

Downstream Oil & Gas Industry Poised To Become Malaysia's New Money Spinner
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SIPITANG (Sabah), Feb 16 (Bernama) -- Prime Minister Datuk Seri Najib Tun Razak said the downstream oil and gas industry will continue to be developed further as it can become a new money spinner for the country.

Citing the example of the Sabah Ammonia Urea (SAMUR) Petronas project, he said urea production would bring double value-added benefits to the country's exports.

"If we compare with the export of crude natural gas, we lose out on value-added benefits," he told reporters after officiating the ground breaking ceremony for the SAMUR project here today.

Najib, who is also Finance Minister, said 95 per cent of the urea plant's output of 1.2 million tonnes, per year, would be exported, raking in foreign reserves of some US\$4.8 billion, annually.

He said under the National Key Economic Area, the oil and gas sector is forecast to contribute an estimated RM241 billion towards the nation's Gross Domestic Product, annually, until 2020.

Najib also said the biggest oil and gas complex was also being planned to take off soon in Pengerang, Johor.

He said the downstream project was being undertaken as oil and gas reserves would deplete one day.

"Efforts are also underway by Petronas to increase the oil extraction rate to more than 50 per cent," he added.

The Samur complex will be made up of an ammonia plant, a urea plant and a granulation plant, as well as integrated utility units and jetty facilities.

The urea plant will produce 1.2 million metric tonnes per annum (mtpa) of granulated urea while the ammonia plant will produce 740,000 mtpa of liquid ammonia.

Currently, PCG operates a 750,000 mtpa urea plant in Bintulu, Sarawak, and a 683,000 mtpa urea plant in Gurun, Kedah.

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