

Tanjung Offshore in talks to buy oilfields

DIVERSIFYING INCOME BASE: Firm eyes assets in Southeast Asia

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TANJUNG Offshore Bhd, which has RM70 million cash in hand, is in talks to buy onshore oilfield assets in Southeast Asia.

Group chief executive officer Rahmandin Md Shamsudin said the firm was in talks with several onshore oilfield asset owners in Thailand, Indonesia and Myanmar, and it was also looking at assets in Australia.

"We have to make use of our existing resources to venture into some other areas where we hope will bring recurring income," said Rahmandin after the group's annual general meeting, here, yesterday.

Also present were Tanjung Offshore chairman Datuk Dr Nik Norzrul Thani Nik Hassan and executive deputy chairman Tan Sri Tan Kean Soon.

"In diversifying our income base, it's difficult for us to explain which area we're looking at. We have been approached by a few parties to explore opportunities in jet-fuel components manufacturing for the aerospace industry," said Tan.

UMW Holdings Bhd recently announced it was investing RM750 million to establish a new plant in Shah Alam.

Rahmandin said Tanjung Offshore was exploring opportunity tie-ups with UMW and aero-engine manufacturer Rolls Royce.

"We are in the midst of talking to different parties, but we have not signed anything yet, so it's not official."

He said the company would continue to pursue more downstream projects at Petronas's Refinery and Petrochemical Integrated Development (Rapid) project.

Tanjung Offshore has set up an office in Johor and was planning to build a facility for maintenance, repair and overhaul (MRO) services in Pengerang, Johor.

Currently, the group's order book stands at RM400 million with 80 per cent comprising works relating to Rapid, while the balance 20 per cent consist of its unit Gas Generators Sdn Bhd's (Gastec) contracts and other projects.

"To replenish our order book, we

have tendered for RM1 billion worth of jobs. We are looking to enter into precision fabrication support services. Historically, our success rate is between 20 and 30 per cent of the bids," said Rahmandin.

Meanwhile, on the RM20 million suit filed against its former directors relating to the acquisition of Gastec, Rahmandin said this would not affect the firm's performance.

"As you may know, the previous managing director Datuk Harzani has been charged by the MACC (Malaysia Anti-Corruption Commission). We have already initiated a civil suit against some of the officers and directors of the previous board. I cannot say much as it may jeopardise the actions we are taking. We want to assure shareholders that we are doing something about these legacy issues," Rahmandin said.

Asked if the case would impact the group in terms of sentiment and performance, he said there would be no significant impact, adding that Tanjung Offshore was leaving it up to its lawyers to handle the matter.