

Masidi (centre) witnessing the exchanging of documents between Albert (right) and Fredian. Yong is at the back, left.

RM16 billion energy infra project at POIC Lahad Datu Port

KOTA KINABALU: TS Asia Green Infrastructure Sdn Bhd, in collaboration with leading Chinese State-owned enterprises (SOEs), on Friday officially launched Project Neptune, a transformative USD four billion or around RM16 billion energy infrastructure initiative at the Palm Oil Industrial Cluster (POIC) Lahad Datu Port.

This landmark project aims to establish a world-class oil storage terminal and refinery, further strengthening Malaysia's position as a strategic energy hub in the region.

The launch event, held at Hyatt Regency Kinabalu Hotel, was officiated by State Finance Minister Datuk Seri Masidi Manjun, representing Chief Minister Datuk Seri Hajiji Noor, who witnessed the official exchange of the Land Lease and Oil Terminal Development Agreement between POIC Lahad Datu, represented by its chief executive officer (CEO) Datuk Fredian Gan, and TS Asia Green Infrastructure CEO and chairman of Sofos Group, Albert Tan.

Spearheaded by TS Asia Green Infrastructure Sdn Bhd, an entity managed by Singapore-incorporated Sofos Group, Project Neptune is in partnership with renowned Chinese SOEs, including:

China Petroleum Pipeline Engineering Co. Ltd. (CPP) – A subsidiary of China National Petroleum Corporation (CNPC), specialising in the construction and engineering of oil and gas pipelines. CNPC Group, through its publicly traded subsidiaries, is listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange, with a market capitalisation of approximately USD200 billion.

China Communications Construction Company (CCCC) – A prominent Chinese state-owned enterprise specializing in infrastructure construction and design. It is publicly traded on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange, with a market capitalisation of approximately USD18 billion.

The Eleventh Metallurgical Construction Group Co. Ltd. (EMCC) – Recognised as one of China's Top 500 Enterprises, EMCC holds top-tier qualifications in general contracting for construction projects and is renowned for its industry excellence.

Sinopec Petroleum Engineering Construction Co. Ltd. (Sinopec Engineering) – A subsidiary of Sinopec Oilfield Service Corporation (SSC), which in turn is a subsidiary of China Petrochemical Corporation (Sinopec Group), one of the world's largest oil and gas companies. SSC is publicly traded on the Hong Kong Stock Exchange, with a market capitalization of approximately HKD 10 billion.

These industry leaders bring extensive expertise in offshore marine and energy infrastructure, ensuring world-class execution, reliability, and efficiency.

Project Neptune will be executed in three phases:

Phase 1: Investment of USD0.9 billion to develop 1.9 million cubic meters of storage capacity.

This phase will feature 22 specialised storage tanks, a state-of-the-art jetty with multiple berths for large tankers, and essential marine support facilities.

A total of 110 acres of land have been secured for this stage.

Phase 2: Expansion of the terminal with an additional 2.1 million cubic meters of storage at an estimated cost of USD1.1 billion.

Phase 3: Further expansion with four million cubic meters of storage and the development of a high-tech refinery, requiring a projected USD2.1 billion investment.

At the launch event, Albert emphasised the project's significance, stating:

"Project Neptune is more than just an infrastructure investment – it represents a strategic leap forward for Malaysia's energy sector.

"With our world-class partners and the strong support of local stakeholders, we are committed to delivering a sustainable, high-capacity oil storage and refining hub that will enhance regional energy security, attract global investment and create new economic opportunities."

The execution of Project Neptune will be led by internationally acclaimed EPC contractors with a proven track record of delivering large-scale energy infrastructure projects for global industry leaders such as China Communications Construction Company (CCCC) and The Eleventh Metallurgical Construction Group Co. Ltd. (EMCC).

Moreover, the project aligns with Malaysia's sustainability goals by integrating advanced environmental management practices and adopting cutting-edge technology to minimise its carbon footprint.

With its strategic location at POIC Lahad Datu, Project Neptune is set to enhance Malaysia's energy storage and refining capabilities, further positioning Sabah as a key player in the global oil and gas supply chain.

The project is also expected to generate thousands of jobs, attract foreign direct investment, and stimulate industrial growth in the region. Project Neptune is poised to be a game-changer in Southeast Asia's energy sector.

By fostering strategic international partnerships, utilising cutting-edge infrastructure and committing to sustainable development, TS Asia Green Infrastructure and its partners are setting new industry benchmarks for excellence and innovation. Also present was POIC Sabah chairman Datuk Seri Yong Teck Lee.