


PETRONAS An Overview

Petroleum Nasional Berhad (PETRONAS) is a global energy company committed to producing and delivering energy and solutions needed to advance society responsibly and sustainably.


As Malaysia’s national oil and gas company, we safeguard and manage the nation’s hydrocarbon resources. Our aim is to maximise value through our integrated business model to meet the energy needs of the nation and our customers across the globe. Our portfolio includes oil and gas, petrochemicals, petroleum products, as well as a range of cleaner energy solutions.

Ensuring sustainable practices across our operations is important to how we conduct our business. Our goal is to achieve net zero carbon emissions by 2050, and we strive to be a valuable partner to our stakeholders in transitioning to a lower carbon energy future in a just and responsible manner.


Growing Value with Our Integrated Business Portfolio




Presence in
over **100**
countries




Ranked 1st
Most Valuable
ASEAN Brand*



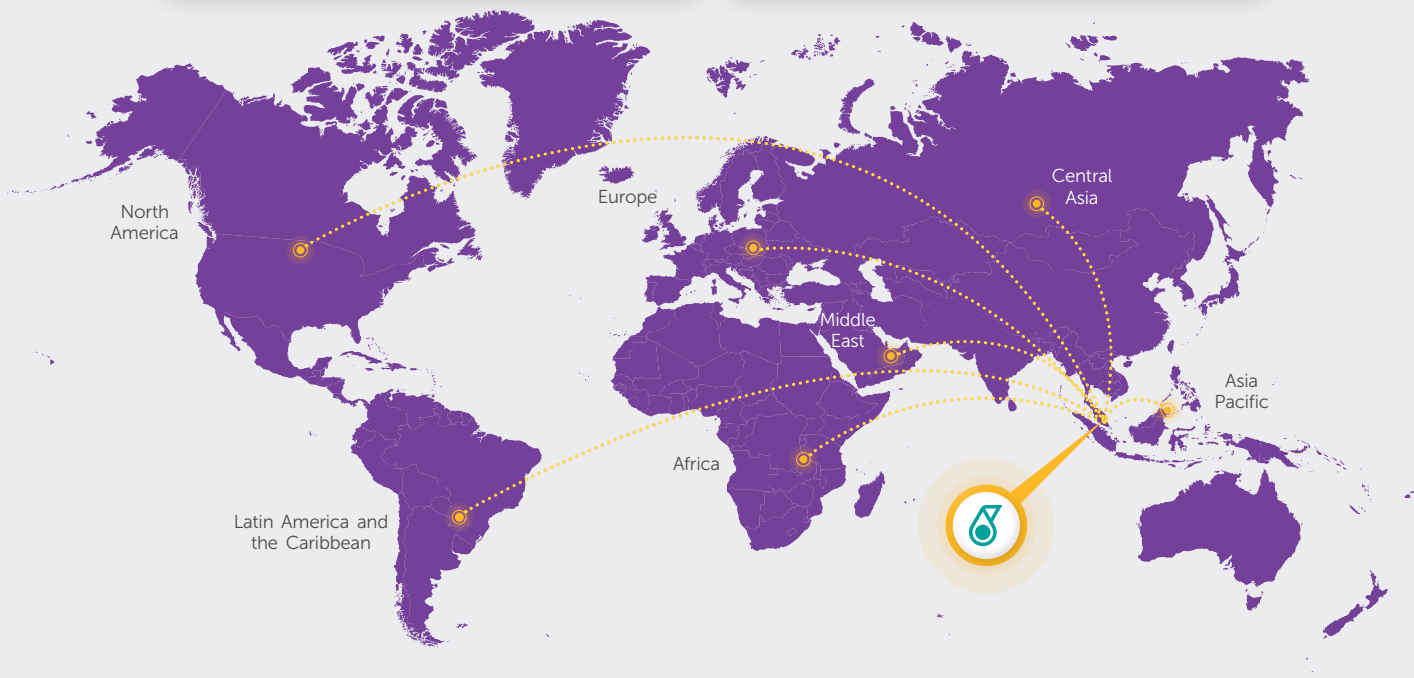
Over **50,000**
employees
globally



Top 10
Most Valuable Oil
and Gas Brand*



Ranked 139th
on Fortune Global 500



Note: *Brand Finance annual ranking.



Upstream

Upstream business explores and develops hydrocarbon resources and operates oil and gas production assets in Malaysia and in over 20 countries. Through Malaysia Petroleum Management (MPM), the country's oil and gas industry shaper and investment enabler, we steer the development of petroleum resources.

We are committed to achieving our Net Zero Carbon Emissions by 2050 Pathway through opportunities presented by the energy transition, particularly in developing carbon capture and storage (CCS) to decarbonise our portfolio and position Malaysia as a leading CCS hub in the region. We are also intensifying our efforts to reduce emissions from all our assets, through zero flaring and venting reduction projects.

- We are establishing **three definitive CCS hubs to position Malaysia as a regional CCS solutions player.**



Gas

Gas business stands as a one-stop centre for lower carbon energy, offering a comprehensive range of natural gas solutions both in Malaysia and abroad. Our competitive edge is our reliability to meet our customers' needs, distinguishing us as a leader in the industry.

We prioritise operational excellence to ensure the safe and reliable delivery of natural gas and LNG to our customers. We tailor solutions to meet their unique needs and are agile in responding to market dynamics, maximising value throughout our integrated value chain.

As part of our corporate responsibility, we actively pursue initiatives to reduce our carbon footprint while delivering innovative solutions for our customers, solidifying our standing as the preferred partner for lower carbon energy solutions.

- Operate one of the **largest LNG production complexes in the world** and **two floating LNG facilities**, which are the cornerstones of our supply reliability.
- Operate **two LNG regasification terminals in Malaysia** to strengthen the nation's energy security.



Downstream

Downstream business maximises and transforms our resources into high-quality, value-added products, catering to over 100 markets globally. Our diverse operations span refining, marketing and trading of crude oil and petroleum products, alongside manufacturing and marketing a range of petrochemicals, derivatives and specialty chemicals.

Our extensive retail network offers top-tier fluids, lubricants and innovative convenience business like Setel and Kedai Mesra. Beyond fuel, we provide premium offerings, including handcrafted coffee and a selection of freshly baked pastries for customers at our Café Mesra outlets.

We continue to expand into cleaner energy solutions such as biofuels, circular economy, LNG bunkering, advanced fluids such as the PETRONAS Iona range and electric vehicle (EV) charging facilities to cater to the increasing demand for lower carbon energy solutions, aligned with our Net Zero Carbon Emissions by 2050 Pathway.

- **Largest fuel retail network in Malaysia** with **over 1,000** PETRONAS stations and **97** Café Mesra outlets.
- Malaysia's leading **integrated chemicals producer** and **one of the largest** in Southeast Asia.
- **One of the top global lubricant players** with products available in **over 100 countries.**



Gentari

Gentari Sdn Bhd (Gentari) is PETRONAS' subsidiary that aims to accelerate the adoption and commercialisation of clean energy and seize opportunities in the evolving energy landscape.

Our long-term vision is to position Gentari as the most valued partner in clean energy solutions, creating significant impact and simplifying the path to net zero for businesses. We are committed to driving tangible change in the energy transition, focusing on solutions that will enable a secure, clean energy-powered future.

- Gentari's approach to clean energy solutions is structured around three core pillars – **renewable energy, hydrogen and green mobility**, offering solutions to assist customers in their decarbonisation efforts.



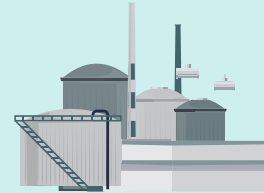
Other Businesses

Other businesses that complement our core activities include the maritime and logistics subsidiary, MISC Berhad, and property subsidiary, KLCCP Stapled Group, which comprises KLCC Property Holdings Berhad and KLCC REIT.

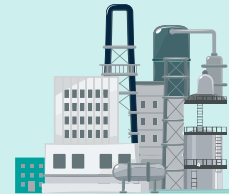
- MISC Berhad is a global leader in **providing energy-related maritime solutions** with **over 100 owned** and chartered vessels.
- KLCCP Stapled Group is **Malaysia's largest** Real Estate Investment Trust (REIT) and the **only stapled security** in the country, with a portfolio of **iconic, prime assets**, including the **PETRONAS Twin Towers.**

PETRONAS Energy Solutions

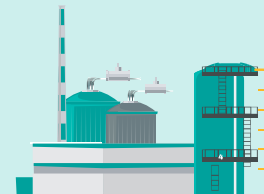
Supply and Generation



Liquefaction



Processing



Refining



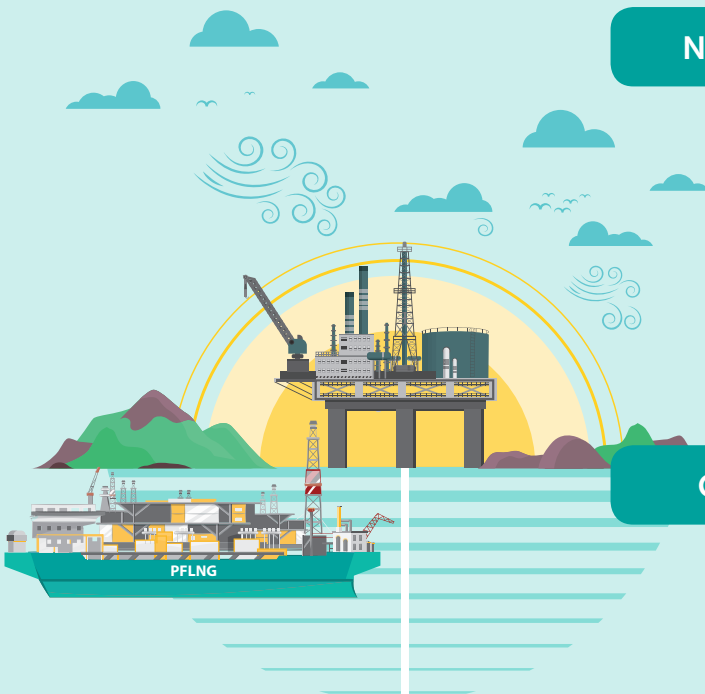
Generating Renewable Energy

Natural Gas

Crude Oil

Renewables

Exploration,
Development and
Production



Products and Solutions



Liquefied Natural Gas



Processed Gas



Liquefied Petroleum Gas



Commodity Chemicals



Specialty Chemicals



Petroleum Products, including Bio-based



Convenience Business



Electricity



Hydrogen



Green Mobility



Maritime and Logistics



Carbon Capture and Storage*



Properties

*In development.

Customers and Users



Power



Industrial



Commercial



Residential



Agriculture



Transportation



Aviation

The World in 2023

Against the backdrop of the ongoing conflict in Europe, more geopolitical risks emerged as significant new events unfolded. The year began with a China-brokered truce between Saudi Arabia and Iran in March, offering a glimmer of progress in the Middle East despite lingering tensions. However this period of relative geopolitical stability was short-lived. In October, the conflict in the Middle East heightened regional instability, risking a widening conflict, particularly at a time when the global economic recovery remained fragile.

The global economy faced persistent challenges, marked by high interest rates and elevated inflation, impacting the cost of capital. The collapse of several financial institutions in the United States revealed vulnerabilities in the financial system and eroded investor confidence.

Despite conflicts, the upstream sector swiftly adapted to ensure energy security and drove the global shift to net zero carbon emissions. Companies monetised resources quickly, capturing demand as nations sought security of supply. The global liquefied natural gas (LNG) sector saw significant growth in new capacity, with developers making the decision in 2023 to proceed with development of the largest volume since 2019. The United States became the world's largest LNG exporter, surpassing Qatar and Australia, benefitting from Europe's rising demand for imported LNG.

In the oil market, prices dropped below USD80 per barrel in the first half due to recession fears, tight monetary policies, and a slow economic recovery in China. OPEC+ responded with proactive cuts in the second half, lifting prices by about 30 per cent from June to September. Despite fears of a wider conflict in the Middle East, oil supply remained stable.

Oil refining margins faced a downturn from the previous year's robust performance due to higher operating rates and the addition of refining capacity, led by Asia and the Middle East. Concurrently, the chemicals market faced challenges as growing global capacity collided with weakening demand, causing substantial margin compressions.

2023 Key Highlights

Companies **monetising oil and gas resources quickly** to capture demand as energy security becomes a priority.

The global liquefied natural gas (LNG) sector saw **significant growth in new capacity**, with developers making the decision in 2023 to proceed with development of the largest volume since 2019.



Automation, artificial intelligence and new technologies helped reshape production for the creation of eco-friendly materials and to drive emissions reduction. In support of large decarbonisation efforts and clean energy solutions, global energy investments reached USD2.8 trillion, with over USD1.7 trillion directed to clean technologies, primarily in the United States, European Union and China. Before the year ended, COP 28 in Dubai saw countries commit to tripling renewable power to 11,000 gigawatt and doubling energy efficiency improvements by 2030.

Rising geopolitical risks led to higher shipping charges as vessels had to re-route amid threats on key waterways. This delayed the delivery of equipment and increased shipping costs.

On the economic front, the threat of slowing global gross domestic product growth further fuelled the cautious sentiment in commodity markets.

Given the increased uncertainty, investments could slow down in 2024 as higher costs challenge eroding margins. The industry will watch for when central banks lower interest rates, which will ease borrowing costs for consumers and businesses.

Environmental regulations are being tightened as the fight against climate change intensifies. Governments and key stakeholders including consumers demand higher standards to protect people and the environment from resource depletion while reducing waste and emissions. As regulations are tightened, opportunities emerge for innovation to improve efficiency and cut down on waste and emissions.

In the oil market, **prices dropped below USD80 per barrel** in the first half due to recession fears, tighter monetary policies and a slow recovery in China's economy.

Compressed refining margins and chemical spreads due to higher refining capacity additions and slower chemical demand.

2023 Key Highlights



Financial Performance



Revenue

RM343.6 billion

2022: RM372.3 billion*



Cash Flows from Operations

RM114.2 billion

2022: RM135.3 billion



Profit After Tax

RM80.7 billion

2022: RM101.6 billion



Total Assets

RM773.3 billion

2022: RM710.6 billion

*Prior year revenue and group costs have been restated to conform with current year presentation with no impact on Profit After Tax.



Core Business

More Energy, Less Emissions

Achieved **24 oil and gas discoveries**

20 in Malaysia, the largest number of discoveries in the last 10 years, and four internationally.

Portfolio high grading of **our assets** for **lower carbon molecules** in a cost-efficient manner are key considerations, such as our agreements in Angola, Oman, Indonesia, Suriname and the United Arab Emirates.

Achieved **final investment decision** for **21** projects globally, and achieved first hydrocarbon for **28** projects (21 in Malaysia and seven internationally).

Delivered **403 LNG cargoes** from PETRONAS LNG Complex and **38 LNG cargoes** from PFLNG SATU and PFLNG DUA to meet customers' energy needs.

Achieved **record high marketing sales volume** which stood at **26.3 billion**, a **5.6%** increase from preceding year mainly driven by improved demand within the domestic retail and commercial segments.



Sustainability

Launched **PETRONAS Human Rights Policy** (approved in 2023 and effective in implementation 1 April 2024) grounded in five key principles.



New Business

Capturing New Growth Opportunities

Entered into the **Australian energy market** via acquisition of WIRSOL Energy and renamed as Gentari Solar Australia.

Entered **offshore wind energy** by acquiring the Hai Long project, poised to be one of Asia's largest offshore wind energy projects.

Established a network of close to **570 charging points** across Malaysia, India and Thailand alongside the deployment of over **2,500 electric vehicles (EVs)** through the Vehicle-as-a-Service (VaaS) offering in Malaysia, India, Thailand and Indonesia.

Progressed **hydrogen production** with PETRONAS' Proton Exchange Membrane (PEM) electrolyser for **Malaysia's first multi-fuel station** at Darul Hana, Sarawak.

Reached final investment decision to construct an **advanced chemical recycling plant** in Pengerang, Johor, converting end-of-life plastics into pyrolysis oil for the production of circular plastics. The project is expected to be operational by 2026.

Led the Business Commission to Tackle Inequality (BCTI) Roundtable Asia in June 2023 drawing upon insights presented in the **BCTI Flagship Report** and its key contents to formulate the right action plans for Asia.

Contributed over **RM850 million** towards social impact efforts, benefitting close to **three million** people around the world.

Closed **100%** grievance cases.

Launched the **"Laying the Foundation for a Just Energy Transition"** report based on findings from a series of roundtable discussions.



Net Zero Carbon Emissions

Pathway to Net Zero

Successfully reduced GHG emissions by **1.8 million tonnes CO₂e per year** in 2023 through emissions reduction projects implemented across PETRONAS Malaysia operations which ensures PETRONAS is **on track** to meeting our short-term GHG emissions target.

Achieved the **Gold Standard** from the Oil and Gas Methane Partnership 2.0 for our methane pathway, signifying our efforts to strengthen methane measurements, reporting accuracy, transparency and advocacy in methane emissions reduction.

Identified **three definitive CCS hubs** as flagship projects in line with the National Energy Transition Roadmap.

Crowdsourced **1,500 innovative ideas** worldwide through the inaugural **Race2Decarbonise** hackathon, with deployment for several solutions ongoing in PETRONAS assets.

2023 Key Highlights

Awards and Recognitions

In 2023, PETRONAS Group received 113 awards and accolades, acknowledging our commitment to excellence across the organisation. These accomplishments covered a wide range of categories, including health, safety and environment, sustainability, governance, executive leadership and stewardship, technology and innovation, talent and capability. These awards and accolades showcase our team's exceptional performance and unwavering dedication to delivering value.

▶ Executive Leadership and Stewardship



Asia Pacific Energy Capital Assembly Awards

Petroleum Nasional Berhad (PETRONAS)

PETRONAS President and Group CEO, Tan Sri Tengku Muhammad Taufik was named Executive of the Year by the Asia Pacific Energy Capital Assembly. The event also recognised PETRONAS as National Oil Company of the Year and Energy Transition Company of the Year, for its leadership and performance in delivering sustainable energy solutions for a lower carbon future, including achievements with the Kasawari Project and Gentari.



2023 PwC Building Trust Awards

Petroleum Nasional Berhad (PETRONAS)

PETRONAS' success at The Building Trust Awards 2023 reflects its dedication to transparency, communication and stakeholder engagement, which culminated in strong positive trust perceptions among internal and external stakeholders.

▶ Communications

2023 Golden Flag Award

- Gold Award for Corporate Internal Communication Case
- Gold Award for Best Enterprise Public Relations and Communication Case

The 19th China Golden Awards for Excellence in Public Relations

- Gold Award for Corporate Culture and Internal Communication
- Bronze Award for Corporate Brand Communication



PETRONAS Beijing Representative Office

PETRONAS Beijing Representative Office received gold and bronze awards at the 2023 Golden Flag Awards and the 19th China Golden Awards for Excellence in Public Relations.

These awards underscore PETRONAS' commitment to driving action and collaboration, setting the pace for a just and responsible energy transition in Asia, that aims for a lower carbon future.

▶ Corporate Reporting



Australasian Reporting Awards

Petroleum Nasional Berhad (PETRONAS)

- Silver Award for General Reporting
- Silver Award for Sustainability Reporting

PETRONAS Chemicals Group Berhad

- Gold Award for General Reporting
- Silver Award for Sustainability Reporting

PETRONAS Dagangan Berhad

- Gold Award for General Reporting
- Governance Reporting Award Private Sector

National Annual Reporting Corporate Awards (NACRA)

PETRONAS Chemicals Group Berhad

- Platinum for Best Sustainability Reporting
- Silver for Excellence Awards (Companies with more than RM10 billion market capitalisation)

Petroleum Nasional Berhad (PETRONAS)

- Platinum for Excellence Awards Non-Listed Organisation

Talent and Capability

Graduates' Choice Award 2023

Petroleum Nasional Berhad (PETRONAS)

- Champion of Oil and Gas Sector
- Champion of Engineering Sector
- Champion of Chemical Sector
- Top 3 of the Overall Category
- Champion for five Consecutive Years in Oil and Gas Category



People Development Partner Status by the Chartered Institute of Personnel and Development

PETRONAS is the first in Asia to be officially awarded the status by the Chartered Institute of Personnel and Development.



Technology and Innovation

SAG Award (Special Achievement in GIS Award) 2023

PETRONAS Carigali Sdn Bhd

Winner of the Special Achievement in GIS Award (SAG) under the Technology and Innovation category for exceptional prowess in Geographic Information System (GIS) technology, exemplifying commitment to innovation and excellence at a global scale.

ADIPEC 2023

Project Delivery and Technology

- Cryomin and Precipitated Calcium Carbonate, developed by PETRONAS Research Sdn Bhd (PRSB) clinched the Developing Economies Energy Company of the Year award. This recognition is a testament to PETRONAS' commitment in driving transformative change towards achieving its net zero carbon emissions by 2050 aspiration.



IASA Malaysia Business Technology Architecture Awards

Upstream

Won this prestigious award for outstanding efforts in establishing and adopting Enterprise Architecture (EA).

International Critical Connect World (ICCW)

Upstream

Received a commendation from ICCW for being the first in Asia to implement interoperable critical communications solutions in its offshore operations.

ICChemE Global Awards 2023

Winner

- Industry Project Award by PETRONAS Research Sdn Bhd (PRSB) for PETRONAS PEM Electrolyser – the Hydrogen Game Changer
- Research Project Award by Universiti Teknologi PETRONAS (UTP) for Solar Integrated Anaerobic Digester and Aerobic Composter (SIDAC)

Asian Experience Awards 2023

Petroleum Nasional Berhad (PETRONAS)

PETRONAS secured four prestigious awards at the Asian Experience Awards 2023 for its commitment to excellence in innovation and delivering inventive, customer-focused solutions.

- Malaysia Product, Customer, and Digital Experience of the Year award in the Oil and Gas category
- Malaysia Product Experience of the Year award in the Oil and Gas category for ProAssure™ product
- Malaysia Digital Experience of the Year for PETRONAS' innovative high-performance computing
- Malaysia Customer Experience of the Year in the Oil and Gas category for Meeting Experience System

2023 Key Highlights

Events and Conferences

▶ January



World Economic Forum
16 – 20 January 2023

PETRONAS participated in the dialogues and networking engagements at the World Economic Forum in Davos to garner support and influence WEF's initiatives to include ASEAN's views for a just and responsible energy transition.

▶ March



International Petroleum Technology Conference (IPTC) 2023
1 – 3 March 2023

PETRONAS Executive Vice President and CEO, Upstream, Datuk Adif Zulkifli delivered the keynote address during the opening ceremony.



CERAWEK 2023
6 – 10 March 2023

PETRONAS participated as a Strategic and Agora Partner, advocating Asia's perspectives through insightful topics and content presented by its leadership team.

▶ June

Energy Asia 2023

26 – 28 June 2023



The Prime Minister of Malaysia, officiated the inaugural Energy Asia 2023, hosted by PETRONAS at the Kuala Lumpur Convention Centre.

Themed Charting Pathways for a Sustainable Asia, the conference facilitated constructive dialogues between global leaders and business executives on Asia's pathway to a lower carbon future and how to unleash new potential for the region's energy sector to tackle emissions while pursuing economic growth and equitable social progress.

The three-day conference and exhibition featured a spectacular 159-speaker line-up from 19 industries and over 4,600 delegates from 53 countries.

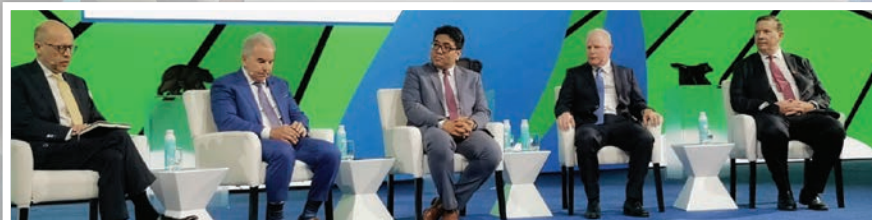
ASEAN Energy Sector Methane Leadership Programme

27 June 2023

PETRONAS, in collaboration with ASEAN national oil companies, governmental agencies and international organisations, launched the ASEAN Energy Sector Methane Leadership programme to build the region's capability and capacity in managing methane emissions.



▶ July



LNG 2023
10 – 13 July 2023

The 20th International Conference & Exhibition on Liquefied Natural Gas (LNG 2023) held in Vancouver, Canada, provided a unique platform for the global LNG industry and key stakeholders to discuss, debate and showcase the latest industry developments and opportunities. PETRONAS President and Group CEO, Tan Sri Tengku Muhammad Taufik participated in a panel discussion entitled 'LNG's Role in the Energy Trilemma' on the second day of the conference.

▶ August



Oil and Gas Services and Equipment (OGSE) Partners Day 2023 in Kuala Lumpur
3 August 2023

PETRONAS hosted the Oil and Gas Services and Equipment (OGSE) Partners Day with local vendors as a platform to collaborate and foster a resilient and sustainable OGSE ecosystem. The one-day event saw over 1,000 key industry players and stakeholders exchanging ideas and exploring innovative solutions that would further strengthen the resiliency of the Malaysian oil and gas industry to navigate the energy transition.

▶ September



Oil and Gas Asia (OGA) 2023
13 – 15 September 2023

PETRONAS was the corporate partner for OGA2023. In his keynote address, PETRONAS Senior Vice President of Malaysia Petroleum Management, Datuk Bacho Piong, stressed the importance for countries and companies to continue strengthening collaborations to attract investments that make scaling up and deploying decarbonisation solutions a viable effort. Meanwhile, Vice President and Chief Sustainability Officer, Charlotte Wolff-Bye presented on PETRONAS' pathway to delivering net zero carbon emissions by 2050.

▶ October



ADIPEC 2023
2 – 5 October 2023

Our President and Group CEO, Tan Sri Tengku Muhammad Taufik, participated in a panel discussion titled 'Actions for a Net Zero World: Solving the Current Energy Trilemma'.



International Greentech & Eco Products Exhibition and Conference (IGEM) 2023
4 – 6 October 2023

PETRONAS participated in IGEM 2023, Southeast Asia's largest trade event for green technologies and eco solutions. The event was co-organised by the Ministry of Natural Resources, Environment and Climate Change and the Malaysian Green Technology and Climate Change Corporation.



Commemoration of Sabah Vendors' Participation in Oil and Gas Services and Equipment (OGSE) Industry
5 October 2023

PETRONAS and the Sabah State Government recognised local vendors and service providers for their contributions to the growth of the oil and gas industry in the state. PETRONAS President and Group CEO, Tan Sri Tengku Muhammad Taufik, presented commemorative awards to 25 Sabahan vendors, witnessed by Sabah State Finance Minister Datuk Seri Panglima Masidi Manjun.

▶ November



Just Energy Transition Roundtables
2 November 2023

PETRONAS, in partnership with PricewaterhouseCoopers (PwC), launched the Laying the Foundation for a Just Energy Transition report to share findings compiled from a series of hosted roundtable discussions to understand how a just energy transition can be shaped in Malaysia.

▶ December



Commemoration of Sarawak Vendors' Participation in Oil and Gas Services and Equipment (OGSE) Industry
6 December 2023

PETRONAS and the Sarawak State Government commemorates the accomplishments of local Oil and Gas Services and Equipment vendors and service providers who have contributed to the growth of the oil and gas industry in the state.

PETRONAS Vice President of Group Procurement, Puan Freida Amat presented commemorative award to 49 Sarawakian vendors.