

Sabah, Petronas ink agreements to support domestic gas industry and education development

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Malaysia Petroleum Management senior general manager of integrated hydrocarbon management Aidid Chee Tahir (third from left) exchanging documents with Sabah Energy Corporation Sdn Bhd CEO Adzmir Abdul Rahman after signing the gas supply agreement, witnessed by Local Government and Housing Minister and Finance Minister II Datuk Seri Panglima Masidi Manjun (centre). Also present were Petroliaam Nasional Bhd president of group CEO Datuk Tengku Muhammad Taufik (second from left) and SEC chairman Datuk Annuar Ayub (second from right).

Sabah Energy Corporation Sdn Bhd (SEC) and Petroliaam Nasional Bhd (Petronas) have signed key agreements for the supply of natural gas to SEC and for the sale of selected gas pipeline assets and businesses in Sabah.

The signing of the agreement for the supply of 120 million standard cubic feet per day (MMscfd) of natural gas took place in Kota Kinabalu last week and was witnessed by Local Government and Housing Minister Datuk Seri Panglima Masidi Manjun, who is also Finance Minister II, representing Sabah Chief Minister Datuk Seri Panglima Hajiji Noor. Also present was Petronas president and group CEO Datuk Tengku Muhammad Taufik.

SEC was represented by its CEO, Adzmir Abdul Rahman, while Malaysia Petroleum Management (MPM) senior general manager of integrated hydrocarbon management Aidid Chee Tahir signed on behalf of Petronas.

At the same event, SEC and Petronas exchanged documents on the sale of some of Petronas' gas businesses in Sabah, which consist of gas supply agreements to five independent power producers (IPPs) in Sabah.

SEC also exchanged documents with Petronas Gas Bhd (PGB) and Petronas Carigali Sdn Bhd (PCSB) for the sale of seven onshore gas pipelines in Sabah to SEC. To facilitate a smooth transition, Petronas will

continue to provide SEC with support for operations and maintenance of the gas pipelines under a separate transitional services agreement.

In addition, Universiti Teknologi Petronas (UTP) and University College Sabah Foundation (UCSF) signed a memorandum of understanding (MoU) to pursue a potential collaboration in the fields of academic, research and student exchange programmes.

Hajiji said: “The state government is very pleased with the signing of the various gas agreements, as it supports the growth of the downstream gas industry in the state. With the acquisition of Petronas’ gas contracts in Sabah, SEC has become the largest domestic supplier and transporter of natural gas in Sabah, moving more than 250MMscfd of natural gas to the existing IPPs.

“With a bigger customer base and control of the infrastructure, SEC is poised to further grow its gas business in Sabah. This is in line with the state government’s aspirations to see the increased participation of state government-linked companies in the oil and gas industry.

“The education MoU between UTP and UCSF will further enhance the development of Sabah’s human capital and capability to support the Sabah Maju Jaya vision,” he added.

Tengku Taufik said: “Petronas remains resolute in its commitment to support the Sabah state government’s aspirations for its oil and gas industry. The agreements and MoU witnessed today signify the continued efforts under the commercial collaboration agreement to add value to the hydrocarbon resources and human capital development ecosystem in Sabah. Petronas believes that such partnerships with SEC and UCSF will responsibly realise the potential of the domestic oil and gas business for the economic growth and prosperity of Sabah and the nation.”