M’sian, S. Korean firms team up

Companies to develop 1,000MW combined cycle gas-fired power plant in Pulau Indah

PETALING JAYA: Tadmax Resources Bhd has entered into a Joint Development Agreement (JDA) with Korea Electric Power Corporation (Kepco) for a new 1,000MW combined cycle gas-fired power plant in Pulau Indah, Selangor, which will be undertaken via a project company named Tadmax Kepco Power Sdn Bhd (TKP).

The news comes after Tadmax said in May 2017 that it will develop the project on its own with the help of a technical partner, after its original partner Tenaga Nasional Bhd claimed to not being keen on the project because of its own jobs.

The group announced in a Bursa Malaysia filing that the two parties have formed a consortium for the project which will sit on Tadmax’s own piece of land in Pulau Indah.

The consortium which will be led by Tadmax, will work and prepare the Technical and Financial Proposals needed for submission to the Energy Commission (ST) by Aug 1, 2018. TKP will also serve as the channel of engagement with relevant parties in relation to the project.

The JDA will be subjected to the approval of the ST. Kepco whose majority stake is held by the government of South Korea, has expressed its intention to secure 25% equity interest in TKP upon the successful implementation of the JDA.

“During this phase of project development, each party shall bear its own internal costs and Kepco has agreed to bear 35% of direct and external third party cost,” Tadmax said.

The group said the JDA is in compliance with the KC’s letter dated Sept 19 for a suitable and active technical partner for the project. The group is also of the view that the JDA could potentially lead to a share-and-equipment agreement between the parties.

Kepco is South Korea’s largest state-owned public utility company with assets of $340 billion (RM1.4 trillion) and annual revenue of US$40 billion. The South Korean government owns 51% of Kepco’s shares.

Tadmax’s shares remained unchanged at 36.5 sen with some 2.5 million shares traded.