



For immediate release

## PETRONAS CHEMICALS MARKETING (LABUAN) LTD COLLABORATES WITH SARAWAK PETCHEM TO MARKET METHANOL

**KUCHING, 14 Dec 2018** - PETRONAS Chemicals Group Berhad's (PCG) marketing entity, PETRONAS Chemicals Marketing (Labuan) Ltd (PCML), today signed a Sales and Purchase Agreement with Sarawak Petchem Sdn Bhd (Sarawak Petchem), to market the methanol product from the Sarawak Methanol Project.

Under the agreement, PCML will be the marketing arm for Sarawak Petchem's methanol product from Sarawak Methanol Plant in Bintulu for 20 years with an option for further extension.

Established in June 2017, Sarawak Petchem will be the first Sarawak state government-owned company that produces methanol, with an annual capacity of 1.7 million metric tonnes per annum (mtpa). The plant is expected to come on stream in 2022 and will receive 140 MMSCFD of natural gas feedstock from PETRONAS.

Sarawak Petchem has selected PCML as its partner, given the strong market stature of its parent company, PCG, which is the largest methanol producer in Asia Pacific, and the fourth largest in the world with an annual production capacity of 2.4 million mtpa.

Highlighting on today's event, Chairman of Sarawak Petchem Tan Sri Datuk Amar (Dr) Haji Abdul Aziz bin Dato Haji Husain said, "Today's occasion marks a very significant milestone and achievement for Sarawak in its journey to pursue the realisation and involvement on the petrochemical - downstream of Oil & Gas in Bintulu, Sarawak".

"This historic event is not only to signify the beginning of the collaboration between Sarawak Petchem and PETRONAS Chemical Marketing (Labuan) Ltd but also to provide challenges for us to deliver the world class methanol plant safely, timely and optimum cost with required quality".

Executive Vice President of PETRONAS' Downstream Business and Chairman of PCG Datuk Md Arif Mahmood said through the partnership, PCG is able to strengthen the supply of methanol to its customers.

"It will enable us to fulfil the rising demand from Asia Pacific, especially in Southeast Asia, China, Korea, Taiwan, Japan and India, where the growing middle class is contributing to a higher consumption of petrochemical products. This is a significant part of PETRONAS' continuous commitment to support the development of the petrochemical industry in Sarawak," he said.



He added that the venture is expected to bring about potential economic spin-offs from several outsourced services, which will generate more business and job opportunities for the local community.

Representing PCML was its Chief Executive Officer, Shamsairi Ibrahim, while Sarawak Petchem was represented by its Chairman Tan Sri Datuk Amar Dr Haji Abdul Aziz bin Dato Haji Husain. The signing was witnessed by PCML's Head of Marketing and Sales, Methanol, Aromatics and MTBE, Shahrom Muhammad Yusuf, and Sarawak Petchem's Director Dr Haji Muhammad Abdullah Bin Haji Zaidel.

Also present at the event were Sarawak Chief Minister, Datuk Patinggi Dr Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg, PETRONAS Chairman, Datuk Ahmad Nizam Salleh, Executive Vice President of PETRONAS' Downstream Business and Chairman of PCG, Datuk Md Arif Mahmood and PCG Managing Director and Chief Executive Officer, Datuk Sazali Hamzah.



## About PETRONAS Chemicals Group Berhad

PETRONAS Chemicals Group Berhad (PCG) is the leading integrated chemicals producer in Malaysia and one of the largest in South East Asia. It operates a number of world class production sites, which are fully vertically integrated from feedstock to downstream end-products. With a total combined production capacity of over 12 million metric tons per annum (mtpa), it is involved primarily in manufacturing, marketing and selling a diversified range of chemical products, including olefins, polymers, fertilisers, methanol and other basic chemicals and derivative products. Listed on Bursa Malaysia and with three decades of experience in the chemicals industry, PCG is established as part of the PETRONAS Group to maximise value from Malaysia's natural gas resources.

PCG is one of the top 10 companies in the FTSE4Good Bursa Malaysia (F4GBM) Index, out of 200 largest companies ranked by market capitalisation. It is committed to ensuring that its business practices are in line with globally recognised standards for Environment, Social & Governance (ESG) practices.

Further details on PCG can be found at [www.petronaschemicals.com.my](http://www.petronaschemicals.com.my)

## About Sarawak Petchem Sdn Bhd

Sarawak Petchem Sdn Bhd (Sarawak Petchem) was formed to undertake, develop and operate the First Methanol Plant in Sarawak, which is Sarawak Methanol Project. Sarawak Petchem will be the first Sarawak company that produces Methanol with an annual capacity of 1.7 million metric tonne per annum (mtpa). The plant is expected to come on stream in 2022. The plant will be located at Tanjung Kidurong, Bintulu which will be the pioneer of the downstream of oil and gas industry in Sarawak.

Sarawak Methanol Project will play a significant role in Sarawak's economic transformation and extend the oil and gas downstream value-chain to transform the state into a petrochemical hub in the region.



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