



11 MAR, 2026

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The Sun, Malaysia



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PETALING JAYA: Malakoff Corporation Bhd subsidiary Prai Power Sdn Bhd has executed a power purchase agreement (PPA) with Tenaga Nasional Bhd (TNB) for a four-year extension of its 350MW combined-cycle gas turbine power plant (CCGT), Prai Power Plant (PPP) in Penang.

The extension will take effect on the scheduled commercial operation date, no later than April 1, 2026, and will run until March 31, 2030.

This extension builds on PPP's long and established operating history, following the expiry of its original 21-year PPA on June 19, 2024, and the subsequent one-year interim extension until Aug 31, 2025.

The continued engagement reflects the plant's reliable operating performance and its ongoing role in supporting the electricity supply within Peninsular Malaysia.

The PPA outlines the rights and obligations of both parties for the generation and sale of electricity, including the requirement for the plant to make its generating capacity available to TNB in line with agreed operational and performance standards.

The extension comes at a time when electricity demand continues to grow, driven by industrial expansion, digitalisation and increasing demand from energy-intensive sectors such as data centres.

CCGT power plants such as PPP continue to play an important role in providing dependable and flexible generation capacity, while supporting Malaysia's broader transition towards a lower-carbon energy mix.

The PPA is expected to contribute positively to Malakoff's earnings and net assets over the duration of the agreement.

Commenting on the development, Malakoff's group CEO Syahrudin Samsudin (*pic*) said the extension reinforces the company's continued role in supporting the nation's evolving energy needs.

"Electricity demand in Malaysia continues to grow, particularly with the expansion of industries such as data centres, which require a reliable and stable power supply.

"The execution of this PPA allows PPP to resume operations and continue contributing dependable generation capacity to the national grid.

"With its proven operating track record, the plant remains well-positioned to support the grid as demand continues to expand. This extension also allows us to continue leveraging existing infrastructure and operational expertise to deliver reliable power while the country gradually expands our renewable energy capacity."

As Malakoff continues its transformation journey, this PPA execution reflects the company's ongoing focus on maintaining a reliable electricity supply while supporting Malaysia's longer-term energy transition ambition.

