

leANNEXURES

1. Press clipping on key statement made by the Prime Minister of Malaysia at the inauguration of the Kertih Plastics Park

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RM2b to pour into state with 'carrot'

■ **By Rosli Zakaria and Sean Augustin**
news@nst.com.my

KERTEH: The East Coast Economic Region is expected to attract up to RM2 billion in private investment following the approval of incentives by the ECER Development Council.

Prime Minister Datuk Seri Abdullah Ahmad Badawi said investors who start their operations at the Kerteh Plastic Park (KPP) before Dec 31, 2015 will be eligible for the incentives.

"With the incentive package, KPP is expected to attract RM2 billion worth of investments that could create 7,000 jobs.

"KPP will also be able to generate development in the manufacturing industry and those related to packaging, medical equipment, building materials, composite and automotive materials.

"In addition, it will encourage the growth of local small- and



Prime Minister Datuk Seri Abdullah Ahmad Badawi says 7,000 jobs will be created

medium-scale industries," he said at the opening of the Kerteh Plastic Park yesterday.

Abdullah also noted that KPP

had attracted five investors, including Hi-Essence Cable Sdn Bhd, which is investing RM85 million, Latenfield Pipe Industries Sdn Bhd (RM40 million) and FMD Polypipes Industry Sdn Bhd (RM20 million).

He said of the 106 projects planned under the initiative, 77 have begun or were in the process of being implemented by next year.

In the next 12 years, he added, the ECER was expected to attract RM112 billion in investments, of which 47 per cent would come from the private sector.

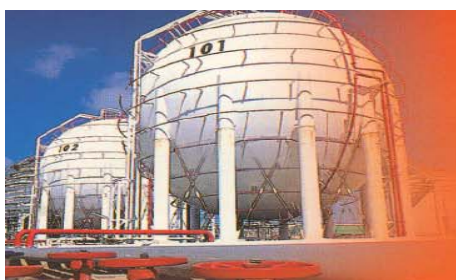
Earlier, when launching the ECER seminar at the Public Service Department Institute in Kemaman, Abdullah said those involved in the implementation of the ECER must look at the initiative seriously.

"We don't want those who are not focused. That is why the training must be of high quality. We need to be serious."

2. National Industrial Development Corridors in Malaysia



3. Oil and Gas Reserves, location of Oil Refineries and production of petrochemical feedstocks in Malaysia



Rich in oil & gas reserves and Petrochemical Feedstocks

Malaysia ...


- has the world's 24th largest crude oil reserves inclusive condensates (5.25 billion barrels)
- has the world's 13th largest natural gas reserves (14.66 billion barrels)
- is the world's largest production facility at a single location of liquefied natural gas

Location of Oil Refineries in Malaysia

Oil Refineries	Location
Petronas Penapisan (Terengganu) Sdn Bhd	Kertih, Terengganu
Petronas Penapisan (Melaka) Sdn Bhd	Tangga Batu, Melaka
Malaysia Refining Company Sdn Bhd	Tangga Batu, Melaka
Shell Refining Company (FOM) Bhd	Port Dickson, Negri Sembilan
Esso (Malaysia) Bhd	Port Dickson, Negri Sembilan

Oil & Gas Reserves in Malaysia (as at January 2007)

RESERVES	NATURAL GAS (trillion cubic feet)
Peninsular Malaysia	35.9
Sarawak	53.0
Sabah	11.1



Above: Storage tanks in Kertih, Terengganu

Right: The Duyong Gas Complex off Terengganu

Top, facing page: A gas processing plant in Terengganu



To complement the existing gas reserve and to ensure further security of gas supply, Malaysia has forged partnerships with other ASEAN member for the supply of gas such as Vietnam, Indonesia and the Malaysia-Thailand Joint Development Area (JDA). In addition, gas supply will be further enhanced with the implementation of the ASEAN gas grid, a venture to make gas available to all the 10 ASEAN countries.

The availability of feedstock at competitive price has made Malaysia a viable petrochemical hub in the ASEAN region, attracting more than US\$9 billion of the investments from leading petrochemical and chemical manufacturers.

The six gas processing plants located in Kertih, Terengganu - with a combined capacity of 2,000 million cubic feet (mmscf) of sales gas per day – ensure the industry an adequate supply of petrochemical feedstocks such as methane (sale gas), ethane, propane, butane and condensates. Meanwhile, Malaysia's Peninsular Gas Utilisation (PGU) trans-peninsular gas transmission pipeline channels sales gas to industries around the country.

Production of Petrochemical Feedstocks (as at January 2007)

Petrochemical Products	Capacity (mtpa)	Company/Refinery
Naphtha	2,380,000	<ul style="list-style-type: none"> • Petronas Penapisan (Terengganu) Sdn Bhd • Petronas Penapisan (Melaka) Sdn Bhd • Malaysia Refinery Company Sdn Bhd • Shell Refinery Company (FOM) Bhd • Esso (Malaysia) Bhd
Methane (sales gas)	2,000 mmscfd	<ul style="list-style-type: none"> • Petronas Gas Berhad
Olefins:		
Ethane	1,383,000	
Propane	1,799,000	
Butane	1,166,000	
Condensate	1,260,000	
Propane	148,400	<ul style="list-style-type: none"> • Malaysia LNG Tiga Sdn Bhd
Butane	273,900	
Liquefied Petroleum Gas (LPG)	137,700	
Ethylene	1,630,000	<ul style="list-style-type: none"> • Titan Petchem (M) Sdn Bhd • Ethylene Malaysia Sdn Bhd • Optimal Olefins (M) Sdn Bhd
Propylene	854,000	<ul style="list-style-type: none"> • Titan Petchem (M) Sdn Bhd • MTBE (M) Sdn Bhd • Optimal Olefins (M) Sdn Bhd
Benzene, Toulene and Xylene (BTX)	775,000	<ul style="list-style-type: none"> • Titan Petchem (M) Sdn Bhd • Aromatics Malaysia Sdn Bhd