

## **Malaysia ready to hold talks with China over gas pipeline compensation - Tun M**

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KUALA LUMPUR, July 17 (Bernama) — Malaysia is ready to hold talks with China in respect of friendly consultations over compensation for the cancelled gas pipeline projects undertaken by China Petroleum Pipeline Engineering (CPP), says Prime Minister Tun Dr Mahathir Mohamad.

It was reported that Malaysia had seized more than RM1 billion from a bank account of state-owned CPP over incomplete pipeline projects, namely stretching 600 km along the west coast of Peninsular Malaysia and 662 km in Sabah.

The seizure came almost a year after Malaysia suspended the two pipeline projects, worth US\$2.3 billion with CPP as the lead contractor.

CPP is a unit of state energy giant, China National Petroleum Corp.

Dr Mahathir was quoted as saying on Monday that money for 80 per cent of the pipeline was paid, but the work completed was only 13 per cent.

Chinese Foreign Ministry spokesman Geng Shuang was reported as saying that both countries should have "friendly consultations" on any problems arising from the project and resolve them in an appropriate manner.

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