

## Petronas, ENEOS ink hydrogen deal

**KUALA LUMPUR:** Petronas Hydrogen Sdn Bhd and ENEOS Corporation have signed a Joint Feasibility Study Agreement (JFSA) to advance studies for a commercial hydrogen production and conversion project in Kerteh, Terengganu.

Petroleum Nasional Bhd (Petronas) said under the JFSA, both parties would pursue detailed technical and commercial feasibility studies for the production of low carbon hydrogen from the national oil firm's existing facilities, production of green hydrogen from a new hydro-powered electrolyser facility and hydrogen conversion into methylcyclohexane (MCH).

"The agreement is part of the long-term memorandum of understanding signed in August last year for the development of a clean hydrogen supply chain between Malaysia and Japan," it said in a statement yesterday.

The facilities are projected to have a total hydrogen production

and conversion capacity of up to 50,000 tonnes per annum by 2027 for export in MCH form to Japan, where the clean hydrogen will be distributed to Japanese industries through ENEOS' refineries.

"Once onstream, the project could potentially be the first commercial-scale hydrogen-to-MCH undertaking in the world. The final investment decision is expected by the end of next year," said Petronas.

Through ENEOS, the hydrogen-to-MCH project has been selected as one of the Green Innovation Fund projects by the Japanese government, a testament to the project's viability and competitiveness, which is a critical aspect in the development of the nascent clean hydrogen supply chain.

The two trillion yen funding was introduced to support green research and development projects as well as facility developments to propel Japan's ambi-

tious decarbonisation plans, which include achieving three million tonnes per annum clean hydrogen demand target by 2030.

Petronas and ENEOS are exploring other hydrogen projects and technology opportunities, domestically and internationally.

The national oil firm said since 2020, it had entered into several strategic partnerships with international and domestic players to grow its hydrogen production capabilities and delivery networks, covering low-carbon and green hydrogen.

It has also set up a new, independent entity that would focus on cleaner energy solutions and capture opportunities in the energy transition sphere alongside its core portfolio.

Petronas said the entity would provide customers with lower carbon solutions through three initial core offerings — renewables, hydrogen and green mobility. **Bernama**