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Saudi Aramco, Petronas near \$8-billion loan deal for energy complex in Malaysia

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Saudi Arabian Oil Co and Petroliam Nasional Bhd are close to raising an US\$8 billion loan to partly finance the construction of a planned refinery and a petrochemical complex in Malaysia, people familiar with the matter said.

Aramco and Petroliam Nasional Bhd could sign the loan agreement as early as next month, said the people, who asked not to be identified because the information is private.

BNP Paribas SA, HSBC Holdings Plc and Bank of Tokyo-Mitsubishi UFJ Ltd are among lenders that have agreed to provide

financing, the people said.

The complex is part of a \$27 billion project known as Refinery and Petrochemicals Integrated Development, or RAPID, in Malaysia's southern state of Johor that's due to come on stream in 2019.

Aramco agreed to invest \$7 billion for half of the oil refinery and petrochemical plant last February as it seeks to defend its status as the world's biggest exporter and fend off rivals in Asia, the biggest market for its crude.

Aramco said it doesn't comment on ongoing business plans and transactions, while Petronas didn't respond to requests for comment.

The RAPID project, which was announced in 2011, borders the

traditional Asian oil trading and refining center of Singapore.

It will include a 300,000 barrel-a-day refinery, which can produce fuels that meet Euro 5 emissions standards, as well as provide feedstock for a connected petrochemical plant, according to Petronas.

For Aramco, the deal is part of its long-standing strategy of investing in refining to help lock in demand for its crude.

The Saudi company is battling for global market share amid competition from US shale oil producers, Russia and even fellow members of the Organisation of Petroleum Exporting Countries as it prepares for what could be one of the world's largest initial public offerings.