

Tanjung is eyeing assets in Indonesia, Thailand, Myanmar, Vietnam and Australia.

Tanjung Offshore to venture into aerospace, education

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KUALA LUMPUR — Oil & gas (O&G) service provider Tanjung Offshore Bhd is in talks with several parties in Europe and the United Kingdom to venture into the aerospace and education sectors respectively.

Executive deputy chairman Tan Sri Tan Kean Soon said Tanjung — which derives all income from the hard-hit commodity sector — is amply positioned for these diversification measures towards reducing dependency on O&G to 70% of revenue in the next five years.

"The company has a cash reserve of about RM70 million with zero gearing. Our RM400 million order book with Petronas will also keep us busy for the next two years," he said.

Given low valuations due to historically weak crude oil prices, Tanjung is setting its sights on cheap assets - such as onshore oil fields - in Indonesia, Thailand, Myanmar, Vietnam and Australia.

This diversification road map extends beyond aerospace and education plays towards more traditional expansions into property construction, development and maintenance, as well as transportation.

Chief executive officer Rahmandin Md Shamsudin said that while Tanjung will re-

main focused on its core revenue driver, it will be taking a two-pronged approach in its diversification and growth strategy.

"We remain committed to the O&G industry by creating more profitable business segments within the industry.

"This can be achieved by adding new lines of upstream business while pursuing more downstream projects at the Petronas Refinery and Petrochemicals Integrated Development (RAPID) project in Pengerang, Johor.

"However, we recognised that the O&G industry is in doldrums and we need to consolidate our financial position," Rahmandin said.

He said by diversifying, Tanjung Offshore will be a stronger entity, not subject to the vagaries of a single industry.

In line with this approach, Tanjung Offshore said it recently secured a RM18 million contract from PTS Resources Sdn Bhd to supply battery systems.

Its subsidiary Gas Generator (M) Sdn Bhd was awarded a three-year contract for the supply, delivery, installation, testing and commissioning of a battery system as well as related engineering services and accessories to PTS Resources.

