



**PETRA ENERGY BERHAD ("PEB" and "the Company") [Registration Number 200501036241 (718388-H)]**

**- SUPPLEMENTARY AGREEMENT ENTERED INTO BETWEEN PETRA ENERGY DEVELOPMENT SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY AND PETROLIAM NASIONAL BERHAD**

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## **1. INTRODUCTION**

The Board of Directors of PEB ("**Board**") is pleased to announce that Petra Energy Development Sdn. Bhd. ("**PEDSB**"), a wholly-owned subsidiary of PEB, had entered into a Supplementary Agreement with Petroliam Nasional Berhad ("**PETRONAS**") relating to the Production, Operation and Maintenance of the Banang Field Technical Service Agreement ("**Contract**") with effect from 29 September 2022 for a period of twenty-two (22) months until 6 August 2024.

## **2. INFORMATION OF PEDSB AND PETRONAS**

PEDSB is a wholly-owned subsidiary of the Company and is primarily engaged in activities of investment holding. PEDSB's business address is at Suite 13.02, Level 13, Menara OBYU, 4, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor.

By Section 2 of the Petroleum Development Act 1974, PETRONAS is vested with the entire ownership in, and the exclusive rights, powers, liberties and privileges of exploring, exploiting, winning and obtaining petroleum lying onshore or offshore of Malaysia. PETRONAS' business address is at Tower 1, PETRONAS Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia.

## **3. DURATION OF THE CONTRACT**

The duration of the Contract is for the period of twenty-two (22) months from 29 September 2022 to 6 August 2024.

## **4. SALIENT TERMS OF THE CONTRACT**

Under the Contract, PEDSB, on behalf of PETRONAS, will provide services to operate and maintain the Banang Field. The main scope of works to be undertaken within the Contract duration includes the provision of the following: -

- a) Production, Storage and Offloading Facilities
- b) Wells and Reservoir Surveillance
- c) Production Planning & Forecasting
- d) Routine Operations & Maintenance
- e) Logistics
- f) Inventory and Warehousing

## **5. RATIONALE FOR THE CONTRACT**

The extension is a continuation of the current Banang TSA and took recognition of the excellent project delivery and execution by PEDSB whilst prioritizing Health, Safety & Environment (HSE) and Facilities uptime.

## **6. FINANCIAL EFFECTS**

The Contract will not have any effect on the share capital and substantial shareholders' shareholdings of PEB Group. The Contract is expected to contribute positively to the earnings and net assets per share of PEB Group for the duration of the Contract.

## **7. RISK FACTORS**

The risk factors affecting the Contract comprise the operational and execution risks, which PEDSB will take appropriate measures to eliminate or minimise.

## **8. INTEREST OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the Directors and Major Shareholders of PEB and/or persons connected with them have any interest, direct or indirect, in the Contract.

## **9. DIRECTORS' STATEMENT**

The Board and Management of PEB is of the opinion that the acceptance of the Contract is in the best interest of the Company and in line with the Group's Transformation journey, launched in 2019 with a vision of moving up the value chain to become an Upstream Operator. The TSA was first awarded in June 2020 and this extension is positive development and provides continuity for the Project. The project presents limited risk exposure.

PEB will continue to prioritise HSE and sustainability in line with the Group's Environment, Social and Governance (ESG) principles.

The Board and Management of PEB appreciates the support that PETRONAS has given to the Group and the confidence that it has placed in PEB.

## **10. APPROVAL REQUIRED**

That Contract is not subject to the approval of the shareholders of the Company and any other relevant government authorities.

The announcement is dated 3 January 2023.