

Petronas to sell 25pct stake in Canada gas assets
MalaysiaKini.com
Feb 25, 2014

Malaysia's Petronas has agreed to sell a 25 percent stake in its Canadian shale gas assets to an Indian company and an Asian gas buyer, the state firm's president and chief executive, Shamsul Azhar Abbas, said today.

Petronas is looking to share some of the costs of bringing liquefied natural gas (LNG) from North America to energy-hungry Asia. Indian state oil and gas companies want to expand their portfolios of exploration and producing assets.

The Malaysian firm has already sold a 10 percent stake in Progress Energy Resources Corp, the integrated shale gas development and LNG project to Japan Petroleum Exploration and another 3 percent to Petroleum Brunei.

"I am pleased to announce that we have just finalised a further 25 percent equity participation from an Indian party and an established Asian LNG buyer," Shamsul said at the LNG Supplies for Asian Markets conference in Singapore.

He did not name the Indian company or the Asian LNG buyer, or the price paid for the stake. Sources had said earlier that Petronas was in talks with state-run Indian Oil Corp on a 10 percent stake.

Asked later about details, he said the buyer can only be announced next week, when the deal will be signed.

Petronas has previously said it wants to sell up to 50 percent of the Canadian project, which means it now has another 12 percent to offload.

"We are in advanced talks with other buyers for the remaining 12 percent," Shamsul said, without providing any further details.

Reuters has previously reported, citing sources, that Petronas was also in talks with China firms as well.

Petronas, which has been expanding abroad to shore up future earnings as output slows at home, bought Canada's Progress Energy Resources in 2012 in a deal worth around US\$5 billion that gave it shale gas properties in north-eastern British Columbia.

Development of the shale gas resources and an LNG facility of 12 million tonnes per year have been pegged at US\$35 billion.

Shamsul declined to comment on a media report saying the final investment decision (FID) on a refinery and petrochemical project in Johor would be delayed further.

Petronas last year announced a second delay to the project in southern Johor state to 2018, and said a final investment decision would be taken in the first quarter of 2014.

A delay to the US\$19 billion petrochemicals complex could deal a blow to Malaysia's economy as

well as local oil and gas services firms hoping for work on the massive complex.

- *Reuters*

Copyright © 1999-2012 Mkini Dotcom Sdn. Bhd

Source: <http://www.malysiakini.com/news/255349>