

Bentek Energy Issues Five-Year Outlook Report for Crude-by-Rail Transport in North America

Analyzes Size of Tanker Car Fleet Amid Regulations, Increased Production in 2014-2019

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DENVER

DENVER, Dec. 11, 2014 /PRNewswire/ -- Growing North American oil supplies and regulations targeting railway transport of crude oil will substantially affect the number of tanker cars that need to be manufactured between 2014-2019, posits a new report by Platts analytics and forecasting unit Bentek Energy.

"The crude-by-rail industry in the U.S. and Canada continues to grow as producers must circumvent the constrained pipeline system and get their crude oil to the demand centers," said *Tony Starkey, Bentek analyst and co-author of the report*. "This report analyzes the volumes of crude oil transported by rail in North America over the next five years, given regulations that would impact the fleet's ability to keep pace with growing production."

During the analysis period, Bentek expects production growth of 4.2 million barrels per day (b/d) and 2 million b/d in the U.S. and Canada, respectively, according to *Off the Rails: North America's Oil Tank Car Shortage?* Access the report overview:

http://www.bentekenergy.com/documents/BENTEK_CrudebyRail_MarketAlert_Overview.pdf. To purchase the full study, contact catherine.lowe@platts.com.

Taking into account forecasted supply and pipeline capacity for several key North American producing regions, Bentek has analyzed the following:

- Scenario 1 - Speed Reductions: Speed reductions are applied across the entire North American railway network
- Scenario 2 - No Keystone Pipeline: The Keystone XL pipeline is cancelled or delayed beyond Bentek's five-year forecast period
- Scenario 3 - Speed Reductions and No Keystone: Bentek's high case production forecast, coupled with speed restrictions and Keystone XL delay or cancellation

The North American rail industry will need to adapt to regulatory changes that will impact car design, capacity, and speed, as well as increases in the number of tank cars required to accommodate the amount of crude needing to move by rail through 2019. Bentek has modeled congestion, speed impact, and the number of cars moving manifest versus unit trains* in order to predict the fleet requirements needed to move additional growing North American production. Anticipating fleet requirements will be essential for meeting supply needs and managing congestion.

Colorado-based Bentek Energy in 2011 was acquired by Platts, a leading global provider of energy, petrochemicals, metals and agriculture information. Bentek analysts provide analytical tools and forecasts for

natural gas, crude oil, natural gas liquids (NGLs) and power markets. For more information on natural gas analytics and Bentek Energy, visit <http://www.bentekenergy.com/index.aspx>.

**A unit train transports a set of cars carrying one product directly from origin to destination. Manifest cars are joined with cars from various origins that are carrying multiple products and are set to deliver at various destinations.*

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Media Contacts: Asia: Kimitsu Yogachi, kimi.yogachi@platts.com, +65 6530 6596; Europe: Elizabeth Catalano, elizabeth.catalano@platts.com, +44 207 176 6024; Global & U.S.: Kathleen Tanzy, Kathleen.tanzy@platts.com, +1 212-904-2860; U.S.: Rose Catlos, rose.catlos@platts.com, +1 212-904-4937

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