



06.02.2025 | theedgemalaysia.com

BAC Renewable Energy to develop biofuel storage and exporting hub at Tanjung Langsat Port, Johor

KUALA LUMPUR (Feb 6): Biofuel producer BAC Renewable Energy Sdn Bhd (BAC RE) has entered into a deal to develop a biofuel storage facility and export hub at Tanjung Langsat Port in Johor.

The company on Thursday inked a memorandum of agreement with Singapore-based bulk liquid storage services provider Dovechem Group and TLP Terminal Sdn Bhd, the operator of Tanjung Langsat Port, for the project known as BAC RE Asean Biofuels Storage and Exporting Hub.

BAC RE will serve as project developer, Dovechem as landowner as well as the facility operator, and TLP Terminal — which is wholly owned by Johor state investment arm Johor Corp — as overall port operator.

The development will be undertaken in phases, with Phase 1 comprising an initial bio-liquefied natural gas (BioLNG) storage capacity of 7,500 cubic metres, and an annual production and handling capacity of 33,000 tonnes of BioLNG.

Phase 1 is estimated to cost around RM150 million, according to BAC RE director and shareholder Hasnoel Ramly. He said the project has secured financial backing, but did not elaborate.

“We are looking to have our first ship-to-ship (STS) fuelling by 2027,” he told The Edge when asked on the project’s development timeline.

Subsequent phases of the development are projected to expand the facility’s total handling capacity to 350,000 tonnes of BioLNG annually. Phase 2 of the development will also include the storage and handling of biomethanol to expand the facility’s offerings.

“We estimate that the potential biogas-to-BioLNG supply from palm oil waste across the region could reach 3.3 million tonnes annually. The hub is designed to capitalise on this abundant feedstock supply and facilitate the broader adoption of BioLNG in maritime operations,” the companies said.

European Delegation to Malaysia deputy head Timo Goosmann, who graced the signing ceremony as a guest of honour, said the BAC RE Asean Biofuels Storage and Exporting Hub aligns with the decarbonisation initiatives currently being undertaken by the European Union.

Hasnoel said Tanjung Langsat Port was selected due to its strategic location near the Straits of Malacca and Singapore, the world’s largest bunkering port. He also pointed out that Tanjung Langsat Port is one of three ports in the Johor-Singapore Special Economic Zone (JSSEZ).

The investment incentives provided in JSSEZ will act as an enabler to grow the biofuel industry, while the biofuel storage facility and export hub at Tanjung Langsat Port will act as the necessary infrastructure to connect the envisioned biofuel supply to the rest of the world, Hasnoel explained.

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