

Bunkerworld

PetroChina eyes oil storage facility in Fujairah

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Chinese oil giant PetroChina Co is reportedly in discussions with United Arab Emirates (UAE) government to build an oil storage facility at the UAE port of Fujairah.

The oil major is looking at constructing a one million cubic metres (m³) storage space at the port, according to Reuters.

Industry sources said the firm has two options - either to build the facility on its own or to partner with another company. They named Vopak Horizon Fujairah as one of PetroChina's likely partners if the latter decides to partner another company.

No deadline has been set on PetroChina's plans yet, but competition for oil storage tanks at the port is expected to speed up PetroChina's decision, the report added.

In October last year, bunker supplier Chemoil through GPS Chemoil, its joint venture with Fujairah National Group's Gulf Petrol Supplies LLC, said it is expanding its oil storage capacity at Fujairah from 95,000 m³ to 675,000 m³.

Meanwhile, Vopak Horizon Fujairah, a joint venture between Royal Vopak, Horizon Terminals Ltd., the government of Fujairah and Kuwait's Independent Petroleum Group, said early March that its 600,000 m³ oil storage facility should be ready by end of 2011.

Another project, the Socar Aurora Fujairah Terminal, a joint venture between State Oil Company of Azerbaijan (Socar) and Swiss company Aurora Progress, is expected to commence operations at its 641,000 m³ storage facility by later part of 2011.

On Wednesday, Fujairah's former Minister of Environment and Water expressed government's plans to double oil storage capacity at Fujairah from the current three million m³ to seven million m³ by end of 2012.

"Fujairah, within the forthcoming years, will become one of the most important seaports which supply ships with oil fuel, oil industries and by-products," Dr Mohammed Saeed Al Kindi was quoted by local media during the 7th International Fujairah Bunkering and Fuel Oil Forums (FUJCON) 2011.

The minister added that the oil industry in Fujairah is growing and will continue to do so until the port becomes a major oil supply hub in the world.