

Petronas clinches RM92bil China deal

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NANNING: Petronas has clinched a US\$25bil (RM92bil) deal, at current prices, to sell liquefied natural gas (LNG) to China.

Prime Minister Datuk Seri Abdullah Ahmad Badawi, who announced the deal yesterday, said the national petroleum company would be exporting 3.03 million tonnes of LNG every year for 25 years starting 2009.

"This is a good break for Petronas. It is good in terms of the development of energy resources," he told the Malaysian media here after bilateral talks with Chinese Prime Minister Wen Jiabao and Philippine President Gloria Arroyo.

Abdullah is in the capital of the Guangxi Zhuang Autonomous Region for the two-day commemorative summit on the 15th anniversary of China-Asean dialogue relations.

He said the agreement between

Petronas and Shanghai LNG, a joint venture between China National Offshore Oil Corporation and a Chinese company, was signed in July and would now be implemented.

Petronas president Tan Sri Hassan Merican said the LNG would be exported from Bintulu to Shanghai.

Abdullah also told newsmen that a Chinese company had agreed to manufacture a car engine developed by Petronas.

He said the Nanjing Automotive Corporation would produce 100,000 units of the engine annually.

The engine would be used in Chinese cars, he said, adding that three types of engines - 1.8, 2.0 and 2.2 litres - would be manufactured.

"The engine complies with the Euro 5 emission standards," Abdullah said.

Hassan said the company would pay Petronas a fee for the technology based on each engine produced.

He added that the engine would be available in the market in 2009 and Nanjing Automotive had the right to market the engine worldwide.

Hassan said the engine was the result of technology transfer from Petronas' involvement in Formula One.

The engine, he added, was an improved and upgraded version of the Petronas EO1 engine which came into use in 1999.