

04/11/1997

Thai deal to supply LPG to Malaysia

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KELOIL Sdn Bhd, a subsidiary of the Kelantan State Economic Development Corporation, has signed an agreement with the Petroleum Authority of Thailand for the supply of liquified petroleum gas to the Malaysian market.

SEDC chief executive officer Wan Zulkifli Wan Yusoff signed on behalf of Keloil while PTT was represented by its executive director for downstream oil sector group and acting president for PTT international, Viset Choopiban.

The event, held in Kota Baru over the weekend, was witnessed by Deputy Menteri Besar Abdul Halim Abdul Rahman and the Royal Thai Consul-General in Kelantan Sanithant Romyanond.

The agreement is part of the undertakings between Keloil and PTT in the setting up of an LPG bottling plant in the proposed petro-chemical township at Pantai Senok in Bachok.

The proposed petrochemical township will be developed by Keloil and KUB Malaysia Berhad. An agreement to this effect was signed in April in the presence of Prime Minister Datuk Seri Dr Mahathir Mohamad. Under the agreement, both companies will initiate a feasibility study to determine the outlay for the development which will sprawl over a 2,000-hectare site.

The project is scheduled for completion in 2003. It will be the centre for downstream activities and the gas industry in Kelantan, facilitating the utilisation, processing, distribution and development of petroleum resources and products.

Keloil president Zainal Abdul Rahim told reporters the construction of the bottling plant was in progress and would be ready for commissioning before end of the year.

"The plant, owned by PTT and Keloil, will get the necessary supplies of LPG feedstock at competitive pricing from PTT.

"PTT will supply the gas for bottling at our plant in Pantai Senok," he said.

The plant, to be operated by 25 personnel, will operate at a production capacity of 250,000 filled cylinders per month.

The project also involves the setting up of an LPG cylinder manufacturing plant which will provide the necessary LPG cylinders to the marketing companies.

The cylinder plant is due for commissioning at the same time as the bottling plant and will have a production capacity of 500,000 cylinders per annum.

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