



### Market Update: Why Lubricant Prices Are Rising

Global lubricant markets are experiencing increasing pressure due to ongoing geopolitical instability, supply chain constraints, and challenges affecting the production of key base oils and additive components. Critical raw material supplies, manufacturing capacity, and global logistics networks have all been impacted simultaneously, creating significant pressure on lubricant availability and pricing.

The result is a tighter market, higher procurement costs, and increased volatility across automotive lubricants, industrial oils, greases, hydraulic fluids, transmission fluids, and specialty lubrication products. Industry analysts expect market conditions to remain challenging beyond the immediate geopolitical events, with some supply chains requiring considerable time to fully rebalance.

### The Trigger: A Disruption with Global Reach

The Middle East remains an important region for the production and export of base oils and petrochemical feedstocks used throughout the lubricant industry. This is not a single supply issue. Multiple challenges are occurring simultaneously, limiting the market's ability to absorb disruption.

#### BASE OIL SUPPLY CONSTRAINTS

Production disruptions, refinery output reductions, and export limitations have reduced the availability of Group I, II, III, and PAO base oils entering global markets.

As available supply decreases, competition for product increases, placing upward pressure on pricing across the lubricant manufacturing sector.

#### ADDITIVE & MANUFACTURING PRESSURE

Lubricant manufacturers are facing challenges securing key additive packages, chemical components, and raw materials, while also managing increased production and energy costs.

Higher manufacturing costs reflect strong demand for finished lubricants relative to available production capacity.

#### LOGISTICS & DISTRIBUTION DISRUPTION

Shipping routes continue to face disruption, freight rates remain elevated, and transportation networks are operating with reduced efficiency.

Many lubricant raw materials and finished products rely on international supply chains, meaning delays and increased logistics costs can have an immediate impact on product availability and pricing.



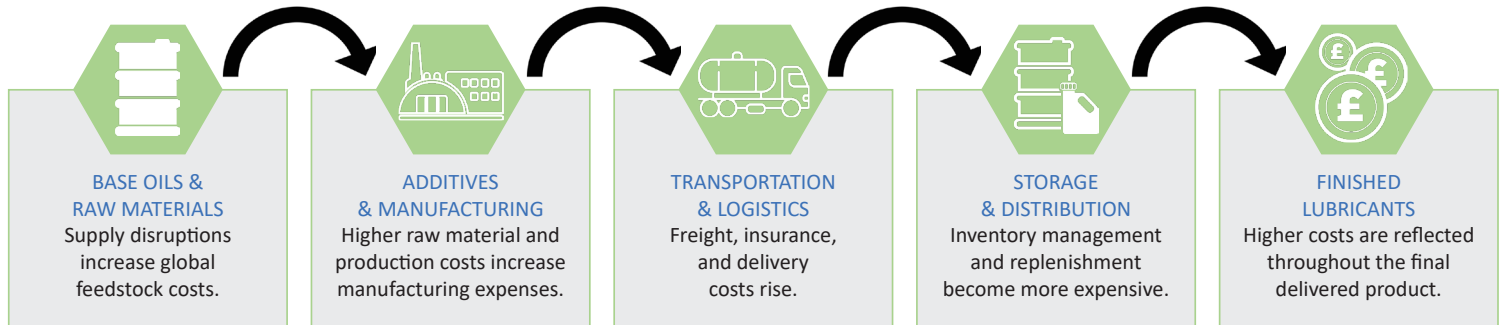


# LUBRICANTS UPDATE

## SUMMER 2026

### The Domino Effect

With approximately 20% of global crude oil flows passing through the Strait of Hormuz, any disruption has immediate consequence for international energy markets.



### What Ford Fuels Is Doing



#### SECURING SUPPLY

We continue to work closely with our lubricant manufacturers, supplier network, and logistics partners to maintain reliable product availability.



#### DIVERSIFYING SOURCES

Alternative supply channels and product sourcing options are being evaluated and utilised where appropriate to reduce supply risk.



#### INCREASED STOCK HOLDINGS

We have increased our stock holdings across our depot network and warehouses to help minimise the impact of any extended lead times or supply interruptions.



#### COMMUNICATING EARLY

We are committed to providing advance notice of significant market developments, pricing changes, or supply constraints whenever possible.



#### SUPPORTING CUSTOMERS

Our team continues to monitor market conditions daily and work closely with customers to minimise operational impacts. Please contact your Ford Fuels account representative for the latest market information, product guidance, and support for your Lubricants, Fuel, and AdBlue requirements.