

Najib denies US\$100b pipeline deal
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By Shannon Teoh



The prime minister looked perplexed when quizzed by reporters today over the deal. — file pic

KUALA LUMPUR, July 28 — Datuk Seri Najib Razak has denied giving the green light to a little-known local company to develop an 8,000km gas pipeline linking Asean countries, including Malaysia, with China.

The prime minister looked perplexed when quizzed by reporters today over PanelPoint Sdn Bhd's claim that Najib had given his "blessing" for the deal it claimed was worth US\$100 billion (RM300 billion).

"No, no such thing. It was never discussed," he said after chairing an Umno supreme council meeting.

PanelPoint had faced a hostile press pack yesterday when announcing it would form a consortium to develop what it dubbed the Trans-Asian Oil and Gas (TOAG) Pipeline.

President and chief executive Che Nordin Ismail had said that it had received the prime minister's blessing in black-and-white but failed to produce documented proof to back up its claims.

Although Che Nordin had dodged questions on how his company would fund the project, he insisted that PanelPoint has "quite a lot of money" for pursuing the project, which has been in the works for seven years.

He said that TOAG, the region's first natural gas pipeline network, will link Mersing with Jakarta, the Northern Natuna Islands, Ho Chi Minh City, Hanoi, Guangzhou and Hong Kong upon completion.

Gas, mainly from Indonesia, will be routed through the 8,000-kilometre pipeline to buyers in energy-hungry China when it is completed in 10 years, the company said.

TOAG will be built by a consortium comprising Hubei Weiguang Municipal Gas Investment and Development Co Ltd, PWS Manufacturing Sdn Bhd, the Malay Contractors Association of Malaysia (PKMM), Asia Bolts and Nuts Group, Lotus Action Sdn Bhd and Techknow Industrial Sdn Bhd.

Funding for the project will come from US-based Rochester Foundation Inc, whose chairman, Robert Smith Sr, is also a partner in PanelPoint.

A search with the Companies Commission of Malaysia showed that PanelPoint has a paid-up capital of RM100,000.

Che Nordin had also said that the company had signed a memorandum of understanding with the Vietnamese government and entered into talks with potential gas buyers in China.

However, he admitted that PanelPoint has not entered into any talks with potential gas suppliers but intends to begin official discussions with state oil firm Petronas in two months' time.

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