

08 MAR 1996

Mahathir-Petronas

PRODUCTION AT PETRONAS CARIGALI FIELD OFF VIETNAM TO START NEXT YEAR

By: Zainoor Sulaiman

HANOI, March 8 (Bernama) -- Petronas Carigali is expected to start producing 9,500 barrels per day from its Ruby field about 160km off the southern coast of Vietnam by the end of next year.

Petronas president Datuk Mohamad Hassan Merican said today development of the Ruby field would be undertaken in two phases with the first phase commencing at the end of this year.

He was briefing the Prime Minister Datuk Seri Dr Mahathir Mohamad who earlier officially opened the Petronas Representative Office here.

When Phase Two development was completed in year 2003, the field was expected to produce 85,000 barrels per day, he said.

The Ruby field has estimated reserves of 200 million barrels of oil, he added.

Petronas' entry into Vietnam's upstream sector started in 1991 through its wholly-owned subsidiary Petronas Carigali Overseas Sdn.Bhd. (PCOSB) with the signing of a production-sharing contract (PSC) for a 100 percent interest in Blocks 01 and 02.

The blocks, covering 12,500 sq km, are located off the southern coast of Vietnam, about 160 km from the coastal town of Vung Tau.

Mohamad Hassan said Petronas' venture into Vietnam's petroleum industry formed part of its globalisation strategy aimed at creating greater value and to ensure sustainable growth.

"The move was also in line with the corporation's and Malaysia's commitment to play an effective role in the development of Vietnam, particularly its petroleum industry, through the sharing of expertise, experience, technology transfer and training," he added.

To-date, Petronas has committed more than US\$400 million (RM1 billion) in both the upstream and downstream sectors in Vietnam.

Petronas is also a partner in the development of the Dai Hung oilfield located in offshore Block 05-1 in the Con Son Basin, about 250 km southeast of Vung Tau.

The PSC was signed on April 15, 1993 with Petronas having a 20 percent stake. The other partners for the Dai Hung project are Broken Hill Petroleum Proprietary (43.75 percent), Petro Vietnam (15 percent), Sumitomo (10.625 per cent) and Total (10.025 per cent).

Oil production from the Dai Hung field began on Oct 14, 1994.

On gas development, he said Petronas has formed a joint venture with Vietgas, the marketing arm of Petro Vietnam, to construct a Liquefied Petroleum Gas (LPG) terminal and bottling facility in Hai Phong.

The joint venture company is known as Thang Long LPG Joint Venture Company in which Petronas holds a 49 percent stake. Petronas has also started marketing LPG cylinders and cookers in north Vietnam, he added.

Together with Petro Vietnam, Conoco Asia, South & Webster International Project Corporation, China Petroleum Corporation and China Investment and Development Co.Ltd, Petronas would under a detailed feasibility study on Vietnam's first refinery project.

The refinery was proposed to be built in Dung Quat Bay, 130 km south of Danang, with the capacity of 130,000 barrels per day.

Earlier, Dr Mahathir officiated the capping off ceremony of the Vimas Sheraton Hotel, developed by Vimas Co.Ltd, a joint venture between Malaysia's Faber Group Berhad and Ho Tay Corporation.

The construction of the 300-room five star international hotel and

apartments on an 18,000 sq metre site beside the scenic Ho Tay Lake, here, would cost US\$170 million (RM425 million).

Dr Mahathir said he was confident that the hotel would be a rewarding business venture for Faber and Vimas as well as an important landmark for the people of Hanoi. -- BERNAMA

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