

Fujairah investor adds \$35 million to GTI Statia oil storage in Caribbean

HIGHLIGHTS

GTI Statia has 60 tanks

Investment after years of 'challenging' market

'Extremely high demand for fuel storage'

By Claudia Carpenter

Prostar Capital, which owns 40% of the UAE's Fujairah Oil Terminal at the Port of Fujairah, is investing \$35 million in GTI Statia storage company in the Caribbean as a recovery in customer demand and product flows is taking hold after years of "challenging market conditions."

A total of \$85 million including from cash flow will be invested in GTI Statia over the next four years to increase available capacity to about 90% from 72% currently, Dave Noakes, senior managing director at Prostar Capital, told S&P Global Commodity Insights on Aug. 1.

GTI Statia currently has 60 product storage tanks with capacity of 14 million barrels, but not all of the capacity is being used because it is out of service, Noakes said. Prostar Capital will remain the sole investor in GTI Statia. Prostar Capital also has a 40% stake in Fujairah Oil Terminal, the biggest storage company at the UAE port, and 90% of GTI Fujairah, with total storage capacity of about 24 million barrels, or 3.7 million cubic meters.

"The new investment will be part of more than \$85 million of tank capex over the next four years," Noakes said. "The capex will increase available capacity at the terminal to above 90% and improve flexibility, for example, through retrofitting heating to crude tanks."

GTI Statia is "experiencing extremely high demand for fuel storage, with demand from customers exceeding the terminal's ability to supply storage," he said. "Part of the capex is to allow storage of fuel oil in the crude tanks, giving the terminal greater flexibility. We are also seeing strong oil products demand outlook for the region, along with expected strong growth in regional crude demand from US customers and elsewhere such as Brazil and Guyana."

GTI Statia is located in the Dutch Caribbean island of St. Eustatius, a special municipality of the Netherlands. It is able to serve all vessel sizes, including fully-laden VLCCs and ULCCs. Its six mooring locations can provide 70,000 barrels/hour of crude oil loading and 55,000 barrels/hour of refined products loading.