

16/06/1997

Bumi Armada to recover investment in two years

BUMI Armada Navigation Sdn Bhd, a subsidiary of soon-to-be-listed Bumi Armada Bhd, expects to recover its investment in a recently acquired floating production storage and off-loading tanker within the next two years.

General manager Jamaluddin Abdul Wahab said this would be possible as the company has an edge over others because it was the first Malaysian company to own and operate such a system.

He said the company had awarded an extendable contract of 28 months to International Petroleum Corporation to handle the nomination and export of crude oil.

The 59,650dwt tanker, renamed Armada Perkasa (formerly Red Teal), has a daily production capacity of up to 20,000 barrels and storage capacity of 350,000 barrels.

It was converted from a tanker to a FPSO tanker by Keppel Shipyard in Singapore and underwent a complete refurbishment for life extension to facilitate uninterrupted service for a period of at least five years.

Twenty-one-year-old Armada Perkasa was reflagged by Nik Ghanimah Nik Abdul Rahman, the wife of Bumi Armada's chairman Wan Ariff Wan Hamzah, at Keppel Tuas Yard in Singapore on Saturday.

Also present were Bumi Armada managing director Dr Ahmad Fauzi Mustapha, Land and General Bhd chairman Tan Sri Wan Azmi Wan Hamzah and Keppel Shipyard executive director Nelson Yeo.

With about 35 staff, it is expected to be fully operational in July in International Petroleum Corporation's PM-3 Field, situated offshore Trengganu.

"We are the market leader of this facility in the country which provides the service of processing the crude oil on board and our storage is as good as storage on shore.

"With this facility, we save about two years constructing a platform on shore and we can already start operating to recover our investment," Jamaluddin said, adding the company would continue to source potential market in the region.

Bumi Armada Navigation began its business in June 1977 with chartered vessels to support the offshore operations of Sarawak Shell. It acquired its first vessel, Armada Jaya Satu in 1981 and gradually increased its list of clients which included Esso, Petronas Carigali and Brunei Shell.

To date, it owns and manages 31 vessels, a majority of which provides support services to the offshore oil and gas industry.

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