



## **VOPAK SOUTH AFRICA SHORES UP FUEL SUPPLY WITH STRATEGIC STORAGE PROJECT**

Johannesburg/ Durban, South Africa – 17 November 2015

Independent tank storage provider Vopak SA - a subsidiary of Dutch-based Royal Vopak, the world's leading independent tank storage provider and SA-based Reatile Chemicals - today took into operation the first phase of its strategic expansion programme in Durban.

The programme aims to expand and enhance Vopak's infrastructure to facilitate supply of South Africa's increasing demand for petroleum products and thus improve the security of fuel supply and facilitate the import of cleaner fuels to South Africa.

Vopak South Africa's decision to increase and enhance its fuel storage capacity at its Durban Island View operations came in 2012 in the wake of SA's decision to realize Transnet's New Multi-Product Pipeline (NMPP) between Durban and Gauteng.

The NMPP is designed to service the transport needs of refined petroleum products such as petrol, diesel and jet fuel along the Durban-Gauteng corridor. The coastal end of the NMPP is adjacent to Vopak's Island View tank farm, thus enabling easy flow of fuel from the port via tanks into the pipeline.

However, land availability in the Port of Durban is limited and the lateral expansion of Vopak South Africa's facilities at the Farewell-King site was not feasible. Therefore, Vopak South Africa was forced to increase its storage capacity on the land that it was already leasing.

By removing 19 existing small tanks and replacing them with eight larger storage tanks, built to Vopak's international leading standards, the total storage capacity will be increased, in phases, to 234 200 cbm.

At a ceremonial ribbon-cutting in Johannesburg, the Prime Minister of the Netherlands Mark Rutte said Dutch businesses were well-represented in South Africa and Vopak

South Africa's expansion programme demonstrated continued confidence in South Africa's progress.

Rutte said: "Congratulations to Royal Vopak and its partner Reatile on their expansion project in Durban.

"It's another great example of the excellent economic relations between our two countries – as I have seen many during this trade mission. It proves the commitment of Dutch businesses in South Africa for the long term"

Mike Mabuyakhulu, KwaZulu-Natal MEC for Economic Development, Tourism & Environmental Affairs, said: "In terms of government policy on energy security, there is focus on developing supply chain solutions to the country's liquid fuels supply challenges and management of liquid fuels demand."

"Vopak's venture confirms that South Africa is indeed a preferred destination for investment and supports the energy security framework," he said.

Erik Kleine, managing director of Vopak South Africa, said: "We are successfully executing our growth strategy in South Africa and will keep investing in new infrastructure to accommodate our customers.

"Our mission is to ensure safe, reliable and effective storage and handling of bulk liquid products at key locations that are critical to our customers around the world."

Kleine said the expansion project at Island View involved over one million man hours with no lost time injury. He added that the company's stringent criteria concerning safety, health, environment and quality were in keeping with the highest standards.

"We are very grateful for the good cooperation and dedication to safety from everyone who has been involved in the realisation of this project."

He also said that Vopak South Africa is committed to being a good neighbor.

"We closely cooperate with local authorities and our neighbors to be a respected part of the community. Vopak South Africa is committed to engaging with communities living in the vicinity of our operations.

“We behave as a responsible citizen and work hard to minimize any negative impact of our operations whilst maximizing the positive impact.”

In addition to the expansion project at Farewell-King site, Vopak also has plans to replace tanks at its Fynn site at Island View. Tanks that presently have a total of 9 000 cbm capacity will be replaced with petroleum tanks that will have 64 000 cbm capacity for distribution locally and through the NMPP.

At Lesedi near Heidelberg which is the inland terminus of the NMPP, Vopak is conducting a feasibility study to construct a terminal. At Richards Bay, Vopak is conducting a feasibility study for the construction of a multiproduct chemicals terminal, which would also include a liquefied petroleum gas (LPG) storage facility.

In keeping with its commitment to growth in South Africa through broad-based black economic empowerment, in 2012 Vopak formalised a joint venture with the Reatile Group after many years of working together successfully.

The Reatile Group was founded by Simphiwe Mehlomakulu and Sizwe Hopa in 2003. With their extensive knowledge and expertise in the energy, mining and chemical sectors, they have been an invaluable partner for Vopak’s expansion in South Africa.

Mehlomakulu said: “Reatile is seriously committed to the transformation of the South African petrochemical landscape in ensuring meaningful participation in the economy by previously disadvantaged individuals and communities.”

“Our association with a respected company such as Vopak South Africa makes the achievement of this goal so much easier.”

Nischal Sancho, Products Managers, Shell South Africa, said: “Vopak is a trusted and reliable storage provider who continuously deliver safe and reliable storage facilities through their world class skills.

“For Shell this enables us to deliver on our customer promise and will support in the delivery of further competitiveness across our supply chain. This facility will allow us to import cleaner low sulphur product into the country to meet customer demand and will contribute to de-bottlenecking the Durban berth area.”

## **Profiles**

**Vopak Terminal Durban (Pty) Ltd.** is a joint venture between Royal Vopak (70%) and Reatile Chemicals (30%).

**Royal Vopak** is the world's leading independent tank storage provider for the oil and chemical industry. As at 17 November 2015, Vopak operates 73 terminals in 26 countries with a combined storage capacity of 34.1 million cbm, with another 4.6 million cbm under development, to be added by 2019. Vopak's mission is to ensure safe, reliable and effective storage and handling of bulk liquid products at key marine locations that are critical to its customers around the world. The majority of its customers are companies operating in the oil, chemicals and gas sector, for which Vopak stores a large variety of products destined for a wide range of industries. Vopak's strategic focus is on four categories of terminals: Major hubs supporting intercontinental products flows, Terminals facilitating growth in global gas markets, Import distribution terminals in major markets with structural deficits, Industrial and chemicals terminals, in the Americas, the Middle East and Asia.

Royal Vopak is celebrating 400 years of existence - its history goes back to the year 1616 when the company that became Royal Vopak offered storage and related services to trading companies, such as the famous Dutch East India Company.

## **Profile Reatile Chemicals**

Reatile Chemicals (Pty) Limited is part of the Reatile Group; a black-owned and managed investment holding company formed in 2003. The founding members of Reatile maintain a controlling stake in the group, which ensures that they are focused exclusively on the fulfilment of its vision and strategic objectives. Reatile Group has three main focus areas: mining services, energy and petrochemicals. The founding members are all engineers with extensive careers and executive experience in these chosen sectors.

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