

KERATAN AKHBAR

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Petronas to establish cleanenergy solutions unit



PETRONAS

KUALA LUMPUR: Petroliam Nasional Bhd (Petronas), which posted a profit after tax (PAT) of RM48.6 billion for the financial year ended Dec 31, 2021 (FY21), plans to establish an entity focused on clean energy solutions by the middle of the year, a testament to its commitment towards a sustainable future.

Its president and group CEO, Datuk Tengku Muhammad Taufik Aziz, revealed that the entity will explore the areas of renewable energy, hydrogen and green mobility.

The independent entity, he elaborated, will not be ring-fenced by the rigours of a normal project management company or a capital expenditure-heavy (capex-heavy) company.

“The entity will take stakes in companies, almost like a venture capital or private equity fund, and it will use its position to nurture these new companies within the three key themes to provide clean energy solutions,” he told the media at Petronas’ FY21 financial results briefing yesterday.

With regard to the national oil and gas company’s hydrogen ambitions, Taufik pointed out that its existing gas customers will be takers for its hydrogen offerings in the future.

“Petronas is confident we’ll be able to offer blue hydrogen offerings in the future, as we only have to figure out the engineering involved.”

With green mobility, the Petronas president and CEO believes that charging infrastructure for electric vehicles (EV) is the missing piece to spur the widespread adoption of EV. In this area, its subsidiary, Petronas Dagangan, entered into a partnership with Mercedes-Benz Malaysia and EV Connection last year for the JomCharge network of charging stations.

Towards achieving its green ambitions, the group will also establish a carbon management unit under the upstream segment to accelerate its decarbonisation efforts across the entire organisation.

For capex, Petronas is looking to invest between RM40 billion and RM50 billion in 2022, a return to its usual spending level. The capex will be split equally between its domestic and international operations. Due to the lower average Brent crude of US\$70.91 per barrel, it spent RM30.5 billion in capex last year, below its usual annual quantum.

“Some of these investments have been authorised for our decarbonising efforts, while it will not entirely be in our new energy space,” Taufik said.

On oil prices in 2022, he pointed out that the current three-digit level is largely due to the shocks from Russia’s invasion of Ukraine.

“This is a bit of a departure from where we believe it should be; fundamentally, based on the investments in the sector and the system release of volume from Opec+, the price should be within the US\$70-80 per barrel range.”

In the fourth quarter ended Dec 31, 2021, Petronas posted a PAT of RM13.4 billion against a loss after tax (LAT) of RM1.1 billion in the corresponding quarter of the previous year on the back of higher ebitda and lower impairment losses. Revenue for the quarter came in at RM76.6 billion, a 74% jump from RM 44.0 billion previously.

For the full year, it registered RM48.6 billion PAT compared with an LAT of RM21.0 billion in the preceding year with higher ebitda and lower net impairment losses in the current year following an upward trend in prices partially. Revenue grew 39% to RM248 billion from RM178.7 billion previously.

Commenting on the performance, Taufik said Petronas benefited from the overall recovery of the oil and gas sector globally. “The average Brent crude oil in 2021 was at US\$79.76 per barrel, almost doubled from US\$41.67 per barrel in 2020.”