

PetGas Renews Agreements On Gas Processing, Transportation And Agent Services
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KUALA LUMPUR, March 31 (Bernama) -- Petronas Gas Bhd (PetGas) has renewed three agreements on gas processing, transportation and agent services with Petronas for 20 years.

The agreements, effective April 1, follows the Gas Processing and Transmission Agreement that expired today.

"Gas will be transported to Petronas' customers via the PetGas' pipeline systems in Peninsular Malaysia, Sabah and Sarawak," PetGas said in a filing to Bursa Malaysia today.

In anticipation of gas market liberalisation and third party access implementation as part of the 10th Malaysian Plan, PetGas said the renewed agreements have been segregated into one gas processing agreement, three gas transportation agreements for Peninsular Malaysia, Sabah and Sarawak and one agent services agreement respectively.

It is to provide a clear demarcation of services as well as remuneration structure between gas processing and transportation.

"In consideration of the above services, Petronas agrees to pay PetGas a gas processing fee for the processing services and gas transportation fee for the transportation services that covers reasonable capital costs and operating expenses as an infrastructure company.

PetGas said the performance based structure income will provide the company with potential incremental income, which is dependent on PetGas' plant efficiency performance.

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