JOINT PRESS RELEASE

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TNB AND PETRONAS FORGE ALLIANCE TO EXPLORE CARBON CAPTURE AND STORAGE (CCS) TECHNOLOGY FOR GAS-FIRED POWER PLANTS

Tenaga Nasional Berhad (TNB) and **Petroliam Nasional Berhad (PETRONAS)** have signed a Memorandum of Understanding (MoU) to explore Carbon Capture and Storage (CCS) technology for gas-fired power plants.

This collaborative endeavour underscores both parties' commitment to Malaysia's National Energy Transition Roadmap (NETR) and aligns with the country's ambition to attain net zero carbon emissions by 2050. NETR identifies Carbon Capture, Utilisation and Storage (CCUS) as the 6th Energy Transition Lever and outlines a clear path to carbon neutrality, with the MoU translating these ambitions into actionable initiatives.

The exchange of the MoU by President and Chief Executive Officer of TNB, Dato' Seri Ir. Baharin Din and the President & Group Chief Executive Officer of PETRONAS, Tan Sri Tengku Muhammad Taufik took place in the presence of the Prime Minister of Malaysia, Datuk Seri Anwar Ibrahim; Minister of Economic Affairs, Rafizi Ramli; Minister of Natural Resources, Environment and Climate Change, Nik Nazmi Nik Ahmad; as well as the Chairman of TNB, Dato' Abdul Razak Abdul Majid, and the Chairman of PETRONAS, Tan Sri Dato' Seri Mohd Bakke Salleh at the recently held TNB's Energy Transition Conference 2023.

Baharin emphasised that the MoU strengthens TNB and PETRONAS's commitment to NETR. CCS stands out as one of the key energy transition levers outlined in the NETR, and this MoU will enable TNB and PETRONAS to synergise their expertise and align their efforts in the realm of CCS technology for gas-fired power plants.

He stated, "TNB is fully committed to achieving Net Zero by 2050 and is actively pursuing various initiatives to drive decarbonisation in Malaysia. Among these efforts include the capturing and storing of carbon during power generation at gas-fired power plants. The MoU resonates with TNB's Environmental, Social and Governance (ESG) agenda signifying our unwavering commitment to environmental sustainability through the exploration of CCS technology and aligning with Malaysia's NETR."

Tengku Muhammad Taufik emphasised that the complexity of the energy transition is a systemic challenge that will take work and cooperation with other sectors to achieve the target for carbon neutrality.

He stated, “The MoU bears testimony to the shared conviction of both PETRONAS and TNB to deliver a pathway to responsibly provide energy security while supporting the low carbon aspirations set forth in the NETR.

With the combined experience and technical capabilities as owners of energy infrastructures, PETRONAS looks forward to accelerating the development and deployment of CCS technology as part of a decarbonised energy system. Together, we can tap the full potential of technologies at our disposal focused on the immediate need to reduce emissions. On our part, PETRONAS remains resolute to unlocking the solutions that will move the needle towards a more sustainable future – aligned to our net zero by 2050 target.”

As Malaysia transitions to a low-carbon economy, natural gas will play a pivotal role in the country's energy landscape, offering a reliable and affordable transitional base load power source. Consequently, gas-fired power plants will enable greater integration of intermittent renewable energy sources, and the collaboration between TNB and PETRONAS on the implementation of CCS technology for the gas-fired power plants would help contribute towards the nation’s decarbonisation endeavours.

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About TNB

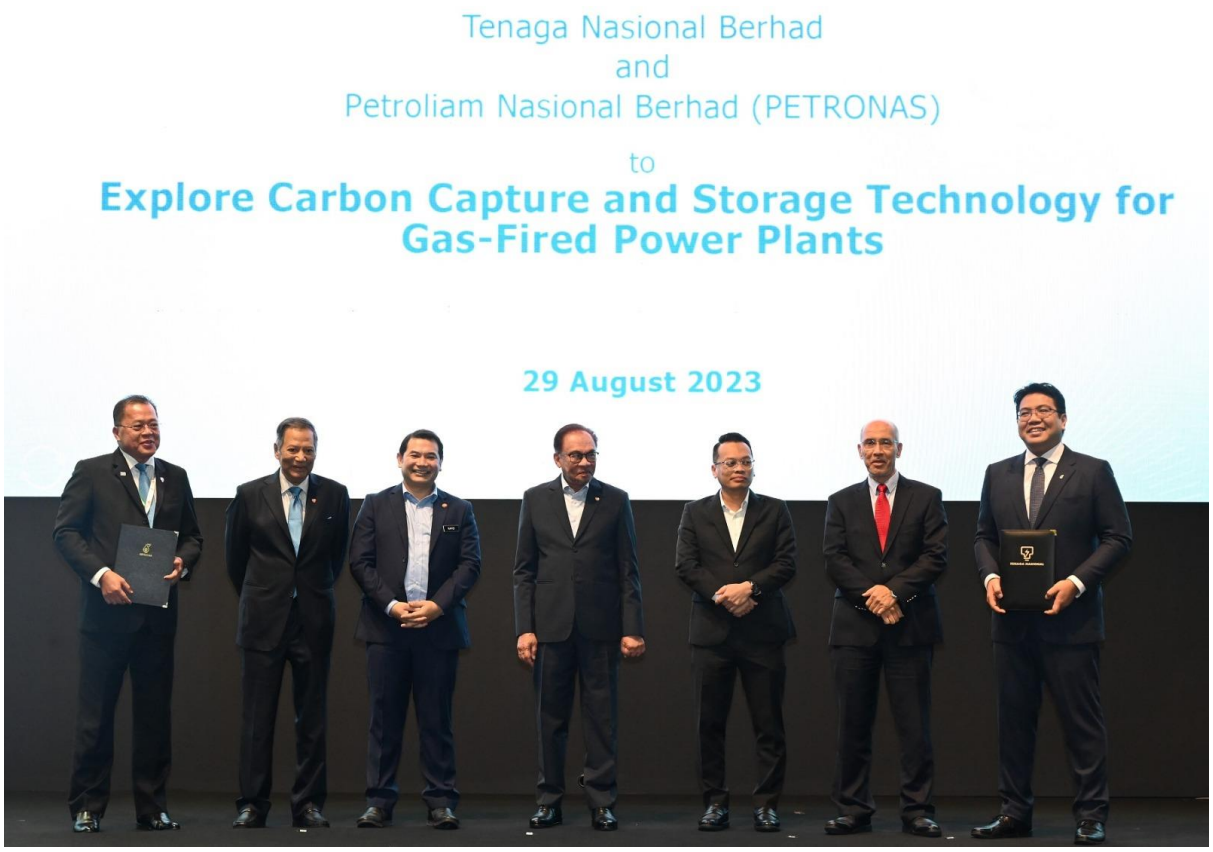
Tenaga Nasional Berhad (www.tnb.com.my) is a leading Malaysian utility company in Asia with an international presence in the United Kingdom, Kuwait, Turkiye, Saudi Arabia, and India. Within the renewable energy space, as of December 2022, TNB has a total gross portfolio of 2,896MW in Malaysia (including 2,536.1MW of large hydro) and 993MW across the UK, Turkiye, and India comprising mainly solar, wind, and hydro energy generation assets. In addition to being the nation's primary electricity generation enterprise, TNB also transmits and distributes all the electricity in Peninsular Malaysia, Sabah, and the Federal Territory of Labuan. As of 31 May 2023, TNB supplies electricity to approximately 10.7 million customers.

About PETRONAS

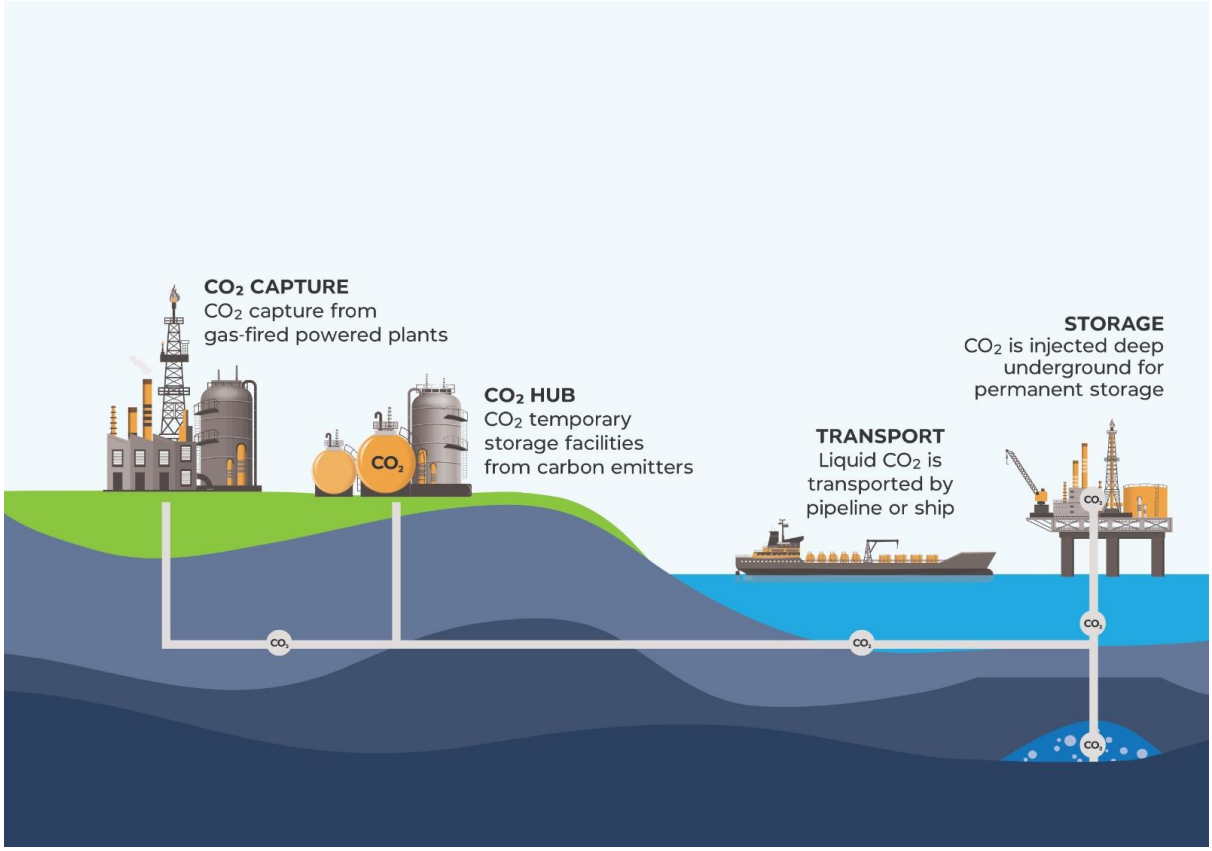
Petroliam Nasional Berhad (PETRONAS) is a dynamic global energy group with presence in over 100 countries. The Group produces and delivers energy and solutions that power society's progress in a responsible and sustainable manner.

PETRONAS seeks energy potential across the globe, optimising value through its integrated business model. Its Group portfolio includes cleaner conventional and renewable resources and a ready range of advanced products and adaptive solutions.

Sustainability is at the core of what the Group does, as it harnesses the good in energy to elevate and enrich lives. People are its strength and partners for growth, driving passion for innovation to progress towards the future of energy sustainability.



Prime Minister Anwar Ibrahim (centre) witnesses the exchange of MoU documents between TNB President and CEO Dato' Seri Ir. Baharin Din (extreme left) and PETRONAS President & Group CEO Tan Sri Tengku Muhammad Taufik (extreme right). The ceremony was held at the exhibition halls of the Energy Transition Conference 2023 on 29 August 2023, with Minister of Economic Affairs, Rafizi Ramli (third left), Minister of Natural Resources, Environment and Climate Change, Nik Nazmi Nik Ahmad (third right), TNB Chairman Dato' Abdul Razak Abdul Majid (second left) and PETRONAS Chairman Tan Sri Dato’ Seri Mohd Bakke Salleh (second right) in attendance.



The Carbon Journey: From Gas-Fired Capture to Permanent Vaults via Land and Sea

CCS encompasses the process of capturing carbon dioxide (CO2) emissions from industrial activities. Subsequently, the captured carbon is transferred from its source location, either through shipping or through a pipeline, and securely stored in subterranean geological structures.