Anwar: Was Esso sold to benefit Mahathir's son?
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Opposition leader Anwar Ibrahim today trained his guns on former premier Dr Mahathir Mohamad, by questioning San Miguel Corp's takeover of Esso Malaysia Bhd and its relation to the latter's son Mirzan.

While careful not to make direct accusations, Anwar asked questions alluding to the possibility of a “backroom deal” benefitting Mirzan, who is a director of Petron Corporation.

Petron Corporation, which owns a network of refineries and petrol dealerships in the Philippines, is an associated company of San Miguel Corp.

Mirzan (left) resigned as a director of the San Miguel Corp, a Filipino beer brewing company, in April 2010.

“It is only natural that questions are raised on whether the acquisition of Esso's downstream assets was completed at such a price on his behalf,” the PKR de facto leader said in a statement.

He added that the question is “even more pertinent” as Mirzan's brother Mokhzani had “benefitted greatly” from the upstream sector of the oil and gas industry through Kenchana Petroleum.

Mokhzani is the group chief executive officer and was appointed to the Kenchana Petroluem board of directors in 2004.

Anwar also traced the brothers' oil and gas links back to their father, by pointing out that Mahathir is “conveniently” the advisor of national petroleum company Petronas.

“The deal brings forth a series of questions on the present administration's commitment to cultivate a culture of stringent corporate governance in the country.

“Corporate Malaysia must break free from practices of backroom deals at the expense of the public that characterise the patronage system of Umno-BN all this while,” he said.

Esso Malaysia Bhd shares crashed a whopping 92 sen to close at RM4.03 when 13.76 million shares were sold as on Thursday, following the takeover announcement the day before.

Minority shareholders trampled on?

San Miguel Corp said that it will pay RM3.50 a share for ExxonMobil's 65 percent stake in Esso Malaysia.

It reportedly said that it will fork out RM330 million to buy over the remaining shares from minority holders when the deal is completed.

The price of RM3.50 per share is 1.07 times its book value but much lower than its market value.

The brewer will also pay US$403.98 million to ExxonMobil Malaysia Sdn Bhd and ExxonMobil Borneo Sdn Bhd.

The companies, together with Esso Malaysia, own an 88,000-barrels-capacity-rated refinery in Port Dickson, Negri Sembilan, seven storage terminals and a network of 560 petrol service stations across the country.

Commenting on this, Anwar raised concern that “nationally strategic assets” will now be under the purview of a new company which has “hardly any experience or presence in Malaysia previously”.

He added that while the disclosed total consideration of US$610 million may have been a “bona fide amount decided on commercial grounds” the share price tumble hit hard at minority shareholders.

“I urge that the relevant parties, including the Securities Commission and the Minority Shareholder Watch Group to look closely at the deal to ensure the interests of minority shareholders was not trampled on,” he said.