



Oil's well

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Ian McNeal, Evening Gazette

A Teesside company has been awarded a multi-million pound 30-year contract to work on the world's largest biodiesel plant.

Seal Sands Storage has been named as one of the two main contractors on the eco-friendly plant being developed by the Biofuels Corporation.

The news came as Billingham-based Biofuels Corporation - headed by chief executive John Nicholas - announced work has started on the first £21m biodiesel plant at Seal Sands.

The plant will turn oilseed rape into fuel and it is expected to create 75 direct jobs with a further proposed 200 spin-off jobs.

The two main contractors for the development have been named as Austrian specialist biodiesel firm Energea, which will fabricate the plant.

Seal Sands Storage, which owns the land on which the factory will be built, will deal with bulk liquid storage and provide pipeline connections and a deep water port.

Seal Sands Storage, based at Seal Sands Terminal, is part of the Surrey-based Simon Storage group and has not disclosed the value of the contract.

Roger Hartless, chief executive of Simon Storage, said it had already increased its 60-strong Teesside workforce by three and expected several more jobs to be created.

He said "This is one of the most significant bulk liquid contracts in the UK for many years.

"Once the plant is in full production, we will handle up to 250,000 tonnes a year of raw materials including both UK produced and imported vegetable oils.

"During the construction period, we will also provide engineering consultancy services through our project engineering group and facilities management divisions."

Seal Sands Storage is investing £3.5m on engineering and construction works to its own tanks and facilities as a result of the contract win.

Nationwide Simon Storage owns and operates seven deep-water terminals with a total storage capacity of approximately 1m cubic metres, including over 500 tanks.

The company also has a second Teesside storage site at Riverside, in Billingham.

In April, Biofuels Corporation floated on the alternative investment market to raise £14m for the project backed by a further £30m in bank facilities.

A Biofuels spokesman said: "The contract with Seal Sands Storage gives the biodiesel project use for at least 30 years of deepwater port facilities, road, rail and pipelines connections and storage and blending facilities for vegetable oils and biodiesel products.

"The technology for the plant is licensed from Energea and uses a continuous flow process which is significantly more efficient and lower cost than traditional batch processing."

Regional development agency One NorthEast has supplied a £1.2m grant towards the project.

Initially, two plants are proposed for the site. The first will employ 40 and produce 250,000 tonnes of biodiesel a year

The plant is expected to be complete by the first quarter of 2005. A similar sized second plant, employing 30, is expected to be completed in 2006.

