

BUSINESS

Petronas to build Sabah's first nearshore LNG facility at SOGIP -- Chief Minister



Sabah Chief Minister Datuk Hajji Noor



26/10/2021 07:45 PM

KOTA KINABALU, Oct 26 -- The Sabah state cabinet has endorsed the building of Sabah's first nearshore liquefied natural gas (LNG) facility by national oil company Petronas at the Sipitang Oil and Gas Industrial Park (SOGIP), said Chief Minister Datuk Hajji Noor.

He said the LNG project, subject to a "final investment decision" in 2022, is a step in the right direction as the state government continues to pursue more deals to get additional revenue via equity participation.

"The nearshore LNG project is an outcome of a joint study between the state government and Petronas to identify optimal gas monetisation options in order to maximise long-term economic spin-offs that will benefit the people of Sabah," he said in a statement issued today following a courtesy call from International Trade and Industry Ministry secretary-general Datuk Lokman Hakim Ali at Menara Kinabalu here today.



Hajji assured that the state government will be looking at many more options to ensure the people of Sabah reap the benefits from the state's oil and gas sector.

The new LNG plant is expected to increase the total LNG production from 2.7 to 4.7 million tonnes per annum (MTPA), adding another two million MTPA of LNG production capacity in the state.

"Once operational, the LNG plant will further strengthen the local ecosystem of talent and companies with niche skills to carry out operations and support services," said the chief minister.

The nearshore LNG plant will be developed at SOGIP where feed gas will be supplied from Sabah's gas fields via the existing Sabah Sarawak Gas Pipeline (SSGP).

The plant will be moored at Petronas Chemicals Fertiliser Sabah's new jetty extension and supported by selected utilities and facilities from onshore.

According to the statement, the nearshore LNG plant provides continuous asset utilisation and optimises investments.

The Front End Engineering Design (FEED) activity for the project will start in late October 2021 while the nearshore LNG plant is planned to be ready for start-up by the end of 2026.

-- BERNAMA