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PTT wants to maintain pipeline route

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PETROLEUM Authority of Thailand (PTT) wants to maintain the route of the controversial Thai-Malaysian gas pipeline project despite protests from affected Thai villagers.

The final decision will however hinge on a report being prepared by Thai Prime Minister Thaksin Shinawatra's representatives who began gathering information from villagers in the Chana district last week, an industry source said.

The team is led by Watcharaphan Chantarakachorn, deputy secretary to the Thai Prime Minister, and Sutham Wetchayachai, secretary to the Interior Minister.

Thaksin will consider the team's findings in deciding whether to push ahead with the project. During his visit to Malaysia last month, he had promised Prime Minister Datuk Seri Dr Mahathir Mohamad that the project would proceed within three months.

Under a contract signed by Thailand and Malaysia, the 350km pipeline would be built from an offshore field in the Gulf of Thailand to Songkhla - where a new gas separation plant will be sited - and then on to Changlun in Kedah.

According to PTT, there is no reason to re-route the pipeline as only 85km of it would be on land, of which 70km would be laid along highways and electricity lines and do not have any impact on the environment.

The rest of the pipeline passes through land whose owners have given permission.

The source said PTT has informed its Malaysian partner, Petrolim Nasional Bhd (Petronas), that it plans to stick by the present route.

The possibility of diverting the pipeline was raised by Thai ministers at a meeting called to discuss problems stemming from the project, the source added.

When contacted, an official of Petronas official however said the national oil corporation has yet to be informed of PTT's position.

"Whatever it is, we are leaving the matter to the Thai authorities," the official said.

PTT Gas public relations officer Sresdhavalee Varasarin meanwhile said there is no question of the project not being implemented, although there has been conflicting news about it.

If the Thai Government decides to re-route the pipeline, it could set back its completion by a few years.

The project is currently held up by a delay in securing approval from the Thailand Environmental Policy and Planning Office which has returned an environmental impact assessment report to the developer, Trans Thai-Malaysia Co, for more work.

Thailand and Malaysia had signed a memorandum of understanding in 1979 to explore the possibility of jointly developing hydrocarbon reserves in the Malaysia-Thailand Joint Development Area (JDA).

The JDA, 255km offshore in the Gulf of Thailand, was established to resolve overlapping territorial claims by the two countries.

It is divided into three blocks - Block A-18, Block B-17 and Block C-19 - and administered by the Malaysian-Thailand Joint Authority which was established in 1990.

The contractors for Block A-18 are Petronas Carigali (JDA) Sdn Bhd, a wholly-owned subsidiary of Petronas Carigali of Malaysia; and Triton Oil

Co of Thailand.

The other two blocks are contracted to Petronas Carigali (JDA) Sdn Bhd and PTTEP International Ltd, the international arm of the PTT.

Petronas and PTT have entered into a sales and purchase agreement for Block A-18, under which each party will buy the gas produced on a 50:50 basis.

Gas flow from the block is expected to total 390 million standard cubic feet per day with commercial delivery scheduled to start in 2002.

The two countries have committed to a US\$2.42 billion contract to share the costs of constructing a 255km offshore pipeline to transport the gas to Thailand, where it will be processed at a new gas separation plant in Chana, Songkhla.

A share of the gas would then be piped 93km south and into the Malaysian Peninsular Gas Utilisation (PGU) pipeline at Changlun.

PTT and Petronas have also agreed to explore cooperation in projects to utilise the JDA gas in southern Thailand and northern Peninsular Malaysia.

Since 1984, Petronas has been implementing a three-phase PGU project to process and transmit natural gas, fed from the offshore Terengganu fields, directly to end-users in the power, industrial and commercial sectors.

The PGU grid now spans over 1,420km, comprising main gas transmission pipelines, supply pipelines and laterals.

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