Oil & Gas (Downstream Petroleum Sector)

2025

Regional Tank Farm Project

Location

- **Western Area Urban/Rural – Freetown**
- **Southern Region – Nitti, Bonthe District, or Sulima, Pujehun District**
- **Eastern Region – Kono District (Old NDMC or alternative site)**
- **Northern Region – Port Loko District (Tagrin & Pepel)**

Project description

The Regional Tank Farm Project is a strategic investment initiative aimed at strengthening Sierra Leone's petroleum storage infrastructure to enhance supply security, price stability, and energy resilience. The project will develop high-capacity, strategically located storage facilities to ensure uninterrupted fuel availability and mitigate risks associated with global supply chain disruptions.

Sierra Leone relies entirely on fuel imports, making it highly vulnerable to market fluctuations, foreign exchange constraints, and supply shocks. By establishing a network of regional petroleum storage facilities, the project will ensure long-term energy security while offering stable, government-backed investment opportunities.

The proposed Build–Operate–Transfer (BOT) investment model ensures that private investors finance, construct, and manage the tank farms, earning returns through storage lease agreements and operational contracts before transferring ownership to the government after a specified period

Figure 1. Tank Farm



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Key Project Components

- Development of Modern Fuel Storage Facilities:
- Construction of large-capacity petroleum storage terminals across key regions.
- Integration with national fuel distribution networks to optimize supply chain efficiency.
- Scalable capacity to support current demand and future regional trade opportunities.
- Procurement & Storage of Strategic Fuel Reserves:
- Dedicated storage for diesel, petrol, jet fuel, and fuel oil to sustain a six-month reserve supply.
- Guaranteed access for Oil Marketing Companies (OMCs), industrial consumers, and emergency reserves.
- Deployment of Advanced Monitoring & Safety Systems:
- Automated real-time inventory tracking to monitor stock levels and fuel movement.
- Environmental compliance measures, spill containment systems, and fire safety protocols.
- Alignment with National Energy Policies & Regional Trade Agreements:
- Supports Sierra Leone's energy security strategy and aligns with ECOWAS petroleum trade frameworks.
- Positioned to serve as a regional fuel hub, facilitating cross-border petroleum trade.



Key Highlights

✓ Guaranteed Market Demand:

- Government-backed long-term lease agreements ensure predictable returns.
- Oil Marketing Companies (OMCs), mining firms, and industrial users provide a stable customer base.

✓ Attractive Returns & Financial Security:

- Revenue streams from lease payments, operations contracts, and excess storage rental.
- Predictable cash flow through government procurement agreements.

✓ Strong Government Commitment & Policy Support:

- Endorsed by the Petroleum Regulatory Agency (PRA) and the Government of Sierra Leone.
- Potential incentives, including tax breaks, customs duty waivers, and regulatory support.

✓ Scalability & Regional Expansion Potential:

- Designed for future expansion to accommodate growing national and regional demand.
- Opportunity to integrate with private oil logistics firms for commercial operations.

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Technical Specifications

Tank Size (MT)	Estimated Land Area (Acres)	Construction Duration	Estimated Cost (USD)
10,000	0.44	18 – 24 months	**$3,862,613**
50,000	2.23	18 – 24 months	**$17,713,067**
100,000	5.45	24 – 36 months	**$35,026,134**

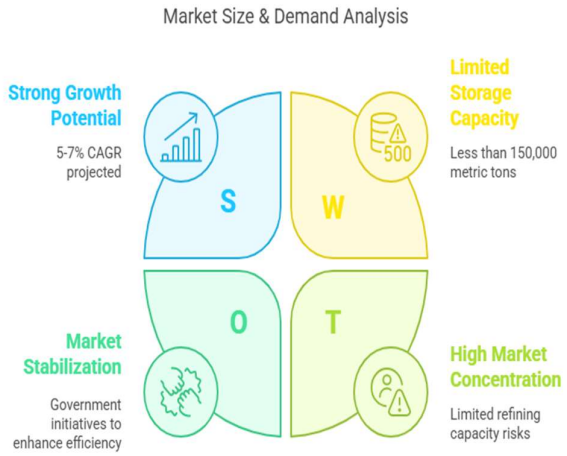
Investment proposition

The project is currently in the pre-feasibility stage.

Market Size & Demand Analysis

Market Overview

- Annual Fuel Consumption (2023): ~500,000 metric tons
- Projected Growth: ~5-7% CAGR due to increasing industrialization and energy demand.
- Current Storage Capacity: Less than 150,000 metric tons, leading to frequent supply disruptions.
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Competitive Landscape

Sierra Leone's petroleum sector is highly concentrated, with a few key players controlling imports and distribution. Major industry participants include:

- Oil Marketing Companies (OMCs): NP-SL, Total Energies, LeonOil
- Private storage facility operators

Investment Model Options

Investment Model: Build–Operate–Transfer (BOT)

- Private investors finance, construct, and operate the facilities for a fixed concession period (e.g., 15-20 years).
- Government guarantees long-term lease agreements for a portion of the storage capacity.
- Private operators generate revenue from OMCs, mining companies, and regional petroleum traders.
- After the concession period, full ownership transfers to the Government of Sierra Leone.

Revenue Model

- Lease agreements with the government and private oil distributors.
- Service contracts for facility maintenance, logistics, and fuel handling.
- Excess storage capacity available for commercial leasing to regional petroleum markets.

6. Estimated Project Cost & Financing Requirements

Component	Estimated Cost (USD)
Storage Facility Construction (100,000 MT)	$35,026,134
Operations & Maintenance (Annual)	30% of Capex
Total Investment Requirement	**$35M+**

7. Risk Analysis & Mitigation Measures

Risk	Mitigation Strategy
Oil price volatility	Long-term fixed pricing agreements
Forex fluctuations	Hedge currency risks and maintain forex reserves
Supply chain disruptions	Diversify fuel suppliers and establish strategic stockpiles
Infrastructure risks	Ensure private sector expertise for facility management
Regulatory concerns	Strengthen legal framework to protect investor interests