



Core Business

More Energy, Less Emissions

Focus Areas

PETRONAS' Core Business is anchored in three integrated business segments spanning Upstream, Gas and Maritime, and Downstream. Together, these form a cohesive value chain that delivers reliable energy and industrial solutions in support of energy security, while generating resilient cash flows to sustain current commitments and fund New Business investments critical to advancing energy transition.

Upstream

As entrusted under the Petroleum Development Act 1974, we oversee the management and development of Malaysia's oil and gas resources, with a focus on shaping and accelerating Malaysia's upstream industry to ensure long-term energy security.

In 2025, Malaysia Petroleum Management (MPM) continued to strengthen Malaysia's upstream foundations and sustained investment interest, reinforcing the country's position as a vibrant exploration, development and production hub. We brought new opportunities to market, advanced our geological understanding and laid the foundations for more complex developments ahead. The focus was not only on today's activity, but on shaping an industry that remains relevant and competitive for decades to come."

Datuk Ir. Bacho Pilong

Senior Vice President, Malaysia Petroleum Management

Malaysia Bid Round 2025 Sustains Upstream Investment Momentum and Activates New Frontiers

Investor interest in Malaysia's upstream sector remained robust in 2025, anchored by the Malaysia Bid Round 2025 (MBR 2025). This round offered five exploration blocks and three Discovered Resource Opportunity (DRO) clusters across key basins, spanning a diverse range of geological settings and opportunity types. This breadth has reinforced sustained investor engagement and confidence in Malaysia's petroleum potential, while supporting the alignment of resource development with evolving demand centres and broader industrial growth.

In parallel, MPM advanced subsurface and seismic activities in frontier and under-explored areas to enhance geological understanding and improve data availability to further de-risk exploration.

This technical groundwork matters because much of Malaysia's remaining hydrocarbon potential lies within increasingly complex plays. While 40 billion barrels of oil equivalent (boe) have been discovered to date, an estimated 21 billion boe remain classified as 'yet-to-find', predominantly in deepwater areas that demand higher capital intensity and advanced technological capabilities. In response, our focus remains on sustaining investor confidence while strengthening technical readiness to unlock these complex, capital-intensive upstream opportunities.



PETRONAS Senior Vice President of MPM, Datuk Ir. Bacho Pilong, delivering a keynote at Malaysia Bid Round 2025.



We delivered a year of strategic transformation and disciplined execution, strengthening Upstream's ability to generate value across domestic and international basins. We progressed from forming new global collaborations and unlocking potential frontiers to advancing high-impact drilling results and deploying differentiated technologies at scale. In Malaysia, these efforts strengthened our position in the energy sector, while responsibly expanding the resource base."

Mohd Jukris Abdul Wahab

Chief Operating Officer, Executive Vice President and Chief Executive Officer, Upstream

Multiplying Upstream Value through PETRONAS' First Satellite Business Model

We continue to deliver advantaged hydrocarbons with lower costs and emissions while strengthening differentiated business and partnership models. As part of this, we have embarked on our first satellite business model with Eni, establishing a dedicated growth platform that strengthens capital efficiency, enables risk-sharing and accelerates upstream development across Southeast Asia. The proposed entity will consolidate 19 upstream assets in Malaysia and Indonesia, pooling approximately 3 billion boe of reserves and unlocking up to 10 billion boe of exploration potential, with a targeted medium-term production rate of around 500 thousand boe per day. Supported by planned CAPEX exceeding USD15.0 billion over five years, the model enhances value transparency and enables PETRONAS to scale selected assets through partnerships and differentiated funding structures.

Point of Interest



The satellite structure separates selected upstream assets into a dedicated platform, allowing PETRONAS to unlock value from mature and growth assets while retaining strategic oversight. This model enables faster development, shared investment and portfolio optimisation without diluting the strength of the Group's core upstream business.





Unlocking New Gas Growth

We achieved a significant milestone in Suriname with the Declaration of Commerciality for the Sloanea offshore gas discovery. This development represents the basin’s first commercial gas project and marks an important step in establishing a scalable, LNG-aligned gas growth platform. A subsequent offshore oil discovery further enhances the potential for an integrated oil and gas development, strengthening the long-term value proposition of the basin.

Building on this momentum, we secured three new Production Sharing Contracts (PSCs) in Suriname and marked our inaugural entry into Guyana through the award of Block S4. These strategic additions expanded our exploration portfolio in proven hydrocarbon basins, underpinned by encouraging well results from offshore Suriname, strengthening regional synergies and reinforcing our position in one of the world’s most prolific petroleum provinces.

In Brunei, the Kelidang Cluster Development reached Final Investment Decision, marking the country’s first ultra-deepwater gas project. The development incorporates advanced subsea and floating production technologies and is expected to play a key role in securing long-term gas supply to Brunei LNG.



Representatives from PETRONAS, Government of Guyana, TotalEnergies and QatarEnergy celebrating the momentous milestone together.

Advancing Portfolio High-Grading through Strategic Partnerships

Strategic partnerships support our upstream portfolio high-grading by unlocking value from mature assets, sharing development risks and enabling regional expansion. In Malaysia, collaboration with TotalEnergies expanded through a Strategic Cooperation Framework Agreement and two Farm-Out Agreements, improving capital efficiency and execution across Malaysian acreage. Portfolio optimisation also progressed through targeted operatorship transfers that strengthened operational focus and development efficiency.

Internationally, growth continued through selective partnerships and PSCs that balance risk and returns. Strategic Memoranda of Understanding were signed with Oman’s OQ Exploration and Production New Ventures and Dragon Oil to extend our presence in the Middle East and Central Asia. In Indonesia, the Serpang and Binaiya PSCs strengthened the oil portfolio with short- to medium-term development upside. We also initiated a technical joint study with Petrovietnam to evaluate hydrocarbon potential in open oil and gas blocks, while an extension of a PSC in Turkmenistan, supported by a long-term gas sales agreement, strengthened the integrated gas position.

Vestigo, a wholly-owned subsidiary of PETRONAS focused on managing and optimising mature upstream assets, advanced this partnership-led approach through its first international collaboration with Pertamina.



Memorandum of Understanding (MoU) Signing Ceremony between Dragon Oil and PETRONAS Carigali International Ventures.

Accelerating Upstream Value through AI, Digital and Technology

Digital and technology innovation accelerate time to value and maximise performance across our Upstream portfolio. AI, advanced analytics and digital platforms enhance decision speed, strengthen operational reliability and unlock greater resource value across our global assets. We are scaling digital and AI solutions to enhance exploration insight, improve operational reliability and optimise field performance.

- **Powering Exploring through AI**

We advanced the adoption of AI across our Upstream value chain through TriCiptaAI, our flagship AI venture with Beicip Franlab Asia and AFED Digital. In November 2025, two initial applications, AI.SEEK and Global Exploration Basin, delivered their first minimum viable products, using AI-driven basin benchmarking that integrates geoscience datasets to support faster and more informed exploration decisions. A Joint Development Agreement formalised at the Abu Dhabi International Petroleum Exhibition and Conference 2025 expands the collaboration into Exploration AI and Production AI, strengthening operational efficiency, improving investment decisions and unlocking additional value across our Upstream portfolio.

- **Predicting Failures Before They Happen**

Our award-winning Predictive Rotating Equipment Analytics (PROTEAN™) uses machine learning to predict equipment failures before they occur, improving production reliability. Deployed across Malaysia and international assets, PROTEAN™ monitors over 350 critical rotating equipment items, helping to avoid unplanned downtime and production losses, reducing maintenance costs and improving asset reliability in 2025.

- **Saving Time, Optimising Resources**

Enhanced Resource Monetisation Artificial Intelligence (ERMAI), our in-house AI solution, analyses subsurface data to identify opportunities faster, reducing analysis time from approximately six days to a mere six seconds. The platform enhances reserve recovery by identifying bypassed hydrocarbons through the Behind Casing Opportunity and enabling smarter drilling through the Real-Time Petrophysics. By minimising non-productive time and avoiding costly interventions, ERMAI delivered significant value uplift from improved reserve recovery in 2025.

- **Turning Data into Production Upside**

Integrated Asset Management (IAM) transforms how fields are monitored and optimised by combining physics-based models with near real-time data. IAM enables faster identification of production optimisation opportunities and sharper surveillance practices. IAM has been deployed across eight fields, contributing measurable improvements in production efficiency and value realisation in 2025.

Point of Interest



TriCiptaAI enables global basin screening and prospect ranking on demand, significantly shortening early exploration cycles and accelerating exploration decision-making.



The flagship TriCiptaAI venture was commemorated at an Exchange of Documents ceremony in Abu Dhabi, United Arab Emirates, in November 2025.



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- Driving Innovation in Subsurface Imaging**
 Exploration Platform for Integrated Computing (EPIC) 2.0, our next-generation high-performance computing platform, went live in September 2025 to enable faster, more accurate subsurface imaging. Building on EPIC 1.0, the platform uses parallel processing and advanced seismic techniques to handle more complex datasets and shorten processing time. By supporting priority projects in Suriname, Turkmenistan and Malaysia, EPIC 2.0 is helping teams reduce subsurface uncertainty and make better-informed exploration and development decisions as demand for seismic imaging continues to grow.
- Making Underwater Inspections Safer and Faster**
 The Hovering Autonomous Underwater Vehicle (HAUV) offers a safer and more efficient way to inspect underwater structures by replacing diver-led inspections with high-precision, remotely operated technology. Using autonomous General Visual Inspection with intelligent station-keeping, HAUV maintains stability in currents and waves, captures accurate measurements and collects inspection data without human intervention. Pilot deployment at a platform in Sarawak, Malaysia in October 2025 demonstrated faster inspections, improved safety and lowered inspection costs by up to 50 per cent compared with traditional methods.
- Improving Decision-Making through Better Reservoir Modelling**
 The Upstream Exploration and Development Modelling Programme improves how reservoirs are modelled and decisions are made by replacing fragmented workflows with integrated, data-driven approaches. By combining scalable earth modelling with uncertainty-focused ensemble modelling, Upstream Exploration and Development Modelling enables more consistent subsurface models, earlier risk assessment and faster project maturation across exploration, development and improved oil recovery opportunities. Rolled out across Malaysia and Suriname in 2025, the programme enables more confident decision-making and higher productivity through better use of seismic, well and production data.
- Well Intervention Fluid-Friction Modifier**
 Water-based well intervention fluid-friction modifier (WIF-FM) is a specialty additive developed to address recurring field challenges where friction, drag and equipment stress limit tool reach, increase wear and complicate interventions in horizontal and deviated wells. WIF-FM has unlocked incremental production value by reactivating previously idle wells through more efficient and reliable interventions. It reduced intervention costs and equipment wear, improving safety, extending asset life and enabling sustainable well performance.
- Integrated Smart Desander System**
 PETRONAS addressed sand management challenges by installing an Integrated Smart Desander System with online sand monitoring. Commissioned in October 2025, this dual-barrier system uses cyclonic separation and real-time monitoring to remove sand monthly from a previously idle well.

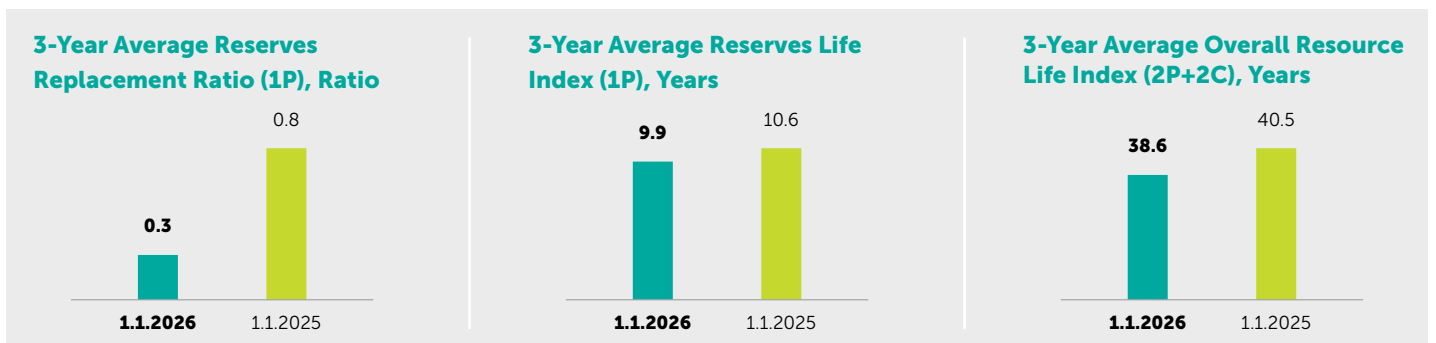
 The solution restored stable operations, enabled 2 to 4 million standard cubic feet per day gas production and created a scalable model for high-sand wells across the Duyong field.
- Functionalised Graphene Oxide Rust Converter**
 Functionalised Graphene Oxide (F-GO) Rust Converter, is a corrosion control technology designed for situations where traditional surface preparation is impractical due to cost, access or safety constraints. It converts existing rust into a stable layer for coating, reducing the need for abrasive blasting or complete rust removal. F-GO streamlines maintenance, cuts complexity, shortens execution time and can reduce costs by up to 60 per cent. It also enhanced asset integrity and safety through a scalable corrosion management solution that extends asset life and lowers life cycle costs.

2025 Performance Metrics

(i) Annual Review of Petroleum Resources 1 January 2026 Reserves and Contingent Resources



(ii) Reserves and Resources Performance Indicators



As at 1 January 2026, PETRONAS' total petroleum 2P Net Entitlement Reserves stood at 7.92 billion barrels of oil equivalent (boe), representing an 8 per cent decrease compared with 2024. Total Net Entitlement 2C Contingent Resources amounted to 13.16 billion boe, reflecting a 13 per cent reduction over the same period.

These movements reflect portfolio rationalisation efforts during the period, alongside continued project maturation activities. Looking ahead, we are pursuing a combination of organic and inorganic initiatives to reinforce the resilience and sustainability of our Reserves and Resources base.



Core Business

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Our Challenges and Opportunities

Market Context

Portfolio high-grading, resource replenishment and decarbonisation imperatives call for stronger capital discipline, higher operational efficiency and lower-carbon production.

Strategic Response

- Accelerated portfolio high-grading with disciplined capital allocation towards value-accretive, low-cost and lower-carbon assets.
- Strengthened delivery of advantaged barrels through differentiated technical and commercial capabilities and faster time-to-value.
- Progressed physical decarbonisation by reducing flaring and venting, improving hydrocarbon and contaminant management, enhancing energy efficiency and adopting renewable energy solutions, while advancing carbon capture and storage (CCS) enablement.

Impact

- Strengthened portfolio resilience and cost competitiveness across the Upstream value chain.
- Lowered emissions intensity while sustaining long-term value creation and energy security.

Our Outlook

Short-term

We prioritise portfolio high-grading, directing capital towards value-accretive, low-cost and lower-carbon assets. Exploration continues to sustain the long-term viability of our resource base, supported by disciplined execution in Malaysia and selective expansion across international portfolios. Strategic partnerships and differentiated technical and commercial capabilities accelerate time-to-value and strengthen portfolio value. We continue to advance decarbonisation through targeted energy efficiency initiatives, methane management, flaring reduction and CCS solutions.

Medium- to Long-term

We focus on building a competitive and resilient portfolio that supports energy security and sustainable shareholder value in a lower-carbon environment. This will result in a more focused, resilient and value-dense portfolio, supported by the delivery of advantaged oil and gas products, at a lower cost, lower-carbon and higher margin production and an increasingly digital and AI-enabled operating model strengthening operational excellence. We also embed Net Zero Carbon Emission Facilities (NZCEF) principles in new field developments through upfront design solutions that integrate energy efficiency, methane management, zero routine flaring and CCS solutions.

Gas and Maritime



PETRONAS' LNG business is anchored on a strong, asset-backed supply base across Malaysia and our international positions, providing the scale, reliability and flexibility our customers depend on. Supported by our integrated shipping and maritime capabilities, we are able to deliver LNG safely and efficiently to markets worldwide, reinforcing our role in strengthening energy security through a diversified LNG portfolio."

Datuk Adif Zulkifli

Executive Vice President and Chief Executive Officer, Gas and Maritime

Strengthening our Position as a Global LNG Supplier

PETRONAS continues to diversify our supply nodes to better serve our customers. Through the newly operational LNG Canada, the first large-scale LNG export facility in Canada, we strengthened our LNG supply reliability as capacity of the plant was ramped up with Train 1 entering service in June and Train 2 in November 2025. Our first LNG cargo sailed in July 2025 to Japan, establishing another supply source that has a direct and efficient shipping route to North Asian markets.

Meanwhile, we continue to mature the progress of our third floating LNG. The hull was launched in February 2025, followed by completion of topside installation in November 2025. These milestones strengthen our readiness and reinforce our capabilities as a leading operator of floating LNG facilities and further strengthen our position as a global LNG supplier.



LNG cargo departure from the LNG Canada facility in Kitimat, Canada.



Hull launch at Samsung Heavy Industries (SHI) Shipyard, South Korea.

Point of Interest

LNG Canada is positioned as a leading source of lower-carbon LNG, underpinned by one of the world's lowest emissions intensities at approximately 0.15 tonnes of CO₂ equivalent per tonne of LNG production. As Canada's first LNG export facility, it plays a pivotal role in diversifying global LNG supply and strengthening energy security for Pacific markets. With Phase 2 development underway to potentially double production capacity, the project represents a long-term, scalable platform that supports the global energy transition while delivering reliable supply amid evolving market and decarbonisation demands.



Scan the QR code to know more about PETRONAS' first LNG cargo from the LNG Canada facility.

Expanding LNG Supply, Delivery Capability and Partnerships

Beyond investment in LNG facilities, our supply diversification also includes an asset-light approach. Through third-party offtakes, we added approximately 4 million tonnes per annum (MTPA) from new sale and purchase agreements with Commonwealth LNG, Woodside Energy Trading Singapore, Venture Global and Pembina. We employed a novel commercial structure that allows us to secure liquefaction capacity with zero capital investment.

In order to ensure seamless deliveries to our customers, we added eight new LNG carriers - Puteri Mayang, Puteri Sabah, Puteri Sarawak, Puteri Pahang, Puteri Selangor, Puteri Terengganu, Puteri Perlis and Puteri Perak. These new ships will support higher volumes and trading activities, while enhancing operational flexibility across the LNG value chain.

As part of our portfolio high-grading strategy, PETRONAS entered into a long-term strategic partnership with MidOcean Energy, introducing MidOcean as a 20 per cent equity partner in both the North Montney Upstream Joint Venture and the North Montney LNG Limited Partnership. The partnership enhances PETRONAS' gas position by bringing in a strategic partner across both upstream resource development and LNG production.



Advancing Power and Infrastructure Business

We strengthened our presence in the power and infrastructure business during the year. This included receiving the Letter of Nomination for the development of a 120-megawatt gas-fired power plant in Labuan, Malaysia. The development will support power system stability and contribute to future economic growth in the region.

PETRONAS Gas Berhad (PGB) also progressed a new fibre optic infrastructure initiative that leverages our existing gas pipeline network to deploy fibre connectivity infrastructure. The project is expected to strengthen connectivity, enhance real-time monitoring capabilities and support greater operational reliability.



The Rancho power plant will help deliver reliable supply to meet residential, commercial and industrial energy needs.

Progressing Liquefied Carbon Dioxide Shipping and Vessel Capabilities

In the maritime segment, we continue to expand our capabilities while supporting our Energy Transition Strategy. The incorporation of Jules Nautica, a joint venture between PETRONAS CCS Ventures (PCCSV), MISC and Mitsui O.S.K Lines, marks a major step toward designing, building and operating Liquefied Carbon Dioxide (LCO₂) carriers to enable the safe and efficient transport of captured CO₂ to offshore storage sites. The design, developed with Shanghai Merchant Ship Design & Research Institute has received Det Norske Veritas (DNV) General Approval for Ship Application (GASA) certification, positioning PETRONAS at the forefront of regional CO₂ shipping solutions and unlocking cross-border CCS opportunities.

MISC also supported maritime capabilities for the wider industry. We expanded our fleet capability through the delivery of seven consortium-owned next-generation LNG carriers, including two that are fully operated by MISC, namely Mihzem and Idd Al Shargi, delivered as part of QatarEnergy’s LNG expansion programme. Time charter party agreements with PTT for two new-build Very Large Ethane Carriers further expanded our shipping portfolio.

Offshore, the Floating Production, Storage and Offloading (FPSO) Marechal Duque de Caxias reached its nameplate oil production capacity within its first year of operations, achieving stable post-start-up performance while maintaining a Lost Time Injury-free safety record.



The Jules Nautica joint venture underscores the importance of cross-border collaboration in the region’s lower-carbon transition.

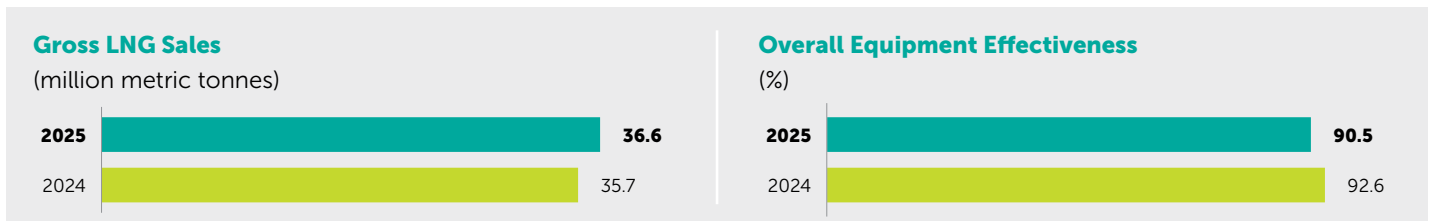
Integrated Emergency Response and Recovery

PETRONAS activated its emergency response framework following the April 2025 fire incident involving PGB’s Peninsular Gas Utilisation (PGU) pipeline near Putra Heights, Subang Jaya, Malaysia, containing the situation while the relevant authorities evacuated the surrounding communities. Following the incident, we prioritised transparent engagement with affected communities, working closely with state and federal agencies. Relief efforts and volunteer supports were mobilised at temporary centres to assist displaced families and ensure their safety.

We worked closely with government agencies and relevant authorities to restore and maintain gas supply as quickly as possible in a safe manner towards ensuring uninterrupted energy access.

We also strengthened community engagement and expanded outreach along pipeline corridors to improve dialogue with residents and authorities. PETRONAS continues to collaborate with stakeholders where development intersects with pipeline infrastructure to support safe, long-term coexistence.

2025 Performance Metrics



Our Challenges and Opportunities

Market Context

LNG is increasingly recognised as a destination fuel in the energy transition. Meanwhile, domestic energy demand is projected to grow in line with the expansion of data centres. There is expected to be an increasing reliance on gas as the retirement of coal-fired power plants commences from 2029 onwards. In terms of challenges, plant reliability, ageing infrastructure and supply disruptions have highlighted the need to improve system reliability and operational agility.

Strategic Response

- Accelerated reliability investments, pipeline integrity programmes and supply rebalancing.
- Strengthened monitoring and analytics to improve responsiveness.

Impact

- Enhanced supply reliability and reduced operational risk.

Our Outlook

Short-term

We are expanding our LNG supply portfolio with a focus on identified growth projects in Canada and Malaysia, while maximising value from existing assets by driving operational excellence and delivery performance. Under our Maritime segment, efforts will centre on strengthening core operations, expanding into new energy solutions and enhancing our emissions reduction efforts. These will help strengthen energy security, sustain our leadership in the LNG market and realise the synergistic value of Maritime as part of our Core Business.

Medium- to Long-term

As global demand continues to grow, we remain focused on maintaining LNG market leadership while offering a suite of energy solutions tailored to customer needs. In the Maritime business, our strategic priorities include identifying new opportunities to expand our business and asset portfolio and capitalising on the global energy transition as the world evolves towards a circular economy.

Downstream



In the face of industry-wide margin compression and price volatility, Downstream delivered steady and reliable performance through disciplined operations, prudent cost management and focused execution. Strategic enhancements to our capabilities within the core spaces of petrochemicals, lubricants, refining, marketing and trading further sharpened our customer offerings and fortified our competitiveness. These outcomes reflect our commitment to operational and commercial excellence, delivering safe, competitive and customer-centric solutions across the Downstream value chain.”

Datuk Sazali Hamzah

Executive Vice President and Chief Executive Officer, Downstream

Executing BUDI95 with Excellence for Our Customers and Nation

The BUDI MADANI RON95 (BUDI95) fuel subsidy programme, rolled out in September 2025 nationwide, was implemented across PETRONAS Dagangan Berhad (PDB)’s retail and digital platforms. The programme was operationalised at scale while strengthening customer engagement through digital-led execution. We coordinated across our retail operations, digital capabilities and payment platforms to maintain transaction continuity and deliver a consistent forecourt experience. The Setel™ app anchored the rollout as the first fully integrated platform, supporting customer onboarding and usage. The positive response reflected strong digital adoption, with the Setel™ user base expanding from 8 million to over 11 million by year-end. Customer traction increased by 31 per cent, while digital transactions adoption grew across PETRONAS stations.



Expanding Our Brand Presence

We continue to advance our international retail participation through a structured brand-licensing model, enabling market entry with zero CAPEX. By leveraging partner capabilities and in-market infrastructure, this approach supports scalable expansion while creating long-term enterprise value.

Through PETRONAS’ brand licensing initiative, our collaboration with SIM Distribuidora in Brazil has accelerated market entry, expanding the retail network from three PETRONAS-branded stations in 2024 to 102 stations by the end of 2025. The branded forecourt network establishes a scalable channel for us to extend access to our full suite of fluid technologies, spanning fuels, lubricants and beyond.

The model has also enabled broader enterprise participation across the Group by design, reflecting the deliberate embedding of alternative profit opportunities. Phase One of the TipTop Enterprise App (TEA App) was rolled out in October 2025 to support retail coordination, alongside PETRONAS Trading Corporation (PETCO), the Group’s trading arm, pursuing product supply opportunities into Brazil.

We continue to integrate digital capabilities and trading activities to enhance connectivity across the value chain, supporting a more coordinated and scalable approach to enterprise participation.

Point of Interest



PETRONAS has introduced a structured retail brand-licensing model to scale our international presence through partnerships with established local operators. This model enables us to extend our PETRONAS brand, technology and digital solutions through shared frameworks and systems, while partners invest in and operate the stations in compliance with local regulations. This zero-CAPEX model enables faster market entry and scalable growth.

Elevating Fleet Performance

Commercial fleets continue to operate amid changing transport demands and tightening emissions requirements, placing greater emphasis on efficiency, reliability and engine performance. PETRONAS Lubricants International (PLI) introduced the enhanced PETRONAS Urania range, strengthening its flagship lubricant offering for commercial vehicles. The upgraded range harnesses PLI's proprietary StrongTech™ technology to deliver longer oil life, improved fuel economy, enhanced engine protection and maximised uptime, helping fleets run efficiently even as emission standards tighten and usage patterns evolve. Simplified product navigation and value-added support services that complement the product offering make it easier for fleet operators and mechanics to select and apply the right solution.

Operational Resilience Underpins Strong Plant Utilisation

PETRONAS Chemicals Group (PCG) demonstrated resilience in the face of operational disruptions during the year, notably the utilities interruption at the Kertih Integrated Petrochemical Complex. Temporary feedstock constraints were also experienced following the April 2025 fire incident at the PETRONAS Gas Berhad (PGB) main pipeline near Putra Heights, Subang Jaya, Malaysia, in a separate incident. These events posed short-term challenges to production continuity across selected operations.

Despite these headwinds, the Group maintained an overall plant utilisation rate of 88 per cent, reflecting the resilience of PCG's asset base, supported by effective cross-plant coordination and operational planning.

While operations were stabilised and available capacity optimised across the network, these challenges underscore the importance of sustaining operational excellence through enhanced reliability, strengthened feedstock security and disciplined execution.

Streamlining Inspection Workflows

The Machine Vision and Inspection Workflow Management System (MAVIS) contributes to cost optimisation by streamlining end-to-end inspection workflows through a single, integrated digital platform. It replaces fragmented and manual processes previously used for inspection reporting, PETRONAS Risk-Based Inspection updates and recommendation action management.

Pilot deployments across selected operating units have demonstrated improvements in Process Cycle Efficiency, resulting in reduced manhours and optimisation of external inspection and clerical resources. Improved data quality and faster turnaround also reduce rework, reporting delays and value leakage, supporting sustainable cost efficiency while maintaining regulatory compliance and asset integrity performance.

Early Detection of Operational Risks

The Dynamic Risk Analyser (DRA) is an advanced risk analytics and early-warning platform that continuously monitors real-time process and equipment data. It detects hidden anomalies and near-miss events, enabling proactive identification of emerging operational risks before they escalate into incidents or unplanned shutdowns.

Its implementation enhances operational reliability and on-stream efficiency by providing early warnings for abnormal behaviour, allowing timely intervention and reducing unexpected trips and downtime. DRA also strengthens process safety management through improved risk visibility, structured anomaly prioritisation and continuous monitoring, while fostering better collaboration between operations and technical teams.

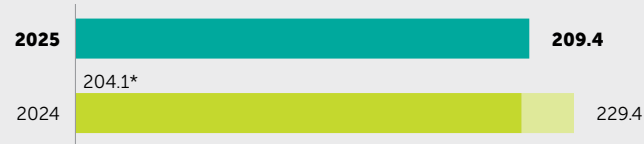


2025 Performance Metrics

Petroleum Products Sales

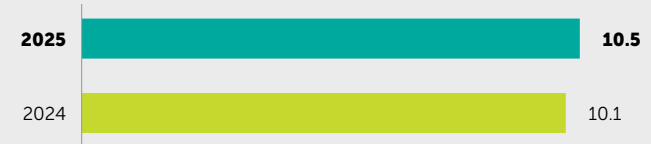
(million barrels)

* Excluding volume from the divested Engen Group in 2024



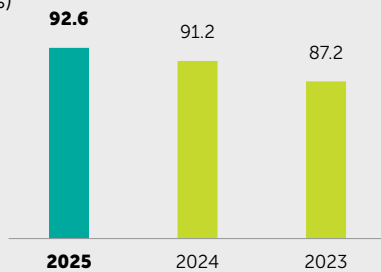
Chemical Products Sales

(million metric tonnes)



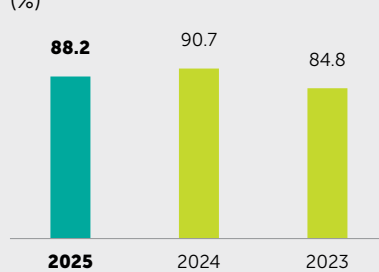
Downstream Overall Equipment Effectiveness

(%)



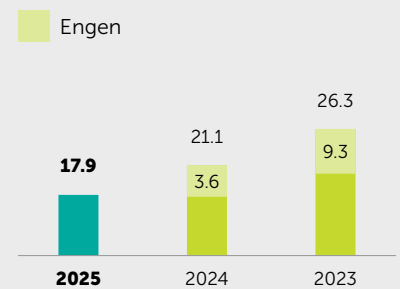
Petrochemical Plant Utilisation (Nexant)

(%)



Overall Marketing Sales Volume

(billion litres)



Our Challenges and Opportunities

Market Context

Changing market conditions and evolving customer expectations highlighted the need for more resilient operations and higher-value, solutions-based offerings.

Strategic Response

- Strengthened cost discipline, asset reliability and customer-centric products across lubricants, commercial fuels and retail.
- Expanded partnerships and service-led solutions.
- Innovated and diversified the existing core portfolio to better serve customer needs.

Impact

- Strengthened the Downstream portfolio domestically and internationally.
- Sustained customer retention reinforces strategic positioning to continue delivering long-term value to shareholders and stakeholders.

Our Outlook

Short-term

We enhance operational efficiency and asset reliability by optimising production and strengthening safe, reliable operations across our refineries and chemical plants to sustain competitiveness and strengthen resilience. Despite volatile markets, we are strengthening supply chain robustness and expanding our product offerings to meet evolving customer and market needs.

Medium- to Long-term

We continue to drive operational and commercial excellence across our Downstream assets through sustained investments to deliver safe, reliable and efficient operations, while building a more diversified and resilient energy resource to support global demands for future energy solutions. This helps PETRONAS adapt to changing market dynamics and supports a stronger position in the downstream sector.