

M'sian firm eyes part in \$3b PMB job

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BRUNEI-MUJARA

PULAU Muara Besar's development is taking another progressive step forward, with a Malaysian company on the verge of securing a portion of a construction deal as part of bigger plans to build an oil refinery for Brunei.

TRC Synergy Bhd (Malaysia), which has recently bought a 26 per cent stake in PetroBru Sdn Bhd, hopes to secure part of a construction deal, worth US\$3 billion, for an oil refinery in the sultanate.

Reports from Malaysia stated that while the company would not be involved in the entire construction, it has expressed an interest in setting up farm tanks, said Chief Financial Officer Yeoh Sook Keng.

PetroBru (B) Sdn Bhd has been given the green light to conduct a feasibility study on the viability of building and operating a crude oil storage and refinery in the island off Brunei's bay.

It is expected to sign a memorandum of understanding with the Brunei government soon, Yeoh said in an interview.

Pulau Muara Besar has been earmarked as Brunei's new deep-water hub for regional markets.

The planned refinery will have an initial capacity of 200,000 barrels a day, with maximum capacity of 500,000 barrels per day.

Meanwhile, the storage facility is expected to be capable of handling two million cubic metres with initial space of one million, he added.

TRC's Executive Director Datuk Abdul Aziz Mohamad said the company looks to benefit from spillover activities

from the refinery, such as infrastructure and property development.

Abdul Aziz also indicated that the project will only start contributing revenue two years after construction works commence, and explained that the feasibility study would take six to eight months, followed by the engineering, procurement and construction work, which is expected to take another year.

The refinery will contribute revenue in five years' time when it commences production, he added.

"Construction will still be our main earnings contributor in the next two to three years but we can't rely on it. By then, PetroBru will see work in full swing," he said.

TRC does not intend to raise its stake in the holding company.

It might, however, set up a joint-venture company with PetroBru to secure the construction portion of the project, Abdul Aziz added.

According to the *Oil and Gas Journal*, as of January 2007, Brunei has 8,600 billion barrels per day of refining capacity at its current facility, which is operated by Brunei Shell Petroleum in Seria.

Industry insiders say that this refinery meets roughly a half of Brunei's domestic petroleum product needs.

In order to meet domestic demand, Brunei actually imports small amounts of petroleum products from neighbouring countries.

The planned refinery will be in an ideal spot as its strategic location positions itself near to China, Vietnam and the Middle East — an advantage for setting up its deep-water hub

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Feasibility study for oil refinery, storage inked

Petroleum Unit & PetroBru deal eyes Pulau Muara Besar

By Rosli Anakin Yahya

All agreement was signed yesterday morning between Petroleum Unit (PU), Puma Minerals' Department, and PetroBru Ltd, for the latter to conduct a feasibility study to build an refinery and storage facilities in Pulau Muara Besar to reduce the region's dependance on imported petroleum fuel, following regional and global trends.

Signing on behalf of the PU was its Acting Director Pj Hj Hana Jus Pg Hj Akshai Rajaman, while Zamrudin bin Dato Seri Fadzil bin Haryo, founder and chairman of PetroBru, signed on behalf of his company.

The ceremony, attended by local and Malaysian journalists was held at the Empire Hotel & Country Club in Kuching.

The formalisation of memorandum agreement was also signed between PetroBru and a major shareholder, Malaysia-based TSC Energy Ltd, which owns 28 per cent of PetroBru shares.

In the second signing ceremony, PetroBru was represented by its founder and chairman, Zamrudin bin Dato Seri Fadzil bin Haryo while Dato Seri Sultan bin Hj Mohd Za, the managing chairman of TSC Energy, signed on behalf of the financing company.

The proposed, if viable, will see the maximisation of natural resources operated by means in collaboration with technology partners to reduce the costs for the refinery to become an integrated petroleum hub.

The feasibility study will comprise all aspects including the impact on the environment, the total and marine life in Pulau Muara Besar in the building of refinery and storage facilities at present land's surface levels of about 100m, refinery capacity for light and heavy crude, storage capacity of two million cubic metres and jetty and berthing facilities for two petroleum Very Large Crude Carriers or VLCC.



Zamrudin bin Dato Seri Fadzil and Dato Seri Sultan bin Hj Mohd Za exchanging the



Zamrudin, chairman of PetroBru, and Pj Hj Hana, Acting Director of Petroleum Unit, sign the MoU

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PetroBru founder and chairman Zamrudin thanked PU for giving chance to his company to conduct a feasibility study to reduce dependence on the volatility of the region.

He said feasibility is wholly dependent in pursuing the call made by the Ministry of Energy and Yang Di-Pertuan of Brunei Darussalam in favour for the private sector to play an active role and share risk in nation building.

"I continue with the Ministry's wish for the progress and development of Brunei Darussalam to be achieved through a strong and dynamic private sector."

"The presence of an export-oriented refinery and storage facility in Brunei Darussalam primarily is dedicated towards the prosperity and well-being of the people of this country."

"If fully realised, the refinery would provide thousands of employment opportunities for citizens and residents of

Brunei Darussalam," he said.

He added that the refinery would also provide a platform for the injection of foreign direct investments to boost the local economy with spin-off the most benefit to the society.

He, however, emphasised that the feasibility study is only the beginning towards the realisation of the proposed refinery and storage facilities.

He noted that the road ahead is long and arduous and many factors need to be considered and analysed carefully before the proposed project can be realised.

"Added to these, the volatility of the crude oil prices and the dynamics of the market for refined products need to be analysed in depth. We will take a carefully measured approach to ensure that all these parameters are considered in return investments," he said.

PetroBru will be assisted by a consultant, Wood Mackenzie, a company with 50 years experience in research and consulting field in the energy industry.