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FBM KLCI 1883.15 ▼ 9.47 KLCI FUTURES 1885.50 ▼ 3.00 STI 3293.73 ▲ 24.23 RM/USD 3.1840 CPO RM2346.00 ▼ 40.00 OIL US\$106.66 ▼ 2.01 GOLD US\$1337.40 ▼ 1.80



Syed Azman says Weststar Aviation is already in talks with an Iraqi counterpart to form a joint venture to start the business in that country.

SUHAMU YUSUF

BOC Aviation said to be near Airbus, Boeing jet deals

by Andrea Rothman, Julie Johnsson & Kyunghee Park

TOULOUSE (France): BOC Aviation Pte, the Asian aircraft leasing company, wants to buy about 35 Airbus A320 aircraft and a larger number of competing Boeing Co models, people familiar with the planned announcement said.

The order may be disclosed at the Farnborough Air Show that starts today, said the people, who asked not to be identified because talks have not concluded.

The deal will include a mix of A320 family aircraft with either existing or more fuel-efficient engines, said one of the people. BOC Aviation is also discussing some longer Boeing 777 models, another person said.

The A320neo has a list price of US\$102.8 million (RM327.9 million) in the mid-sized version.

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Weststar eyes helicopter charter market in Iraq

Feasibility study shows 'huge' potential for such a service there

by Cynthia Blemin
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KUALA LUMPUR: Weststar Aviation Services Sdn Bhd, en route to a listing on the Main Market of Bursa Malaysia in the first half of next year, is looking to tap the helicopter charter market in Iraq, which has the second-largest oil reserves in the world.

It is planning to enter the Iraqi market as early as next year and will be the first company to provide such charter services there, Weststar Group managing director and owner of Weststar Aviation Tan Sri Syed Azman Syed Ibrahim told *The Edge Financial Daily* in an interview.

He also revealed that Weststar Aviation is already in talks with an Iraqi counterpart to form a joint venture to start the charter business, but he declined to divulge the value of the investment or stakes involved.

Weststar Aviation is one of nine

companies under the Weststar group of companies.

Besides Iraq, it has also set its sights on two other African nations, Ghana and Mozambique, as part of its overseas expansion plans.

The opportunity to go into the helicopter charter business came about after Weststar Aviation was commissioned by Petronas Carigali Iraq Holding BV six months ago to conduct a feasibility study on the setting up of a helicopter charter service in Iraq, said Syed Azman.

He said the company has since completed the study and presented its findings to Petronas Carigali Iraq, adding that it found Iraq has a "huge" market with the only risk being security.

The study showed that businesses in Iraq would be able to save 30% of their costs using chartered helicopter services, and that travel time could be slashed to an hour, compared to 12 and 15 hours by land due to the security roadblocks manned by the military.

However, Syed Azman, who is also a former military intelligence officer, gave the assurance that security has always been of paramount importance to the group and that the company has spent millions to train its pilots.

In June last year, he said the company had spent RM65 million to train its pilots and engineers.

For now, Weststar Aviation plans to operate three helicopters for Petronas Carigali Iraq in that country but later, it hopes to secure contracts from other oil and gas (O&G) companies, he said.

With that in mind, Syed Azman hopes to double his current fleet size from 45 helicopters to at least 100 in the next five years.

On the company's initial public offering (IPO), Syed Azman confirmed that it is on track and that the group is busy adding value to the whole exercise.

"We hope to announce the appointment of the bank for the IPO

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IPO proceeds to be used for fleet expansion

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by September," he said, adding that the funds would be used for the expansion of its fleet.

As for the company's plan to expand its business overseas, Syed Azman said tender invitations had been pouring in.

"The rate in which we have been invited to [participate in] tenders overseas — [even] as far as South America — is just mind-boggling," he said, adding that invitations had also come from Ghana, Mozambique and Guinea.

Weststar Aviation is already operating in two African countries — Morocco and Mauritania. It also has operations in Thailand.

Syed Azman said Weststar Aviation is also looking to seal a contract worth US\$1 billion (RM3.19 billion) with an Australian firm to start its helicopter operations down south, and hopes to wrap up the deal by October.

He said his company had managed to create a major niche business in the lucrative O&G market.

"Our business is based on contracts and has better value. We have slightly over RM10 billion worth of contracts [to date]," he said.

Weststar Aviation has been catering to the needs of Malaysia's O&G industry since 2008. Presently, it contributes to almost half of the group's revenue, said Syed Azman, adding that it is targeting a revenue of RM600 million this year.

Weststar Aviation became the largest helicopter service provider for the O&G industry in the region in the first quarter of 2011 when it was awarded a contract to provide nine AW139 helicopters to five prominent O&G companies — Petronas Carigali Sdn Bhd, ExxonMobil Corp, SapuraKencana Energy Sdn Bhd, Talisman Energy Inc and Petrofac Ltd.