



The Global Storage Agency Limited

TankBank.com



Global expansion of the Tank Storage Industry and Outlook for the future





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Tony Quinn

Global Storage Agency Limited

Tankbank.com

Portstorage Group

Tony Quinn – Brief background

- CEO (owner)– Global Storage Agency Limited and Tankbank.com
- Principle Advisor – Bulk Liquid Storage - Challenger
- Director and Shareholder – PortStorage Group
- CEO – Emir8 Petroleum PLC - London
- Managing Director – Mabanft, Mabanft International,
- Commercial Manager – Simon Storage Group, then part of Van Ommeren (Now Vopak)
- International Operations Manager – Castrol Europe
- Distribution and Storage manager – BP Chemicals International
- Logistics Manager – Ruberoid – Now Tarmac PLC

Commercial Tank Storage: Global Spread



Definition of Commercial Tank Storage

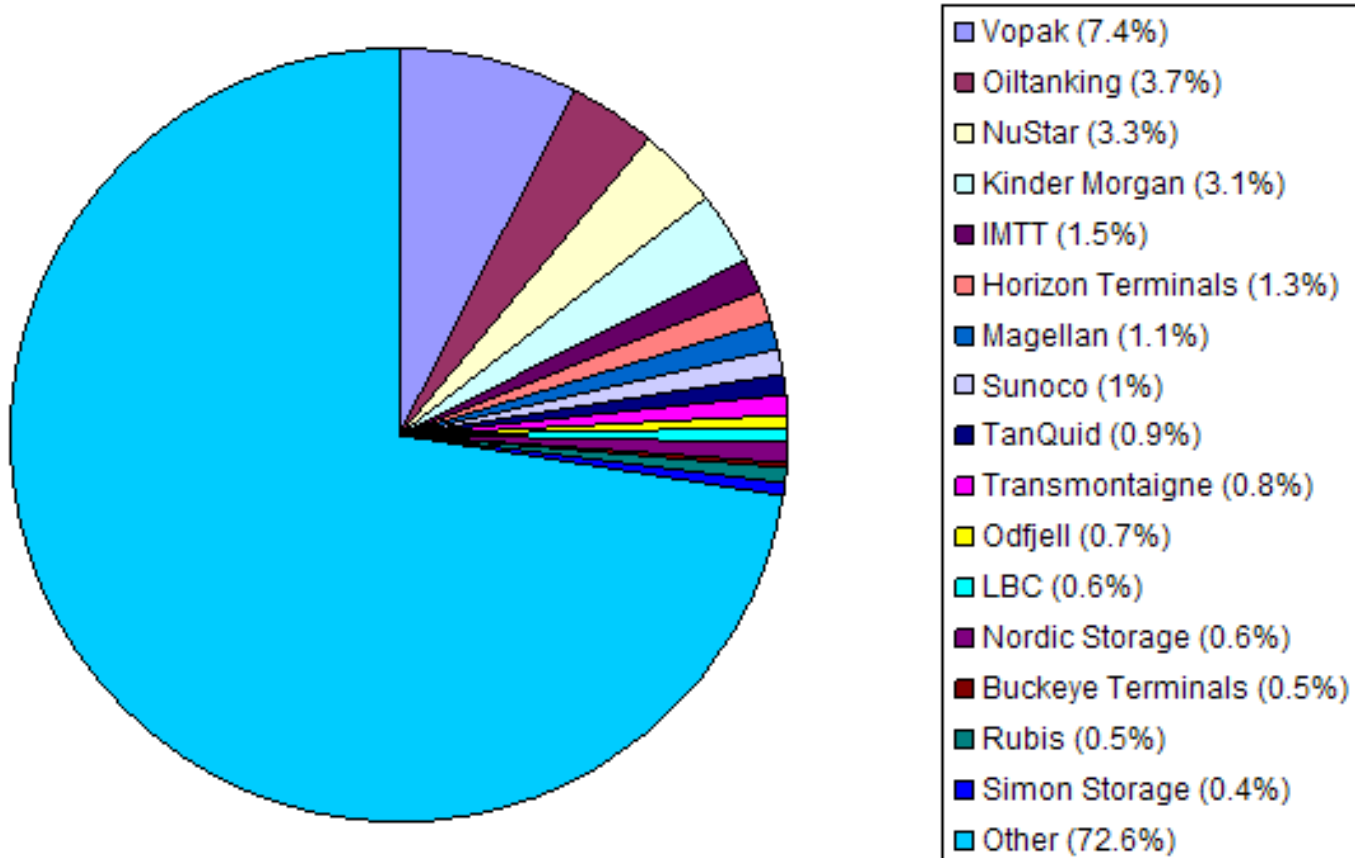
Main characteristics:

- Often also referred to as the “independent tank storage” or “public tank storage”
- The owner of the tank terminal is a different legal entity from the owner(s) of the product(s) stored in the tanks
- Multi-client portfolio and high flexibility of infrastructure
- Terminal owner maintains an independent P/L account

Market share of main operators



Global market shares main terminal operators (in m³)



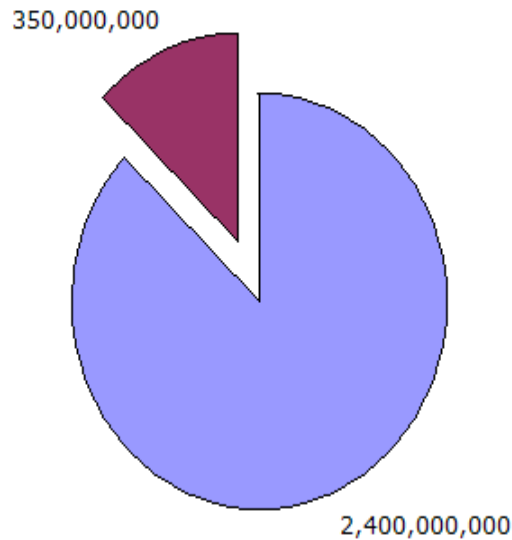
The 15 largest operators have 26% of the independent tank storage capacity

This is less than 4% of the total global tank capacity



Global tank storage capacity

Global tank storage capacity (in m³)



■ Captive (87.3%) ■ Independent (12.7%)

- Global tank storage market is approx. 2.75 billion m³
- (calculation of 60 days of total refinery throughput)
- Independent tank storage market is approx. 380 million m³ (database PSG)

Leading Commercial Terminal Operators



Company Name	Total Storage Capacity (million m ³)	Number of terminals	Active in number of countries
Vopak - Netherlands	27.1	83	32
Oiltanking - Germany	14.8	63	20
NuStar -USA	14.3	85	6
Kinder Morgan	12	160	1



gso



Other Commercial Terminal Operators

- LBC, Europe (terminals in: Europe, US, China)
- Buckeye Terminals, US (terminals in: US)
- Horizon Terminals, UAE (terminals in: ME, FE, Africa)
- IMTT, US (terminals in: US)
- Magellan, US (terminals in: US)
- Sunoco, US (terminals in: US)
- Transmontaigne, US (terminals in: US)
- Westway, US (terminals in: US, Europe)
- IMC, India (terminals in: India)
- TanQuid, Germany (terminals in: Germany)
- Nordic Storage (terminals in: Scandinavia)
- Others - total about 100 Independent operators

Tank Storage in NW Europe

Number of Existing Terminals	633
Number of Planned Terminals	16
Number of Terminals Under Construction	12
Number of Countries with Existing Terminals	26
Country with Maximum Number of Terminals	Germany
Company with Maximum Number of Terminals	Vopak
Terminal with most capacity	CIM S.N.C. Le Havre
Total Storage Capacity ('000 m³)*	130,720

**Independent Terminals (including Inland, Planned, Under Construction)*

Source: PortStorage Group



New Investors to the Business

- Macquarie
- Challenger
- First Reserve
- Sherman
- 3i Investments
- Morgan Stanley
- Carlyle
- The Traders...Vitol, Trafigura, Mercuria,

Institutional Investors

- Since late 2005 a new breed of investor has been prominent in bulk liquid storage; the pension fund, initially via Australian infrastructure fund managers:
 - Challenger
 - LBC Tank Terminals
 - Oikos Storage Limited in the United Kingdom
 - Macquarie
 - Lenhkering GmbH (Tanquid) and the Petroplus terminal sites in Germany
 - 50% of IMTT in the United States
 - Pisto SAS in France
- Others that have come to the party include:
 - First Reserve acquired 80% of BORCO in the Bahamas
 - 3i Infrastructures acquired 45% of three terminals operated by Oiltanking
- Infrastructure Fund Managers have acquired “bulk liquid storage” capacity of 20 million cubic metres with an equivalent value of more than USD 3.6 billion



Who are they ?

- Pension funds are increasingly allocating funds to infrastructure. Initially via listed funds but more recently via unlisted syndicates or directly.
- OECD estimates that Pension Funds total USD 16.2 trillion worldwide
 - Recent estimates put the Pension Fund investments in listed infrastructure companies and funds at circa USD 400 billion
 - Increasingly Pension Funds are allocating more capital to “unlisted” infrastructure
 - In Australia and Canada , its not unusual to see major pension funds with allocations to unlisted infrastructure of 5% or more
 - Outside Australia and Canada the weightings are much lower but growing. A number of prominent pension funds have announced substantial allocations to infrastructure
 - 3% of 16 trillion is USD 500 billion
- In 2007 18 unlisted infrastructure funds raised USD 35 billion for investment
- As at June 2008 71 new funds looking to raise in excess of USD 90 billion

What do they want ?



Diversification

- Pension Funds are looking to invest in a spectrum of assets whose values don't all go up and down at the same time.
- Unlisted infrastructure investments are considered to have low correlation to movements in equity and bond markets.
- Listed infrastructure is more highly correlated to movements in equity markets.
- **Stable and Predictable Returns**
 - Income streams that are insensitive to fluctuations in business cycles
 - High barriers to entry
 - Inelastic demand for services
 - Capital intensive therefore higher operating margins
- **Duration**
 - Long term income streams to match the duration of their obligations

Why are they here ?

- Bulk liquid storage terminals have been CHEAP relative to other infrastructure assets, particularly other types of ports.
 - Container and Dry Bulk Terminals
 - Very similar “infrastructure” character to bulk liquid terminals
 - Container volumes have been increasing at a multiple of GDP growth rates
 - A number of sales since 2005 : EBITDA multiples of circa 16x – 18x
 - Bulk Liquid Storage Terminals
 - EBITDA multiples have been increasing but have generally been well below comparable multiples for container and dry bulk terminals
 - In 2006 EBITDA multiples appeared to be circa 8 - 9x
 - Since 2007 EBITDA multiples have been circa 10x



Why are they here ?

- Target assets of infrastructure funds include seaports, gas and fuel storage facilities and energy distribution networks.
- Well located bulk liquid storage terminals have the following character
 - High barriers to entry
 - Port land is becoming increasingly scarce in strategically important locations
 - Bulk liquid terminals are competing with general freight and container terminals for increasingly scarce expansion room
 - Underlying demand for bulk liquid storage in strategic locations has been strong
 - Structural imbalances between major markets are growing
 - Increasing trade volumes in both refined products and chemicals
 - Operating margins are high and reflective of the capital intensive nature of the business
 - Provided assets are well maintained they can generate long term predictable cash flow



The Future - investors

- Pension funds are sitting tight, watching and waiting (like everybody)
 - A number of funds that have uncommitted capital are still investing
 - New funds are finding capital raising difficult.
- Pension fund direct investment in unlisted infrastructure is expected to continue to gain momentum as investment appetite returns.
 - Many investors are attracted to more realistic asset values
 - Some investor concerns are increasingly less relevant
 - More sustainable capital structures
 - Greater alignment of the investors objectives with the managers remuneration structure
 - Better overall governance, less prospects of conflicts of interest.
- Over the medium term Pension funds are more likely to increase their presence in the industry than to decrease it.

Impact of the Credit Crunch



Capital Strike

- Financial market participants lost confidence in other participants and ratings agencies.
- The Interbank lending market ceased to function, leading to a liquidity freeze
- Companies in urgent need of liquidity (many of them Banks) became unable to raise capital, many failed or have only been saved by government intervention.

▪ Global Slowdown

- Brought on by the combined impact of collapsing consumer confidence and a dramatic reduction in the availability of credit
- Two opposing views are emerging in respect of the impact it will have on global trade?
 - GDP growth is a significant factor in the level of trade
 - GDP is a factor but not a significant factor
- Listed equity markets have clearly voted in favour of the first of these views

Impact on Valuations



Negatives

- Lower overall global GDP is expected to have a negative impact on global throughput, which may have an impact on demand for storage.
- Cost of capital (both debt and equity) has increased,

Positives

- Demand for strategically located marine terminals is arguably going to remain high:
 - Recent very high demand for storage appears to have been driven by the progressive emergence of structural imbalances in established markets.
 - The investment required to address these structural imbalances is firstly substantial and secondly given the scarcity of capital less likely than ever
- Scarcity of capital will increase hurdle rates and make Boards more discerning about expansion projects, limiting the supply of additional storage capacity;
 - Brown fields will benefit from lower steel prices
 - Additional commercial risk associated with green fields projects in established markets may be fatal, additional risk is amplified in a sensitive capital market

Recent Transaction Multiples

Container Terminals / Ports			Bulk Liquid Storage Terminals		
CSX World Terminals	Dec 04	14.6x	Simon Storage	Sep 05	8.2x
P & O	Feb 06	17.8x	TSB Lehnkering	Sep 05	8.7x
Hutchison Ports (20%)	Apr 06	~18.0x	International Matex (IMTT)	Apr 06	8.9x
ABP	May 06	16.3x	Petroplus Germany	June 06	7.0x
Halterm	Nov 06	18.1x	Europoint	Oct 06	*15.8x
Orient Overseas	Nov 06	24.1x	LBC Terminals	Jun 07	8.7x
SSA Carrix	Oct 06	>20.0x	Oiltanking Portfolio Stake	Aug 07	10.5x
POPNA	Mar 07	>20.0x	BORCO	Feb 08	*15.0x
TCB	May 07	>20.0x			

Source: Deutsche Bank

Source: Challenger

DP World & Vopak

	DP World (USD Millions)		Vopak (EUR Millions)	
	2007	2008	2007	2008
Revenues	2,731		853	923
Adjusted EBITDA	1,100	1,252	388	429
EBITDA Margin	40%	42%	43%	44%
Gearing (EBITDA x)	3.0	3.7	1.7	2.4
Market Capitalisation	*22,576	5,976	*3,001	**1,699
Enterprise Value / EBITDA	23.3	8.4	9.3	6.4

* at 12 month high :

Source: Deutsche / Petercam / Challenger

Global Markets in Tank Storage

short overview



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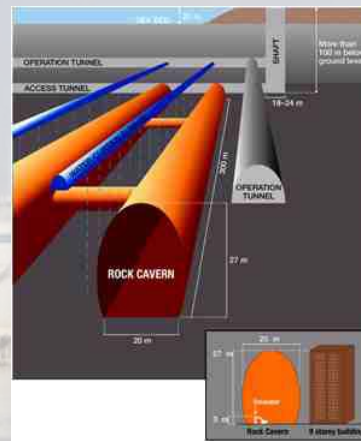
Poland



China



Singapore



Korea



Israel



United Kingdom



Development potential in UK !!



Australia



Baltic Sea Region





Development regions



Case Study in Development Indian Jet Fuel



Slumdog or Cashcow



MAJOR AIRPORTS IN INDIA



Map not to Scale

PortStorage Group



The facts

Demand for Air travel in India is rapidly increasing

Over 500 new aircraft are on order by Indian based airlines

AFT was 4 million tonnes per annum in 2007 and is expected to rise at 15% per annum

The civil aviation policy is changing from its previous monopolistic standpoint

It is the time for new dynamic players in the market

Impact for Storage
Use existing Terminals...?
Build at Airports ?
Develop more infrastructure ?
Worlds largest Refinery
Independent Storage Market
Needs help.....!!



And this is just the
aviation sector...



How are we doing...

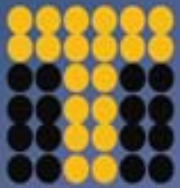
Vopak – increased profits by 17% in 2008

NuStar Energy L.P. Reports Fourth Quarter 2008 and
Record Full Year 2008 Earnings

Terminal values are maintained

Our Industry is in Profit and is growing

Tankstorage has stability in an uncertain world



Thank You

