

# OIL AND OIL PRODUCTS TRANSSHIPMENT TERMINAL AND PORT IN KULEVI



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Black Sea Terminal LLC is an oil and oil products transshipment marine terminal and port in Kulevi, built to the highest international standards. The Terminal was put into operation in May 2008.

Since then the Terminal has become one of the leading oil products transshipment companies in the region and demonstrating a high-level efficiency and management.

## **TERMINAL**

The oil terminal located in Kulevi belongs to the State Oil Company of Azerbaijan (SOCAR). The throughput capacity of the facility totals 10 mln tons of oil and oil products with possible further growth up to 15-20 mln tons per year.

SOCAR announced about purchase of the Kulevi complex in January 2007.

The Terminal, commissioned in May 2008, was initially engaged in transshipment of fuel oil and diesel fuel. Today it has already transshipped over 13 mln tons of oil and oil products. It has been one of a number of achievements gained owing to a hard work of hundreds of people including the personnel of the Terminal, the shareholders as well as governments of Georgia and Azerbaijan.

In 2008 the Terminal was certified in ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System) and OHSAS 18001 (Occupational Health and Safety Management System), which means that the entire management system processes fully meet the international standard requirements.

Successful business development strategy and compliance with international standards attracted such a considerable crude oil carrier as Tengizchevroil and since May 2010 KULEVI OIL TERMINAL began to transship crude oil.

Market participants consider Kulevi to be one of the main competitive ports in fight for transit flows of oil and gas products.

Transshipment of oil products through Kulevi increased in 2011 at the expense of supplies coming from Turkmenistan.

All technical characteristics of the Terminal and its management system compliance with international standards provide very safe, harmless and efficient transshipment operations.

The list of achievements that KULEVI OIL TERMINAL has attained since putting into operation is rather long. This is the result of firmness, tenacity and collaborative efforts of both experienced management and highly qualified personnel. Therefore, KULEVI OIL TERMINAL and PORT today is a proof of stable development which means that it excellently defines and achieves assigned goals.

## **RAILWAY TRESTLES AND TANK PARK**

The Terminal is equipped with 2 double-line trestles that allow simultaneous discharge of 168 railway tank cars. Both bottom and upper discharge can be carried out on the trestles. Delivered products are heated by means of circulation of hot product warmed up in heat exchangers.

The tank park consists of 16 reservoirs with total capacity 320 000 m<sup>3</sup>. For loading operations there are 2 berths receiving tankers with DWT of 40 000

and 100 000 tons. The loading performance can range between 8 000 up to 12 000 m<sup>3</sup>/h.

The park #2 and two reservoirs of the park #3 have been fully commissioned for storage of Tengiz oil. The Terminal is ready to provide services on separate storage of different sorts of oil including Kashagan oil. The Tank Park is connected to berths by pipeline system.

In May 2012 SOCAR commissioned a railway station Parto Tskali. Parto Tskali consisting of 5 railway lines was constructed by SOCAR for the purpose of optimizing the process of unloading of tank cars cargo for transshipment through Kulevi. The station is able to receive up to 270 cisterns simultaneously.

Parto Tskali is located only in 1.5 km away from the Terminal. The Chaladidi station, which is 20 km away from the Terminal, had been used before.

The new station enables to accelerate the discharge of tank cars for 4 hours and thus delayed supplies to the Terminal are avoided, which considerably increases total throughput capacity of the complex. Annual saving gained from operation of Parto Tskali totals 680-690 thousand USD which used to be spent on maintenance of locomotives and transportation along the Chaladidi-Kulevi route.

## **TRESTLES FOR BUTYLENE-BUTADIENE FRACTION AND PROPYLENE DISCHARGE**

The startup (since June 2012) of the newly built complex designed for transshipment of butylene-butadiene fraction and propylene increased international significance of the Terminal.

Discharge capacity of the Trestles is - 20 cisterns. The product is loaded into gas carriers directly from cisterns by means of the nitrogen compressor unit built at the terminal.

## **BERTHS**

Nowadays, there are three operating one-entry berths at the Terminal. Two of them are used for loading of tankers and the third one is used for anchorage

of auxiliary fleet. The terminal is able to receive Aframax class tankers with the DWT up to 105 000 tons.

Berths are equipped with pumps with the capacity of 7-8 thousand cubic meters per hour. It enables to load 100 000 tons approximately within 11 hours.

Consignments shipped by Tengizchevroil from Kulevi reach up to 80 000 tons. Fuel oil export totals 30-35 000 tons. Diesel fuel is shipped at tankers from 3 to 30 thousand tons.

Dredging works are regularly carried out by dredgers in the water area of the port. Current depth of the access channel in Kulevi totals about 15 m.

### SAFE, HARMLESS AND EFFICIENT

“Safe! Harmless! Efficient!” principle is applied into Black Sea Terminal LLC management system from the beginning of operation and expresses main company objectives to prevent accidents, workplace injuries and environmental pollution and provide quality services exceeding customer expectations.

To comply with these principles and achieve these objectives, KULEVI OIL TERMINAL has established and continually improves Integrated Management System in compliance with international standards.

KULEVI OIL TERMINAL Management considers healthy workforce as a main basis for successful business. Health insurance program implemented by KULEVI OIL TERMINAL allows the employees to use all necessary resources.

KULEVI OIL TERMINAL is committed to conducting business according to the principles directed to protecting safety and health of its employees, contractors as well as local community. As a main

tool to prevent accidents and work injuries KULEVI OIL TERMINAL has implemented and continuously improves hazard identification and risk assessment process. Company ensures that hazard identification and risk assessment is conducted before any activity starts, and in case of any changes in company processes.

Periodical site audits and safety inspections are conducted to evaluate the level of compliance with the company safe operating system requirements.

Considering the importance of behavioral safety KULEVI OIL TERMINAL has implemented safety observation card system, where all company employees are to stop work if any unsafe actions are observed.

Company management demonstrates its commitment to Quality Management System by declaring its policy which includes commitment to customer satisfaction, compliance with legal and other requirements, improving competence and qualification of staff and continual improvement.

Company management is not limited only by achieved targets. From year to year company management analyses its performance and investigates initiatives for further improvement, which enforce all company employees to think of their responsibilities and try their best to stand for company achievements as a foundation of KULEVI OIL TERMINAL sustainable development.

### SOCIAL SIGNIFICANCE

Black Sea Terminal LLC is one of the biggest companies of Georgia and one of the most illustrative examples of

“Employment Programme” support stated by Georgian Government, because it plays a considerable role in employment of local personnel resources. 91% of our employees are citizens of Georgia and most of them are habitants of Khobi Municipality.

The significance of the Terminal in the region is also proved by considerable amount transfer to the local budget. This gives the municipal administration an opportunity to develop and improve infrastructure, provide financing of social and cultural projects and support a lot of other municipal processes.

The Terminal often receives different requests of help, and tries to justify hopes of expectants as far as possible. The neighboring villages are provided with, portable water, transport and compensation of electricity consumption; schools of the Municipality are regularly presented with equipment, books and other gifts pleasing the children; roads, monuments and other cultural memorials are periodically rehabilitated and/or constructed.

The Terminal participates in many kinds of charity activities aimed to ease the sufferings of those in need - make yearly donations to orphanages, old people’s homes, Invalids, Business, Education and other Associations, veterans of World War II and beneficiaries of diners for socially unprotected people.

Black Sea Terminal LLC tries to be responsive and pays much attention to realization of charity and social program, which makes possible not to get stuck in work and remember the society.

