

AsiaBio Petroleum Explores Toll Blending In East Malaysia

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ASIA BIOENERGY TECHNOLOGIES BERHAD (774629-U)

Petaling Jaya, Malaysia – AsiaBio Petroleum SdnBhd (ABP), a wholly-owned subsidiary company of Asia Bioenergy Technologies Berhad (ABT) announced today that the Company entered into a tripartite technology collaboration with ACME Chemicals (Malaysia) SdnBhd (ACME), (a specialty chemical company with in-house expertise and formulation capabilities) and Sejahtera BumisamaSdnBhd (a Sabah-based, Petronas-registered company licensed to supply products and services to exploration and oil and gas companies in Malaysia) (Bumisama).

“The objective of the collaboration is to set up an integrated one-stop chemical blending and centralized-common user warehouse in Bintulu.

The integrated center will fully support oil field chemical services providers like Baker Hughes, Halliburton Company and Schlumberger Oilfield Services and users in Sabah and Sarawak,” said Dato’ Hj Mohd Zain Bin Datuk Dahlan, CEO and Director of Bumisama.

“We will also target to support chemical sourcing, blending and warehousing services to upstream service providers. In Malaysia, the market for the production chemicals category alone is in the region of RM110million to RM130 million per year, of which will be the target market for Toll Blending services,” David Chuah, Head of Operations of ABP added.

“This will be a full-fledged Oil and Gas industry-compliant chemical blending and warehousing facility, the first in East Malaysia. The Company plans to manage and operate the facilities, as well as offer and promote blending services, decanting and warehousing services, custom formulated chemical products and additives, and common chemicals and solvents to Oil and Gas contractors and operators in East Malaysia that would otherwise be sourced from Singapore,” said Steve Tan, Executive Director of ABT.

“The collaboration between ABP, ACME and Bumisama combines the specialized capabilities of each party into the business venture. In time, this will allow ABP to expand its business and product offerings in the Oil and Gas segment.” The venture is expected to be license-based, with profit sharing ratios to be mutually agreed upon.

“This one-stop chemical blending and warehousing facility in Bintulu targets the underserved market in East Malaysia and Brunei. This initiative is aimed at curbing rising costs faced by the oil and gas industry by acting as a hub and spoke point for all chemical contractors, providing cost-competitive logistics in line with the objectives of Petronas’ Coral Reduction Alliance (Coral 2.0) programme,” Chuah explained.

“Bintulu is ideal as it has the necessary infrastructure and ancillary services to support this venture. We are positive this will bring economic and social benefits to Bintulu, which has been designated as the new supply base operation for Petronas Carigali SdnBhd’s Sarawak Oil and Gas Assets.”

The media statement provided by AsiaBio also highlighted that the proposed integrated chemical blending and warehousing facility is set to reduce operating expenditures by eliminating double-handling in operational activities, optimize use of resources, reduce procurement and contracting costs and eliminate capital expenditures spent on chemical contracts issued by Petronas and Production Sharing Contractors.

- Asia Bioenergy Technologies Sdn Bhd