

**TEXT OF SPEECH OF
THE RIGHT HONOURABLE
DATUK PATINGGI TAN SRI (DR) ABANG HAJI ABDUL
RAHMAN ZOHARI BIN TUN DATUK ABANG HAJI OPENG
PREMIER OF SARAWAK
IN CONJUNCTION WITH THE 5TH ANNIVERSARY OF
PETROLEUM SARAWAK BERHAD (PETROS)**

**19 OCTOBER 2022
BCKK**

A. ASPIRASI SARAWAK

Tuan-Tuan dan Puan-Puan yang saya hormati,

1. Pertama sekali saya ingin mengucapkan tahniah dan syabas kepada pihak PETROS sempena Ulang tahun kelima syarikat yang diberi tanggungjawab berat untuk mengurus, mengawal dan membangunkan sumber minyak dan gas negeri ini.

2. Sarawak amat bernasib baik kerana dikurniakan oleh Allah SWT dengan sumber asli yang begitu banyak. Sarawak mempunyai sumber air yang menghasilkan tenaga yang boleh diperbaharu termasuk hidro-elektrik, hidrogen, kawasan hutan hujan tropika yang besar sebagai stok karbon, tanah yang luas terbentang untuk dibangunkan oleh industri makanan, dan sudah tentu sumber minyak dan gas yang terbesar di negara ini.

3. Adalah menjadi aspirasi semua rakyat Sarawak untuk melihat dan menikmati hasil mahsul Sarawak dari segi mempertingkatkan taraf hidup mereka dan kualiti prasana dan kemudahan asas sejajar dengan visi untuk menjadikan negeri ini sebuah ekonomi maju berpendapatan tinggi menjelang 2030.

4. Oleh itu, apabila saya mengambil alih tampuk kepimpinan Kerajaan Sarawak pada 2017, PETROS adalah entiti pertama yang ditubuhkan untuk memenuhi aspirasi rakyat Sarawak agar rakyat dapat menikmati kekayaan sumber aslinya.

B. PETROS PURPOSE AND ENABLER TO REALISING VISION 2030

Ladies and gentlemen,

5. As you all know, PETROS was incorporated five years ago in 2017 to become a flagship of Sarawak's meaningful participation in the orderly exploitation of the oil and gas resources that the state is endowed with, while at the same time safeguarding the interests of Sarawak and its resources.

6. Sarawak needs to exploit the potentials of its resources in an aggressive but responsible manner simply because the State needs to expand its economy and shake off the tag of a "rich but poor State". Put simply, our oil and gas resources have not been developed in such a manner as to give enough benefits to its people.

7. Towards this end Petros has been entrusted with the task of furthering Sarawak's cause including negotiating the details of Sarawak's commercial position with PETRONAS and this has culminated in the signing of the Commercial Settlement Agreement (CSA) between PETRONAS and PETROS in December, 2020.

8. As some of you know, the agreement included Sarawak's equity participation in offshore operations and the assurance that that 25% of State's gas is prioritised for Sarawak's domestic needs. Further, Petros is empowered to develop potentials of oil and gas onshore.

9. I believe, therefore, we all should be proud of PETROS its achievements thus far and for its bold future targets as we celebrate its 5th anniversary today.

C. PETROS FINANCIAL STRENGTH AND GROWTH TRAJECTORY; ALREADY A BILLION-RINGGIT COMPANY

Distinguished guests, ladies and gentlemen,

10. PETROS is on a journey of rapid growth which they have funded with their own prudent equity and securing their own financing.

11. Last year, PETROS achieved a revenue of **RM1.2 billion**, a significant feat by a company that is only five years old.

12. Today, I am pleased to say that PETROS is among the ranks of the billion-ringgit companies, with a robust financial performance and a Triple-A RAM rating.

13. Syabas to the team!

D. PETROS UPSTREAM RESOURCE BASE & PRODUCTION

14. PETROS has also grown its equity in hydrocarbon resource base. In the OFFSHORE exploration and production space, PETROS has:

- Three (3) Offshore **Production** PSCs (or Production Sharing Contracts); and
- Three (3) Offshore **Exploration** PSCs (or Production Sharing Contracts)

15. I am also aware that PETROS is pursuing several other opportunities as we speak.

16. In the ONSHORE exploration and production space, PETROS remains as Regulator but also with participating interest through its subsidiary, Petroleum Sarawak Exploration and Production ("PSEP") in the existing Block SK433 located in Miri-Baram area.

17. I am excited that after 20 years of inactivity in onshore Sarawak, we will be drilling again, next year in Miri.

E. PETROS DOWNSTREAM: NUMBER ONE LPG AND DOMESTIC GAS IN MIRI AND BINTULU

18. For Downstream oil and gas sector, PETROS is now a major player in the domestic gas market:

- PETROS Niaga is the number one liquefied petroleum gas (LPG) operator; currently with 65% market share in Sarawak.
- As domestic gas aggregator under Sarawak Domestic Gas Ordinance, PETROS has been delivering gas to households and industries in Miri and Bintulu since 2020.

19. Our downstream business is all about scale – as margins are small. So, with bigger market share, we expect better and reliable service for customers.

F. THE PETROS SARAWAK GAS ROADMAP AS GAME CHANGER – BY 2030

Ladies and gentlemen,

20. PETROS is targeting to create FOUR Gas hubs – Miri, Bintulu, Samalaju and Kuching. Through these hubs, we will serve the whole State the “Hub & Spoke” model – delivering a state-wide access to sufficient gas supply and clean energy. This will spur economic activities in the State to realise Vision 2030.

21. In the immediate term, PETROS will deliver the following project as part of Sarawak Gas Roadmap.

(i) For the Miri Hub, the first project is 400MW Power Plant to ensure northern Sarawak Energy Security

(ii) For Samalaju Hub, PETROS will lay gas pipeline and together with SEB build a power plant. This is critical to complete Samalaju as heavy industry zone.

22. These projects alone will require investment of around RM6 Billion. Over 10 years, across the 4 hubs, the total projected

investment is RM65 billion inclusive of downstream value-add industries.

23. I am confident that the Sarawak Gas Roadmap will be a game changer for us Sarawakians. It is a key supporting pillar in our aspiration of high income and advanced state.

G. SARAWAK'S CCS POTENTIAL IN NET ZERO; PETROS AS RESOURCE MANAGER

24. Our State is also blessed with geological structures that are suitable to store carbon dioxide, CO₂. Sarawak's potential for Carbon Capture Utilisation and Storage (CCUS) can be at world-scale!

25. CCUS is a key enabler to achieve Net Zero by 2050 as we transition away gradually from carbon-based fossil fuels.

26. The GPS government recently updated the Sarawak Land Code to include legislation regulating this new business opportunity. These CCUS sites are part of State land and hence belongs to the Sarawak. I would like PETROS, given its technical

skill, to be the resource manager for CCUS with the support by the relevant Ministries.

27. The CCUS industry will promote the development of the State's massive sour gas reserves, which contains CO₂, to:

- Secure long-term energy-security for the State;
- Create more domestic jobs through green industry; and
- Provide another revenue source to the State

28. I am pleased that PETRONAS has signed a Collaboration Agreement with PETROS for a Carbon Capture Utilisation & Storage (CCUS) Joint Collaboration Agreement, which is the first step to enable the Green Economy.

29. And, as part of the energy transition, we are also positioning the State to become a hydrogen producing hub in the region, and this will complement the later phase of this plan.

H. SARAWAK'S TALENT PIPELINE AND PETROS AS INTEGRATOR

Ladies and gentlemen,

30. As we aim to be at the forefront of the country's economic development, we must focus on our talent development as it plays a key role in realising our aspiration.

31. I foresee PETROS to play the role of an integrator for our talent pipeline in the oil and gas sector.

32. Through the Commercial Settlement Agreement of December 2020 between PETRONAS and State Government, PETROS will work with various stakeholders to develop an integrated plan to build Sarawak's human resource capability in the oil and gas sectors.

33. I have confidence in PETROS as our very own corporation, to be a central figure in helping Sarawak shape and build its talent pipeline.

I. SARAWAK'S CONTRACTOR PARTICIPATION

Ladies and gentlemen,

34. PETROS and through the Ministry of International Trade & Industry, Industrial Terminal & Entrepreneur Development Sarawak ("MINTRED"), is working closely with PETRONAS on strategies to increase participation of Sarawak Contractors in Oil and Gas Sectors.

35. Our aspiration for Year 2030 is to:

- (i) Increase our Contract Threshold
- (ii) Increase our Priority SWEC (Standardised Work & Equipment, Categories)
- (iii) Increase the Annual Spend in Sarawak to Sarawakian Companies
- (iv) Increase the percentage of Sarawakians in Sarawakian Companies

36. I expect to see our local content agenda grow and with it the development of Sarawak's own contractors in the oil and gas industry.

J. Sarawak's Green Energy Journey

Ladies and gentlemen,

37. I am proud that we in Sarawak have begun to focus on doing our role in maintaining the earth's ecosystems and continue to make sustainable choices.

38. We are also blessed to have a society and corporations that are growing in their awareness and importance of green sustainability. We are moving towards fulfilling the needs of the current society without compromising the needs of our future generations by ensuring a balance between growing our economy and keeping our environmental and social wellbeing.

39. We will work in synergy to progress Sarawak's Energy Transition and to pursue our Green Energy Agenda for a more sustainable energy future.

12. PENUTUP

Tuan-Tuan dan Puan yang saya hormati,

40. Sebagai mengakhiri ucapan, Sekali lagi saya ingin mengucapkan tahniah dan syabas kepada keseluruhan pengurusan PETROS yang telah berusaha dengan gigih untuk memastikan PETROS mempunyai keupayan menjadi “pembawa obor” Sarawak dalam industry minyak dan gas di negara ini, khususnya di Sarawak.

41. Namun, dalam mengejar visi untuk membangunkan sumber minyak dan gas negeri ini sebagai penyumbang utama kepada kekayaan negeri ini, Sarawak memerlukan sebuah kerajaan yang stabil dan kuat untuk meneruskan usaha sedia ada sehingga 2030 dan seterusnya. Sebagai Ketua Kerajaan GPS, saya, dengan kerjasama rakan-rakan dalam kabinet telah berusaha untuk memastikan Sarawak sentiasa berada di hadapan di negara dan rantau ini.

42. Sama-samalah kita berdoa agar syarikat minyak dan gas milik Sarawak ini akan membawa Sarawak ke era ekonomi yang gemilang menjelang 2030, Insyallah.

43. Sekian. Saya sudah dengan wabilahitaufik walhidayah
salamualaikum warahmatullahi wabarakatuh.