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PRODUCTION SHARING CONTRACTS

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KUALA LUMPUR: Dagang NeX-change Bhd's (DNeX) subsidiary Ping Petroleum Sdn Bhd has signed two production sharing contracts (PSCs) with Petrolia Nasional Bhd (Petronas) for discovered oil and gas (O&G) resources in Malaysia.

The first PSC is for the development and production of oil and gas resources in the Meranti cluster located 80km offshore Kuala Terengganu.

Ping is the operator of the Mer-

anti Cluster with 60 per cent participating interest while Duta Marine Sdn Bhd holds the rest.

The second PSC is for the development and production of oil and gas resources in the A Cluster located 290km off the coast of Miri.

Ping is the operator of the A Cluster with a 70 per cent participating interest while Petroleum Sarawak Exploration & Production Sdn Bhd holds the rest.

DNeX said Petronas awarded the contracts following its Malaysia Bid Round 2022 (MBR 2022).

Executive chairman Tan Sri Syed Zainal Abidin Syed Mohamed Tahir said it was pleased to expand its portfolio onto the Malaysian shores with the maiden awards from Petronas.

"The inclusion of the Meranti Cluster and A Cluster in Ping's portfolio will re-establish the company's position in our home

territory, build on our proven track record for low-cost developments and operations in the United Kingdom and allow us to diversify our revenue stream and operations across multiple geographies.

"The total development cost for the two clusters will be determined after the development concepts have been finalised."

He added that the two clusters could contribute to the material increase of Ping's contingent re-

sources and support further growth opportunities, while reinforcing its energy business.

Syed Zainal said DNeX's energy unit was in a unique position to capitalise on its proven track record of being among the lowest-cost upstream producers of late-life assets in the UK North Sea.

"This will ensure we can continually remain profitable in the event of oil price fluctuations," he added.