

Engen boosts supply to southern Africa with “massive” Beira Port terminal upgrade

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Engen Petroleum, the African downstream petroleum multinational, is significantly increasing its supply capacity to southern African countries, after it acquired seven in-country operations from competitor Chevron in the region and the Indian Ocean Islands.

The company is currently undergoing first-phase revamp work on Beira Terminal, an import and storage facility in the Port of Beira, Mozambique. When complete, the terminal will be able to supply Mozambique, Zimbabwe, Zambia, Botswana and southern DRC.

Strategic

Drikus Kotze, Engen’s General Manager of Engen’s International Business Division (IBD), says the depot forms part of the Mozambican component of the acquisition.

“It predated all others and was aimed at strategically boosting security of supply in the region, given Engen’s increasing market share in southern and sub-Saharan Africa,” he explains.

Capital investment

Jan Sithole, Special Projects Manager for IBD, says the depot required a significant capital investment to overhaul and extend, as it had not been operational for a period of time.

“The project involves cleaning and safe dismantling of redundant piping and two unusable tanks; revamping of three tanks and admin offices; and installation of new tanks, road tanker loading facilities, import and export piping, a firefighting system, and security system.”

Phased supply

The first phase of proceedings, currently under construction, is aimed at readying the facility for import and supply of petrol and diesel in Mozambique (20% of the volume requirement), and Zimbabwe (80%). This will be done via the existing pipeline to Masasa Depot in Harare .

The Terminal's designed capacity of 18 million litres (diesel) and 7 million litres (petrol) is expected to be sufficient for this purpose.

Once phase one projected products demands have been achieved, second-phase construction will involve increasing tank- and road-loading capacity, and the construction of a new rail-loading facility to cater for Engen's other southern African sister companies (Engen Petroleum Zambia, to begin with).

Progress report

Sithole says the Beira Terminal Revamp Project scope comprises civil works, mechanical works, tankage and electrical works.

"Work for the first three scopings is progressing as per schedule, and the electrical works will commence in due course," he says.

Overall, the project is on track, with the target of reaching 90% mechanical completion (installed piping, equipment and support structures) by the end of December 2013.

"We want to have the depot fully operational in the first quarter of 2014," says Kotze. "Engen aims to be a leading Sub Saharan African oil company by 2016, and this undertaking will be instrumental in us achieving that."

Ends.

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