

# Borneo Oil ramps up growth across various divisions

July 11, 2014, Friday Yvonne Tuah, yvonnetuah@theborneopost.com

**KUCHING:** Borneo Oil Bhd (Borneo Oil) is boosting its growth trajectory with various improvements across its business divisions which include its gold mining, franchise, oil & gas (O&G), as well as property and management division.

Following its venture into the gold and related mining activities earlier this year, the group is currently in the process of conducting exploration drilling, said executive director Teo Kiew Leong in the group's Annual Report 2014 released Wednesday.

He said the group is also in the midst of conducting in depth research into the recovery of gold and it is also looking to expand its mining leases.

To note, Borneo Oil ventured into the gold and mining-related industry earlier this year via an operator agreement through an exclusive sub-contract with Champmark Sdn Bhd on a 162.3 hectares mining lease situated in the Merapoh Area, Pahang and registered under Perbadanan Kemajuan Negeri Pahang in an area known as Area 4-1 under mining lease ML 08/2008.

“We are currently in the process of conducting exploration drilling under JORC's compliant standards to verify the results before deciding on the processing methods and design of the plants for the next phase in the mining operations.

“Apart from area 4-1, there are 6 other mining leases awaiting approval from the relevant authorities,” Teo said.

He added, “Since the division's entry into gold mining activity, a total of 187,255 tonnes of alluvial has been processed in which 43.405 kilogramme of gold has been recovered.

“During this short period, the company has experimented with various methods of recovering alluvial gold.”

The first phase of plants and equipments were installed in early June 2014 and they are now in the commissioning stage, Teo said.

The company had also conducted an in depth research into the recovery of gold from the existing tailings, standing at almost 900,000 tonnes as at June 2014.

“The designing of a suitable and effective process to recover more gold from the same is now in its final stage. This new process is expected to be implemented by the end of 2014,” he said.

In order to mitigate various risks inherent in the gold mining industry, the group said it will among others, employ more relevant personnels experienced in this field as well as to leverage on the technical expertise and experience of Champmark Sdn Bhd’s geologists by working closely with them in the area of exploration and matters related to it.

“The next 12 to 36 months will be an exciting time for the mining division,” Teo commented.

Meanwhile, for its fast food and franchise division, Borneo Oil, which owns home-grown fast food chain SugarBun, continued to perform remarkably well.

Teo pointed out that from last year’s total number of outlets at 62, with six overseas, Borneo Oil currently has a total of 72 outlets out of which 11 are overseas. An additional 17 new outlets are also in the midst of opening.

Teo noted, “Recently we have signed up Area Franchisees for the states of Johor and Sabah in Malaysia, while overseas we have signed up for West Kalimantan, City of Jakarta and Medan respectively in Indonesia.”

He added, “This continuing achievement was due largely to our proven established business models, consistent research and innovation by our research and development (R&D) team in introducing creative and quality foods that could cater to all ages and range of customers.”

On its O&G and energy division, Borneo Oil has positioned itself to focus on renewable energy, bio-fuel and similar activities.

“In pursuing this, the division had participated in the implementation of bio-diesel storage tanks in anticipation of the government’s move into compulsory usage of five per cent Palm Oil Methyl Ethylene (POME) on diesel which will be on sale to all end users in all the petrol stations throughout Malaysia.

“Shell International’s subsidiary company, Shell Timur Sdn Bhd, had recently awarded the company with a contract for the engineering, procurement, construction and commissioning of two POME storage tanks facilities in Kuala Baram and Labuan respectively,” Teo explained.

Should the division perform well, there is a strong possibility that more similar contracts will be awarded to the company as there are plans by the government to get all the oil majors to build storage tanks all over the country to support its bio-diesel roll out plan by the end of 2015.

Besides that, Borneo Oil’s property and management division has also performed equally well as planned during the year and is expected to improve further in the future.