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# NewsRelease

FOR IMMEDIATE RELEASE

## **PJIAE meets SOL to seek permanent solution to frequent jet fuel shortages**

*Construction of new tank set for March 19*

**SIMPSON BAY, St. Maarten (March 8, 2012)**—Deputy Prime Minister Theo Heyliger, with responsibility for the airport, joined a delegation of Princess Juliana International Airport operating company (PJIAE) in a specially-convened meeting on March 6 with Sol top brass, including CEO Gerard Cox, to demand permanent solutions to the recurrent fuel shortages that have been affecting the airport and airlines servicing the destination since the beginning of the high season.

The meeting, held at Sol's offices in Cay Bay, discussed among other issues Sol and Chevron's implementation of a 50% restriction, which was in place from the period of March 2 – 4, 2012, during the St. Maarten Heineken Regatta weekend.

Sol attributed the spate of fuel shortages that has hit St. Maarten and affecting the whole island, in part to what it called an un-forecasted 15% increase in fuel sales this season.

The jet fuel supplier noted that the spike in sales came as a result of increased demand.

According to Sol, due to the increase in uplifts, the fuel required at the airport surpassed usual requirements during the high season. This has affected Sol's and Chevron's ability to provide sufficient fuel given the current storage capacity in St. Maarten.

Asked why St. Maarten seemed to be most affected by fuel shortages compared to other islands in the region, Sol noted that storage is not as big an issue on other Caribbean islands, as in St. Maarten.

As a result of the fuel issues it is facing in St. Maarten, Sol has increased its jet fuel storage capacity in Antigua from 60,000 barrels to 97,000 barrels to allow for quicker transporting of fuel to St. Maarten when needed, it was further revealed.

Sol further explained that based on the current storage capacity, should there be any influxes in demand or setbacks in shipping at supply sources, it would take two voyage rotations, which usually equates to two weeks, to restore fuel supply to a normal position. As customary, all fuel that arrives at port is sent to Antigua for recertification and the time involved in this process would also need to be considered.

Another reason Sol gave for the recent shortages is the numerous challenges faced by its main supplier, Petrotrin in Trinidad. However, Sol maintained that an increase in

storage capacity in St. Maarten would put Sol in a much better position to deal with any unforeseen challenges that may arise during the peak season.

Addressing the issue of storage, Deputy Prime Minister Heyliger, reiterated that he had recently signed the building permit for the construction of the storage tank.

“St. Maarten continues to be an important market in Sol’s business portfolio and we remain committed to resolving the problem with jet fuel supply at PJIA,” said Andrew Niles, General Manager of Sol Aviation Services.

Stressing that indeed, the “solution is the tank,” Sol further disclosed that construction is set to begin on March 19 with completion expected by October 31, 2012.

The new tank will have a storage capacity of 34,000 barrels and when coupled with existing storage will give a net increase of some 29,000 barrels. The tank is being designed and built by Sol.

The PJIAE delegation, which included Chairman of the Supervisory Board of Directors, Clarence Derby and Managing Director, Regina La Bega, also discussed with Sol plans for relocating the fuel farm at the airport. This will allow for an expansion of the storage capacity of the fuel farm as well.

Communication was another issue the two parties discussed at length with PJIAE demanding that Sol informs it of any imminent shortages/restrictions in a much more timely manner to allow for timely dissemination of this information to stakeholders and to enhance proper crisis management. Poor and last minute communication of the recent stock-outs have only worsened an already bad situation.

To help manage the fluctuating fuel uplift demand, Sol requested that all airlines provide their projected jet fuel daily requirements at airports across the region, including PJIA, to ensure service quality and availability, seeing that demand is a major factor.

In an effort to improve communication, it was agreed that Sol would also meet with the stakeholders at the airport.

“PJIAE is in the business of attracting airlines to this destination, and one thing for sure, we cannot afford for the current situation with fuel shortages to continue because of its negative effects not only on the image of the airport as an international airport, but also on St. Maarten as a leading tourist destination,” said PJIAE managing director La Bega – who has repeatedly indicated the need for all operators, including Sol, to meet soon-to-be established performance standards.

Deputy PM Heyliger, in summing up the position of St. Maarten, said adequate storage capacity requires that the supplier(s) guarantee on-island stock that would last a period of at least two weeks. “This is what we are looking at to solve this situation with jet fuel shortage that has been happening too frequently now,” he said.

**Photo caption:**

Deputy Prime Minister Theo Heyliger (2<sup>nd</sup>, L) reviews a fuel-related point on the computer while Sol executive (L), Regina La Bega, PJIAE Managing Director (3<sup>rd</sup>, L), and Clarence Derby, Chairman of the airport’s Supervisory Board of Directors, look on. (PJIA photo)