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INTERVIEW-Oil trader Hin Leong to spend $3 bln on Asia expansion

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* Plans terminals, storage in China, East Timor, Indonesia and Myanmar

* Targets 5-10 pct rise in trade revenue on $12 bln last year

* Looking for refining investments to secure fuel; eyes LNG

By Florence Tan

SINGAPORE, June 7 (Reuters) - Singapore oil trader and shipper Hin Leong plans to spend up to$3 billion to build oil terminals and distribution facilities in emerging Asian markets, including fresh investments in Myanmar and Indonesia, to meet rising oil demand from the region.

Projects proposed in the two Southeast Asian nations would account for around $300 million to $400 million on top of $2.7 billion to be spent on storage and terminal assets in China and East Timor, Hin Leong Chairman O.K. Lim said in an interview.

"East Timor, China, Indonesia and Myanmar - they all need oil for their development," Lim who founded Hin Leong Group, said. "We are already a fuel supplier and we want to provide more services."

The family company owns one of the largest commercial oil storage complexes in Asia, Singapore's Universal Terminal, with its trading operations rivalling majors like BP and Shell in its home waters.

It also has a fleet of more than 100 tankers, and it plans to raise trading revenue by 5-10 percent in the year ending Oct. 31 from about $12 billion in the last financial year.

As a long-time supplier to emerging Asian economies now opening up further to foreign investors, Hin Leong has watched oil demand in these markets grow from home use met by fuels in retail quantities, to industrial use met with bulk shipments in wholesale barrels and tankers.

In Myanmar, where Hin Leong is one of the top fuel suppliers, the company plans to set up a storage and distribution base near the former capital Yangon to sell directly to end users in one of Asia's least developed countries, Lim said.

"A lot of businesses are entering Myanmar after it opened its doors, so its oil demand is rising very fast," Lim said, adding that an investment there would start in the $100 million to $200 million range.

Myanmar's steps towards democracy after years of military rule have seen the United States and European Union ease or suspend sanctions, encouraging more investment from manufacturing to mining which will boost its oil demand.

Myanmar's oil and gas reserves are weighted towards gas, and it has to import most of its fuel for retail and industrial use.

Hin Leong is also planning to build oil storage and distribution units either in west Indonesia or in Papua province in the east to meet rising domestic demand.

In East Timor, phased investment would begin with 100,000 cubic metres of storage for four products - kerosene, gasoline, jet fuel and asphalt.

"We started supplying oil to Timor, such as kerosene for cooking to homes, in tin cans of 18-25 litres, which subsequently grew to 200-litre barrels," Lim said. "Now we plan to ship oil in tankers to power plants and for industrial use."

Lim said in January that the East Timor investment could grow to $1 billion and that Hin Leong could be the first foreign company to build a sizeable infrastructure project in the impoverished nation, which has huge reserves of oil and gas.

Hin Leong is still awaiting Beijing's approval to build a $1.7 billion storage terminal at Meizhou Bay in southern province of Fujian that could eventually hold up to 41 million barrels of crude oil and products.

The firm is keen to enter the refining sector to secure fuel supply and is also looking at how it can enter the liquefied natural gas (LNG) market, Lim said.

It could invest in existing refineries and plans to start crude trading to buy feedstock for such a unit, he said. The company is also still in talks with the Singapore government to build a new $6 billion-$8 billion refinery. (Editing by Tom Hogue)

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