

GUNTINGAN BERITA

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RI seeking for other gas deal with KL

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After signing a US\$6.2 billion gas delivery contract with Malaysia on Thursday, Indonesia hopes to garner further such contracts with them.

In the future, contracts for natural gas from South Sumatra and from the Block A gas field in West Natuna, in the South China Sea could be finalized with Malaysia, a top official of state owned oil and gas company Pertamina said.

"Indonesia and Malaysia are still studying the possibility for other gas delivery contracts," said Pertamina president Baihaki Hakim.

He was speaking to reporters after witnessing a ceremony to launch the first natural gas delivery from Indonesia to Malaysia. The ceremony was held at the Tampaksiring Palace in Gianyar, Bali.

Indonesia will deliver natural gas from West Natuna's Block B (Blanak Block) in South China Sea to Malaysia's Duyong field under a 20-year contract.

The signing ceremony was executed directly by President Megawati Soekarnoputri and Malaysia's Prime Minister Mahathir Mohammad, by pressing a ceremonial button in Bali.

Meanwhile, a statement from Malaysia's oil and gas firm Petronas said that it had already signed an MoU with Pertamina for other gas supply contracts.

Petronas said that an agreement was expected by the end of 2002.

"The delivery of the gas is scheduled to commence in early 2005," it said.

The new gas supply contracts will also involve Pertamina's production sharing contractors which operate onshore gas fields in South Sumatra, such as Gulf Resources, YPF S.A. (YPF) and Santos Ltd.

Under the new MoU, Petronas would be accorded an equity stake in the production sharing contracts in the South Sumatra fields.

According to Baihaki, it is expected that Indonesia could deliver some 300 million cubic feet per day of natural gas from South Sumatra for the next 20 years.

From the Block A field in West Natuna, Indonesia expects to be able to supply some 100 million cubic feet per day of natural gas for 10 years.

Thursday's contract is expected to provide the Indonesian government with some \$2.9 billion in revenue after several partners and subcontractors are paid.