

Business Review:

GAS PROCESSING



M NAZIR M NOR
Head of Gas Processing and Utilities

Business Review:
GAS PROCESSING

FINANCIAL PERFORMANCE

REVENUE

RM1.78
billion

GROSS PROFIT

RM0.80
billion

SEGMENT ASSET

RM4.63
billion

HUMAN CAPITAL



MALE
894



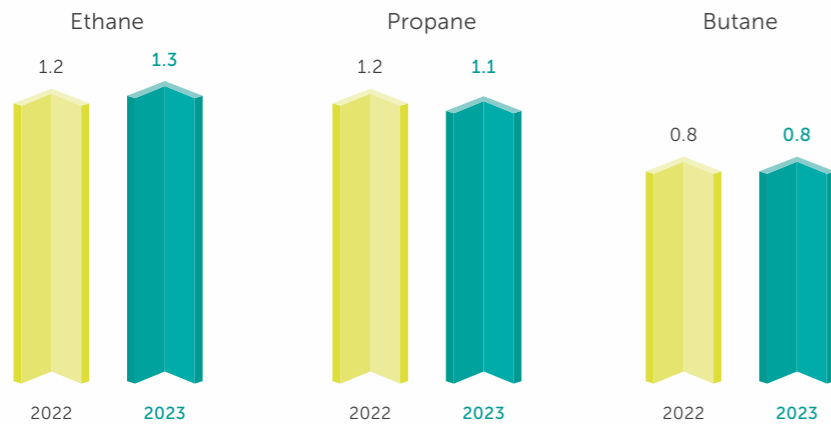
FEMALE
94



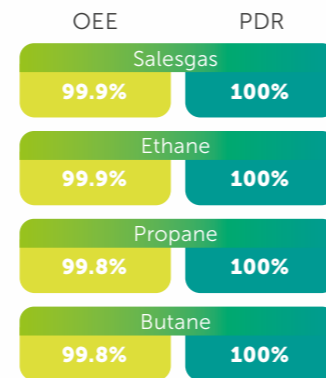
TOTAL STAFF
988

OPERATIONAL PERFORMANCE

Liquid Production Volume (MT million)



2023



HIGHLIGHTS 2023

Strategic Objectives

OE OPERATIONAL EXCELLENCE

CE COMMERCIAL EXCELLENCE

GR GROWTH

Initiatives

Value optimisation through innovative, efficient, and agile operational strategies, leading to:

- OEE & Reliability sustained >99%
- Meeting customers' demand, despite lower feedgas availability
- Improved Energy Index to 93.5
- GHG reduction >500ktco₂e

Successful revision of 3rd Term GPA with comparable value to previous GPA term.

Achieved highest IGC incentive in GPA 2nd term through various continuous improvements.

Undertaken studies on potential new business that has a strategic fit with Gas Processing, i.e., carbon abatement projects in Kertih.

CHALLENGES AND RISK

	Challenges and Risk	Mitigation
HSSE	<p>High number of turnarounds, shutdowns and projects leading to higher exposure to HSSE risks.</p> <p>Changes in feedgas composition pose a higher risk of compliance to effluent discharge quality.</p>	<p>Foster close partnership with internal and external stakeholders to ensure rigorous enforcement of Let's Comply and Intervene campaign and promotion of HSSE Generative Culture amongst staff and partners.</p> <p>Improve operational control at effluent treatment through enhancement of chemical injection management.</p>
OPERATIONAL EXCELLENCE	<p>Sustaining high asset reliability with aging assets while ensuring zero interruption in customer demand.</p> <p>Volatility of upstream volume on feedgas supply and quality.</p>	<p>Sustain asset reliability above 99% to ensure security of supply to customers</p> <p>Establishment of "Ready To Fix" programme through maintenance enhancement programmes and synchronisation with integrated production planning to resolve plant reliability threats without impacting product demand.</p> <p>Deployment of Digital Priority of Supply (DigiPos) Phase 1 to predict incoming feedgas composition based on upstream interruptions and execute blending strategy.</p>
BUSINESS ENVIRONMENT	<p>Calibrating the shifting demands and managing the various outputs.</p>	<p>Utilisation of Alpha Gas's integrated production planning tool to proactively address end-to-end supply-demand imbalances and execute strategies based on product prioritisation value.</p>

OUTLOOK & PROSPECTS

Operationalisation of Gas Processing Agreement (GPA) 3rd Term requirements, through prudent operations and maintenance execution.

Upscaling digital implementation to further enhance efficiency in operation and maintenance activities.

Implementation of integrated project management teams to ensure efficient execution of projects.



Business Review:

GAS TRANSPORTATION



BURHAN ABDULLAH
Head of Gas Transportation and Regasification

Business Review:
GAS TRANSPORTATION

FINANCIAL PERFORMANCE

REVENUE

RM1.14
billion

GROSS PROFIT

RM0.56
billion

SEGMENT ASSET

RM3.85
billion

HUMAN CAPITAL



MALE
281



FEMALE
30



TOTAL STAFF
311

OPERATIONAL PERFORMANCE



HIGHLIGHTS 2023

Strategic Objectives	OE OPERATIONAL EXCELLENCE	CE COMMERCIAL EXCELLENCE	GR GROWTH
Initiatives	<p>Deployment of Gas Transmission Optimisation (GTOPs) digital application, harnessing machine learning to optimise internal gas consumption.</p> <p>Successful installation of Automated Unmanned Aircraft System, long-range drones which complement existing nested by providing additional security in remote locations and undertaking surveillance and monitoring of our assets.</p>	<p>Commissioning of gas supply to new customer in Banting.</p>	<p>Completion of pipeline extension project in Pulau Indah.</p>

CHALLENGES AND RISK

	Challenges and Risk	Mitigation
HSSE	High number of projects leading to higher exposure to HSSE risks.	Foster close partnership with internal and external stakeholders to ensure rigorous enforcement of Let's Comply and Intervene campaign and promotion of HSSE Generative Culture amongst staff and partners.
OPERATIONAL EXCELLENCE	Sustaining high asset reliability with aging assets while ensuring zero interruption in customer demand.	Execution of focus area initiatives to: <ul style="list-style-type: none"> Sustain asset reliability above 99% to ensure security of supply to customers Leverage on digital initiatives to sustain asset efficiency and optimise production costs
BUSINESS ENVIRONMENT	GT is operating under regulated business model which affects the overall GT profit and margin.	Close collaboration with regulators to foster understanding on the impact of the regulations on Gas Transportation business performance. Optimisation in operating cost to ensure a sustainable margin.

OUTLOOK & PROSPECTS

Upscaling digital implementation to further enhance efficiency in operation and maintenance activities.

Implementation of integrated project management teams to ensure efficient execution of projects.



Business Review:

REGASIFICATION



BURHAN ABDULLAH
Head of Gas Transportation and Regasification

Business Review:
REGASIFICATION

FINANCIAL PERFORMANCE

REVENUE

RM1.35
billion

GROSS PROFIT

RM0.64
billion

SEGMENT ASSET

RM4.85
billion

HUMAN CAPITAL



MALE
117

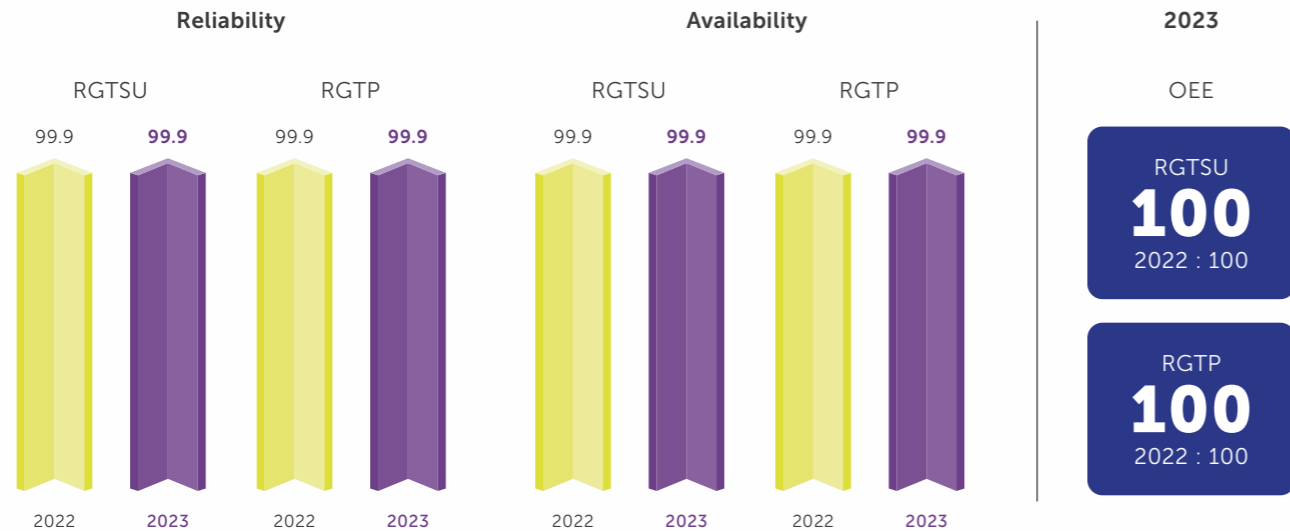


FEMALE
7



TOTAL STAFF
124

OPERATIONAL PERFORMANCE



HIGHLIGHTS 2023

Strategic Objectives	OE OPERATIONAL EXCELLENCE	CE COMMERCIAL EXCELLENCE	GR GROWTH
Initiatives	Established the PGB Unified Operations Centre (UOC) in Segamat, where the regasification assets are monitored and controlled from the UOC for better efficiency and improved safety.	Early settlement of our long-term USD contract for the Floating Storage Units (FSUs) at RGT Sungai Udang which help to mitigate unrealised forex exposure.	Achieved FID for additional LNG storage at Pengerang.

CHALLENGES AND RISK

	Challenges and Risk	Mitigation
HSSE	High number of projects in offshore environment leading to higher exposure to HSSE risks.	Foster close partnership with internal and external stakeholders to ensure rigorous enforcement of Let's Comply and Intervene campaign and promotion of HSSE Generative Culture amongst staff and partners. This includes upskilling of project partners on offshore project environment and risk.
OPERATIONAL EXCELLENCE	Sustaining high asset reliability in a low equipment utilisation environment.	Execution of focus area initiatives to: <ul style="list-style-type: none"> Sustain asset reliability above 99% to ensure security of supply to customers Leverage on digital initiatives to sustain asset efficiency and optimise production costs
BUSINESS ENVIRONMENT	Regasification is operating under regulated business model which affects overall Regasification profit and margin. Forex fluctuations impacting USD-linked long-term contracts.	Close collaboration with regulators to foster understanding on impact of the regulations on Regasification business performance. Optimisation in operating cost to ensure a sustainable margin. Continue execution of mitigation strategy for USD-linked long-term contracts.

OUTLOOK & PROSPECTS

Project execution of the new Floating Storage Unit (FSU) in Pengerang.

Upscaling digital implementation to further enhance efficiency in the operation and maintenance activities.

Implementation of integrated project management teams to ensure efficient execution of projects.



Regasification Gas Terminal Sungai Udang

Business Review:

UTILITIES

Business Review:
UTILITIES



M NAZIR M NOR
Head of Gas Processing and Utilities

FINANCIAL PERFORMANCE

REVENUE

RM2.17
billion

GROSS PROFIT

RM0.29
billion

SEGMENT ASSET

RM1.49
billion

HUMAN CAPITAL



MALE
204



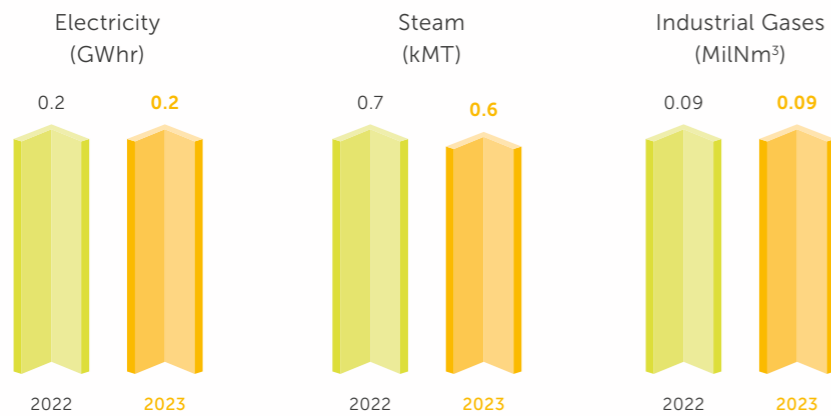
FEMALE
11



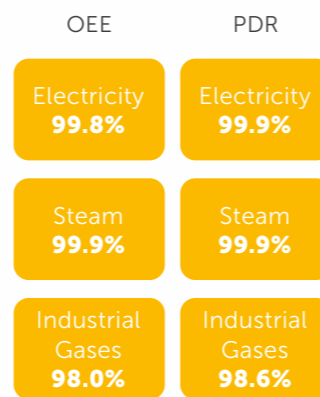
TOTAL STAFF
215

OPERATIONAL PERFORMANCE

UK & UG



2023



HIGHLIGHTS 2023

Strategic Objectives	OE OPERATIONAL EXCELLENCE	CE COMMERCIAL EXCELLENCE	GR GROWTH	
Initiatives	<p>Established agile cogeneration plant configuration and New Enhanced Dispatch Agreement (NEDA) export optimisation to achieve optimum efficiency on steam and power production while meeting product demand.</p>	<p>Commissioned supply for new revenue stream ie. new customer PCC Oxylalkylates Malaysia Sdn Bhd at PETRONAS Petroleum Industry Complex.</p> <p>Secure and renew contracts with key customers/suppliers:</p> <ul style="list-style-type: none"> Steam and electricity supply to PETRONAS Chemical LDPE Hydrogen-rich gas purchase from Propane Dehydrogenation plant 	<p>Achieved FID for cold energy ASU at Pengerang.</p> <p>Undertaken the studies on potential business expansion business that is a strategic fit with Utilities segment.</p>	

CHALLENGES AND RISK

	Challenges and Risk	Mitigation
HSSE	Sustaining HSSE compliance and performance with lean execution team.	Foster close partnership with internal and external stakeholders to ensure rigorous enforcement of Let's Comply and Intervene campaign and promotion of HSSE Generative Culture amongst staff and partners.
OPERATIONAL EXCELLENCE	Further optimisation on equipment running efficiency without jeopardising product delivery reliability.	Deploy new running configuration of cogeneration plant to achieve optimum efficiency and production while meeting product demand.
BUSINESS ENVIRONMENT	Fuel gas price fluctuation impose a threat to financial performance.	Agility in exploring revenue replacement strategies through the development of Utilities Business Operation Revival (URBAN) Strategy which includes new operating mode, spot sales improvement and plant reliability sustenance. Enhance a "Know Your Cost" culture, streamlining operations and optimising resource allocation for enhanced financial resilience and profitability amidst uncertain ICPT policies.

OUTLOOK & PROSPECTS

- Project execution of the cold energy ASU in Pengerang.
- Implementation of the agile cogeneration plant configuration to optimise profitability.
- Upscaling digital implementation to further enhance efficiency in operation and maintenance activities.
- Implementation of integrated project management teams to ensure efficient execution of projects.

