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KUALA LUMPUR (May 18): Malakoff Corporation Bhd (KL:MALAKOFF) has secured operational extensions for two of its gas-fired power plants in Lumut, Perak, that have a combined capacity of 1,732MW.

The independent power producer announced on Monday that its subsidiaries — GB3 Sdn Bhd and Segari Energy Ventures Sdn Bhd — have executed new power purchase agreements (PPA) with Tenaga Nasional Bhd (KL:TENAGA) on Friday (May 15).

Under the new agreements, scheduled commercial operations will start no later than Jan 1, 2027 for the 429MW open cycle gas turbine plant under GB3, and no later than July 1, 2027 for the 1,303MW combined cycle gas turbine (CCGT) plant under Segari. Both agreements will expire on Dec 31, 2029.

The GB3 plant's original 21-year PPA expired on Dec 30, 2022 while the Segari plant, whose 21-year concession expired on June 30, 2017, will see its current 10-year extension lapse on June 30, 2027.

Malakoff owns 93.75% equity stake in the Segari plant and 75% in the GB3 plant, its 2025 annual report showed.

Malakoff said the latest extensions build on the established operational track record of the Lumut power plants.

"Extending their operations is a practical and responsible step as it allows proven gas-fired facilities to continue contributing the flexible, dispatchable capacity that the national grid requires, particularly during periods of strong demand, while making effective use of existing infrastructure in a cost-efficient manner," Malakoff chief executive officer Syahrudin Samsudin said in a statement.

Earlier in March this year, Malakoff received an extension from TNB for its 350MW Prai power plant in Penang, which is contracted to run until March 2030.

Malakoff's share price closed one sen or 1.07% higher at 94.5 sen on Monday, valuing the company at RM4.73 billion.



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