

Media Release



SK SAF and Partners Advances Integrated Feasibility and BOTM Model for Sarawak's First Sustainable Aviation Fuel Project

Kuching, Sarawak – September 8, 2025 – SK SAF today announced the completion of its integrated feasibility work, confirming a bankable pathway to establish Sarawak as a regional leader in the sustainable aviation fuel (SAF) sector. The project adopts a modular architecture that combines a world-class SAF biorefinery with a scalable Pretreatment Unit (PTU) hub, underpinned by a Build-Operate-Transfer-Maintain (BOTM) model.

A Flagship Green Economy Project

The SK SAF initiative is aligned with Sarawak's Green Economy Transition Policy, transforming palm oil mill effluent (POME) and decanter cake into high-value renewable fuels. Unlike conventional refinery models, SK SAF's design focus on the PTU as the core biorefinery, creating a standalone profit centre that secures feedstock certainty, generates early revenue, and reduces risk exposure.

At full scale, the PTU hub can process up to 3 million tonnes annually of raw POME, UCO, PFAD, supplying treated oil to the SAF biorefinery or exporting it to regional markets. The biorefinery, based on Topsoe's HydroFlex™ HEFA technology, will produce SAF, renewable diesel (HVO), naphtha and LPG, meeting the sustainability criteria on SAF through having certified feedstock, establishing Sarawak as a critical node in the global renewable fuels value chain.

BOTM Model: Private-Sector Led, State-Aligned

The BOTM structure provides a balanced framework where EPC+financing partners deliver and operate the facility during a concession period, before transferring ownership to Sarawak-linked entities once capital recovery is achieved. Maintenance is embedded under long-term service arrangements, ensuring asset reliability.

This structure allows SK SAF to advance as a private-sector led initiative, without requiring upfront government or GLC financing, while still enabling eventual local ownership and control.

Global-Local Partnerships

The project consolidates the strengths of international and Sarawak partners:

- Topsoe – technology licensor (HydroFlex™ HEFA process)
- Oiltek – PTU technology provider and principal project advisor, associate trading partner with SK SAF for feedstock and product markets
- Wison Group – EPC + Financing partner
- SK Elite JV – operations, maintenance and BOTM alignment
- Sarawak Skills – workforce training, localisation and skills transfer

By working as an associate trading partner with SK SAF, Oiltek contributes its SAF operational and supply chain footprint as well in sourcing and processing POME, while leveraging its experience in supplying the first PTU plant in this region and its associate experience in supplying treated oil to major international customers in the region and in Europe. This ensures feedstock security and enhances the commercial reach of the PTU hub. Plantation owners and millers are positioned as cornerstone suppliers to the project.

Strategic Benefits for Sarawak

- Feedstock Security: Anchored by over 3 million tonnes/year of available POME, UCO, PFAD in Sarawak and the region.
- Economic Value: PTU hub generates immediate revenue and exports, while SAF production adds long-term value.
- Local Content & Skills: Sarawak Skills ensures majority local workforce participation by year five.
- Global Relevance: Positions Sarawak in line with ICAO's CORSIA requirements and the fast-rising global SAF demand curve.

Roadmap

The project roadmap foresees early commercialisation through the PTU hub, followed by full-scale SAF production. SK SAF will now undertake Pre-FEED and FEED studies in preparation for execution, with PTU construction targeted for 2026–27, biorefinery FID by 2027–28, and expansion to a 3 million-tonne PTU hub beyond 2028.

This integrated feasibility demonstrates that Sarawak can capture long-term value from its renewable resources while contributing meaningfully to global aviation decarbonisation. The BOTM structure ensures the project is both privately driven and nationally relevant, with scalability, resilience and strong local participation.

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