

Chairman's Letter



Tan Sri Dato' Seri Mohd Bakke Salleh
Chairman

Dear Stakeholders,

The year 2025 marked a pivotal inflection point, where deepening geopolitical divisions had significantly impacted trade flows, supply chains and market dynamics. Against this backdrop, PETRONAS remained steadfast in fulfilling our responsibilities, working to reinforce energy security and fulfil the expectations of our stakeholders and customers.

The prolonged tensions that defined the year under review have culminated in an ongoing conflict in West Asia as I pen this note. Accordingly, at the time of publication, the world continues to contend with significant disruptions to the energy system resulting from this conflict. This has further underscored the critical importance of energy to national security and the global economy.

As the economic landscape at large continues to be reshaped by these new realities, it falls upon industry players to collectively build a more resilient and reliable ecosystem capable of withstanding volatility. This was precisely what PETRONAS' efforts had been focused on in 2025.

Guided by our Energy Transition Strategy, PETRONAS laid strong foundations that enabled us to deliver a resilient performance for the year in review while ensuring security of energy supply for Malaysia and customers around the world. The Group's commitment towards our purpose as a progressive energy and solutions partner remains unwavering and this will continue to steer us forward.

Delivering Our Mandate

Over the past 50 years, the energy industry has evolved significantly, becoming increasingly interconnected and complex. Throughout this period, PETRONAS has continued to diligently discharge our obligations to Malaysia, with a clear focus on long-term growth.

For the year under review, the Group delivered a scheduled dividend payment of RM32.0 billion to the Government of Malaysia. PETRONAS also remains the sole contributor to the National Trust Fund established to ensure future generations of Malaysians will benefit from its natural resources. In 2025, we contributed RM500.0 million to the Fund, bringing the cumulative total to RM14.0 billion.

Since 1974, PETRONAS has contributed nearly RM1.6 trillion in overall economic value to the nation through dividends, royalties, taxes, cash payments, and other means.

Strengthening Ecosystem Resilience

Beyond fiscal contributions, PETRONAS, as the national oil company of Malaysia, works in close coordination with our key stakeholders to build a robust and resilient energy sector that serves the nation's long-term interests.

Part of our efforts in this regard focuses on nurturing a strong and competitive Oil and Gas Services and Equipment (OGSE) ecosystem. PETRONAS does so through initiatives that provide support to small and medium enterprises (SMEs) by developing technical capabilities, improving access to financing, and providing industry insights. In doing so, we aim to unlock the potential for these players to compete, innovate and scale.

To date, PETRONAS' Vendor Development Programme has benefitted 173 SMEs, which are now competing more effectively in the OGSE ecosystem. Meanwhile, 1,022 companies participated in the PETRONAS Supplier Support Programme since its inception in 2024, where they were guided on the adoption of sustainability principles and practices across their businesses.

In 2025, the Government of Malaysia rolled out the BUDI MADANI RON95 (BUDI95) programme, a targeted subsidy for RON95 petrol, for which PETRONAS played a key role in supporting its operationalisation. Through integration with our station infrastructure and mobile application, PETRONAS supported this large-scale national initiative through to successful implementation, delivering tangible value for Malaysians who rely on the system every day.

These efforts demonstrate the effectiveness of PETRONAS' collaborative approach with government and industry partners in advancing sustainable progress within a dynamic and interconnected energy ecosystem.

Creating Positive Impact

PETRONAS believes that holistic and sustainable progress can only be achieved when it is made alongside communities. Since inception, we have established long-standing efforts to create positive social impact in Malaysia and in global communities where we operate.

Under the PETRONAS Powering Knowledge® Education Sponsorship programme and other youth development initiatives, thousands of students have gained access to quality education and leadership development opportunities. Since 1975, PETRONAS has invested over RM3.8 billion through PETRONAS Powering Knowledge® Education Sponsorship, benefitting more than 40,000 Malaysian students.

Beyond this, PETRONAS contributed over RM500.0 million through social impact programmes during the year under review, impacting a large number of individuals worldwide. These programmes were carried out in close collaboration with ministries and local partners, ensuring meaningful impact was made where the communities needed them the most.

Pathway to a Sustainable Future

Since the launch of PETRONAS' Net Zero Carbon Emissions by 2050 Pathway, the Group remains committed in our efforts to manage emissions in support of Malaysia's national commitments. While industry trends have seen a notable shift from energy transition to energy addition, PETRONAS' pragmatic approach is envisaged to guide the Group towards our aspiration while still delivering energy reliably.

Since 2013, PETRONAS has reduced its annual emissions by 22.2 million tonnes of carbon dioxide equivalent (MtCO₂e) through the implementation of emission reduction projects across our operationally controlled assets.

Further to this, PETRONAS has reinforced its commitment to protecting and conserving nature through two clear targets: no net loss of biodiversity in existing operations from 2030 onwards and net positive impact for all new projects from 2024 onwards. The Group also introduced resource efficiency targets in Malaysia to be achieved by 2030. These include a 14 per cent reduction in freshwater used in water-stressed areas and an 82 per cent hazardous waste circularity target.

Moving Forward

The past few years have fundamentally reshaped the operating landscape. Looking ahead, we expect sustained volatility in key market dynamics, even as global energy demand continues to grow.

PETRONAS has always adopted a prudent approach of disciplined capital allocation, underpinned by strong governance and risk oversight. This has enabled us to establish a solid foundation focused on liquidity, value-accretion and long-term growth.

The Board is confident that the measures taken to enhance agility and sharpen strategic clarity will bolster the Group's resilience, paving the way for us to continue delivering energy and value to our stakeholders and customers.

Moving forward, PETRONAS remains committed to nurturing our invaluable partnerships with governments, partners, employees and communities. Through collaboration and engagement, we will continue to foster greater alignment and encourage regional discourse on energy affordability, security and transition pathways as we did in 2025, through our support of Malaysia's ASEAN Chairmanship and Energy Asia.

Acknowledgments

On behalf of the Board, I would like to extend my appreciation to Tan Sri Tengku Muhammad Taufik, President and Group Chief Executive Officer, and the Executive Leadership Team for their steadfast commitment in helming the Group through a challenging operating year.

I also convey my sincere gratitude to all PETRONAS employees for their unfaltering and indomitable dedication, and for upholding the timeless PETRONAS Shared Values in an environment that demanded swift adaptability and rigorous execution.

Finally, I would like to thank our valued stakeholders for their continued confidence in PETRONAS. As we prepare for the year ahead, we remain steadfast in strengthening the partnerships that enable us to deliver long-term value to the nation. Thank you.

President and Group Chief Executive Officer's Letter



Tan Sri Tengku Muhammad Taufik
President and Group Chief Executive Officer

Dear Stakeholders,

In 2025, PETRONAS was steadfast in our focus on delivering long-term value and energy security amid unrelenting volatility throughout the course of the year. This firm commitment continued to steer PETRONAS in discharging our critical role as a trusted energy and solutions partner, both to Malaysia as its national oil company and to our customers around the world.

Uncertainty has undeniably become a defining feature in the energy industry today. In anticipating more headwinds in the macro environment, PETRONAS' priority in 2025 was to build resilience through projects and partnerships that strengthen operational reliability, accelerate value delivery, and diversify our supply nodes as well as revenue streams.

As you read this report, the escalating conflict in West Asia continues to fundamentally shift the global economic and geopolitical order. This has irrevocably impacted financial markets, trade and logistics, and importantly, the world's entire energy system.

I am pleased to report that PETRONAS has put in place strong foundations through our achievements in 2025. Moving forward, the Group will continue working with governments, businesses and partners to ensure that energy continues to flow reliably and responsibly.

Safety Above All

PETRONAS' results in 2025 were made possible by the contribution of our dedicated employees across the Group, who prioritised safety in all our undertakings. In delivering these results, PETRONAS recorded zero fatalities in 2025. However, the Group also saw a 40 per cent increase in Lost Time Injury Frequency. In tackling this, PETRONAS will continue reinforcing a culture of safety and take measures to create a safer environment for our colleagues, partners and in locations where we operate.

Regrettably, one major fire incident occurred at the Putra Heights gas pipeline in Selangor, Malaysia. In the immediate aftermath of this tragic incident, PETRONAS and its subsidiary, PETRONAS Gas Berhad, worked closely together with the relevant government authorities on a rapid and coordinated emergency response to stabilise the situation.

Efforts in this regard included fire containment, public safety, assistance to those affected and ensuring the security of gas supply. PETRONAS remains fully committed to our ongoing cooperation with all stakeholders involved in strengthening the safety and reliability of all our facilities.

Delivering Value

In navigating the market headwinds that are increasingly difficult to predict, PETRONAS took an approach of prudent financial management and disciplined capital allocation to preserve long-term value.

Guided by this, PETRONAS delivered a resilient financial performance in 2025, with a Profit After Tax of RM45.4 billion on the back of RM266.1 billion in revenue. Earnings before Interest, Taxes, Depreciation and Amortisation stood at RM103.0 billion for the year under review.

PETRONAS maintained a robust financial position, supported by strong operating cash flows and disciplined cost management. Cash Flows from Operations stood at RM85.2 billion, ensuring the Group retained robust capacity to fund operational requirements, capital investments, debt obligations and shareholder returns.

Total assets increased to RM775.0 billion, while capital expenditure was at RM41.6 billion, of which 60 per cent had been invested in Malaysia in support of national energy security and the local Oil and Gas Services and Equipment sector.

Building Resilience

PETRONAS' financial performance in the year under review is testament to the clear vision and continued relevance of our Energy Transition Strategy, which focused on strengthening Core Business, accelerating value-accretive growth in New Business, while responsibly managing emissions across the Group. Since its introduction in 2022, this strategy has steered the Group towards continued value delivery and energy security.

In 2025, some of PETRONAS' achievements in this regard include:

- ▶ Diversified our LNG supply with the commissioning of LNG Canada Trains 1 and 2 in British Columbia. This new heartland complements the PETRONAS LNG Complex in Bintulu, Malaysia and our two Floating LNG facilities, further establishing our market leadership in LNG.
- ▶ Expanded our international upstream portfolio through Production Sharing Contracts (PSCs) in Suriname and Guyana, Key Principles Agreement for the North Sumatra Offshore PSC opportunities through Vestigo, two Memoranda of Understanding for exploration collaboration in the Middle East and Southeast Asia, and Final Investment Decision for the Kelidang Cluster Development in Brunei.
- ▶ Positioned the Group for more efficient upstream development in Southeast Asia through PETRONAS' first satellite business model partnership with Eni. This strategic collaboration entailed the consolidation of selected upstream assets to strengthen capital efficiency and accelerate project development cycles.
- ▶ Strengthened our bio-based value chain with the groundbreaking for PETRONAS' first biorefinery at the Pengerang Integrated Complex in Johor, Malaysia. This will pave the way for us to deliver Sustainable Aviation Fuel (SAF), Hydrogenated Vegetable Oil and bio-naphtha.
- ▶ Advanced progress in regional interconnectivity through a Joint Development Agreement among MY Energy Consortium (established between PETRONAS and Malaysian utilities player, Tenaga Nasional), PetroVietnam Technical Services Corporation and Sembcorp Utilities to export renewable electricity from Vietnam to Singapore and Malaysia.
- ▶ Expanded our suite of lower-carbon energy and solutions offering by achieving 9.1 gigawatts of installed and under-construction renewables capacity; 1,181 electric vehicles charging points across Malaysia, Thailand and India; and signed the first long-term sale and purchase agreement with Uniper SE for the supply of up to 500 kilotonnes per annum of Renewable Fuels of Non-Biological Origin-compliant green ammonia.
- ▶ Enhanced our in-house capabilities to support emissions reduction in aviation through the delivery of Malaysia's first locally blended SAF to Kuala Lumpur International Airport.
- ▶ Achieved an 80 per cent reduction in methane emissions across the Group-wide natural gas value chain, exceeding our target of 50 per cent reduction by 2025.

Looking Ahead

In 2026, PETRONAS will continue to ramp up efforts that will better position the Group to deliver consistently and reliably to our stakeholders and customers. As the operating environment is being jarringly reshaped by persistent geopolitical and market pressures, PETRONAS has acted proactively to put in place measures to strengthen the resilience of our business and portfolio.

Moving forward, we will intensify our focus on value-accretive undertakings and pursue strategic partnerships to accelerate value delivery, even as we diversify supply pathways and vigorously pursue improved efficiency while responsibly managing emissions.

In this opportunity, I would like to extend my heartfelt appreciation to the Chairman, Tan Sri Dato' Seri Mohd Bakke Salleh, and the PETRONAS Board of Directors for the stewardship and support extended, as well as to the Federal and State Governments in Malaysia, the host governments across our global operations and partners for the trust placed in PETRONAS.

Last but certainly not least, I wish to put on record my sincere thanks to all the employees of PETRONAS, whose unshakeable fortitude, resilience and invaluable contributions were crucial in delivering the Group's 2025 achievements.

As we look ahead, PETRONAS remains resolute in fulfilling our purpose by growing our role as an energy and solutions provider, contributing towards economic growth and ensuring the energy security of those we serve across the globe.