



DAILY NEWS – March 25, 2009

The Edge

Chemoil expects UAE storage facility to be ready in mid-2011

March 24, 2009, 20:23

Singapore-listed marine fuel trader Chemoil Energy expects its 600,000 cubic metre storage facility in the United Arab Emirates port of Fujairah will be completed in 2011, a year later than planned.

This will bring the fully aggregated capacity of the terminal, a joint venture with Gulf Petroleum Supplies (GPS), to about 700,000 cubic metres, a senior Chemoil executive told Thomson Reuters.

“We will start construction in the next month or two, right now we are finding contractors ... hopefully we’ll be operational by mid-2011,” said Adrian Tolson, vice-president of sales and marketing for Chemoil (CHEL.SI).

About 75% of the new tank capacity at the terminal would be dedicated to dark fuel which could include some commercial crude storage, with the remaining 25% set aside for clean petroleum products, Tolson said.

“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. “Given the location I’d imagine there would be some crude oil storage there at certain points...because of the location of the (Abu Dhabi) pipeline.”

The Abu Dhabi emirate’s International Petroleum Investment Company (IPIC), which invests in oil and gas projects for the Abu Dhabi government, is building an oil pipeline that will bypass the Strait of Hormuz. It is due to start up in March 2010.

“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 said.

The expansion of Chemoil’s terminal in the United Arab Emirates is in line with the global vision of its founding chairman Robert Chandran, who died in a helicopter accident in Indonesia in last January.

In February, the company said its full-year 2008 net profit jumped 55% to US\$47.1 million, as revenue surged 62% to US\$8.66 billion.

At the time the company said it was on the lookout for new acquisitions.

Last August, Chemoil acquired a controlling stake in a 34,000 cubic metre ocean-front terminal in Batangas, in the Philippines for US\$13 million.

It also opened its flagship 448,000 cubic metre Helios terminal on Singapore's offshore Jurong Island last February.

The company has operations in Fujairah, India, the Amsterdam-Rotterdam-Antwerp region, as well as Los Angeles and New York.