

KA PETRA TO POSITION SAPANGAR BAY OIL DEPOT AS SUPPLY HUB

Sabah Ports Sdn Bhd held a signing ceremony to commemorate the leasing of Sapangar Bay Oil Depot (SBOD) to oil and gas segment provider, KA Petra Sdn Bhd (KPSB). The facility shall act as a supply hub for diesel and bitumen distribution, catering particularly for domestic consumption as well as for South East Asia demands.

Under the partnership, Selangor based KPSB will lease the depot for a period of 20 years from Sabah Ports, in which KPSB intends to position SBOD as an export gateway to greater Asia and ASEAN, particularly the BIMP EAGA economic zone.

“KPSB is strengthening its position as an integrated service provider to the oil & gas industry, and a key strategic thrust of KPSB's master plan is the establishment of an asset-based operation for distribution of petroleum products. With the signing of the 20-year tenancy agreement, a key step towards this master plan was achieved. “said Mr. Kannan Annamalai, Chief Operating Officer for KPSB.

He added “KPSB's investment to operate the SBOD for 20 years underlines its long term commitment and active participation to develop Sabah into an economic gateway to ASEAN.”

The tenancy agreement includes an undertaking from KPSB to increase the depot's capacity from its current 30, 000 metric ton (MT) to 100, 000 MT within 5 years. The upgrade is to commensurate with the company's forecasted trading volume based on secured contracts and potential business.

“The business of Sabah Ports and KPSB are closely related and integrated. As Sabah Ports actively seeks to diversify and expand its business, we are confident that KPSB's capabilities will complement Sabah Ports' business plans.” said En. Mohd Sahid Hj. Nawab Khan, Sabah Ports Chief Operating Officer.

“As the demands of the oil and gas industry increase, Sapangar Bay Oil Terminal's capabilities will be upgraded to accommodate bigger tankers and cater for greater volume. The opportunity for both parties to develop value-added services to complement this expansion is something to look forward to.” En. Mohd. Sahid added referring to Sapangar Bay Oil Terminal's jetty expansion scheduled to take place this year.

Sabah Ports currently operates 8 ports and several oil jetties, which includes Sapangar Bay Oil Terminal in Kota Kinabalu, Sg. Mowtas Oil Jetty and Karamunting Oil Terminal in Sandakan, Tanjung Batu Oil Jetty in Tawau and palm oil jetties in Lahad Datu and Kunak.

Signing the tenancy agreement on behalf of KPSB was En. Kannan Annamalai, while En. Mohd Sahid Hj. Nawab Khan acted as signatory for Sabah Ports.

Standing in as witnesses to the ceremony were Dato' Shahrul Amirul, KPSB's Managing Director as well as Ms. Ng Kiat Min, Suria Capital Holdings Berhad's Group Managing Director cum Managing Director for Sabah Ports.



Sahid (left) and Kannan exchanging documents witnessed by Dato' Shahrul and Ng.