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PETRONAS-BONDS

NOTHING NEW FOR PETRONAS TO INVEST IN GOVT BONDS, SAYS HASSAN

KUALA LUMPUR, Jan 27 (Bernama) -- Petronas's participation in Government bonds is not new as it has been the national oil corporation's tradition to apportion part of its reserves to Government papers, said its chief executive officer Tan Sri Mohd Hassan Marican today.

"As a norm, part of our investment portfolio includes Government bonds. It is not a question of being asked," he said in reference to the bonds likely to be issued by the government to revive the economy.

Petronas has been identified by the government as one of the takers for the bonds.

"We have always done it and we will continue to do it. If and when there is an opportunity to invest in Government papers we will do it," he told a press conference after signing PSC agreements with Murphy Oil Corporation, a United States-based independent petroleum company here.

Hassan said at the moment Petronas invested 12 to 15 percent of its reserves in Government bonds but it has not fixed certain percentage to be invested in such papers.

Asked whether Petronas has plans to issue new bonds this year, Hassan said that many factors would have to be considered.

It would depend on the market's condition, investors' demand and the pricing and whether other corporations in Asia were offering bonds.

"We don't want to compete. We will not be able to get the best deal" said Hassan.

He noted that Malaysia and Petronas have strong followers of fixed income (like bonds) investors who did not take snapshot views of the economic and political situation.

"There is still demand and confidence out there for bonds issue," he said.

Hassan stressed that Petronas has been constantly in contact with its investors as the company has outstanding bonds in the market.

As such the 28-member group of foreign fund managers who met Petronas officials yesterday, were not new faces for Petronas, he said.

The fund managers, who are from the United States and Europe, were in the country on a reverse roadshow handled by Salomon Smith Barney, the government's financial adviser.

They had met the prime minister, Datuk Seri Dr Mahathir Mohamad at a special closed-door briefing on Monday.

Organising reverse roadshows to give fund managers first hand view and information of the country has let to greater investors confidence Hassan said adding that Petronas would be bringing in another group of investors next month.

On another note, he said, Petronas and Hicom Bhd were still discussing the price for Petronas' planned acquisition of a 27 percent stake in Perusahaan Otomobil Nasional Bhd (Proton).

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