

# GUNTINGAN BERITA

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## Indonesia to send first gas delivery to Malaysia

### The Jakarta Post

Jakarta

Indonesia will on Thursday officially mark the first delivery of US\$6.2 billion worth of natural gas from the West Natuna area which lies just northeast of Singapore in the South China Sea, to Malaysia in a ceremony at the Tampak Siring palace in Gianyar, Bali, scheduled to be attended by leaders of both countries.

Aside from President Megawati Soekarnoputri, Malaysian Prime Minister Mahathir Mohamad, top leaders of the oil and gas companies involved in the giant project, including state oil and gas company Pertamina, Malaysian state oil and gas company Petronas and American oil and gas company Conoco Corp., which is the leader of the consortium providing the gas supplies, will also be present at the ceremony, according to an invitation sent to *The Jakarta Post*.

During the ceremony, Megawati, accompanied by Mahathir, will push the button marking the first gas delivery.

It will be Indonesia's first gas export to Malaysia, which will be transported through a 96-kilometer undersea pipeline linking the Belanak block, also known as the Block B concession, in the West Natuna area to the Duyong

gas offshore facilities owned by Petronas in Malaysia waters.

The Belanak Block is co-owned and operated by Conoco with its partners Canadian firm Gulf Indonesia Resources, Japanese firm Inpex and American firm Texaco.

Conoco and its partners will supply Petronas a total of 1.5 trillion cubic feet of natural gas worth \$6.2 billion for 20 years. The government will get \$2.9 billion of the total earnings.

Indonesia is a big player in the gas industry in the Asia-Pacific region, exporting about 28 million tons of liquefied natural gas (LNG) per year to Japan, South Korea and Taiwan.

Also at the palace Thursday, Megawati, Mahathir as well as Thailand's Prime Minister Thaksin Shinawatra will witness the signing by their industry and trade ministers of the pact to establish a three-nation rubber trading corporation.

Thailand, Malaysia and Indonesia are the world's largest rubber producers.

The International Tripartite Rubber Company (ITRCo) will function to manage rubber stocks of the three countries and influence the prices of the commodity on the international market by controlling the stocks.

The three countries decided to establish the firm on concerns over the low prices of the commodity.