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MLNG-TIGA

MLNG TIGA TO SUPPLY LIQUEFIED NATURAL GAS TO KOREA GAS CORPORATION

KUALA LUMPUR, May 9 (Bernama) -- Malaysia LNG Tiga Sdn Bhd (MLNG Tiga), a subsidiary of Petronas, today signed a sale and purchase agreement (SPA) with Korea Gas Corporation (Kogas), to supply up to two million tonnes per annum (MTPA) of liquefied natural gas (LNG) for seven years to the South Korean LNG importer.

At current price, the contract is valued at about US\$3.2 billion (RM12.16 billion), Petronas said in a statement.

The LNG will be delivered to Kogas beginning this month from MLNG Tiga's plant, which is Malaysia's third LNG production facility at the Petronas LNG Complex in Bintulu, Sarawak.

The SPA signed with Kogas today is the fifth supply contract concluded by MLNG Tiga.

With this contract, MLNG Tiga has now committed about six million tonnes of LNG annually to buyers from Korea, Japan and Taiwan.

The LNG will be shipped by tankers owned by Malaysia International Shipping Corporation Bhd to Kogas' receiving terminals in Incheon, Pyeong Taek and Tong Young in South Korea.

Kogas, whose current customers include Korea Electric Power Corporation and city gas companies, is already importing up to two million tonnes of LNG annually from Malaysia, supplied under a 20-year contract with Malaysia LNG Sdn Bhd.

The LNG for this contract is sourced from Malaysia LNG Dua Sdn Bhd's plant.

MLNG Tiga is a joint venture between Petronas (60 percent), the Sarawak State Government (10 percent), Shell Gas Holdings (Malaysia) Ltd (15 percent), Nippon Oil LNG (Netherlands) BV (10 percent) and Diamond Gas Netherlands BV (five percent).

The MLNG Tiga plant comprises two liquefaction trains with an annual production capacity of 3.4 million tonnes each.

The Petronas LNG Complex in Bintulu, which was officially opened by Prime Minister Datuk Seri Dr Mahathir Mohamad, is set to become by October the world's largest integrated LNG facility at a single location with a combined production capacity of about 23 million tonnes per year. --

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