

~~~ Valero News ~~~

08.07.06

Oil Express

VALERO EYES PACKAGE OF MIDWESTERN CITGO PRODUCTS' TERMINALS

Watch for Valero to actively pursue many of the terminal assets that Citgo will sell as part of its Midwestern pull-out, sources say. Valero has a 165,000 b/d refinery in Lima, Ohio and could use the terminaling network as it looks to expand its brand in the region. Any purchase would involve Valero Energy and not the Valero master limited partnership (Valero LP). Valero is in the process of divesting its interest in the MLP.

The Citgo terminals believed to be on the block include a 150,000 bbl facility in Dayton, Ohio; a 187,000 bbl tank farm in Dublin, Ohio (near Columbus); a 323,000 bbl plant near Toledo, Ohio (Oregon); a 182,000 bbl terminal in Tallmadge, Okla.; and a 219,000 bbl facility in Louisville, Ky. Citgo has a half dozen other terminals that it will also look to sell, and it could even dispose of tankage in other regions where it will continue to market.

Copyright 2006, Oil Express