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Adal Mirza

Kuwait plans major tanker fleet expansion to market its oil products

Kuwait is planning to more than double its tanker fleet over the next two decades, as it aims to secure future crude oil and product supplies, Kuwait Petroleum Corp CEO Nizar al-Adsani Monday said.

The massive expansion could take Kuwait's total fleet to 60 vessels by 2040 from 28 vessels currently, Adsani told delegates at the Middle East Petroleum and Gas conference in Abu Dhabi.

"To service KPC's international marketing trade requirements, we will expand our fleet, especially for product carriers," Adsani said.

Kuwait Oil Tanker Co., a subsidiary of KPC, currently operates 12 crude oil tankers, along with four vessels for LPG, 10 for oil products and two bunkering vessels.

It will add two more crude oil vessels by 2020, and have 18 of such vessels by 2040, under the expansion plan. At the same time, it will also add one more LPG vessel and 11 more oil product tankers over the period.

SUPPORTING UPSTREAM AND DOWNSTREAM EXPANSION

The fleet expansion will support OPEC members' ambitions to ramp up crude oil production, as well as its downstream sector under a newly approved 2040 strategy.

The first step will be to reach 4 million b/d of crude oil production capacity by 2020, up from around 3.2 million b/d currently, before aiming for a targeted 4.75 million b/d by 2040. Nearly \$400 billion will be needed to achieve the target.

At the same time, KPC wants to significantly build-up its downstream sector, with a planned capacity of 2 million b/d by 2035, from 936,000 b/d currently.

Outside of Kuwait, Adsani said KPC wants to secure 1.3 million b/d of downstream capacity for its crude oil by 2035. It is expected to have 300,000 b/d in 2020, when it will supply crude to its 200,000 b/d Nghi Son refinery in Vietnam and its 268,000 b/d Milazzo refinery in Sicily. It will capture further crude oil outlets by 2021, with the completion of the 230,000 b/d Duqm joint venture refinery in Oman.

Kuwait is also looking to India for growth. It revealed earlier this month that it hopes to sign a deal to buy a stake in an as yet unidentified Indian refinery.