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# Groundbreaking of Gas Malaysia's 1st CNG project

**GAS** Malaysia-IEV Sdn Bhd (GMIEV), a subsidiary of Gas Malaysia Bhd, recently held a groundbreaking ceremony to mark the start of the construction of its compressed natural gas (CNG) station in Gebeng in Kuantan, Pahang.

The project will allow GMIEV to offer a complete value chain of mobile gas solutions; from processing of gas into CNG to transportation and distribution to end-users.

GMIEV will purchase natural gas from Gas Malaysia and will maintain and operate the compression, transportation and pressure regulating unit which are key components of the virtual pipeline.

When completed, the CNG station will be able to deliver compressed gas to customers within a 200km radius of Gebeng.

Initially, the gas processing facility will serve customers in Pekan, Kuala Berang, Mentakab, Semambu and Bentong.

The CNG project, which

forms part of GMIEV's virtual pipeline business, is expected to be fully operational by the first-quarter of 2016.

"This groundbreaking ceremony is an important occasion as it marks the first CNG project for Gas Malaysia. Furthermore, it manifests our determination, hard work and focus in reshaping the future of Gas Malaysia; one being the diversification of our business into virtual pipeline," said Gas Malaysia CEO and GMIEV chairman Ahmad Hashimi Abdul Manap.

In February last year, Gas Malaysia and IEV Energy Sdn Bhd entered into a joint-venture agreement to sell, supply and transport CNG to customers that are currently not served by the former's Natural Gas Distribution System. GMIEV was later incorporated on Oct 21, 2014.

He said the responses from customers have been encouraging.

"Presently, we have already signed pre-supply agreement with five customers namely Hicom Automotive Manufacturers (M) Sdn Bhd, Mardec Processing Sdn Bhd (Mentakab), Mardec Processing Sdn Bhd (Kuala Berang), Inter-gate Steel Mill Sdn Bhd and Rubberflex Sdn Bhd, with a collective initial gas consumption of approximately 420,000 mmBtu (one million British Thermal Units) per year.

"We remain confident on our new businesses and foresee much potential and growth in the immediate future," he said.

Representatives from Kuantan Municipal Council, Fire and Rescue Department, Royal Malaysian Police, Department of Environment, Energy Commission, Department of Occupational Safety and Health Malaysia, and Ministry of Domestic Trade, Co-operative and Consumerism also attended the groundbreaking event.



Ahmad Hashimi (second from left) and IEV Group CEO and president Christopher Nghia Do (third from left) officiating the groundbreaking ceremony in Kuantan recently