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PETRONAS-INDONESIA

PETRONAS MAY CONSIDER VENTURING INTO LNG IN INDONESIA

KUALA LUMPUR, May 30 (Bernama) -- Petronas president and chief executive Tan Sri Mohd Hassan Marican said the national oil company is seeking opportunities "in a variety of areas along Indonesia's oil and gas business chain" and that Liquefied Natural Gas (LNG) is one of the ventures it is looking at.

"Yes, it is one of the sector (which we are looking at)," he said when asked whether Petronas is looking at LNG, apart from the other oil sector in Indonesia.

Yesterday, Pertamina, Indonesia's state oil, gas and mining company said it would offer Petronas the US\$800 million (RM3.04 billion) oil pipeline project in Jawa island if Petronas was willing to undertake the project jointly.

Pertamina president director Baihaki Hakim said Pertamina would also offer Petronas oil production projects in offshore areas of the Markesa Straits. Baihaki is here to attend the two-day fifth Annual Asia Oil and Gas Conference 2000.

Hassan said he met Baihaki yesterday but declined to reveal details of the discussions held.

"I have met my counterparts from Indonesia yesterday. We had a good discussion... exploring possible areas of cooperation," he told reporters after signing Petronas' LNG supply contract agreement, here today.

Baihaki's statement was in response to Prime Minister Datuk Seri Dr Mahathir Mohamad's statement that Petronas is ready to make its presence felt in Indonesia, "if Pertamina is willing to offer good projects."

LNG is likely to be placed high on Petronas' list of possible ventures in Indonesia, because the company can optimise and reap big potentials from Indonesia's position now as the largest LNG exporter in the world, holding 36 percent of the global market.

Indonesia's biggest LNG plant, the Arun LNG plant, which is owned and built by Pertamina, is located at Blang Lanchang, Lhokseumawe region, in Aceh.

Hassan said before venturing overseas, Petronas would always take into consideration factors like security, political and economic conditions.

"We always exercise caution. However, we still have operations in remote countries like Sudan, Iran... this is what risk management is all about," he said.

Hassan also pointed out that Petronas enjoys good relationship with Pertamina.

"We have a very good relationship. We have one joint committee that meets every quarter, where we look at some opportunities in Indonesia," he said. -- BERNAMA

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