Petrostar Announces Details of the Distillation Plants

05.11.2012 | The Newswire

(via Thenewswire.ca)

November 5, 2012, Vancouver, BC - Petrostar Petroleum Corp. (TSX-Venture: PEP; "Petrostar" or "the Company") announces details regarding the building of modular crude oil distillation plants in Canada (see news release dated October 25, 2012).

Licensing

The newly formed entity will submit a licence application for the construction of a 10,000 barrel per day (bbl/day) oil distillation facility (refinery). The facility will include four 2,500bbl/day skid mounted modular plants. The objective is to develop the facility over time, starting with the initial development of a single 2,500bbl/day plant followed by an expansion to a total of four plants capable of handling the 10,000bbl/day of crude oil. The entire facility will be supplied with crude oil and condensate by truck, pipeline and rail. A tank farm consisting of 84 tanks (21 per plant) will be used. The refined products will then be pumped from the tank farm to the tank trucks and tank rail cars for transportation from the site.

All Alberta Environment and ERCB licensing procedures will be adhere to, as well as Federal standards and policies. The primary focus for the licensing of the modular distillation units is the air emission certification. The licensing process of the distillation plant is limited as the plant is electrically operated and does not utilize water, steam, or instrument air.

Air Emissions per 10,000bbl/d facility:

Pollutant	Projected PTE Refinery
PM10	1.9
PM2.5	1.9
SO2	0.0601
NOx	5.01
CO	8.4
VOC	32.2
HAPs	1.01E-03

Note: Emissions will slightly vary depending on feedstock type and quality.

Description of the process

The purpose of the distillation plant is to separate crude oil condensate, trans-mix, and other related organic liquids that are a mixture of various components, into products that are relatively uniform. Feedstock, consisting mainly of crude oil and condensate from local areas, will be delivered to the plant by common highway tank trucks. The total feed to all four plants will be a maximum of 10,000bbl per day, or 3,650,000bbl per year. The feedstock will be off-loaded via flexible stainless steel hoses that connect to the bottom of the tank trucks, and a system of above ground solid pipes and pumps. The feedstock will be pumped through this system into storage tanks.

From the storage tanks, the feedstock will be pumped through a de-salter system and then a series of heat exchangers, to increase its temperature and cool the products. The pre-heated feed will then be piped into the refinery process heater (H-103), where additional heat will be added. The feedstock exits the heater at approximately 650oF, and is pumped into bottom of an atmospheric distillation tower. At 650oF, and atmospheric pressure, most of the feedstock boils into gaseous form. As the gas rises through the tower, it cools and condenses into liquids.

The difference in temperature that various liquids condense at is used to separate the feedstock into intermediate products. The tower contains a series of trays and packing that collect the liquids as they are condensed, and removes the liquids from the tower. The lower in the tower the tray is, the heavier the liquid will be that condenses on that tray. Each tray produces what is called a "cut".

The atmospheric tower will produce the following cuts: atmospheric gas oil from the lowest trays, then diesel fuel, kerosene, and finally naphtha that will be used in commercial solvents. The naphtha cut is sent to a naphtha stabilizer and then to a naphtha treating unit in which caustic is used to remove impurities. The kerosene is also sent to a caustic treater to remove impurities.

The naphtha cut is split again in another separation tower called the naphtha splitter. This produces a light-, medium- and heavy-naphtha that are sold as petroleum spirits, and VM&P naphtha and mineral spirits.

After cooling in the heat exchangers, the products are piped into the storage tanks. From there, the products are blended with each other to give the optimum characteristics for sale, and then returned to the finished products tanks. The products are then bottom loaded to one of two loading racks (tank truck or rail car), and shipped to the customers.

The atmospheric gas oil cut will be sent to a vacuum distillation tower for additional separation. The separation principal in this tower is the same as in the atmospheric tower, except that the tower is placed under a vacuum (produced by electric powered vacuum pumps) of approximately 22Psi. Compounds that would not boil into gaseous form at atmospheric pressure do so under the vacuum. The vacuum tower and associated vacuum gas oil ("VGO") stripper will produce three cuts: light VGO, heavy VGO and bottoms. These cuts follow a similar path as the atmospheric tower products... through heat exchangers to storage tanks. A second natural gas fired refinery process heater (H-202) will add heat to the vacuum tower feed.

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From the storage tanks the intermediate products are blended and pumped to the finished product tanks, then to the loading racks for shipping. The quantity and characteristics of the products will vary based on the specific feedstock used.

About Petrostar Petroleum Corp.

Petrostar is a Tier 2 Canadian-based oil and gas exploration company trading on the TSX Venture Exchange. The long-term objective of management is to aggressively seek properties with high potential that can be advanced with minimum expenditures. The policy of the Company is to lower shareholders' risk exposure to various stages of exploration by entering into joint ventures with third parties or acquiring projects that the Company can operate as the sole owner-operator.

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