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Kota Minerals forms venture with Thai firm

Zety Fazilah Baharuddin

KOTA Minerals and Chemicals Sdn Bhd, a company specialising in drilling fluids and engineering services for the oil and gas industry, will form a strategic alliance with a Thai counterpart to service the Malaysia-Thailand Joint Development Area (JDA).

The JDA project, which covers an area of 7,250 sq metres in the lower gulf of Thailand, will be undertaken by a joint-venture company set up by Kota Mineral and Bangkok-based All Star Chemical Company Ltd, a company which was established in 1993 and mainly involved in the Thai construction industry.

Currently, there are two major Production Sharing Contractors developing the area, namely Carigali Triton Operating Company and Carigali-PTT Operating Company.

The joint-venture, which represents a milestone in the Thai oil and gas industry, was signed in Haadyai, Thailand, yesterday and witnessed by Thailand Foreign Minister Dr Surin Pitsuwan, according to a press statement released in Kuala Lumpur yesterday.

The signing was also held in conjunction with Prime Minister Datuk Seri Dr Mahathir's visit to Songkhla to witness two natural gas purchase agreements between Malaysia and Thailand, together with Thai Prime Minister Chuan Leekpai.

The signatories were Kota Minerals executive chairman Datuk Nasaruddin Abdul Jalil and All Star chairman Madam Chodchoi Pongpairroj.

Witnessing for Kota Minerals was Encik Mansor Tahir, chief executive officer of SCOMI - the parent company of Kota Minerals and Mr Richard Bowler, for All Star.

Through the agreement, Kota Minerals will own 51 per cent and All Star 49 per cent stake in the joint-venture company, which will have an initial issued and paid-up capital of RM200,000 and an authorised capital of RM1 million.

The joint-venture company, which is scheduled to begin operations in the next two years, will be the first local venture (for Thailand) to provide drilling fluids and engineering services.

The joint-venture company will also supply other oilfield-related materials and chemicals such as completion equipment and production chemicals in the JDA.

Set up in 1977, Kota Minerals is the only wholly-owned Malaysian company that has the capability to provide mud engineering services to offshore oil and gas drilling rigs.

It also has extensive experience and exposure in the manufacturing and supply of specialist chemicals for the oil and gas industries, as well as other general sectors.

The company was instrumental in the drilling of the first multi-lateral well for Sarawak Shell Petroleum in 1996, and the use of linear paraffin synthetic-based oil mud system for Esso Production Malaysia Inc last year.

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