

17 DEC 1998

Mahathir-oil

MAHATHIR LAUNCHES COMMERCIAL PRODUCTION FROM VIET RUBY FIELD

By: Abdul Muin Abdul Majid

HANOI, Dec 17 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad and his Vietnamese counterpart Phan Van Khai today jointly inaugurated the commercial crude oil production from Ruby Field, an offshore Vietnamese oil field operated by Petronas, the national oil corporation.

The ceremony was held at the Meritus Westlake hotel here.

Located about 155 km east of the capital city of Vung Tau in southern Vietnam, Ruby Field is the first overseas exploration and production project undertaken by Petronas as an operator.

Commercial production of the field, initially at 8,000 barrels per day (bpd), had already begun on Oct 22 this year.

The field is expected to produce 20,000 bpd in 1999 peaking at 25,000 bpd by 2000.

Dr Mahathir returned to Kuala Lumpur in the afternoon after attending the sixth Asean summit here which ended yesterday.

Speaking at the ceremony, Petronas chairman Tan Sri Azizan Zainul Abidin said the coming onstream of the Ruby field was the culmination of endless efforts over eight years and investments of more than US\$200 million (US\$1 = RM3.8).

He said it was Petronas' first major upstream venture outside Malaysia following its decision in 1990 to go international.

It was also the corporation's first overseas venture as an operator with responsibility for the whole spectrum of upstream operations from exploration to production.

Azizan said to-date, Petronas had invested more than US\$360 million in both upstream and downstream oil and gas projects in Vietnam.

Petronas operates the field, which is located within blocks 01 and 02, under a production sharing contract signed on Sept 9, 1991 with PetroVietnam, the state oil company of Vietnam.

Petronas has an 85 per cent equity in both blocks while the remaining 15 per cent is owned by PetroVietnam's subsidiary, PetroVietnam Exploration and Production company.

The Ruby field was discovered in June 1994 and declared commercially viable in August 1995.

-- BERNAMA

MAM FR rn