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# Indonesia seeks to team up with Petronas

**OPPORTUNITY:** Oil giant has technology to work with Pertamina to explore blocks, says Zahid

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**I**NDONESIA has invited Petronas Nasional Bhd (Petronas) to jointly explore oil and gas blocks in its Exclusive Economic Zone (EEZ), including Natuna Islands.

Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi said this opportunity for cooperation between Petronas and Indonesian state oil company, Pertamina, would be through open tender.

"There are nine oil and gas blocks in the EEZ, and three more off Natuna Islands. Pertamina has explored two in the EEZ, so seven blocks are now open to be explored.

"Such opportunities (offered by Indonesia) would ease Petronas' business, through cost reduction and an understanding of cross-cultural issues among Asean countries."

Zahid said this after chairing a meeting with Indonesian Coordinating Maritime Affairs Minister Luhut Binsar Pandjaitan in his office here yesterday.

Zahid said Petronas had the technology to work with Indonesia and explore the blocks.

"The Indonesian government said overlapping legislation that had posed problems to foreign investors had been addressed. This will give Petronas an incentive to collaborate with Indonesia."

He said Petronas had offered to conduct downstream oil and gas activities, apart from focusing on petrochemical products.

"(Luhut's efforts), as minister in charge of energy, maritime and other matters pertaining to Indonesia's

natural resources, will allow Malaysian companies, especially government-linked companies, to explore new opportunities in Indonesia."

Luhut said he would "leave it to Petronas" to decide when the co-operation would begin.

"Hopefully, as soon as possible, (because) we have common interests on this particular issue."

Zahid said Tenaga Nasional Bhd (TNB) had been allowed to directly negotiate with Indonesian coal suppliers to ensure a constant supply of the fuel.

"They (Indonesia) have given their assurance they will commit to a long-term cooperation between TNB and coal companies in Indonesia."

"By giving incentives to foreign investors and putting aside overlapping legislation, it would enable TNB to conduct long-term investments and ensure that the quality of coal is in accordance to its specifications."



Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi welcoming Indonesian Coordinating Maritime Affairs Minister Luhut Binsar Pandjaitan at his office in Putrajaya yesterday. Pic by Fariz Iswadi Ismail