

NEWS HIGHLIGHTS

Fossil Fuels

January – June 2025



Tracking Fossil Fuels Trends in First Half of 2025



ASEAN Member States are pursuing energy transition through cleaner technologies, sustainable fuel exploration, and market reforms, while maintaining energy security by relying on oil, gas, and coal.

Fuel Discovery and Exploration



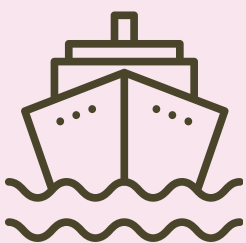
Oil and gas exploration activity is intensifying across Southeast Asia as countries seek to bolster energy security, attract foreign investment, and offset declining production.

Downstream and Industrial Development



Southeast Asia is shifting its energy landscape by prioritising energy security, expanding gas projects, accelerating clean coal technology, and building sustainable infrastructure.

Partnership and Trade Flow



Energy trade across ASEAN is accelerating through strategic commercial partnerships, strengthening cross-border supply chains and positioning the region as a growth hub for oil and natural gas.

Fuel Dependence for Economic Resilience



ASEAN is navigating a dynamic energy landscape marked by a continued reliance on oil, gas, and coal for economic growth, increased downstream investment, and maintaining fuel price volatility.

Accelerating Oil and Gas Exploration Amid Rising Energy Demand and Strengthening Regional Security



Exploring Fuel Discovery



Brunei Darussalam [launched its first offshore](#) licensing round in over a decade, offering Block A (1,728 sq-km) and Block D (2,294 sq-km) in a mature hydrocarbon basin with proven fields, while [Block L has been signed](#) for a joint venture spanning onshore and shallow-water prospects.



In **Indonesia**, [a new oil and gas discovery](#) in South Sumatra yielded 5 million standard cubic feet per day (MMSCFD) of gas. Indonesia maintains robust production with over 1,500 new wells and 160,000 barrels per day (BOPD) of production, promoting exploration and energy self-sufficiency.



In **Myanmar**, [Mottama Offshore Block M-10](#) was signed for a Production Sharing Contract (PSC) as the seventh major offshore project to boost natural gas supply.



[New discoveries in the Cuu Long Basin](#) **Vietnam**, to counter declining domestic gas production and meet surging energy demand, where LNG plays a crucial role as a Transition Fuel under [Power Development Plan VIII](#).

Upstream and Production Expansion



Indonesia plans to [tender all 60 new oil and gas blocks](#) by 2027, to increase oil lifting and support energy security. Government aims for oil lifting to reach around 800-900 thousand barrels per day by 2029.



[Onshore oil and gas development](#) project in **Cambodia's** Block VIII has been approved, enabling the country to become energy self-sufficient with domestic energy sources.



[Wassana Oil field](#) in the Gulf of **Thailand** will extend production through 2043 and raise output to 10,000 bpd with value redevelopment USD 120 million.



The development plan for the [Nam Du and U Minh offshore gas](#) fields in southwest **Vietnam** was approved, targeting 80 MMSCFD liquefied natural gas (LNG), which would lessen Vietnam's future dependence on expensive LNG imports

Maintaining **Downstream** Infrastructure and Industrial Development



Downstream Infrastructure and Asset Optimisation



In the **Philippines**, a USD 3.3 billion LNG mega-venture finalised by some private companies, creating the country's [first integrated LNG power and terminal hub](#) with a size of 2500 MW capacity.



The [downstream oil and gas sector remains a key drivers](#) of **Brunei Darussalam's** economy, particularly the Hengyi petrochemical plant. With the Phase 2 of the Hengyi, this sector is expected to contribute to the economy, projected to reach 3% by 2027.



Indonesia, [10 gas sales agreements](#) have been signed to supply 47 BBTUD gas across North Sumatra, Tanjung Batu, and Bontang, while new oil refineries in Kalimantan and Sulawesi ([1 million BPD capacity](#)) are planned to cut fuel imports.



Malaysia, Sabah launched the USD 2.08 billion Sipitang Oil and Gas Industrial Park (SOGIP) project to become a [major regional oil and gas energy hub](#).

To increase hydrocarbon production, **Malaysia** state oil giant company looks to [boost oil production](#) to 2 million barrels of oil equivalent per day (BOEPD) to 2027.

Power Generation and Capacity Expansion



In **Vietnam**, state-run energy group Petrovietnam signed an engineering procurement and construction (EPC) contract for the Ô Môn 4 thermal power plant, marking a significant step in the [development of the flagship gas-to-power](#) Block B – Ô Môn project.

Vietnam is partly [running the first LNG-power plants](#), where the Nhon Trach 3 and 4 plants are expected to start operations in Q2 and Q3 of 2025.



Indonesia was accelerating [coal gasification projects in South Sumatra and East Kalimantan](#) via sovereign wealth fund, pushing coal-to-methanol projects to meet B40 biofuel program demand of 2.5 millions tons/year.





Singapore GasCo, has been established to centralise the procurement and [supply of natural gas for the power sector](#) to ensure a stable and secure supply at competitive prices.

Strategic Partnership and Trade Flows in Securing Fossil Fuel Supply Chains






Strategic Energy Partnerships

 In **Singapore**, a high-level UAE delegation visited Singapore to benchmark the regulatory framework [governing the petroleum products sector](#), operational management, and to identify opportunities for collaboration with Singapore's regulatory entities.


 **Vietnam** and Lithuania signed an agreement to strengthen [cooperation on liquefied natural gas \(LNG\) infrastructure](#), including the knowledge exchange on the operation of floating LNG terminals and LNG supply chain.

Trade Flows in Securing Supply Chains


  **Indonesia** and **Malaysia** national terminal company will develop [green energy and bunker terminals](#), targeting 3 million tons/year trading volume through the Johor-Singapore Special Economic Zone (JS-SEZ) area.


 **Indonesia** plans to [restrict crude oil exports](#) ~28 million barrels, to maximize the utilisation of local refineries and strengthen domestic fuel security.


LNG Expansion and Diversification

 **Thailand** continues [to diversify oil sources](#) and boost renewables to reduce Middle East dependency due to geopolitics conflict.

To boost energy security and become region's LNG hub, **Thailand** eyes [importing 3–5m tonnes of LNG](#) yearly from Alaska under joint project talks with US.

 The **Philippines** is considering [procuring LNG](#) from Alaska to meet growing energy demand, enhancing Pacific-focused energy diplomacy. It would help the country secure a stable supply of LNG with a competitive price

 **Malaysia's** national oil and gas subsidiary is monitoring low oil and gas production in Peninsular while expanding cooperation with stakeholders [to maintain gas supply stability](#).

 **Vietnam** signed a USD 4.15 billion deal with U.S. firms on a long-term LNG purchase agreement, including the procurement of equipment and [services for gas-fired power plants](#).

Continued Reliance on Oil, Gas, and Coal for Economic Growth Amid Fuel Price Volatility



Fuel Price Movements and Consumer Policy



In **Cambodia**, government [reduced gasoline and diesel prices](#) in early January to ease financial burden, aligning with market trends and government policy.



The Philippines [oil fuel prices have steadily increased](#) by USD 0.08 for gasoline and diesel and USD 0.05 for kerosene in 2025 due to global factor in rising geopolitical tensions.



Vietnam [adjusted retail fuel](#) prices downward in February. For this period, authorities decided not to use the price stabilisation fund for any fuel products, including E5 RON92, RON95, diesel, and kerosene.

Oil & Gas as Economic Backbone



In **Brunei Darussalam** 2025/2026 fiscal year, the oil and gas sector is projected to contribute [USD 1.82 billion](#), or 75% of government revenue.

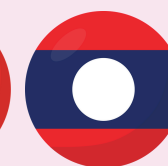
Coal Consumption Amidst Rising Energy Demand



The Philippines [coal consumption continued to rise](#), driven by growing electricity demand, which is projected to reach coal consumption of 47 million tons within three years.



Indonesia experienced falls in coal exports, [mining companies were shifting on domestic markets](#). The national output might decline from 836 Mt in 2024 to just 800 Mt while the domestic demand increasing to 250 – 260 Mt compared to 233 Mt last year.



Vietnam signed an agreement with **Laos** for [20 million tons/year coal import](#) over five years.

Regional Investment as Decarbonisation Effort



Malaysia is expected to remain a key [investment area in the oil and gas sector](#), particularly in upstream activities and decarbonisation project. Its state-owned oil company maintains annual capital expenditure of USD 11.85 billion, with expansion of oil drilling and carbon capture technology.

To learn more about the latest ACE publications you can download them from



aseanenergy.org/publications

Check out our news compilation here



aseanenergy.org/aeds/news-clipping

Subscribe through this QR code to receive the weekly news



This views expressed in this booklet/report are those of the author(s) and do not necessarily reflect those of ASEAN Centre for Energy (ACE) as an institution, any associated ASEAN Member States/Institutions/Individuals, or partner institutions.

For future information to provide feedback
Please contact ACE at
secretariat@aseanenergy.org

This is an open-access publication under the terms and conditions of Creative Commons Attribution (CC BY) license (<http://creativecommons.org/licenses/by/4.0/>)
The material can be used freely, as long as complete reference to this report is included.



 @aseanenergy

 @aseanenergy

  ASEAN Centre for Energy

 www.aseanenergy.org