

Bunkerworld

Chemoil may lease Fujairah terminal to Glencore, Itochu December 9, 2010

Global marine fuel supplier Chemoil said it is in talks with its majority shareholders, global commodity trader Glencore and Japanese trading group Itochu Corporation, with regards to leasing out its oil storage terminal in Fujairah.

When completed in 2012, the 675,000 cubic metres (m3) oil storage terminal in the United Arab Emirates port will be Chemoil's largest oil storage terminal, surpassing its flagship Helios Terminal in Singapore which has a storage capacity of 482,000 m3.

"There is a tremendous amount of growth that's going to happen at that port over the next several years and we have positioned the terminal to be flexible on how much we will use for our business and how much we will lease out," Chemoil's CEO Mike Bandy told Bunkerworld in an interview.

According to him, it is anticipated that Chemoil and joint venture partner Gulf Petrol Supplies (GPS) will each retain some capacity from the terminal for their own operations while the remaining capacity will be leased out to third parties.

"Obviously both our major shareholders Glencore and Itochu are also active in the trading business. We're also in discussions with them about possibly leasing," said Bandy.

"There's no shortage of people interested in talking to us about that facility."

Meanwhile, works on phase four of the oil storage terminal are expected take about 20-22 months with completion expected in the second half of 2012, according to Bandy.

"We've awarded the EPC contract on the construction and we're excited," he said.

"This is going to be a multi-product terminal that will have both heavy fuel, marine fuels, distillates and jet fuels. So there'll be a tremendous amount of flexibility.

"It's going to be a world class terminal, very much like Helios, and this will be the cornerstone of our Middle East operations going forward."

The full text on the above article appears in the latest issue of the Bunkerworld magazine.