

COMMERCIAL JUDGMENT

'PETRONAS DECIDES ON ASSET RATIONALISATION'

No political interference in decisions, company just needs to report outcomes, says PM

NOR AIN MOHAMED RADHI
AND QISTINA SALLEHUDDIN
KUALA LUMPUR
news@nst.com.my

THE rationalisation of Petronas' asset portfolio is being carried out independently, without any political interference.

Prime Minister Datuk Seri Anwar Ibrahim said the ongoing evaluation of Petronas' upstream assets was guided solely by the company's commercial judgment and strategic considerations.

He said the rationalisation of Petronas' asset portfolio and strategies must take a long-term perspective into account, especially given the uncertainties in

the global oil and gas market.

"Petronas must take its asset portfolio into account. For instance, in countries like Brazil, it holds seven upstream blocks, three development blocks and four exploration blocks.

"So, there is a need, when certain oil project areas become less optimal, to divest them, to invest further in new assets.

"This is something we must understand, the decisions and wisdom behind such moves, as seen in Canada, where operations are strategically significant due to the large natural gas reserves, estimated to be around 50 trillion cubic feet.

"This has started to be exported, but must be done in collaboration with several major companies.

"That's why continuous assessment of all upstream assets, like what is happening in Brazil, is important. Based on our experience, we entrust the commercial judgment and investment decisions to Petronas without political interference.

"It just needs to report the outcomes."

He said this in response to a question by Datuk Muhammad Bakhtiar Wan Chik (PH-Balik Pulau) about the justification behind the rationalisation of Petronas' asset portfolio and the company's strategies to face global market uncertainty involving the sale of assets, such as in Canada and Brazil.

Anwar said some older assets were being let go to allow for new investments.

"In this region, major players like TotalEnergies of France and Eni of Italy have entered, prompting Petronas to move forward with these companies regionally."

Anwar said the only asset that was sold was in South Sudan, due to the ongoing conflict between Sudan and South Sudan, where safety and security concerns had become alarming.

"Since operations began in 1993-1994, Petronas has recorded strong profits there. Thus, the decision to sell its South Sudan asset was made based on safety considerations."