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Gas M'sia to provide 300,000 mmbtu yearly to its customer

SHAH ALAM: Gas Malaysia Bhd, in a new 75:25 partnership with IEV Energy Sdn Bhd, expects to provide 300,000 million metric British thermal unit (mmbtu) of compressed natural gas (CNG) per annum to its customers.

It would supply CNG by transporting virtual pipelines to its end users from a mother station at Gebeng, Pahang.

Chief executive officer Datuk Syed Faisal Albar said the initial cost to build the mother station was RM15mil, which would enable it to supply CNG to industrial users within 150km to 200km, including those from Temerloh and Mentakab.

"The main reason to venture into the CNG distribution system is to serve areas that are not currently accessible by gas pipeline," he told a

press conference yesterday.

Last year, it supplied a total volume of 130 million mmbtu.

He also said the CNG business would create a new source of income in a year although the initial quantum might not be significant.

Meanwhile, the natural gas supplier has formed a 66:34 joint venture with Tokyo Gas Co Ltd's unit, Energy Advance Co Ltd, to design, build, install, operate and/or maintain combined heat and power (CHP) systems for its clients.

Its chairman Datuk Hasni Harun, said it would be able to leverage on its long-term partnership with Tokyo Gas for the latter's experience, expertise and network to grow the CHP business.

Tokyo Gas is a related party as its subsidiary, Tokyo Gas-Mitsui & Co

Holdings Sdn Bhd, holds a 18.5% stake in Gas Malaysia.

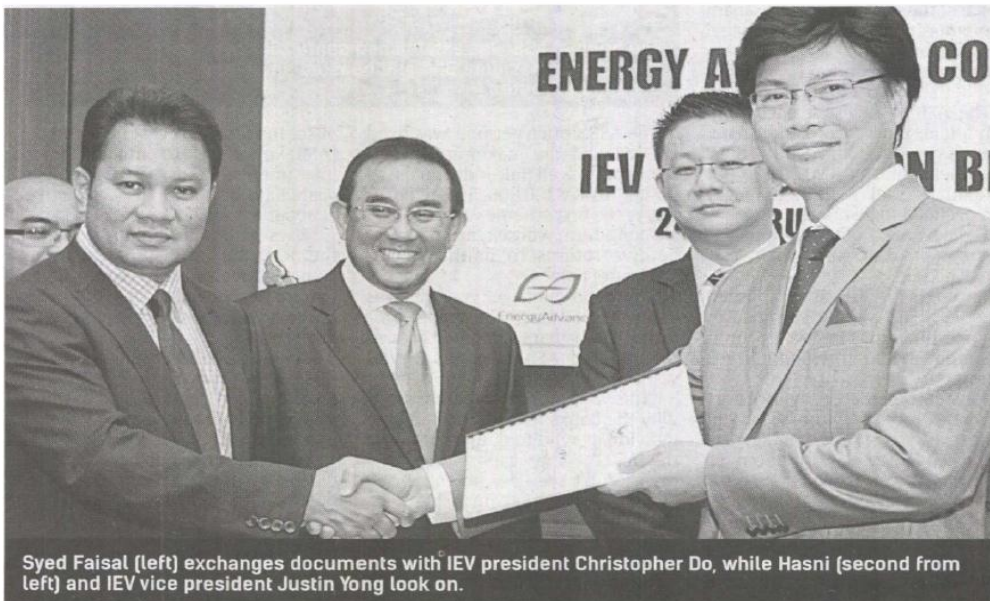
It would take two years to build a site for CHP, Syed Faisal said, adding that it was still identifying industrial customers in the northern and central regions.

According to him, the technology would enable cost savings of about 20% for end users.

CHP is an energy-efficient system that generates electricity and thermal energy with a single fuel source.

The company did not need to raise fund for the two joint ventures, Syed Faisal said, adding that the company had zero borrowings and RM300mil cash.

The counter closed five sen higher at RM3.55 yesterday.



Syed Faisal (left) exchanges documents with IEV president Christopher Do, while Hasni (second from left) and IEV vice president Justin Yong look on.