

## Media Monitoring

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### **Itochu May Lease Storage In Singapore To Up Bunker Sales-Trade**

By Florence Tan

SINGAPORE (Dow Jones)--Itochu Enex Co. Ltd. (8133.TO) plans to take oil storage on lease in Singapore to increase bunker sales in the island nation, the world's biggest market for the fuel.

The Japanese trading house plans to rent 120,000 metric tons of fuel oil storage at the Helios terminal in Jurong Island owned by its affiliate **Chemoil** Energy Ltd. (AV5.SG), traders said Wednesday. If the deal goes through, it would reduce storage at **Chemoil**, also a marine fuels supplier, to 120,000 tons, traders said.

"Due to a shortage in storage capacity in Singapore, there are always interested parties talking to us about using our storage at Helios," a **Chemoil** spokeswoman said.

An Itochu official said the company was "just studying" the plan and it has always been keen to expand its bunker business in Singapore.

The Japanese trading house, which holds a 22.03% stake in **Chemoil**, has recently become more active in the Asian fuel oil market. It bought an 80,000-ton cracked 380-centistoke fuel oil cargo from Saudi Arabian Oil Co. this week with a high bid of \$6 per ton discount to Singapore mean, free-on-board Rabigh, traders said.

The company could store the parcel at Helios when it arrives in May, they added.

Itochu could also use the storage for its term supply of low-sulfur waxy residue from Indonesia as demand in Japan declines, a trader said.

The company receives two 200,000-barrel LSWR cargoes from Pertamina each month.