

Petros gains federal nod

S'wak oil giant to collaborate with PETRONAS on energy projects

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PUTRAJAYA: Clear parameters for collaboration between PETRONAS and Sarawak's Petros in the oil and gas sector will be the way forward following the inking of a joint declaration between the Federal Government and Sarawak, says Datuk Seri Anwar Ibrahim.

"Both entities will now work hand in hand to elevate the nation through the oil and gas industry, both upstream and downstream, as well as in various alternative energy initiatives, as outlined in our joint declaration," Anwar said during a joint press conference with Sarawak Premier Tan Sri Abang Johari Openg following the signing ceremony at the Perdana Putra Complex here yesterday.

The Prime Minister stressed that PETRONAS' role remains intact and will continue to fulfil its national role, but at the same time it will recognise Petros' role.

"This understanding we've reached ensures that PETRONAS' operations continue, while also recognising the role of Petros," Anwar said.

The joint declaration outlines the key foundational principles agreed upon to facilitate further negotiations between PETRONAS and Petros.

Anwar said that the joint-declaration is mainly about establishing clear boundaries and acknowledging the Petroleum Development Act 1974 and the Distribution of Gas Ordinance (DGO) 2016.

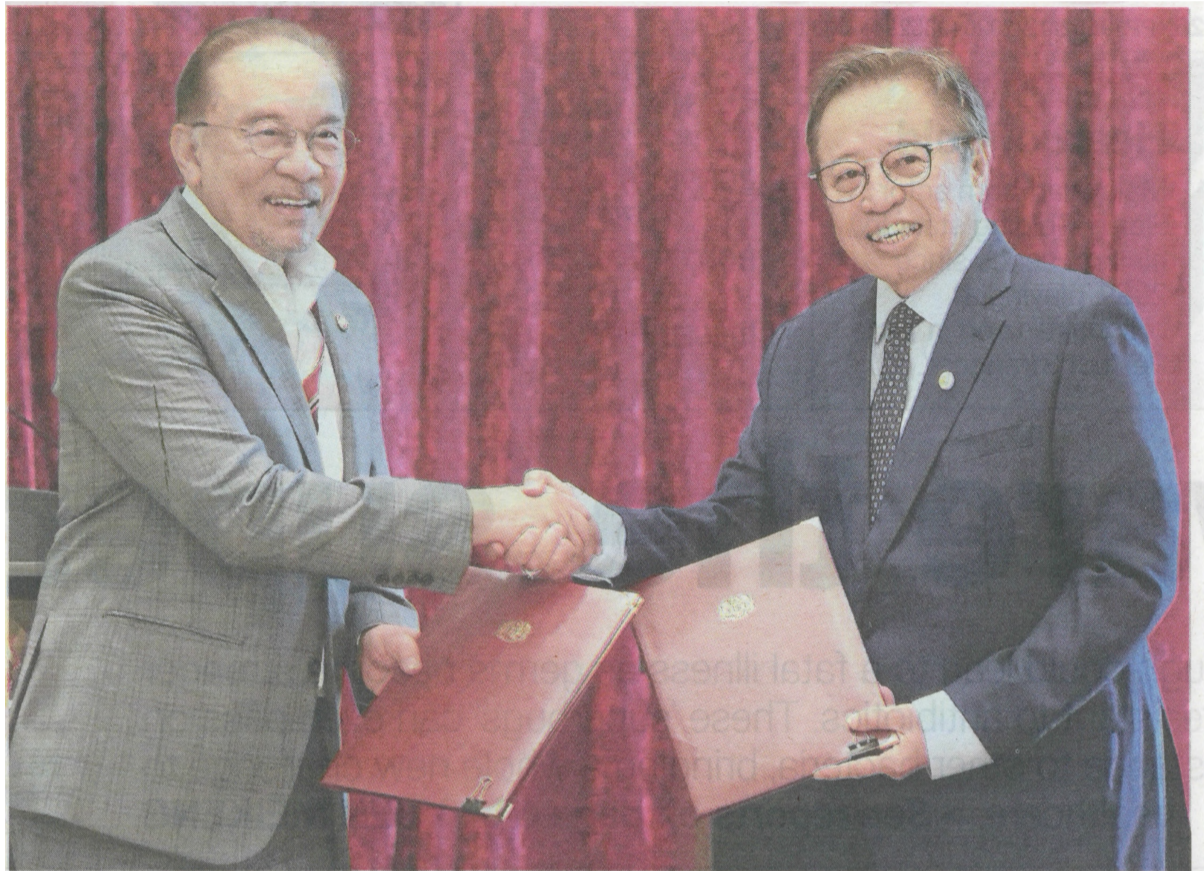
"This means that the current situation requires us to acknowledge that Sarawak has grown and now has the capacity, including establishing its own state oil company.

"Our shared aspiration, beyond just strengthening PETRONAS, is to position Sarawak as a launching hub for Asean.

"To me, this is a very realistic approach, and it will lead to national success, meaningful outcomes and the elevation of Sarawak's economic standing," Anwar said.

In turn, Abang Johari thanked Anwar and the Federal Government for their attention to key roles played by Petros alongside PETRONAS.

"Fortunately, we have managed



Sealing the deal: Anwar exchanging documents with Abang Johari at the Perdana Putra Complex in Putrajaya. - SAMUEL ONG/The Star

to resolve all the issues that had risen, and today, we are signing a joint declaration that will establish a shared understanding and joint approach between the Sarawak government, particularly PETRONAS and Petros, to collaboratively develop oil and gas activities for the benefit of the nation," he said.

Abang Johari assured that the joint declaration will be carried out following all the existing provisions under both Sarawak and federal laws.

"We will respect and uphold the legal frameworks under both jurisdictions.

"God willing, PETRONAS and Petros will move forward together in the interest of both the nation and Sarawak," he said.

In a separate statement, the Prime Minister's Office (PMO) noted that the joint declaration outlines various matters, including that all federal and Sarawak state laws related to gas distribution within Sarawak must coexist and be respected by all parties

conducting such activities in the state, including by PETRONAS and Petros.

"PETRONAS will continue to carry out its functions, activities, responsibilities and obligations as mandated under the Petroleum Development Act 1974 and its subsidiary regulations.

"The Sarawak state government has appointed Petros as the gas aggregator, effective March 1, 2025.

"This appointment must be respected by all parties engaged in the marketing, distribution and supply of gas to domestic consumers in Sarawak," it added.

Any agreements or arrangements between PETRONAS and/or its subsidiaries with third parties for (liquefied natural gas or LNG) sales, from upstream activities to LNG export to international buyers - will remain unaffected, the PMO said.

The joint declaration also agreed that other green energy, hydrogen and electricity generation projects that may be imple-

merited by PETRONAS and Petros must be in line with Sarawak's aspirations.

"All further discussions on cooperation must be subject to commercial and technical viability.

"For future projects in Sarawak involving international partners, PETRONAS will collaborate with Petros," the statement said.

"Both PETRONAS and Petros shall work to continue detailing the framework of cooperation in a transparent manner and in accordance with commercial principles for the benefit of the nation.

"The significant potential unlocked through this agreement is expected to enhance investor confidence, especially among international petroleum companies, in finalising their investment directions in Malaysia," it added.