

JOHOR PLANTATIONS COMMENCES COMMERCIAL OPERATIONS OF ITS FIRST BIOMETHANE PLANT

Thursday 01/06/2023



Aerial view of Johor Plantations' Biomethane Plant in Sedenak, Johor.

Produces Industrial Gas Linked to Gas Malaysia's grid

JOHOR BAHRU, June 1 (Bernama) -- Johor Plantations Berhad ("Johor Plantations") recently commenced commercial operations at its first biomethane plant located in Sedenak, Johor. The plant which is linked to Gas Malaysia Berhad's ("GMB") natural gas distribution network marks a new milestone towards Johor Plantation's ambition to provide sustainable energy solutions in line with the United Nations' Sustainable Development Goal 7, to ensure access to affordable, reliable, sustainable and modern energy for all. Johor Plantations is among the pioneering companies in Malaysia to build a biomethane plant and supply it to Gas Malaysia.

The gas purchase agreement signed between Johor Plantations' subsidiary, Kulim Green Energy Venture Sdn Bhd ("KGEV") and GMB's subsidiary, Gas Malaysia Virtual Pipeline Sdn Bhd ("GMVP") was formalised on 8 October 2019. Through this agreement, GMVP will procure biomethane from KGEV for a 15-year contract period enabling it to secure a steady supply of green gas. With a project value of approximately RM25 million, the initiative aims to deliver a minimum annual volume of 250,000 MMBtu of biomethane gas to GMVP which will also contribute to the circular economy and promote sustainable energy.

En. Ahmad Hashimi Abdul Manap, Gas Malaysia Group Chief Executive Officer said, "As our business focus progressively transitions towards sustainable practices, having the right partnership with similar motivation is indeed valuable. We look forward to a successful venture with our business partner and hope our efforts will be a benchmark, inspiring and encouraging other palm oil millers to explore into renewable energy. We recognise the immense potential in renewable energy and based on this encouraging backdrop, we are hoping to capitalise on it as we move forward."

Mohd Faris Adli Shukery, Managing Director of Johor Plantations, said "This investment aligns with our long-term strategy and reflects our belief in the potential of biomethane commercialisation. It also signifies Johor Plantations' commitment to diversifying our business lines and venturing into green technology. We firmly believe that the production of renewable energy complements our oil palm business, and contributes not only to our financial performance but also to our environmental sustainability."

The production of biomethane gas by Johor Plantations represents a significant step towards reducing greenhouse gas emissions and promoting a cleaner energy landscape in the state. This initiative aligns with Johor Plantations's aspiration to achieve net-zero carbon emissions by 2050, in accordance with Malaysia's Carbon Aspirations. Johor Plantations remains committed to exploring innovative solutions and leveraging its expertise in the palm oil industry to contribute to a more sustainable future and foster circular economy initiatives.