

Media release

Richards Bay Mounded LPG Facility ground-breaking 25 October 2018

Bidvest Tank Terminals and Petredec have today celebrated the start of construction on a R1 billion Mounded Liquefied Petroleum Gas (LPG) import and storage facility in Richards Bay, which will ultimately ensure a cost-effective, reliable and safe energy source for southern Africa.

The project will provide security and reliability of supply, which has been the biggest obstacle to the increased use of LPG in South Africa.

The facility will be the largest in Africa and will significantly increase the supply of LPG to South Africa and allow for exports of the fuel to neighbouring countries. South Africa currently uses approximately 400 000 tonnes of LPG annually. The Mounded LPG Facility is expected to increase this by 200 000 tonnes a year.

End-to-end LPG supply requires a vast national value chain. This will expand as a consequence of this facility being commissioned. Expanding the supply will result in job creation across the LPG-supply value chain and potential cost savings mainly to rural consumers and businesses. The increased and sustainable supply will mean that the price of LPG will compete favourably with that of other energy sources, while an increased use of LPG in homes as opposed to alternatives such as wood and paraffin will ameliorate the significant health impacts of these fuels.

David Leisegang, Bidvest Tank Terminals' Managing Director, described the anticipated effect of the project: "An increased LPG supply will result in the fuel becoming a significant alternative to South Africa's current energy supply, with little additional infrastructure required. From an engineering point of view it's a noteworthy achievement. The facility will comprise four 5 650 tonne tanks, the largest such tanks in the world, and dedicated 24-hour road tanker and railcar loading facilities will ensure a reliable supply 365 days a year. The facility will have a substantial downstream effect on the wholesale and distribution industries, and of course on the southern African consumer."

Petredec already supplies most of South Africa's imported LPG and believes further investment in large, dedicated infrastructure is the only way to increase the fuel's popularity and bring lower prices to consumers. Petredec CEO Giles Fearn said, "Our commitment to the development of the Southern African LPG market underlines our confidence in the growth potential of this region."

The Richards Bay Mounded LPG Facility is expected to be operational in 2020.

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For more on the Mounded LPG Facility and its anticipated effect on the region's energy supply, contact:

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About Bidvest Tank Terminals

Bidvest Tank Terminals, which is a Proudly Bidvest company, was established in 1953 and is the foremost independent bulk liquid storage operator for chemicals, liquefied gases, edible oils, fuel, base oils and lube oil additives in South Africa. With over 825 000 cubic metres of storage capacity, it has terminals in Durban and Richards Bay and inland at Isando near Johannesburg, handling 3.5 billion litres of product each year.

About Petredec

Petredec, which delivers over 10 million tonnes of LPG annually and with a controlled fleet of over 60 gas carriers, as well as a downstream presence (LPG terminals and distribution), is a leading independent LPG specialist. Regionally, it has been delivering LPG to Africa since the 1980s and has its own 15 000 tonne import and storage facility in Mauritius alongside an LPG marketing business in Reunion.