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Thursday May 3, 2012

Daya eyes fabrication yard for downstream ops

By TEE LIN SAY

linsay@thestar.com.my

PETALING JAYA: [Daya Materials Bhd](#) plans to acquire a fabrication yard as part of its strategy to venture into the upstream oil and gas sector.

Group [managing director Nathan Tham](#) said the company was in talks with several parties, including yard owners and fabricators in Malaysia, Singapore and the United States.

“We are also in talks with some parties on some form of collaboration. We already have fabrication expertise, given our core competency in industrial facilities. Hence, going upstream in the fabrication space is a natural growth progression for us,” Tham told *StarBiz*.



Tham: The company is in talks with several parties.

Daya is involved in oil and gas downstream chemicals and heavy-lifting services. It is also active in several upstream segments, such as offshore pipe-laying, automated welding, offshore chemicals and the desludging of floating production storage offloading (FPSO) vessels.

“While we have been very focused on the downstream segment, we have been adding on to our upstream capabilities over the years,” said Tham.

He said these upstream capabilities would serve well in Daya's efforts to participate in marginal fields.

Last month, Daya [chairman Datuk Mazlin Junid](#) said the company was looking to participate in marginal oilfields and several upstream opportunities.

It was then reported that Daya was already in talks with a few foreign partners and was looking to “gel” something together in the next few months.

Meanwhile, Daya told Bursa that it had won a RM270mil contract from the [Yuk Tung Group](#) to construct three blocks of 28-storey mixed development condominium and offices in Jalan Sungai Besi, Kuala Lumpur. Yuk Tung's previous developments in Malaysia include The Peak in Bukit Prima Cheras and Kiara 3 condo in Mount Kiara.

Daya will use internal funds and bank borrowings to execute the job.

“This contract is meaningful to us not because of its size alone but also the fact that it opens up a new area for us. No doubt, it is the biggest contract we have won so far. Our previous biggest contract was worth RM160mil,” said Tham.

He added that previously, Daya was involved only in the construction of industrial parks. The contract with Yuk Tung was its first residential contract and hence signified its move into residential and commercial construction.

Daya is now in the midst of developing an industrial park in Kimanis, Sabah, to support the oil and gas industry there.

The industrial park measures some 38 acres, of which the first eight acres will be launched soon. It will consist of factories, warehousing, logistics space and fabrication yard.

Using the same model, Daya is also looking to develop an industrial park close to Petronas' urea and ammonia plant in Sipitang, Sabah. The plant is expected to bring in RM4.5bil investments and create about 2,450 jobs.

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