

EUROPEAN MARKET PRICES OF BIODIESEL AND RELATED PRODUCTS

- 29th August 2003 -

Summary :

The biodiesel market is characterised by crude rapeseed oil and Brent crude oil prices going up compared to our last report. This increase happens in a falling glycerine market price context with biodiesel price remaining steady. Biodiesel production is therefore earning a contribution to fixed costs and margin of EUR 56.3 pmt according to our model based on spot prices in Germany.

VEGETABLE OILS	August 03	February 04
Crude Rapeseed Oil FOB Rotterdam	EUR 491 pmt	EUR 508 pmt
Soyabean Oil FOB Rotterdam	EUR 499 pmt	EUR 459 pmt
Sunflower Oil FOB Rotterdam	EUR 492 pmt	EUR 495 pmt

METHANOL	Spot
Average Q3 price FOB Rotterdam	EUR 225 pmt

GLYCERINE DDP NW Europe In bulk	August 03	February 04
Crude Glycerine basis 80% Kosher	EUR 225 pmt (Traded)	EUR 150 pmt (Estimation)
Kosher Refined glycerine 99.5% Eur.Ph	EUR 700 pmt (Traded)	EUR 600 pmt (Estimation)

FUEL PRICES	Spot
Biodiesel Din 51606 EXW factory Germany – Excluding VAT	EUR 54,50 per 100 litres
Diesel oil EN590 CIF Rotterdam	USD 262 pmt
Biodiesel selling price at the pump in Germany – Including VAT	EUR 73.00 per 100 litres
Diesel Fuel selling price at the pump in Germany – Including VAT	EUR 85,50 per 100 litre
Brent Crude Oil (15 days quote)	USD 31,56 per barrel

Model Cost Calculation	Eur/t
Crude rapeseed oil ex factory	481,0
Semi-refining cost	20,0
Loss (3%)	15,0
Cost of refined rape oil ex refinery	516,5
Freight to biodiesel plant	10,0
Cost of semi refined rapeseed oil DDP biodiesel factory	526,5
Methanol usage (11%) delivered	27,5
Crude glycerine credit 10% at 100% concentration ex factory	(23,1)
Material cost of biodiesel ex works	530,9
Variable production costs	30,0
Out of pocket cost of biodiesel ex works	560,9
Biodiesel selling price Ex works EUR 545/1000 liters Divide by 0,883 (specific gravity)	617,2
Contribution to fixed costs and margin of biodiesel production	EUR 56,3

This is a model for biodiesel product in Germany and is based on certain assumptions (for example, freight costs and variable costs) which may differ from factory to factory.

NOTICE TO THE READER

These quotations are averages of price ranges pertaining in the market, during the week reported. They are based on bids, offers and trades either posted on Oleoline's market place or handled by our sister company HBI during the period concerned, and this we believe them to be representative of market levels.

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