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**Bunkerworld**

**2011 start for Chemoil's UAE terminal expansion**

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Chemoil expects construction on its 600,000 cubic meters (m<sup>3</sup>) storage facility joint venture project in Fujairah to start "in the next month or two," according to a senior company executive.

Adrian Tolson, vice-president of sales and marketing for Chemoil, told Reuters that the project will bring the fully aggregated capacity of the terminal to about 700,000 m<sup>3</sup>.

The terminal facility expansion in in the United Arab Emirates fuel storage and bunkering hub is a joint venture between Singapore-listed marine fuel supplier and trader Chemoil Energy and Gulf Petrol Supplies LLC (GPS).

"Hopefully we'll be operational by mid-2011," Tolson told Reuters, a year later than originally planned.

"GPS-Chemoil will operate the facility as a company, Chemoil obviously for its bunkering operation will take a significant percentage of it, but there will be a percentage leased out to a third-party," Tolson said.

About 75% of the new tank capacity at the terminal would be dedicated to dark fuel, with the remaining 25% to be used for clean petroleum products, Tolson told the news wire.

He said he expected some of the capacity for dark fuels would be used for crude oil storage "at certain points" due to the terminal's location near the planned Abu Dhabi pipeline.

The Abu Dhabi pipeline, which will bypass the Strait of Hormuz, is due to start up in March 2010, according to Reuters.

"The amount of interest there is for tank storage in this region, and a lot of it is being done for strategic reasons for crude oil storage, I'd have to believe there is going to be a lot of commercial crude trading going on in this area, in the future," Tolson was quoted saying.

Chemoil began supplying bunkers in Fujairah in March 2008, and has said it has ambitions to "seize a sizeable share of the marine fuels market in Fujairah." It has also stated aims to use the terminal as a centre for growing its trading operations throughout the Middle East.