2006 when it officially inaugurated its newest lubricants blending plant in China at Yantai – a major city on the northern coast of Shandong province.

The new blending plant, owned and operated by Gulf Oil Yantai, was constructed within budget and opened exactly on schedule. The inauguration ceremony was conducted with great style in the presence of dignitaries from Yantai, the Yantai Economic and Technological Development Area (YEDA) and guests that included more than 70 lubricant distributors.

Having overseen the completion of the construction, Gulf Oil Yantai's managing director, Mr. TV Joseph, ensured the inauguration was carried out professionally. The plant's successful completion is a tribute to the huge efforts of the entire Gulf Oil Yantai team and TV Joseph was quick to praise them and underline the outstanding achievement of building this state-of-the-art facility. "A dream has been finally realised. It took us a little over one year to complete this plant, which can produce 50,000 tonnes of lubricants every year. It has a very modern, fully computer controlled production line and an excellent quality control laboratory."

Guest of honour was Mr Wang Xiu Chen – Standing Member of Yantai Committee of CPC and Chairman of the Administrative Committee of YEDA. He looked forward to a bright future with Gulf, "We believe that with the establishment of the new plant, the business of Gulf Oil will develop more and a lot more benefit will be gained"

Gulf was well represented with international guests appearing on behalf of the shareholders, Gulf Oil International and licensees. Vice President Gulf Oil International, Alain Dujean emphasised the important role that the people of Yantai had played in the construction of the new facility. "This plant is a perfect example of

Above: The main storage tanks at Gulf Oil's new blending plant in China. Inset and below, left: The automated-process blending tanks lie at the plant's core. Below: Gulf executives lead their guests on a tour of the new blending plant. Bottom right: Mr. Wang Xiu Chen (YEDA) plants a tree to mark this auspicious occasion

the Gulf philosophy of dedication & commitment to local expertise and the local workforce."

All the visitors were treated to a first rate overview of the plant and its capabilities, and of Gulf Oil Yantai itself. All the speakers at the inauguration were full of praise for Gulf Oil International and promised their support and cooperation for the future growth of the company in China. There was a large media presence, which captured all the stages of the inauguration. A tree planting ceremony was held prior to the inauguration to mark the occasion.

With the commissioning of this new plant, Gulf's capability to supply high-quality lubricants, at a competitive price to the markets it serves, has been greatly enhanced. With a sound Quality Management System in place, Gulf customers everywhere are assured of the quality of Gulf products, regardless of their original place of manufacture. For more information, contact: joseph@gulfoilchina.com





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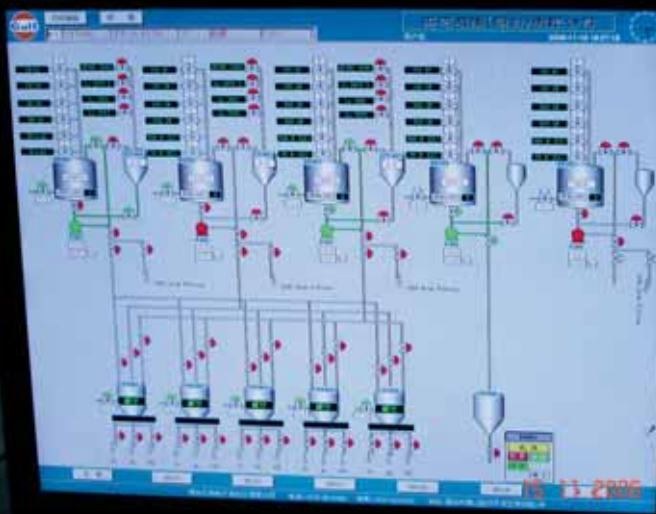
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MAKING HIGH QUALITY LUBRICANTS IN A MODERN BLENDING PLANT



With the opening of Gulf's state-of-the art blending plant in China, Dr Richard Pinchin goes behind the scenes to explain what is involved in lubricant making

components added into the blend tank is critical.

Some plants use in-line flow-meters that must be calibrated regularly and accurately. Other plants, such as Gulf's new plant in China, suspend the blending vessel on load cells. Thus the weight of the raw materials added is monitored and controlled by the blend operator – in this case a computerised system connected to automatic valves.

Once the components are in the blending tank they must be mixed until homogeneous. Although this sounds like a trivial matter, in practice the tank and mixing device have to be extremely well designed so that fluids of different densities mix well without 'layering' and that there are no 'dead pockets' in the tank where the oil escapes the mixing process.

Mechanical paddle stirring is the most commonly used method, but Gulf's new plant in China mixes oil using a pulse air system. Here, dry compressed air is fed into the blending tank underneath a baffle plate. After a short while the air is released into the tank of oil above it in large bubbles. As these rise, the oil is mixed. This process is 50% more energy-efficient than mechanical stirring and homogeneous blends are achieved in 40% less time. The quicker the

Gulf Oil is currently enjoying a period of business growth, thanks to the strengths of the group and the brand, allied with the dynamism of the marketing activities in Gulf Companies and Licensees alike.

However, Gulf has not yet reached the scale of lubricant operations of the four or five major multinationals. Their supply chain economics and a reliance on local product portfolios have led to investments in a plethora of lubricant blending plants – many of which have spare capacity and are uneconomic to operate. Gulf is therefore carefully selecting its supply centres to match its market aspirations.

In 2006 Gulf commissioned a new lubricant blending plant, in the city of Yantai, China. This brings the number of plants owned by the Gulf Group to seven – a portfolio that is complemented by five plants belonging to licensees.

All these plants have the same robust Quality Management System (QMS) in place. Therefore, Gulf customers need have no qualms about the quality of Gulf products, wherever bought and regardless of their original place of manufacture.

LUBRICANT BLENDING

The process of lubricant blending is very straightforward, but getting the quality right every time and keeping production costs under control, is more complicated.

To make a batch of oil, the blender merely mixes together some base fluids (usually hydrocarbon base oils) with some specially selected additives. Once mixed, samples from the blend are tested in the laboratory and, if the critical Quality Control (QC) parameters are met, the product can be released into the market. Very occasionally, the blend will require a further addition of a component to attain the desired properties, but in every case the blending is never considered completed until the laboratory has given the go-ahead.

KEY AREAS OF THE BLENDING PLANT

Blending plants have four main areas of operation: storage of raw materials, the blending system itself, the filling lines (where the oils are filled into suitable packaging) and storage of the finished goods ready for dispatch.

The blending area is the heart of the plant. The various tanks for mixing the oils and the holding tanks may be arranged and inter-connected in a variety of different configurations, according to the plant's design. In some plants the raw materials are directed to the blending vessels through an automatic valve manifold. In others, the manifold takes the form of a hose exchange (where oils are passed from outlet valves connected to the raw material tanks through inlet valves on the blending vessels). In both cases, the accuracy of measurement of the



TECHNICAL FEATURE



using accurately calibrated laboratory equipment. Tight tolerances are set for the critical QC parameters for Gulf products and the test results must always fall within these limits before the blend can be declared 'complete'.

As the plants produce many different types of oil using the same equipment,

cross-contamination is always a risk. For some oils, cross-contamination is not a serious issue, but in others, a mere trace of one oil can seriously affect the performance of the other. The Gulf QMS has a section that deals exclusively with this issue so that cross-contamination risks are always managed to the necessary levels.

Another aspect of quality is the accuracy of filling the oil containers. Any operation, such as filling a pack with a liquid, is prone to error. It is, however, impractical to fill to an exact volume every time, so maximum and minimum limits are set in Gulf plants. The devices used to measure the oil into the pack are regularly calibrated. The **e** symbol, seen on many packages in Europe, represents a standard for pack filling accuracy and is being more and more widely used in Gulf blending plants. High-speed fully automated pack filling, with detectors set to reject incorrectly filled packs, are common in Gulf's operations, such as at Yantai.

BLEND MANAGEMENT – KEY ISSUES

Health and safety of staff is always vital. Fortunately most of the ingredients used to make modern lubricants are not highly toxic or hazardous, although some are flammable. Nonetheless, suitable precautions are always taken to avoid spillages and leaks. Material handling poses a significant risk. A drum of oil weighs more than 200 kg and if proper procedures and equipment are not used, back and foot injuries can occur.

The other hazard is environmental impact. The oil and its raw materials are stored in tanks and packaging (such as 200 litre drums) and have to be moved around the plant in pipelines or on a

fork lift truck. Spillages are an ever-present risk, so all bulk storage facilities are 'bunded' (the tanks are sited inside a watertight bay, not unlike a large, shallow and empty swimming pool) so if there is an accident the liquids are contained in this bunded area and the spill can be cleaned up.

Another important concern in blending is how to make all those products that the sales team require to satisfy customers' demands – and how to make them economically. This requires accurate forward forecasting of demand for each product and pack,



linked back through the stock control systems and production scheduling, to procurement and receipt of all the raw materials. A fine balance has to be struck between over-stocking and just-in-time production and delivery. It is always more economical to make large blends than small ones and to run the filling lines with as few product changeovers as possible. This ideal is never possible in a typical oil blending plant serving a market that can require upwards of 300 products, many of which are sold in four or more pack types. The dynamics of standardisation – the blender's ideal – versus customisation – the sales team's ideal – are ever present in the lubricant industry, and Gulf is no exception.

Further business process streamlining in the supply chain will be greatly facilitated by increased standardisation of the Gulf product range together with creative ways to still make the product appeal to, as well as be acceptable in, many different markets (e.g. multi-lingual labels). Gulf Oil International foresees this trend will be important in the near future and is already laying plans accordingly

Contact: rpinchin@gulfoilltd.com

Clockwise from above:

Inside the blending plant

Having the necessary storage allows Gulf to buy base oil at the keenest prices

Technology allows staff to closely monitor blending plant operations

The laboratory in China is an essential part of the QMC process

oil is blended, the more efficient the production process and thereby the lower the production costs, which can be passed onto the end-users.

To speed up production, the blend is usually transferred into a holding tank until the QC tests are complete. This frees up the mixing vessel and its associated controls for use with the next blend, thus increasing the plant's production capacity. Another technique employed in Gulf's plant at Yantai is the pre-mixing of small quantities of additives and base oil diluents that cannot be accurately measured by the load cells. The pre-mix is then added to the main blend.

QUALITY CONTROL

Modern lubricants often cost hundreds of thousands of dollars to develop. They are used in machines that are collectively worth millions of dollars. Additionally, every customer expects that the product bought will not only be fit for purpose but will deliver the benefits claimed for it and will work for a long time, sometimes for more than a year.

Gulf always employs a very exacting and comprehensive QMS. Firstly, it checks the quality of every raw material used – including the packaging – and then measures accurately the amount of each ingredient used in the blend.

Too little additive in an oil will not deliver the desired performance and too much can also impair its function, as well as increasing the oil's cost. The plant must make sure the blend is completely homogeneous and then test it





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DELTA TAKES GULF GREEN IN TURKEY

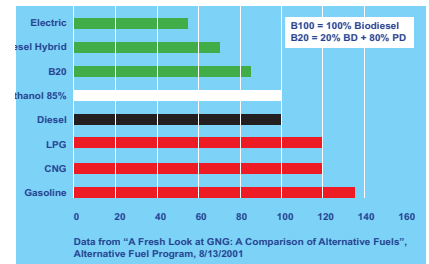


In the last Orange Disc we looked at the increasingly important topic of Bio-Fuels. Gulf's Turkish Licensees, Delta Akaryakit have now committed to bio-diesel production. Delta's Kelvin Aldus gives an insight into how this came about

Delta Petroleum always looks to stay at the forefront of technology and started researching bio-diesel early in 2005. This follows the trend of bio-diesel introduction in many EU countries and the growth in the number of production plants since the first opened in 1992. Today, it is being produced in more than 100 locations in over 20 countries and more than 2 million tonnes of bio-diesel was produced in Europe in 2005, from a capacity of 2.5 million tonnes.

warming). The concept underlying bio-fuels is simple. The carbon in these fuels has its origins in atmospheric carbon dioxide, which is converted by plants into biomass by photosynthesis. The burning of bio-fuels releases the much-needed energy and the carbon dioxide in the exhaust emissions is returned to the air. Thus, the burden of increase of atmospheric greenhouse gases is reduced with bio-fuels, compared to petroleum-based fuel.

In anticipation of its entry into the Europe Union, Turkey has modified its laws to permit the sale and use of bio-fuels. Today a blend of up to 2% bio-diesel in regular diesel is permitted. This has to be compared with European Law, which will soon permit up to 10%. A significant driving force lies within the EU legislation, which has already set targets for the replacement of fossil fuels (e.g. 5.75% by 2010). Turkey has recognised that compliance with this presents considerable challenges, but the first steps are already being taken and Delta is at the forefront.



Relative Carbon Dioxide Emission Mass Balances for some Bio-Fuels vs Regular Diesel Fuel

In deciding which crops to use in Turkey, Delta looked at various alternative bio-diesel source materials employed elsewhere in the world...

- UNITED KINGDOM** Rapeseed oil
- MALAYSIA** Palm oil
- ITALY/FRANCE** Sunflower oil
- SPAIN** Olive oil & Linseed oil
- USA/BRAZIL** Soybean oil
- GREECE** Cottonseed oil

and elected to design a plant of around 25,000 tonnes annual output, that could process any of the aforementioned

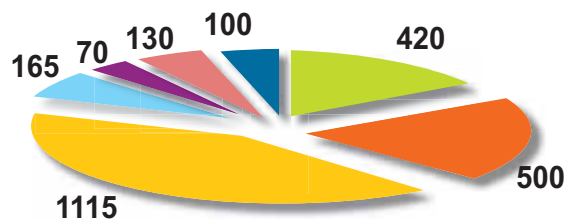
WORLD SPREAD OF BIO-DIESEL PLANTS

Country	No. of Plants
Austria	11 (1)
Belgium	3
Czechoslovakia	17 (1)
Denmark	3
France	7 (1)
Germany	8 (4)
Hungary	17 (6)
Ireland	1
Italy	9 (4)
Nicaragua	1
Slovak Republic	10 (1)
Spain	1
Sweden	3 (1)
Switzerland	1
U.K.	1
U.S.A.	40 (3)
Yugoslavia	2

- i) Figures in parenthesis indicate the number of plants under construction
- ii) Finland plans to build a plant to be commissioned in 2007 which will produce around 170,000 tonnes of Bio-diesel per year

Current interest in bio-diesel (one of several bio-fuels) stems from the wide concern about the steady increase in the atmosphere of greenhouse gases, notably carbon dioxide, and the effect they have on the climate (global

2004 BIO-DIESEL PRODUCTION CAPACITIES IN THE EU (KT/)



- Italy
- France
- Germany
- Others
- Spain
- Czech Rep.
- Austria

OVERALL CAPACITY 2,500

raw oils to make bio-diesel according to the EN 14214 and ASTM D 6751 specifications. In addition, the plant, which will be commissioned in the first quarter of 2007, was further modified to allow for processing of used cooking oils. Delta has vowed – through contractors – to collect used cooking oils from restaurants and hotels in the region close to the plant.

After identifying the advantages that production of crops-for-fuels can have on an ailing agricultural sector, the Turkish Government has dramatically slashed duties on bio-diesel produced from home-grown oil seed. This now places particular emphasis on home-grown rapeseed oil, which in bio-diesel form can operate in temperatures as low as -14°C. Delta Petroleum has taken their involvement in bio-diesel one step further and are actively supporting rural development. They have already supplied the farmers with certified seeds for a 2200 hectare rapeseed plantation and provided finance for fertiliser purchase. The contracted farmers will receive recompense in cash immediately following the harvest.



Rapeseed (*Brassica napus*) is widely used to supply bio-diesel plants

Delta has been in discussions with oil majors in Turkey who stress the importance of meeting EN 14214 specification and their specific preference is to use a rapeseed feedstock. Delta will ultimately be selling to the majors, besides supplying its own growing Gulf petrol station network.

Also, and as part of Delta's commitment to produce bio-diesel, it was important that vehicle manufacturers approve the use of the product. Today major car manufacturers such as Audi, BMW, Mercedes-Benz, Volvo, Peugeot, Renault, Volkswagen,

Skoda, and Nissan – as well as most major truck producers and tractor manufacturers – readily accept bio-diesel fuel, as long as it is blended with regular diesel and meets the EN 590 fuel specification.

The Bio-Diesel Process

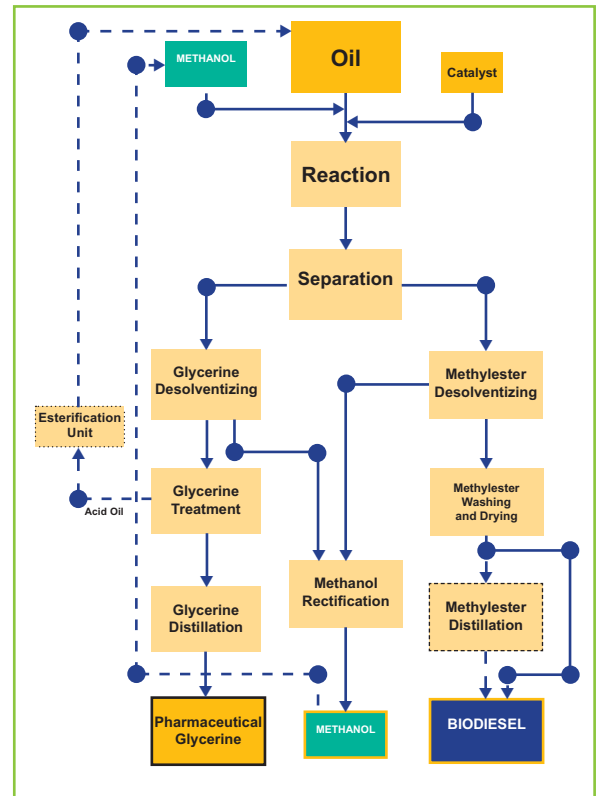
For the uninitiated, the definition of bio-diesel is a bio-fuel produced by a reaction of transesterification, a process in which a vegetable oil is made to react with methyl alcohol in the presence of an alkaline catalyst. The final product is a mixture of different methyl esters that does not contain sulphur or aromatic compounds, has a high oxygen content (minimum 10%) and can be used as a fuel for motor vehicles and for heating.

This manufacturing process also yields glycerol (commonly known as glycerine) as a by-product that, at its normal output purity of 80%, is worth around \$75 per tonne. But it can be purified to 98%, and then it becomes a high value (€ 750/tonne) chemical which is used predominantly in the pharmaceutical and cosmetics industries.

Having looked at the various manufacturing processes and visited a number of countries to study plants in operation, Delta elected for an Italian process, which was flexible in its use of different raw oils, produced minimum process losses and was economical in its use of electricity.

This Italian manufacturer has been in the business for many years and has installed plants in Brazil, Colombia, Iran, Turkey and even Malaysia, besides the many plants it has produced for European-based companies.

The site for the processing plant, near Torbali, Izmir, has already been bought and construction is well under way and due to be completed by the end of February 2007. This is, we hope, the first of several bio-fuel processing plants which will be a feature of the Gulf Oil group in years to come. For more information, contact: kaldus@deltapetrol.com



Top: Process Flow Chart for Bio-diesel Production

Centre/Lower: A typical Bio-diesel Plant
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LMS



GULF SUCCESS ON AND OFF TRACK IN 2006

The 2006 Le Mans Series came to a dramatic conclusion at Jarama, Spain in September and it proved to be a successful event for the Gulf brand as the Gulf-supported Courage-AER of the Barazi-Epsilon team clinched the necessary points – in the final minutes of the season – to scoop the LMP2 Championship.

The red and powder blue number 32 machine had been a contender from the beginning of the season when it won the LMP2 category in Istanbul and finished a superb second overall. This was followed by a string of good points finishes at Spa, Nurburgring and Donington. Fourth place in the final race was enough for regular drivers Juan Barazi and Michael Vergers to secure the category drivers' title and, aided by rising Italian star Davide Vasecchi, they also secured the team championship in LMP2. Orange Disc



wishes them heartiest congratulations on their success.

It was fitting, therefore, that the delegates of the Gulf Convention in Madrid attended the Jarama LMS finale. They were not only treated to a fine race and excellent hospitality, courtesy of Paul Belmondo Racing and La Squadra, but they also had the opportunity to celebrate another Gulf success.

Continuing reliability problems for Paul Belmondo Racing necessitated a mid-season switch back to the AER-Ford engine that the team used to great effect in 2005 in the Gulf-backed Courage.

With this, and the decision to run only one car at the last two races of the season, came a dramatic improvement in performance. The 36 Gulf machine was heading for a certain podium at Donington before gearbox problems cruelly sidelined it with only a few minutes of the race left to run. In Jarama the powder blue machine, piloted by Karim Ojeh, Pierre Ragues and Paul Belmondo – returning from injury – was again on the pace, showing well and eventually finishing fifth in the LMP2 category.

The superbly turned out Gordon-Gulf Porsche 996 GT3RSR of the Icepole Racing team had found 2006 hard going after their excellent performances in 2005. Tyres were the main problem, as they proved when they were able to score a strong result on Michelin rubber at the non-championship Zolder 24 Hours. For next year, however, the effervescent Belgian outfit is hopeful of securing a new 997 GT3 with factory endorsement and the tyres necessary to put them back again among the leading LMGT2 contenders.

All in all, 2006 proved to be a rollercoaster season for the Gulf teams on the track. But away from the racing circuit, Gulf affiliates have used the race programme in increasing numbers and with diverse initiatives to help them get the most out of Gulf's continuing investment in motorsport. Next year – the third season of Gulf's current LMS motorsport programme – is potentially the most exciting yet and Orange Disc will continue to report on developments. Anyone wishing to receive Gulf's regular motorsport updates can do so by e-mailing:

For more information, contact: aakash@gulfoiltd.com



FINLAND
GULF
SUPPORTS
FINNISH
STAR OF
THE FUTURE



Sixteen-year-old Jesse Krohn (pictured) is set to join the long list of successful Finnish motorsport exports with the help of Gulf's Finnish distributor, US-Parts Finn-AM OY.

The youngster races in Gulf colours in his homeland but he has recently traveled to the UK to drive in the Duratec category of the Formula Ford series – and with some success.

 **TURKEY**

GULF SUPERWEEKENDS BID FAREWELL TO THE RACE TRACKS FOR 2006



The final Gulf Superweekend of the year, which has been organised through the enthusiastic sponsorship of Delta Petroleum – Gulf’s licensees in Turkey – took place in early November.

The headline series of the Superweekend – the Gulf Track Championship of Turkey – for cars in two separate groups, “group 1600” and “group maxi”, ran the final two of its 14 races. The fight for podium places continued all the way through to the end of the last race. The championship was full of surprises throughout the season and the final race was no exception – hailed as a “breathtaking” and “spectacular” affair.

Delta Petroleum has further ‘leveraged’ their investment in this series of events through regular exposure on CNN Turkey’s evening TV sports programmes. The reaction to the Gulf Superweekends has been superb and all of the award winners will receive their trophies at a glamorous ‘night of champions’ to be held on 16 December in Istanbul.

For more details contact Banu Onur on: bonur@deltapetrol.com

 **INDIA**

GULF MOTO-CROSSES INTO THE HISTORY BOOKS IN 2006



Coimbatore, Jodhpur, Hyderabad, Pune, Nashik and Mumbai to compete in its twelve classes.

The championship made history in September with the first Motorcycle racing event ever to take place in Raipur the capital town of Chhattisgarh. The city’s motorsport

The 2nd and third rounds of the Gulf Dirt Track National Championship took place in July and September of 2006. The July meet, in Chennai the capital city of Tamil Nadu attracted 122 and was deemed a great success by Sportscraft the organisers, Mumbai. The event, which was flagged off by the Jt. Commissioner of Police, Sundeeep Rai Rathore, attracted top riders such as the professionals of the MVS team and leading exponents from Bangalore,

enthusiasts thronged to the Science College ground where the race meeting took place, ensuring that it was a memorable day for all – not least the Honorable Governor of Chhattisgarh State Shree Lt. General K. M. Seth (Retd.) who flagged off the riders at the start.

Orange Disc will cover further rounds of the Dirt Track Championship in its next edition, but for further information in the meanwhile, please contact Bijoy Paul: bpaul@gulfoil.co.in

By racing in the UK from an early age, he is following in the footsteps of other famous Finns such as double F1 World Champion Mika Hakkinen.

Jesse recently took part in the four-race Formula Ford Winter Series, driving – with Gulf branding – for the Eau Rouge Motorsport team. He was leading the

championship heading into the final race at Brands Hatch before gearbox problems slowed him down.

His eventual sixth place finish meant Jesse finished second in the overall championship. We await news of his 2007 plans with interest. For more information contact Kari Martiala on: kari.martiala@usparts.fi

 **JAPAN**

“REBIRTH” OF A LEGEND



Above: The three splendid 908/3 lookalikes line up before the start of the race. The traditional Le Mans Start

In August, Gulf Team Nobel France entered three cars for the Fuji 1000 Kms Endurance Race to join more than one hundred fifty other cars in the Japanese endurance classic.

These Gulf-sponsored cars, which were converted 1-litre Nissan Zauruses, were liveried to be miniature versions of the legendary Gulf-Porsche 908/3 sports racers which enjoyed so much success in long distance sports car racing.

The race commenced with the traditional Le Mans Start as it would have been in 1970 with the drivers dashing across the track to their waiting cars. Conditions at the circuit made for real endurance racing with ambient temperatures of 35°C for most of the race and a peak track temperature of an incredible 50°C.

All three of the Gulf machines achieved very creditable results, finishing 6th, 10th and 12th in the 105-litre fuel limit category. More details from Mr Kuroda: kuroda@gotco.jp

 **ROMANIA**

GULF SUPPORTS ROMANIA’S TOP SPEEDWAY EVENT



Motorcycle Speedway has been a popular sport in Romania for more than 50 years. Gheorghe Voiculescu won the country’s first official national championship in 1962.

The championship is a three-round series and the final round of the MACEC Cup – which ran in the city of Braila in September – honours Voiculescu’s memory and is named after him.

This year, Silca Oil sponsored the event and, over an entire weekend, the Gulf brand was prominent as was evident on the official competition equipment in the arena and with the prizes themselves.

The field was comprised of 14 top speedway riders from six different countries: Bulgaria, Hungary, Poland, Romania, Slovakia, and Ukraine.

A Ukrainian rider took the spoils with Polish riders second and third. The home riders finished sixth, seventh and eighth – a respectable showing in front of an enthusiastic crowd of more than 5,000 spectators. For more information contact Gabriela Niculae: gabriela@babel.ro



Gulf

海湾石油(烟台)有限公司新厂房落成典礼
Gulf Oil (Yantai) Co., Ltd. New Plant Opening Ceremony

新起点
New beginnings

新机遇
More opportunities

11.22

