



**THE MIDDLE EAST  
IMPACT.**



**Vo  
Fuja**

# FORWARD-LOOKING STATEMENTS.

This presentation contains 'forward-looking statements', based on currently available plans and forecasts. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future, and Vopak cannot guarantee the accuracy and completeness of forward-looking statements.

These risks and uncertainties include, but are not limited to, factors affecting the realization of ambitions and financial expectations, developments regarding the potential capital raising, exceptional income and expense items, operational developments and trading conditions, economic, political and foreign exchange developments and changes to IFRS reporting rules.

Statements of a forward-looking nature issued by the company must always be assessed in the context of the events, risks and uncertainties of the markets and environments in which Vopak operates. These factors could lead to actual results being materially different from those expected, and Vopak does not undertake to publicly update or revise any of these forward-looking statements.

Various sources are used in this presentation including among others: Wood MacKenzie, IEA, IHS and Vopak intelligence

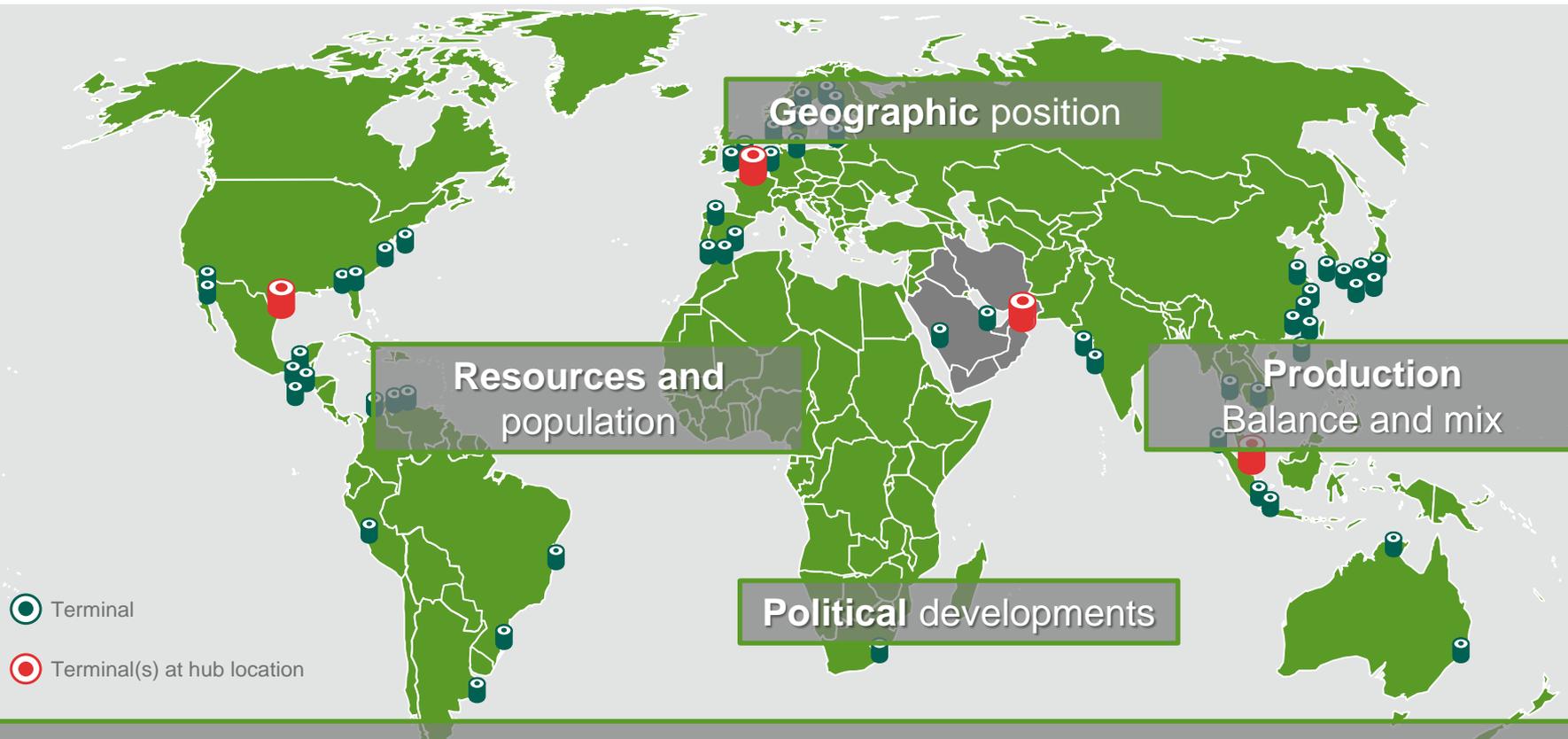
# REGION

# AT A GLANCE ●



# UNIQUE GEOGRAPHIC POSITION IN THE WORLD

IN THE CENTER OF TRADE BETWEEN EAST AND WEST

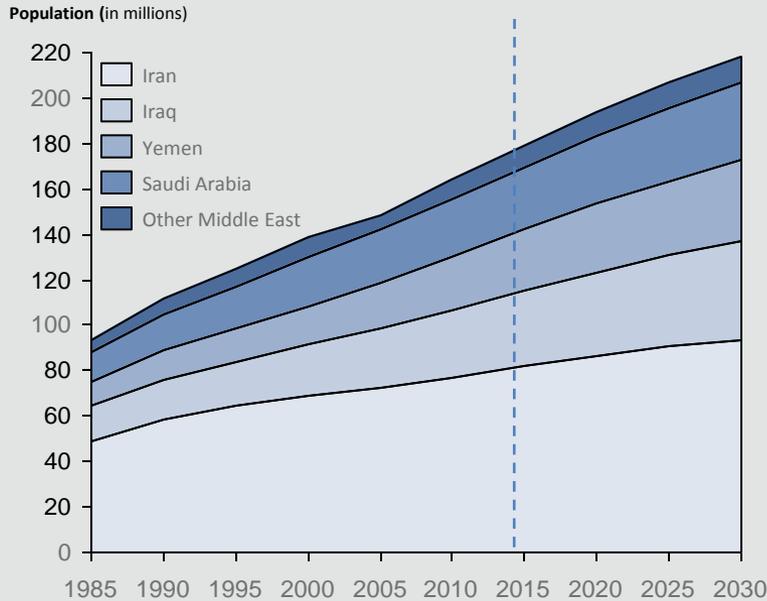


Middle East: a region shaped by resources

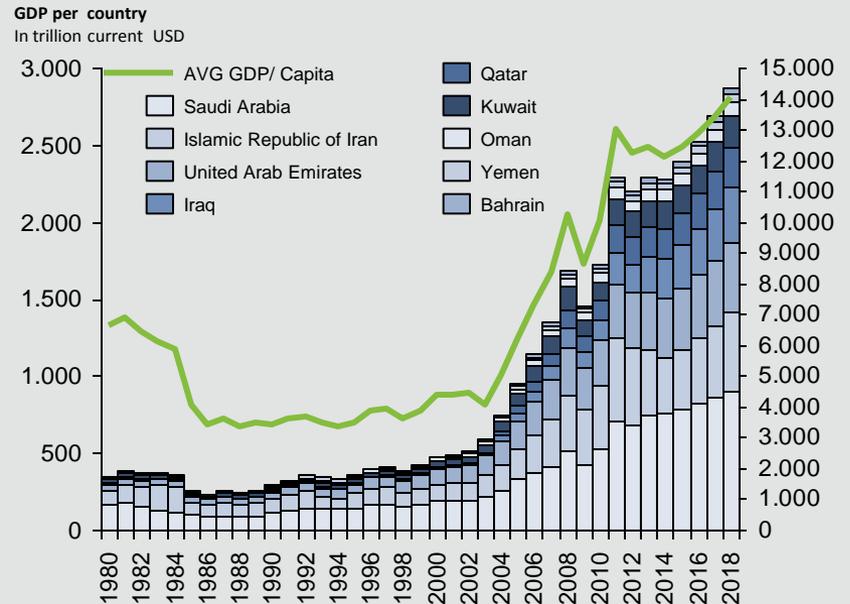
# POPULATION GROWTH

## DRIVING LOCAL DEMAND FOR ENERGY PRODUCTS

Population reached ~180 million (2014)



Overall GDP value growth at 5.9% CAGR (2014 – 2018)



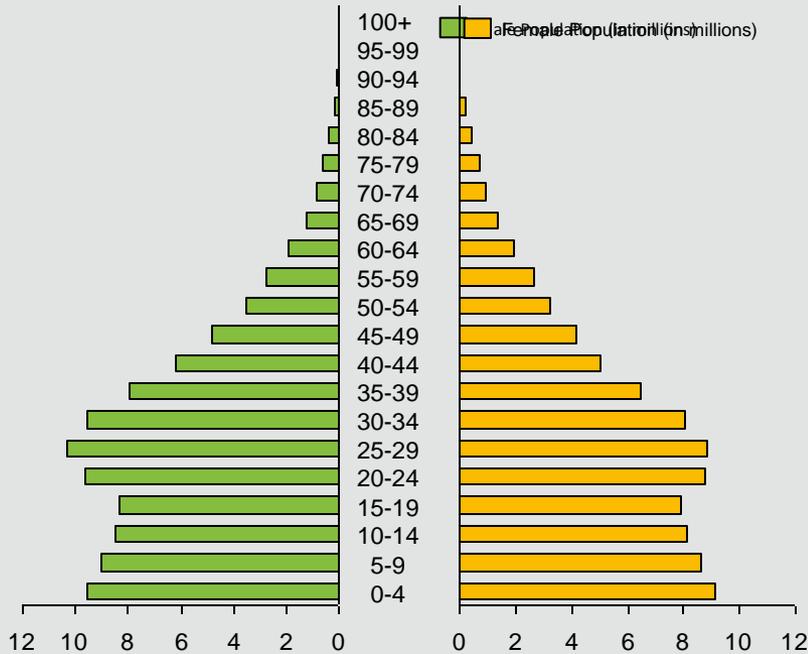
The Middle East defined as: Saudi Arabia, Yemen, Iraq, Iran, Oman, Kuwait, Bahrein, Qatar, United Arab Emirates.

Left chart data source: US census bureau database, October 2014. Right chart data source: World Trade Organization (WTO) database; international monetary funds (IMF) database; ICIS (ATEC) database, November 2014. Note: for some countries and years no data is available (i.e. Iraq prior to 2004 and Yemen prior to 1990)

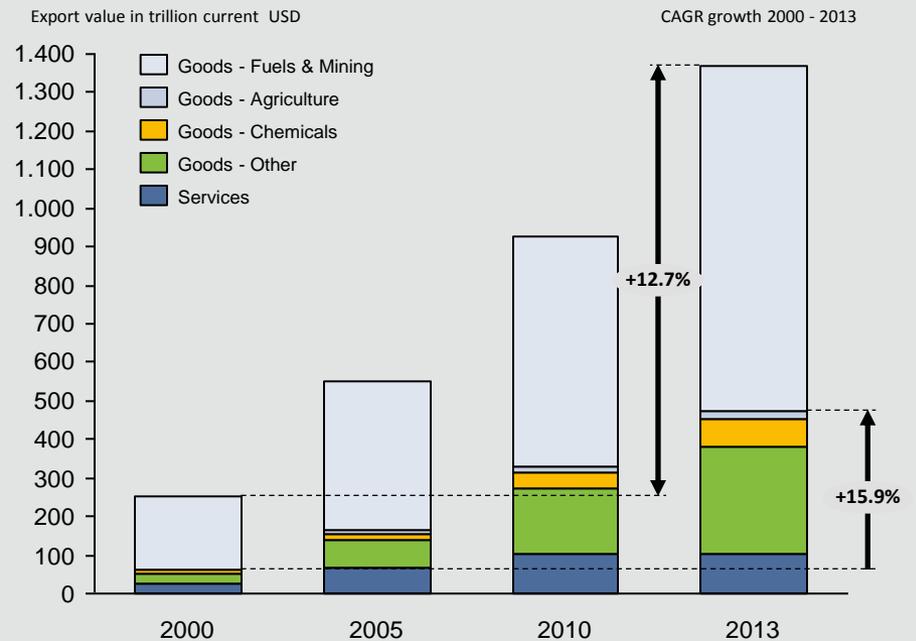
# REGIONAL TREND TOWARDS DIVERSIFICATION

SINCE 2004 A REMARKABLE JUMP IN NON-OIL SECTOR REVENUES

Demographics of the Middle East (2014)



Non-oil outpaces oil-related export growth



A continuous flow of new investments in oil, gas and petrochemical projects signals a strong desire to create downstream infrastructure, adding value to natural resources locally and jobs for the young population on the back of availability of cheap feedstock and ample funds to invest.

Left chart data source: US census bureau database, October 2014. Right chart data source: World Trade Organization (WTO) database, November 2014

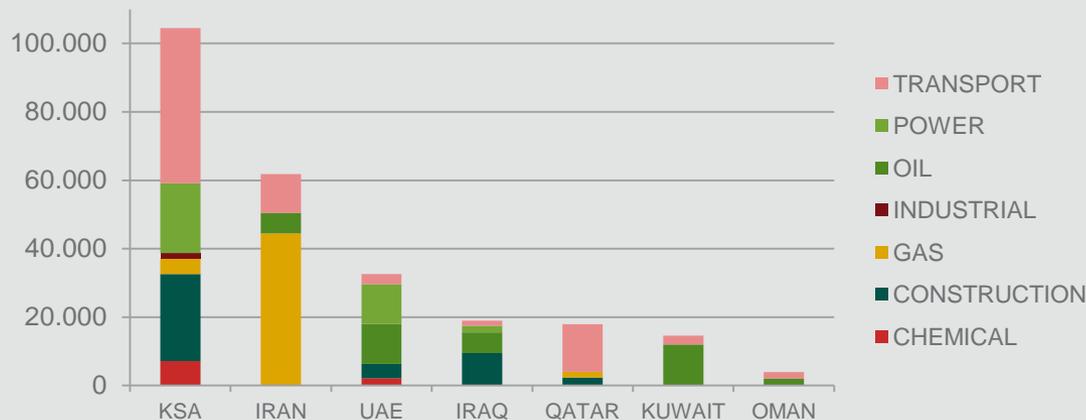
# ECONOMIC OUTLOOK & DRIVERS

## CONTINUOUS FLOW OF INVESTMENTS NOT DISTURBED BY LOCAL TENSIONS

### Middle East economic developments & drivers

- Positive economic developments and diversification
- Oil revenues
- Energy and feedstock supplier of Europe and Asia
- Political instability and security issues

### Projects planned Q4 2014 with a value of US\$ 254 billion



Source: MEED, Vopak intelligence



# POLITICAL DEVELOPMENTS & DECISION-MAKERS

## ROYAL FAMILIES BUILT ON THE TRIBAL SYSTEM

### Middle East decision making

- Royal families
  - House of Saud (KSA)
  - House of Nahyan (Emirates)
  - House of Sabah (Kuwait)
  - House of Khalifa (Bahrain)
  - House of Thani (Qatar)
  - House of Said (Oman)
- Tribal leaders
- National oil & chemical companies

### Gulf cooperation council

- Established in 1981 with the objective to create amongst others a regional economic market and strengthen relations to achieve unity between member states



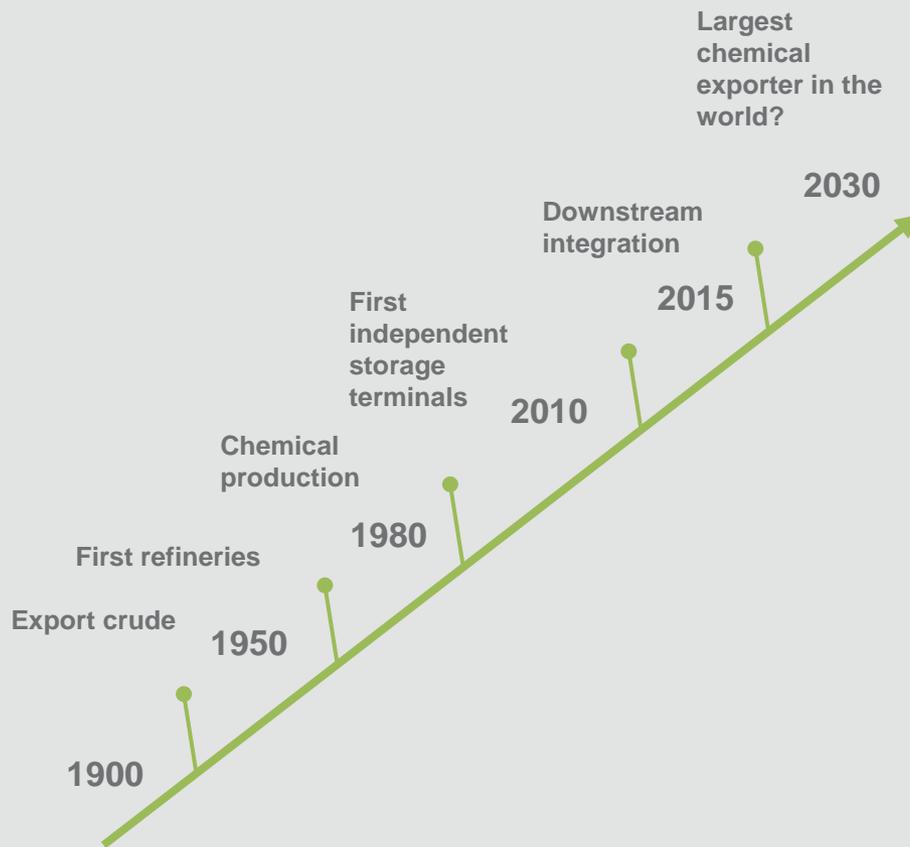
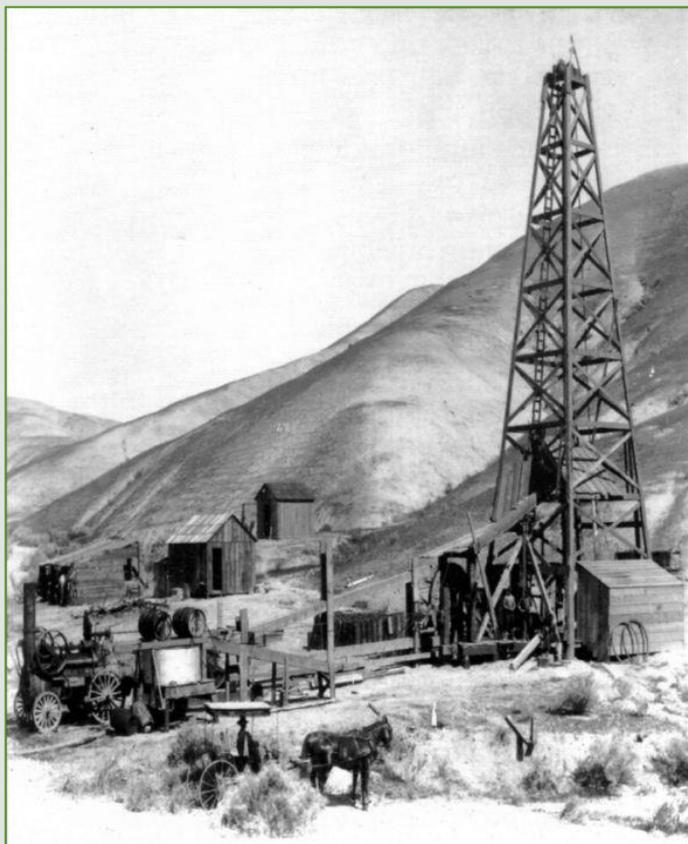
# INCREASING

# FLOWS



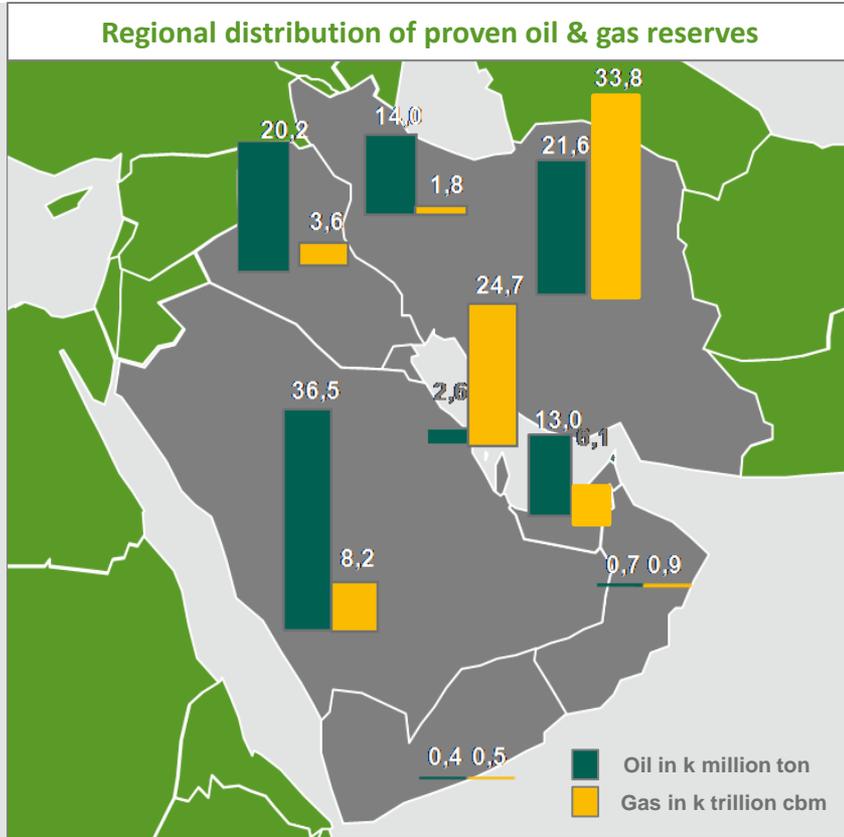
# THE INCREDIBLE SUCCESS STORY

OF A REGION THAT PUT ITSELF ON THE MAP WITHIN A CENTURY



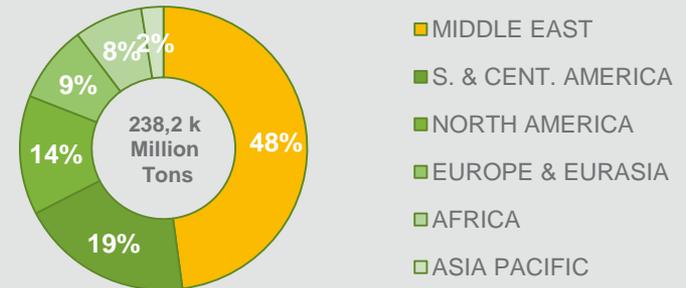
# MIDDLE EAST CENTER OF GRAVITY

WITH SIGNIFICANTLY LARGE PRODUCT RESERVES IN THE KSA AND IRAN

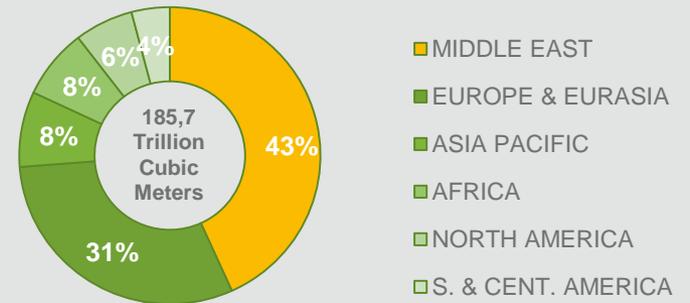


Source: BP Statistical Review of World Energy 2014

**Global share of proven oil reserves in %**



**Global share of proven gas reserves in %**



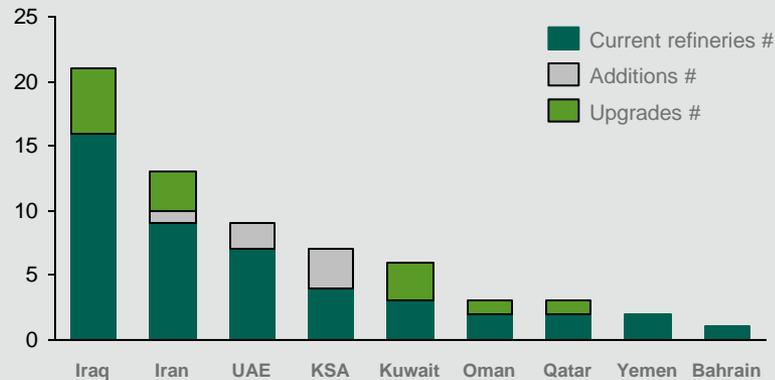
# MIDDLE EAST REFINING CAPACITY EXPANDING

## AND UPGRADING TO MEET HIGH VALUE SPECIFICATIONS

### Middle East refinery market, 2014

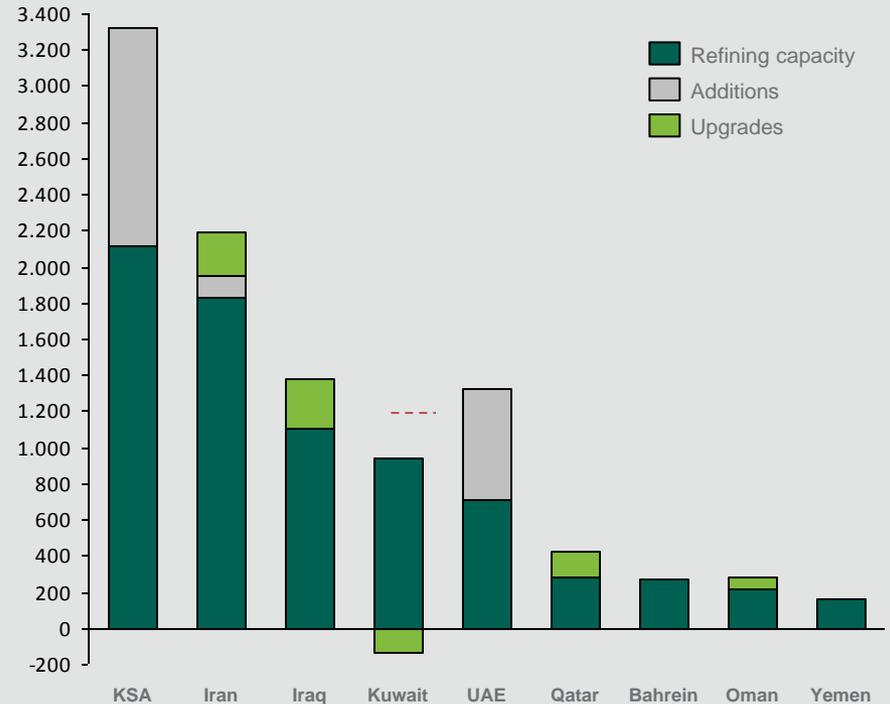
- 46 refineries
- 7.7 million barrels per day
- 10% of global refining capacity
- 90% owned by NOC's
- Expansions & upgrades to add 2.5 million barrels per day
- New marketing companies

### Refining capacity per # units (2014 - 2020)



Data source: wood Mackenzie, October 2014

### Refining capacity per country In 1,000x barrels per day (2014 - 2020)



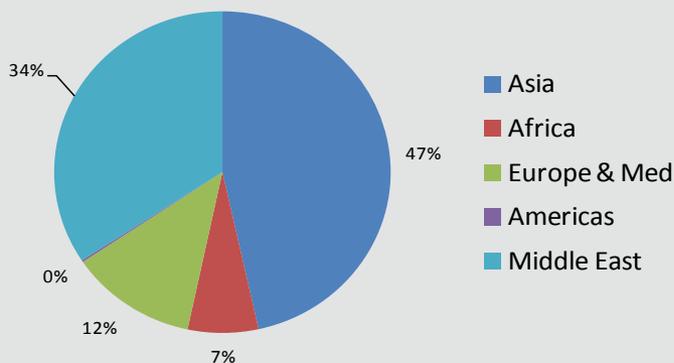
# GROWTH CAPACITY FOR LOCAL DEMAND

## YET 9% GROWTH IN EXPORT EXPECTED MAINLY IN MIDDLE DISTILLATES

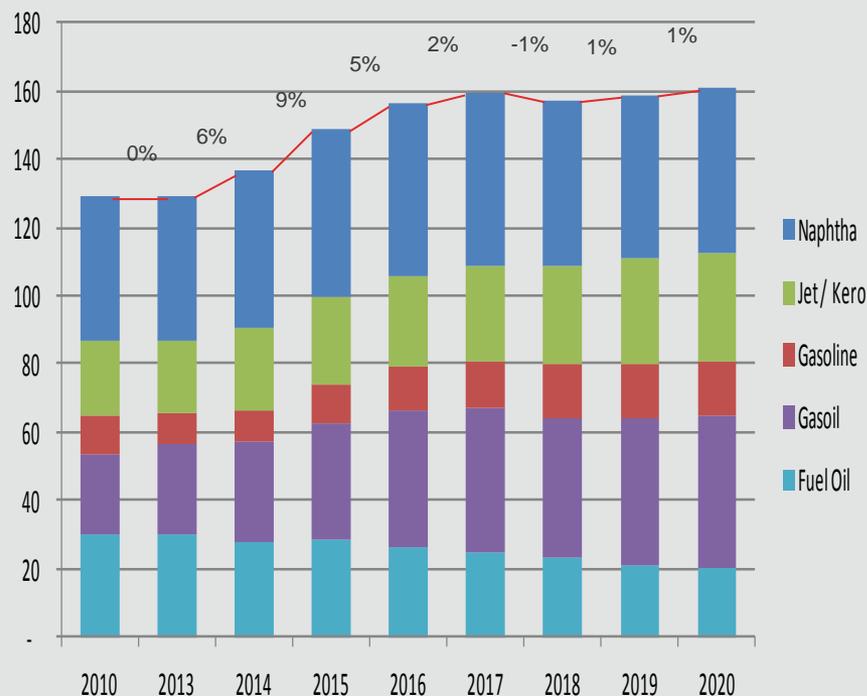
### Middle East refined product exports

- 129 million tons exports in 2013
- 66% of exports leave the gulf
- Regional trade driven by fuel oil
- Increase of middle distillates exports >2015

### Destinations Middle East output in 2013



### Export of products to grow 9% in 2015 (in Mtons)

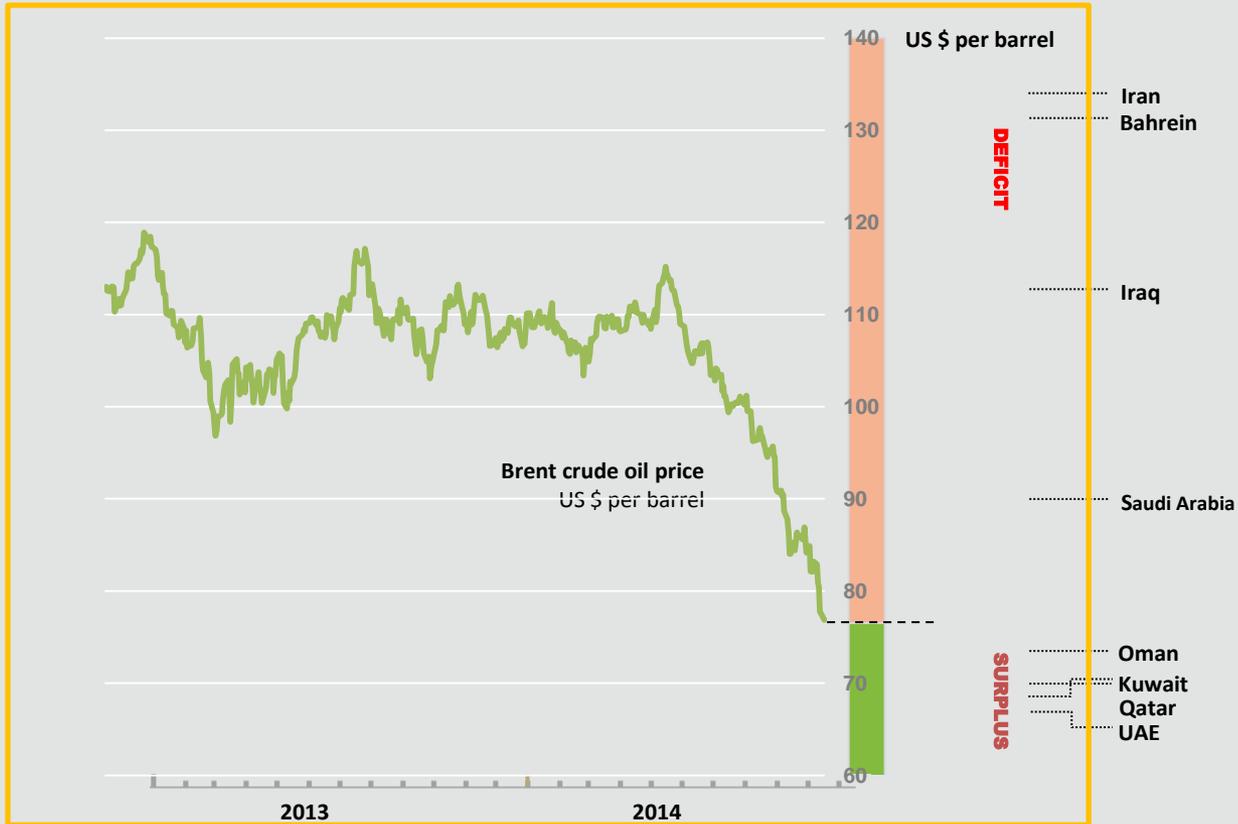


Source: Middle East petroleum databook, October 2014, FGE

# IMPACT OIL PRICE ON BUDGETS

## NATIONAL BUDGETS MAY TURN DEFICIT

### Government budgets' break-even oil price (2014)



Data source: US energy information administration (EIA), November 2014; The Economist, October 2014

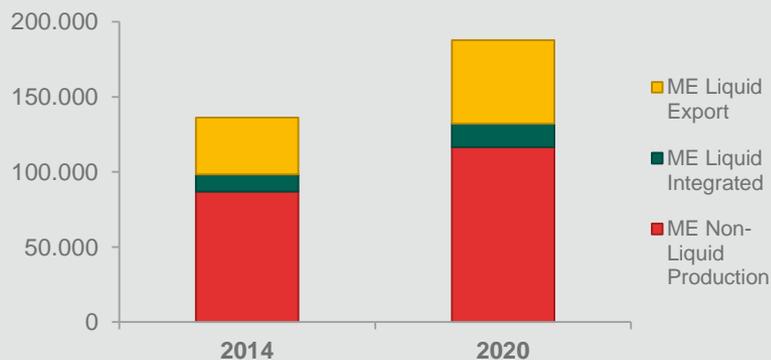
# MIDDLE EAST PRODUCES 136M TONS CHEMICALS

## KSA HAS 55% SHARE OF MIDDLE EAST LIQUID EXPORTS IN 2014

### Middle East chemical market 2014

- 32 steam crackers
- 19% global capacity
- 80% owned by NOC/NCC's
- 2 new crackers on naphtha
- Sabic OTC
- New marketing companies

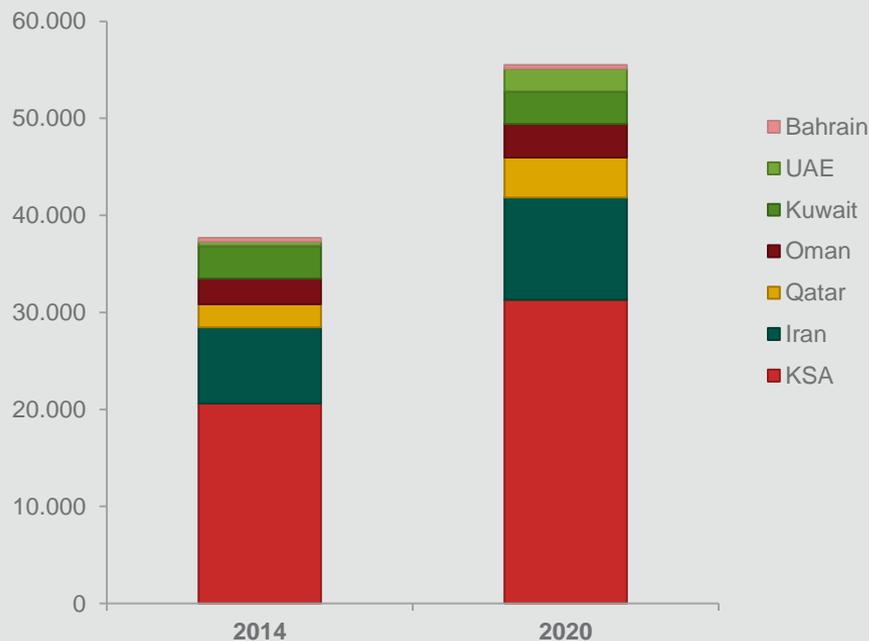
### Middle East chemical production capacity in Ktons



Source: ICIS database, & VME assessment

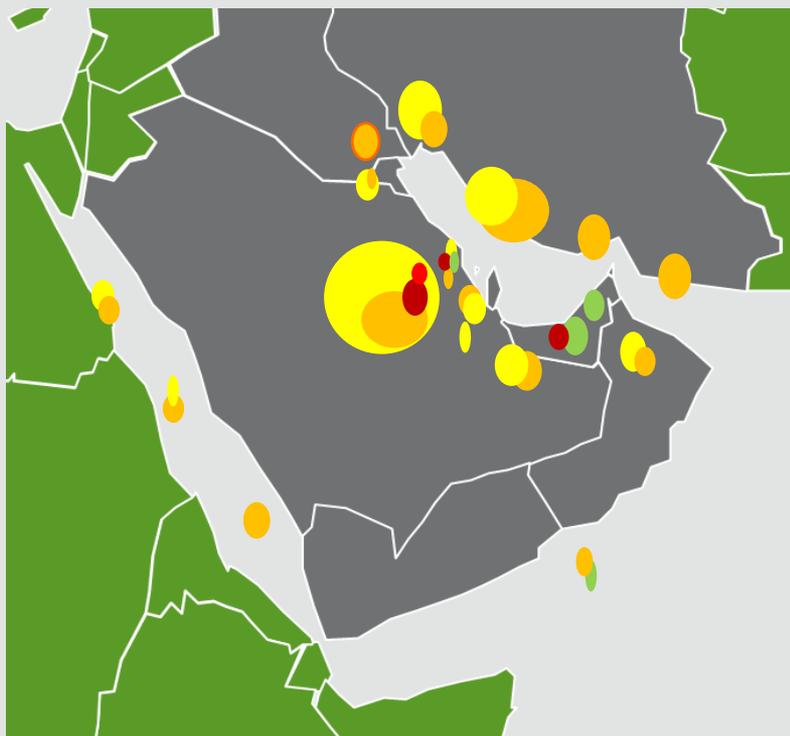
### Middle East liquid exports to grow by 32% in Ktons

- Main destination Asia



# KEY CHEMICAL PROJECTS UNTIL 2020

WILL MAINLY HAPPEN IN SAUDI ARABIA



## Middle East key chemical projects

1. Sadara, Jubail
2. Sabic Expansions, Jubail
3. Petro Rabigh II, Rabigh
4. Al Karaana, Qatar
5. Chemaweyaah, Ruwais
6. Aramco, Jizan
7. ORPIC, Sohar
  
8. Sabic oil-to-chemicals, Yanbu
  
9. Various in Iran

● - Bulk & intermediate chemical exports 2013  
● - Potential chemical exports >2016  
*- Ref: jubail 2013 is ~60mio tons total*

● - Chemical imports 2013 ex ME  
● - Potential chemical imports >2016 ex ME  
● - Regional distribution

Source: Vopak intelligence

# MIDDLE EAST AND VOPAK.



# VOPAK ROLE IN THE MIDDLE EAST

## HUB AND INDUSTRIAL TERMINALS



Hub terminals

**Major hubs, supporting intercontinental products flows**



Gasses

Terminals facilitating growth in global gas markets



Distribution terminals

Import distribution terminals in major markets with structural deficits



Industrial terminals

**Industrial and chemicals terminals, in the Americas, the Middle East and Asia**

# KEY ACCOUNT MANAGEMENT

## LEVERAGING THE NETWORK

### Vopak in the Middle East

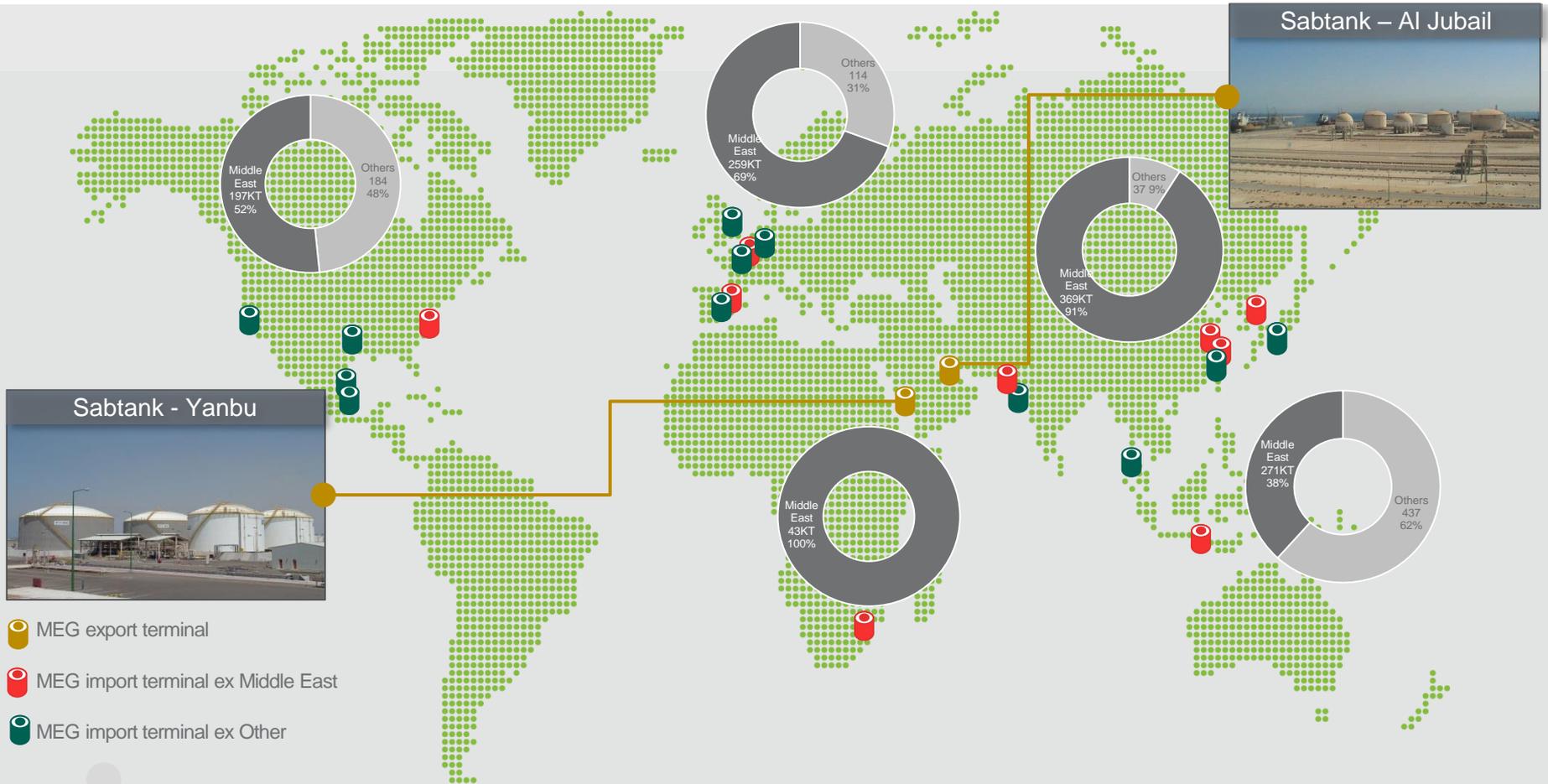
- Vopak maintains regular contact with all National Oil Companies and National Chemical Companies in the region

### Account management

- Network connection
- Ease of business
- Joint development of supply chains
- Product studies
- Aim to facilitate storage at origin and destination

# EXAMPLE: MARKETING + ACCOUNT MANAGEMENT

## MEG WITH MIDDLE EAST ORIGIN AT MORE THAN HALF OF OUR TERMINALS

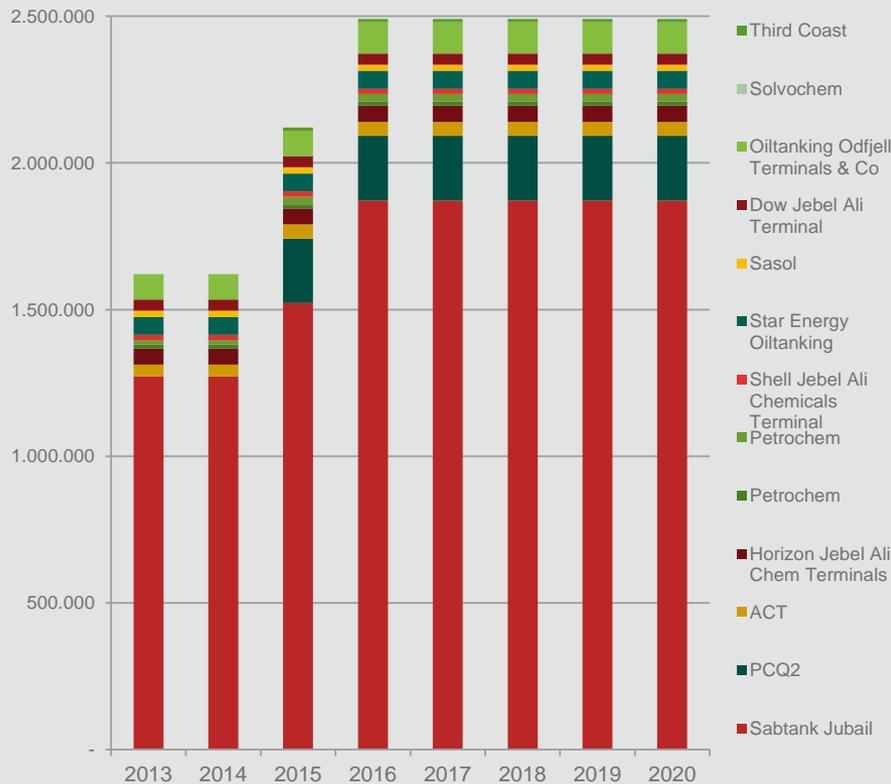


NOTES: WE ARE ONLY ACTING AS OPERATOR IN SABTANK TERMINALS WHERE VOPAK HAS A 10% INTEREST IN A JOINT SERVICE COMPANY. THIS REPRESENTS 2013 VOPAK STORAGE IN KT.

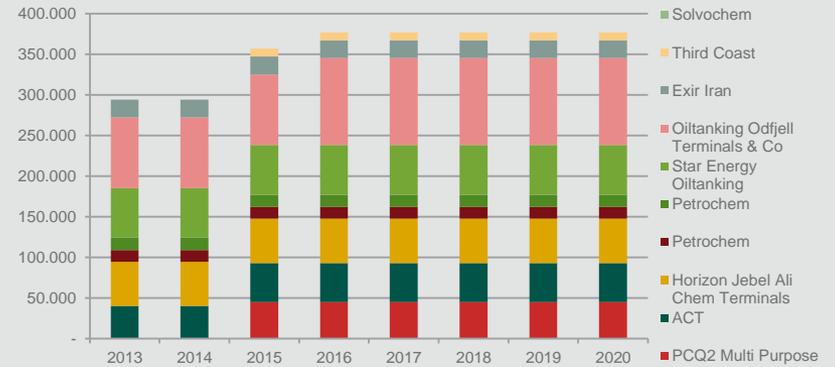
# COMPETITION IN THE CHEMICAL MARKET

IS MAINLY ESTABLISHED IN THE FREE ZONES OF THE UAE

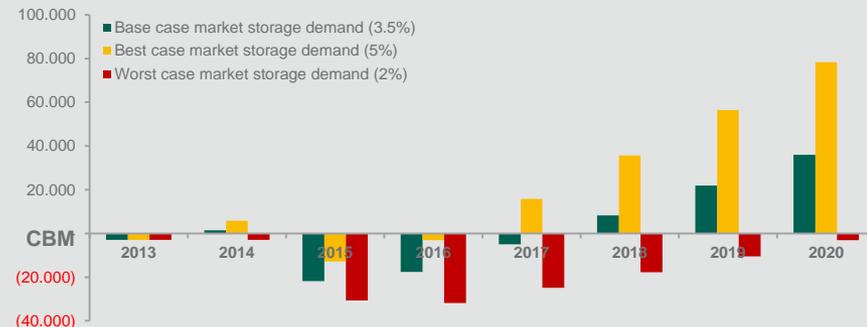
Chemical storage capacity Arabian Gulf & Oman (excl Ruwais & Qatar)



294kcbm of independent storage capacity in 2014



New built capacity needed From 2016 onwards (rotation 6)



Source: Vopak intelligence

# JOINT VENTURE AND PARTNERSHIPS

WITH THREE TERMINALS ALREADY SUCCESSFULLY OPERATIONAL

## Vopak in KSA

- Vopak and Sabc are JV partners in the operating company Sabtank Jubail and Sabtank Yanbu
- Vopak and Sabc are JV partners in the Jubail terminal expansion of PCQ2



## Vopak in UAE

- Vopak, Horizon, Fujairah government and Kuwait Independent Petroleum Group are JV partners in the VHFL terminal in Fujairah



# EXAMPLE: PCQ2 - INDUSTRIAL TERMINAL

LONG TERM PARTNERSHIP WITH SABIC SINCE 1995



# SUMMARY



## Job and value creation driving investments in the region

- Growing population leads to increasing demand for energy and jobs
- Proximity to high growth export markets
- World class infrastructure and economies of scale



## Higher integration of refinery and downstream clusters with focus on specialty chemical production

- Additional oil and diversified chemical production leads to increased global export



## Vopak well positioned in partnerships with Middle East oil & chemical companies

- Through local presence, global network and account management Vopak has potential to grow in the hub location and industrial terminalling

# QUESTIONS AND ANSWERS



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We have built our  
company over 400 years  
on trust and reliability

