

PETRONAS TO GET 10-YEAR EXTENSION IN TURKMENISTAN

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Wish expressed by country's president, says Dr Mahathir

ASHGABAT (Turkmenistan)

THE Turkmenistan government wants to extend the production sharing contract (PSC) with Petroliam Nasional Bhd (Petronas) in the country to 2038, said Prime Minister Tun Dr Mahathir Mohamad.

He said the wish was expressed by Turkmenistan President Gurbanguly Berdimuhamedov at a meeting between the two leaders on Sunday.

"I discussed the matter with the president and he welcomed Petronas in Turkmenistan. He said Petronas should continue to be active here. He mentioned a 10-year extension" he said on Sunday night

In 1996, Petronas was given a 32-year PSC until 2028 to produce natural gas in the Block 1 offshore area in the Caspian Sea.

Turkmenistan has the world's fourth largest underground reserves of natural gas after Russia, Iran and Qatar.

It has 20 trillion cubic metres of proven reserves of natural gas, although the total may be higher as natural gas deposits in the country have yet to be fully explored.

Dr Mahathir said the PSC extension showed that the Turkmenistan government was satisfied with Petronas' role.

He was confident that the country would consider giving more concessions to Petronas.

He said in Turkmenistan, Petronas' involvement was wholly in the production of oil and gas compared with just 15 per cent in Azerbaijan.

Before his two-day visit to Turkmenistan, Dr Mahathir was in Azerbaijan to attend the 18th Summit of the Heads of State and Government of the Non-Aligned Movement in Baku.

He said Berdimuhamedov hoped that an exposition of Malaysian products would be held in the country.

Berdimuhamedov had said that cooperation in many areas between Malaysia and Turkmenistan could be boosted.

Dr Mahathir said: "We have received good response. They are very friendly and I think we can have trade with them although their population is only five million.

"There could be revenue from oil. They are rich, so it would be good for us to do trade with them. They also want to have shipbuilding here.

"We know about shipbuilding. We can check whether we can participate in shipbuilding here."

On Sunday, Dr Mahathir and Berdimuhamedov had a restricted meeting followed by a bilateral meeting and the signing of a collaboration agreement. **Bernama**