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PR Value	RM 76,746		



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# Hot deals

TENAGA Nasional has inked contracts worth RM2.3 billion with four local shipping companies to transport coal from Indonesia.

REPORT ON **B2**



The Tanjung Bin Power Plant gets its coal supply from Indonesia through TNB Fuel Services Sdn Bhd

Pic from www.malakkoff.com.my

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# TNB inks RM2.3b coal shipment deals

**LONG TERM:**  
Contracts awarded to 4 Malaysian companies

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**T**ENAGA Nasional Bhd (TNB) has awarded RM2.3 billion coal shipment contracts to four Malaysian companies, including PNSL Bhd with two jobs worth nearly US\$200 million (RM780 million) and Malaysian Bulk Carriers Bhd (Maybulk) with a US\$143.1 million job.

The long-term contracts reflect TNB's commitment to promoting and nurturing the growth of Malaysian-owned shipping companies, which will eventually allow

them to own and operate Malaysian-flagged vessels.

PNSL and Maybulk, together with Prima Shipping Sdn Bhd and Duta Marine Sdn Bhd, would transport coals from Indonesia under 10-year and 15-year contracts worth US\$537 million, said TNB in a statement yesterday.

The contracts, signed between wholly-owned TNB Fuel Services Sdn Bhd (TNBF) and the four companies, involved a 10-year period for second vessels and over 15 years for newbuilding vessels, it added.

TNBF is the nominated coal and fuel supplier to TNB and independent power producers that have power purchase agreements with TNB.

PNSL bagged US\$99 million and US\$95.4 million contracts over 10 years each, while Maybulk secured the US\$143.1 million job for a 15-year period.

Prima Shipping won a US\$99 million contract over 10 years, and Duta

Marine a US\$100.5 million contract over 10 years.

TNB said the long-term contracts allowed it to diversify its freight contracts' portfolio to 60 per cent long-term contract of affreightment (COA), 20 per cent spot contract and 20 per cent long-term COA.

It added that as the long-term COA began, the total allocated 7.5 million tonnes per annum (Mtpa) was actually less than 30 per cent of the total shipping services required by TNBF this year. By 2019 when the requirement is anticipated to be around 40 Mtpa, the long-term COA will contribute 18.75 per cent of the total shipping services.

The long-term COA is planned for shipments of coal from Indonesia since almost 60 per cent of the coal procured by TNBF is from this country to the three discharge ports of Lekir Bulk Terminal, Jimah Power Plant and Tanjung Bin Power Plant.

TNB's shares closed 10 sen lower yesterday to RM14.40.