

KNM in oil and gas tie-up with French firm

KUALA LUMPUR: KNM Group Bhd expects its newly formed joint-venture company KPN Gas Technology Sdn Bhd to generate US\$30mil to US\$50mil in revenue within the next two years, says group managing director Lee Swee Eng.

KNM's joint-venture partner is Prosernat SA of France, known for its expertise in gas processing technology.

KNM and Prosernat each has a 50% stake in KPN, which has a paid-up capital of RM1mil.

KPN is anticipated to become the fourth largest oil and gas player in South-East Asia over the next two years, said Prosernat president Jean-Noel Meary after the agreement signing yesterday.

The key target markets will be South-East Asia, Australia, New Zealand, Papua New Guinea and the Middle East.

KPN would also start bidding for medium-sized orders in the range of

US\$10mil to US\$15mil each, Meary said.

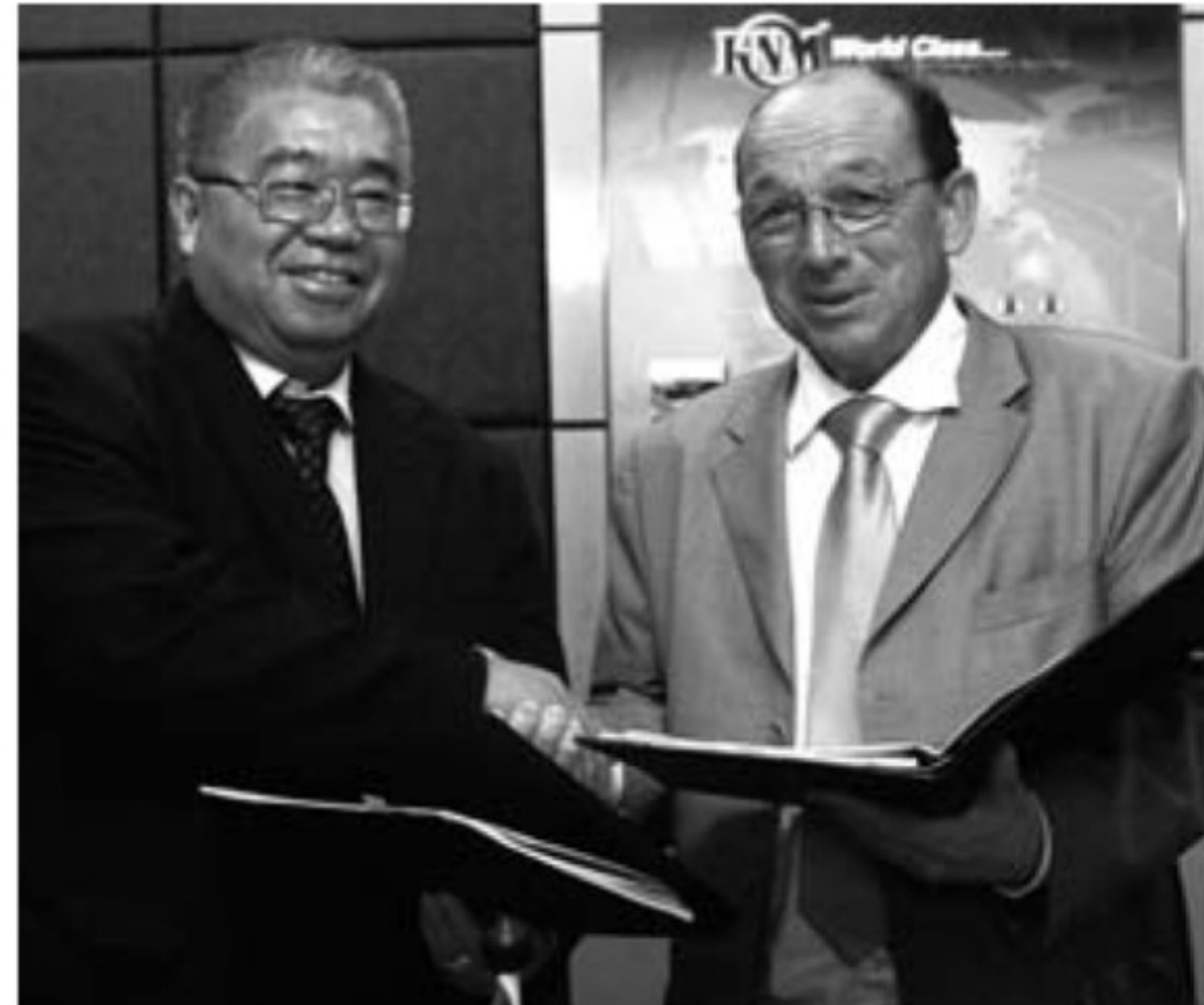
"Together with KNM's process equipment manufacturing capabilities, KPN will be able to provide total solutions to customers," Lee said, adding that as a one-stop centre, KPN would be better positioned to bid for new projects in the region.

On crude oil prices falling below US\$90 per barrel this week, KPN director Jean Deseilligny said it was still a profitable level for oil companies.

"Unless it falls below US\$75, there will still be investments in the oil and gas sector," he added.

Meanwhile, Lee said KNM's production capacity would increase by 30% next year based on its expansion plans.

KNM's manufacturing facilities include five plants in Malaysia and 19 in 11 other countries with a combined capacity of 160,000 tonnes of process equipment.



Lee Swee Eng (left) exchanging documents with Jean-Noel Meary