

# Tank Storage

## MAGAZINE



### UNTAPPED OPPORTUNITY

Zenith Energy explains its move into the US market & reveals its plans for the future

### PERFORMANCE BASED DESIGN

Orcus Fire & Risk examines the next generation of fire prevention



**NORTH AMERICAN EDITION**



**ORCUS**  
FIRE & RISK, INC.



The voice of the storage terminal industry



# It's all about location

➤ Prostar Capital's latest acquisition on St. Eustatius, a Dutch island in the Caribbean, is strategically located at the crossroads of US Gulf Coast trading routes, and is well-positioned to serve trade flows regionally and globally



01

The latest storage asset acquired by Prostar Capital forms an integral part of the supply chain to one of the world's most important storage and trading hubs.

GTI Statia is well positioned along major shipping lanes serving US crude import and export markets as well as regional markets for fuel oil and refined petroleum products into the Caribbean and Latin America.

In July 2019, Prostar acquired the former NuStar Energy terminal for \$250 million and rebranded its name to GTI Statia. The terminal is comprised of more than 60 commercial tanks with a storage capacity of 14 million barrels (2.3 million m<sup>3</sup>), making it one of the largest independent storage terminals in the region.

GTI Statia is capable of aiding a variety of customers' needs for different products and has extensive marine infrastructure, making it one of only a handful of terminals serving the US Gulf Coast with sufficient water draft to berth fully-laden ULCC and VLCC vessels.

In an interview with *Tank Storage Magazine* Steve Bickerton, co-founder and senior managing director at Prostar, says that the acquisition of GTI Statia enhances the firm's investment strategy in capturing unique opportunities in the global energy supply chain, with the US Gulf Coast being one of the most important globally.

'It is all about location, location, location.'

'This terminal is a key part of the supply chain and on top of the fact it is in a great location, it has a full range of product tanks that can accommodate product from crude oil to jet fuel. It has great



02



03

01 Dave Noakes (l) and Steve Bickerton (r) co-founders and senior managing directors at Prostar Capital

02 The terminal comprises 60 tanks with a storage capacity of 14 million barrels

03 GTI Statia is one of a few terminals serving the US Gulf Coast that can berth fully-laden ULCC and VLCC vessels

04 It is one of the largest independent storage terminals in the US Gulf Coast region



04

infrastructure and VLCC loading as well as tank to tank transfer. There is extensive scope for what we can do with the existing infrastructure.

‘It is located to take advantage of the growth in crude oil exports and is also the perfect place for serving the bunkering market as well as the refined products market.’

GTI Statia complements Prostar’s existing storage terminal portfolio, Global Terminal Investments (GTI); the largest dedicated sponsor-backed storage platform globally with more than 3.7 million m<sup>3</sup> of underlying storage capacity. Fujairah Oil Terminal and GTI Fujairah, both located in the UAE, are the other two terminals in the GTI portfolio.

‘It gives us great diversification across destination markets and this acquisition helps to complete the joining of the dots for the GTI storage platform,’ explains co-founder and senior managing director Dave Noakes. ‘The terminals are all in customer-focused locations and each has a really diversified customer base. This is where we can add a lot of value.’

‘It also makes the GTI platform a very interesting one as we have 24 million barrels of capacity across three locations. There are lots of benefits and we are very excited about that.’

**SERVING MARKET NEEDS**

Today, GTI Statia continues to serve as a strategic asset in the global maritime trade as it did in 1982 when the first storage tanks were constructed on St. Eustatius island.

‘It is an integral part of getting crude into US refineries,’ Bickerton explains. ‘It is an interesting business and we see an ongoing role for that. US crude oil is now very light and refineries are designed for heavy crude, which means there is still a need for imports.’

‘We have a great and unique position. We have all the crude infrastructure right now at the terminal whereas to build new VLCC infrastructure is very expensive, so we can easily compete with new facilities in terms of cost.’

Prostar is currently in discussions with a number of customers to expand revenues across fuel and crude oil as well as re-utilise distillation units to refine light crude exports from the Permian Basin to produce IMO 2020-compliant ultra-low sulfur fuel oil. The company is also evaluating several value-accretive projects in order to enhance the existing infrastructure on the island and expand the facility’s overall capacity to meet market demand.

Noakes adds: ‘We are working with both existing and prospective new customers to ensure that they are making best use of the facility by being active and pushing product through.’

‘We will also be working to make use of all the infrastructure at the terminal and ensure it is fully operational.’

‘There has been quite a bit of under development of the terminal and not all of the infrastructure is fully used. One of the things we can do is invest in expansions, improve the facility or give more flexibility to get even more value from the terminal through possible growth opportunities.’