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Ulu Padas Dam project on track

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Expected to be completed by 2030; Failure claims inaccurate

Ulu Padas Dam project on track

Ricardo Unto

KOTA KINABALU: The Ulu Padas Dam is expected to be completed by 2030 and will help ensure stable electricity supply in Sabah and Labuan by maintaining a reserve margin of over 25 per cent, said Chief Minister Datuk Seri Hajiji Noor.

He said the project will also support a new water supply scheme capable of meeting Sabah's water needs for up to a century through the Ulu Padas Water Supply Scheme (SBAUP), which is expected to deliver six billion litres daily.

He said the project had been delayed due to multiple factors, including changes in shareholding, technical studies, government postponements and the Covid-19 pandemic, but is now progressing steadily under the Energy Commission of Sabah (Ecos).

"It is not accurate to claim that Kerjaya Kagum Hitech JV Sdn Bhd failed to deliver the project," he said during question time at the State Assembly sitting, Monday, clarifying that the company currently holds only a 15 per cent stake in the project developer, Upper Padas Power Sdn Bhd.

He added that Gamuda Berhad, holding 45 per cent, is the majority shareholder and lead developer, while the State Government owns 40 per cent via Sabah Energy Corporation (SEC), ensuring full State involvement and oversight.

"The Sabah Energy Council approved the final tariff on Aug 22, 2024, and the Power Purchase Agreement is expected to be finalised by June 2025, with financial close by September," said Hajiji, noting the dam's scheduled completion by December 2030.

The dam, he said, will also provide additional benefits such as the potential for up to 200 megawatts of floating solar energy, support for freshwater fisheries and forest research across 4,000 hectares of catchment area, and eco-tourism opportunities.

He added that the dam would function as a water flow controller for the downstream Pangli Dam during dry seasons, thereby boosting its electricity generation capacity.

"SEC is expected to collect more than RM3 billion in dividends over 40 years, alongside forest reserve permit fees," he



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said, calling the project a long-term revenue generator for the State.

Responding to a question by Lamag Assemblyman Datuk Seri Bung Moktar Radin, Hajiji reiterated there was no basis to terminate Kerjaya Kagum Hitech JV's involvement, as it is not the main contractor and the project's structure has evolved significantly since 2015.

"Any abrupt change would affect the project's financing, technical agreements and investor confidence in future public-private partnerships in Sabah," he said, adding that Gamuda has committed RM4.65 billion in local financing for the project.

The Chief Minister highlighted that Kerjaya Kagum Hitech JV was one of the original initiators of the project and still contributes to its continuity despite its now-minority role.

He said the Federal Government had initially rejected a RM569 million loan application by Sabah Electricity Sdn Bhd for the project and subsequently awarded it to the State Government and Kerjaya Kagum Hitech JV as a joint effort.

Under the Public-Private Partnership (PPP) model now in place, the private sector bears full responsibility for funding, implementation and operations, while the State acts as a strategic partner to safeguard the public interest.

"The existing structure is the most stable and appropriate to ensure successful delivery of the Ulu Padas Hydroelectric Dam," Hajiji said, affirming the State Government's commitment to energy security and people's well-being.

He said the State's priority remains to see the project completed as planned, without disruption, so the people of Sabah can benefit from enhanced water and energy supply by 2030.