



mprc

malaysia petroleum
resources corporation

**Shaping
Tomorrow
Today.**



Corporate Report

2021



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Publication site

Shaping Tomorrow Today.

The journey to recovery and transformation for the oil and gas services and equipment industry is reflected on the cover as the sector aims to stay on track and maintain sustainable progress from the effects of the pandemic.

The image on the cover places importance on the need for the industry to undertake swift transition towards lower carbon future.

STATEMENT OF PURPOSE

MPRC was established to be a progressive and trusted partner to advance energy support services, energy transition, policy advisory and advocacy, and contribute to Malaysia's sustainable economic growth.

MISSION STATEMENT

- To create a **dynamic and progressive oil and gas services and equipment industry** in Malaysia where companies can compete and grow.
- To encourage **close cooperation between** industry, government and society so that the oil and gas industry in Malaysia can anchor Malaysia's future prosperity.
- To promote vitality in the oil and gas industry via **joint ventures, collaborations and strategic partnerships**.

OUR CORE VALUES

MPRC is guided by a set of core values that serves as a guide for our decisions and how we conduct ourselves.

W WIN-WIN | **Mutual Benefit for All Parties**

We will generate win-win solutions for our stakeholders that will be sources of national competitiveness and sustainable growth.

I INTEGRITY | **Be True to Yourself and Honest with Others**

We create an environment of trust by saying what we mean and meaning what we say. We are unyielding in our ethics and we take responsibility for our actions.

S STEWARDSHIP | **Every Task is an Opportunity to Add Value**

We embrace every task as an opportunity to improve. We invest in the professional growth of our people. We are relentlessly focused on creating value when delivering on our mandates as nation builders.

H HUMILITY | **Respect for Others will Empower Us to Shape the Future**

We keep an open mind to a diversity of ideas, regardless of origin. We accept the possibility that there are better ideas than ours. We are respectful of others and their views, mindful that we are here to serve.

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ABOUT MPRC

Malaysia Petroleum Resources Corporation (MPRC) is an agency under the Economic Planning Unit (EPU) in the Prime Minister's Department.

Established in April 2011, MPRC provides recommendations and implements initiatives to advance Malaysia's Oil and Gas Services and Equipment (OGSE) industry and drive the sector's **development towards cleaner and sustainable energy.**

MPRC supports EPU in advocating energy transition with gas as an important transition fuel and positioning **Malaysia's appeal as a gas market hub** for the ASEAN region. MPRC also supports EPU in promoting the sustainability agenda in the OGSE industry and beyond.

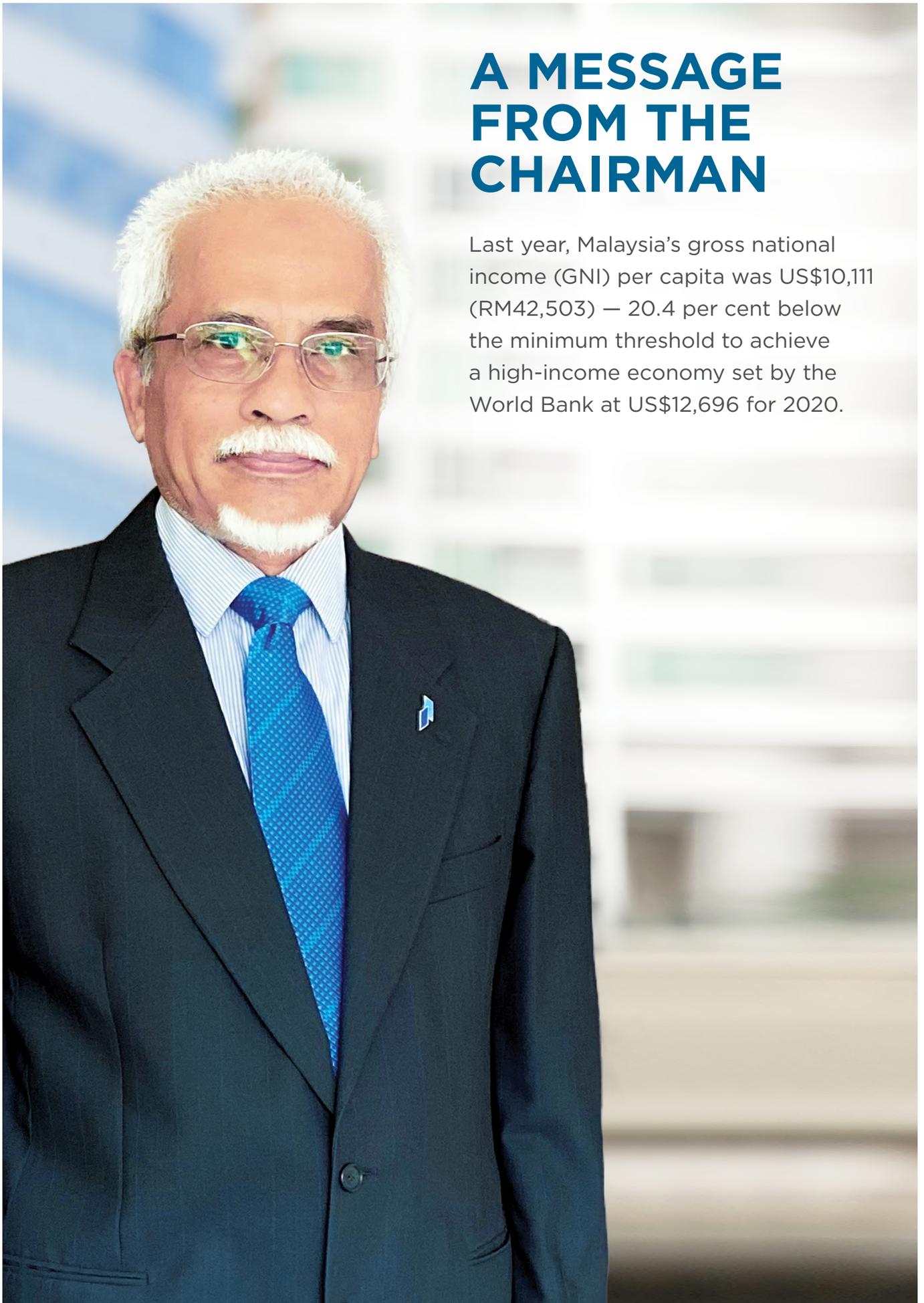
MPRC partners with various government ministries, agencies, industry associations and more to **implement industry development initiatives towards developing a robust, resilient, and globally competitive OGSE sector** that contributes to sustainable national development in Malaysia.





A MESSAGE FROM THE CHAIRMAN

Last year, Malaysia's gross national income (GNI) per capita was US\$10,111 (RM42,503) – 20.4 per cent below the minimum threshold to achieve a high-income economy set by the World Bank at US\$12,696 for 2020.



A Message from the Chairman



Notwithstanding that, Malaysia's GNI per capita has expanded about sixfold between 1990 and 2020, growing from RM7,382 (US\$2,730) in 1990 to RM42,503 (US\$10,111) in 2020, according to the 12th Malaysia Plan (12MP) report tabled in Parliament by Prime Minister Datuk Seri Ismail Sabri Yaakob in September 2021.

According to the Bank Negara report on Economic and Financial Developments in Malaysia 2021, Malaysia recorded a positive economic growth of 3.6 per cent in the fourth quarter of 2021 (Q3 2021: -4.5 per cent), as economic activities resumed when authorities eased lockdown measures. The recovery was also aided by the rebound of the labour market and continued policy support.

Against this backdrop, MPRC maintained its commitment in carrying out its mandate in strengthening the oil and gas services and equipment (OGSE) sector's contribution to the economy. During the year, MPRC,

supported by EPU, launched the National OGSE Industry Blueprint 2021-2030, which focused on providing direction for OGSE companies to improve their competitiveness, efficiency, and technological capabilities. The Blueprint was envisioned to develop a robust, resilient, and globally competitive Malaysian OGSE sector by 2030.

The Blueprint is also a testament of the Malaysian Government's commitment, in particular to Dato' Sri Mustapa Mohamed, Minister in the Prime Minister's Department (Economy) and the Economic Planning Unit (EPU). We are grateful for the continuous support from the Minister and EPU, as this will put industry on a more structured platform to ensure relevance moving forward, especially with the transition in the energy sector.

With shifting oil and gas landscape and Malaysia's commitment to carbon neutrality by as early as 2050, we will be advocating several initiatives in the OGSE

industry. MPRC's ongoing strategic collaborations with other government agencies and industry players displays the unwavering support from stakeholders. This puts us at good stead towards achieving the Government's aspirations.

I take this opportunity to thank my fellow Board members, stakeholders who have been instrumental in delivering key outcomes for MPRC in 2021 and the teams at both organisations. I look forward to continued collaborations between the Government and industry players as we maintain Malaysia's position as a globally competitive OGSE hub. I would also like to show our gratitude to MPRC's previous board members – Dato' Sri Idris Jala, Dato' Azman Mahmud, Dato' Wan Latiff Wan Musa and Muhammad Zamri Jusoh for their unwavering contributions to the organisation. You have distinguished yourselves as judicious stewards of our organisation and have been integral to MPRC's advancement in the OGSE industry.

Thank you.

DATO' DR. AHMAD SUHAILI IDRUS
Chairman
**Malaysia Petroleum
Resources Corporation**

A VIEW FROM THE PRESIDENT AND CEO



THE TRANSFORMATION

In conjunction with MPRC's 10th-year anniversary, we launched a new corporate strategic plan for the next five years. Our objective: to better support the Government's aspirations under the 12th Malaysia Plan and Shared Prosperity Vision 2030 for the nation's sustainable socioeconomic future.



A View from the President and CEO



Minister in the Prime Minister's Department (Economy) Dato' Sri Mustapa Mohamed (left) and other VIP guests in attendance were given a comprehensive walkthrough of the National OGSE Industry Blueprint (2021-2030) by MPRC and implementation partners after the Blueprint Launch ceremony.

MPRC turned 10 amid one of the most disruptive periods for the nation, the oil and gas services and equipment (OGSE) industry, and society. The extended period of the global pandemic has had severe impact on businesses, big and small. For the OGSE sector, whilst fighting to keep their financial wheels turning, industry players also find themselves having to address the fundamental shifts taking place within the sector – decarbonisation of the OGSE, energy transition towards cleaner and more sustainable energy sources, and growing expectations from investors and other stakeholders to adopt sustainability reporting and sustainable business practices.

Since our last corporate report in 2019, MPRC has navigated through our own uncertainties and challenges, partly owing to a dynamic political landscape in Malaysia over the last two years. We assessed the role and the work that we have done in the past, for the industry and at the same time, looked ahead to ensure better alignment and value creation to

help achieve the aspirations of the Government. Amidst the many unknowns on the horizon, we have carved a path that will elevate our role in the country's future energy support services.

In that regard, we are deeply appreciative of the support and confidence given to us by the Economic Planning Unit (EPU) in the Prime Minister's Department. We will continue to add value and contribute positively to EPU and the Government's vision for the OGSE industry and nation.

The OGSE industry as you know, is currently undergoing one of the most turbulent times in recent decades. Since 2015, the industry has been operating under difficult business conditions with margin squeeze, fewer jobs and tight liquidity. In a move to strengthen the industry, the Government launched the National OGSE Industry Blueprint 2021-2030 during the year, to support the industry as it negotiates change, volatility and as economies around the world transitions to a low-carbon future. Initiatives from the

10-year Blueprint seek to address structural challenges confronting industry players and challenges that are unique to the Malaysian OGSE segments as presented in pages 26 through 29.

MPRC also worked closely with EPU in the last two years to design and develop the OGSE Development Grant (OGSE DG) to support the growth of the sector. The OGSE DG is designed to help local Mid-Tier Companies (MTCs) and Small Medium Enterprises (SMEs) players' enhance their competitiveness through innovation, technology, exports, and sustainability, as seen on page 30. I am pleased to note that as of end-December, we have successfully awarded close to RM5 million to 22 deserving OGSE companies.

We also led discussions on the OGSE sector's adoption of sustainability reporting amid changing expectations from financial institutions and investors with the National OGSE Sustainability Forums we organised together with EPU (pages 31-32). These forums, we

A View from the President and CEO

hope would have provided our OGSE players the insights and the clarion call for them to embark on sustainability reporting in current business climate. With continuous discussions and support around this, companies could see the value of sustainability practices beyond regulatory compliance, to take on a systematic and holistic approach to establish forward-looking business strategies for long-term value creation.

The Transformation

In conjunction with MPRC's 10th-year anniversary, we launched a new corporate strategic plan for the next five years. Our objective: to better support the Government's aspirations under the 12th Malaysia Plan and Shared Prosperity Vision 2030 for the nation's sustainable socioeconomic future.

Our focus for the next five years encompasses three key areas:



**OGSE Sector
Development**



**Energy Transition
(Sustainability)**



**Oil, Gas and
Energy Policy &
Advisory**

In the OGSE sector development, MPRC will strengthen our focus on solving the fundamental problems of OGSE industry, namely competitiveness, resiliency, development, and sustainability — initiatives under these levers are also covered in the National OGSE Industry Blueprint 2021-2030.

To future-proof the OGSE sector, MPRC will nudge the industry to explore beyond its traditional playground, towards gas, and new/renewable energy, thereby supporting the Government's vision on cleaner energy. In the coming years, we will also support the Economic Planning Unit in advocating the sustainability agenda in the broader oil and gas industry.

As part of our transformative journey for the future, we have also strengthened our governance at the Board-level. A number of new members have joined our Board of Directors. We have established the Board Tender Committee (BTC) and the Audit and Risk Management Committee (ARC). I believe the new board members will further strengthen MPRC's governance and contribute positively to MPRC's mission.

Moving into 2022

The health of the OGSE industry and survivability of OGSE businesses are key priorities of the Government. As Malaysia emerges from the COVID-19 pandemic, focus will then turn to how the economy and industry recover. Meanwhile, the urgency and pressure on OGSE industry to remain relevant in the energy transition will persist.

Cognisant of this, MPRC will step up on the work needed to sustain and strengthen the OGSE industry. We will continue to play our role as **a progressive and trusted partner to advance energy support services, energy transition and policy advisory and advocacy, that contributes to Malaysia's sustainable economic growth.**

Appreciation

It is worth noting that these initiatives and activities took place amid various period of the movement control orders. Within MPRC, employees worked from home, or safely at office throughout these periods to ensure we continue to deliver on our commitment to the Board, stakeholders, and the industry.

I would like to extend my gratitude to industry players, our stakeholders, and those who believed in what we have worked hard to accomplish. To our employees, colleagues past and present, our achievements were the result of your dedication, commitment, and embodiment of MPRC's core-values - **WIN-WIN, INTEGRITY, STEWARDSHIP AND HUMILITY.**

The last 10 years have been an incredible journey and we are optimistic that the next decade for MPRC 2.0 will be just as exciting.

Thank you.

MOHD YAZID JA'AFAR
President and
Chief Executive Officer
**Malaysia Petroleum
Resources Corporation**

MPRC STAKEHOLDERS

Key Stakeholders



JABATAN
PERDANA MENTERI



UNIT PERANCANG EKONOMI
JABATAN PERDANA MENTERI



KEMENTERIAN PENGAJIAN TINGGI



KEMENTERIAN
SUMBER MANUSIA



KEMENTERIAN PERDAGANGAN
ANTARABANGSA DAN INDUSTRI



KEMENTERIAN PEMBANGUNAN
USAHAWAN DAN KOPERASI
MINISTRY OF ENTREPRENEUR DEVELOPMENT AND COOPERATIVES



CORPORATE GOVERNANCE

Formed in April 2011, MPRC is currently an agency under the Economic Planning Unit (EPU) under the Prime Minister's office. MPRC provides recommendations and implements initiatives to advance Malaysia's Oil and Gas Services and Equipment (OGSE) industry and drive the sector's development towards cleaner and sustainable energy.



**SECTOR
DEVELOPMENT**



GAS



NEW ENERGY

MPRC'S OBJECTIVES IN M&A INCLUDE:

- **To act as advisor, make recommendations to the Federal and State Government** and/or government agencies and/or related companies on **development policy, industry master plans, business regulations, investments and fiscal incentives for the oil and gas industry;**
- **To promote, establish linkages and networking for the Malaysian oil and gas industry** at national and international levels; and
- **To create a conducive environment for oil and gas industry in Malaysia** and **to assist, facilitate provide consultancy services and work with relevant government agencies.**

BOARD OF DIRECTORS

Malaysia Petroleum Resources Corporation is governed by a Board of Directors which consists of seven (7) representatives. The Board comprises of individuals experienced in different areas of expertise, providing holistic insights, encouraging effective decision making and strengthening corporate governance to ensure the delivery of long-term value to the nation and industry.

DATO' DR. AHMAD SUHAILI IDRUS

Independent Director and Non-Executive Chairman

Dato' Dr. Ahmad Suhaili Idrus has spent nearly three decades in the downstream, and midstream oil and gas industry mainly with Shell. He has served various senior leadership roles at Iskandar Regional Development Authority, PEMANDU and AECOM Malaysia.

He is a Fellow of Chartered Management Institute (UK), Fellow of Institution of Mechanical Engineering (UK) and Member Institute of Engineers Malaysia.

Dato' Dr. Suhaili holds a Doctor in Business Administration (DBA) from Asia e University, MBA from University of Malaya and a BSc (Hons) in mechanical engineering from the University of Manchester Institute of Science & Technology.



DR. MOHD SHAHARIN BIN HAJI UMAR

Non-Independent Non-Executive Director

Dr. Mohd Shaharin bin Haji Umar is a Director of Social Services Division at the Economic Planning Unit (EPU), Prime Minister's Department. In a career spanning more than two decades, he has vast experience working in government ministries/agencies specifically in areas related to energy, science and technology as well as social sector.

Dr. Mohd Shaharin's forays in the Energy and Social Services Division, EPU has seen him contributing to the preparation of the 11th Malaysia Plan, 2015-2020 and the 12th Malaysia Plan, 2021-2025. On many occasions, he has advised the Minister in the Prime Minister's Department (Economy) on international oil and gas ministerial level forums including OPEC and non-OPEC, Gas Exporting Countries Forum (GECF), International Energy Forum (IEF), Malaysia-Thailand Joint Authority (MTJA) and other oil and gas-related engagements.

Dr. Mohd Shaharin obtained his Ph.D. in Renewable Energy from Murdoch University, Western Australia in 2014. He pursued a Masters in Science and Technology Policy at the University of Manchester in 2004, after graduating from University of Malaya with a degree in Science (Chemistry) in 1995.



Board of Directors



JUNIWATI RAHMAT HUSSIN

Independent Non-Executive Director

Puan Juniwati Rahmat Hussin has served PETRONAS Group for 35 years in several positions including Vice President & Venture Director of Pengerang Integrated Complex, Vice President of Human Resource Management and Vice President of Education Division. She currently sits on the Board of Tenaga Nasional Berhad as an Independent Non-Executive Director. She is also an Independent Non-Executive Director of DIALOG and a member of Advisory Council for Yayasan Peneraju Pendidikan Bumiputera.

DATUK N. RAJENDRAN

Independent Non-Executive Director

Datuk N. Rajendran has over three decades of experiences with MIDA and has held various positions locally and abroad. He brings extensive experience in investment policy formulation and promotional activities. He was also a forum speaker/panellist for Offshore Technology Conference 2014, Offshore Northern Seas 2016, World Islamic Economic Forum 2017.

SOFIYAN YAHYA

Independent Non-Executive Director

Sofiyan Yahya has over 40 years of domestic and global experience in the oil and gas industry. He started his career as an engineer and later established himself as a successful entrepreneur in this sector. Sofiyan is currently the Executive Chairman of Cekap Technical Services Sdn. Bhd., Non-Executive Chairman of Ni Hsin Group Berhad and Managing Director of Digital Dagang Sdn. Bhd. Beyond his various business interests, he has also been involved in various organisations and business platforms in support of the community and industry. He is particularly interested in the sustainability agenda relating to nature and the environment. Sofiyan is also a founding member and past President of the Malaysian Oil & Gas Services Council (MOGSC).

Board of Directors

MOHD MUSTAFA ABDUL AZIZ

Non-Independent Non-Executive Director

Mohd Mustafa Abdul Aziz leads the Malaysia External Trade Development Corporation (MATRADE) as the current Chief Executive Officer. He began his 30 year career in the civil service with the Ministry of Foreign Affairs, followed by the Economic Planning Unit, Prime Minister's Department before joining MATRADE in June 1994, where he played integral roles in export promotions.

He served 14 years abroad as a Trade Commissioner at MATRADE Paris, Dubai, Tokyo and as a Senior Trade Commissioner in New York and Dubai for the second time, where he accumulated extensive skills and experience in international trade.

Mohd Mustafa, who was previously the Deputy CEO (Export Acceleration) of MATRADE, also served as Director who led the markets of ASEAN & Australasia, China & North East Asia, Central Asia, West Asia, South Asia & Africa. He also led the Professional & Business Services section as well as the Mid-Tier Companies Development & SMEs Go-Ex section.

He holds a Master's Degree from Universiti Putra Malaysia (UPM) and a Bachelor's Degree from Hawaii, USA. Passionate in leading change, strengthening operations, and driving results, Mohd Mustafa is committed to transforming MATRADE by creating valuable collaborative efforts for both exporters and the respective stakeholders.

DATUK ARHAM ABDUL RAHMAN

Non-Independent Non-Executive Director

On 1 April 2021, **Datuk Arham Abdul Rahman** was appointed as the Chief Executive Officer for the Malaysian Investment Development Authority (MIDA). Born in Perak, Malaysia, Datuk Arham is an alumni of National University of Malaysia (UKM) where he graduated with a Bachelor's Degree in Economics. He also attended the Senior Executive course at the prestigious Kennedy School of Government, Harvard University USA in 2011.

Datuk Arham's illustrious career spanning over 32 years in MIDA began in 1989 as an Economic Affairs Officer specialising in foreign investment, that attracts and facilitates foreign investments into the country. In September 1994, Datuk Arham's exceptional track record earned him the position as the Deputy Director of MIDA Cologne, Germany for six years, where he led national investment promotion initiatives to companies in Western and Eastern European countries.

In 2009, he contributed his extensive investment promotion expertise as the Director of MIDA New York for four years. Shortly after Datuk Arham returned to Malaysia, he was selected as the Executive Director of Investment Promotion, leading three MIDA divisions under his portfolio; Foreign Investment, Domestic Investment, Corporate Communications. Subsequently, he ascended to the position of MIDA's Deputy Chief Executive Officer (I) on 1 February 2019.



Board of Directors

MPRC BOARD TENDER COMMITTEE (BTC)

No.	Affiliation	BTC Committee Members	Position
1.	Independent	Datuk Rajendran A/L P Narayanasamy (BTC Chairman)	Independent Non-Executive Director
2.	Prime Minister's Office	Dato' Jamil bin Rakon (BTC Member)	Senior Deputy Secretary General, Prime Minister's Department
3.	Economic Planning Unit, Prime Minister's Department	Encik Fauzi bin Mustafa (BTC Member)	Deputy Director I, Economic Planning Unit
4.	Economic Planning Unit, Prime Minister's Department	Puan Maniza binti Mahfuz (BTC Member)	Director, Management Services and Finance, Economic Planning Unit

MPRC AUDIT AND RISK MANAGEMENT COMMITTEE (ARC)

No.	Affiliation	BTC Committee Members	Position
1.	Independent	Puan Juniwati Rahmat Hussin (ARC Chairman)	Independent Non-Executive Director
2.	Economic Planning Unit, Social Services Division	Dr. Mohd Shaharin Umar (ARC Member)	Non-Independent Non-Executive Director
3.	Independent	Encik Sofiyan Yahya (ARC Member)	Independent Non-Executive Director
4.	Independent	Datuk Rajendran A/L P Narayanasamy (ARC Member)	Independent Non-Executive Director



INDUSTRY ADVISORY PANEL

Comprising ten industry leaders representing major OGSE companies and business associations in the country, MPRC's Industry Advisory Panel (IAP) plays an important role in fostering a strong relationship with the Government and escalating industry issues in a constantly evolving market.

The IAP members support MPRC in the following areas:

Serving as sounding board for MPRC's initiatives

Enhancing communications between OGSE industry and the Government

Providing MPRC with feedback and recommendations on talent retention and OGSE financing

Acting as early adopters and champions for MPRC initiatives, particularly in technology collaboration, new energy, sustainability agenda, among others

The Panellists



Ir. Azhar Zainal Abidin

Managing Director & Founder
ProEight Sdn. Bhd.



Rohaizad Bin Darus

President
Velesto Energy Berhad
(Retired)



Ir. Azman Bin Ahmad

Director
SPIE Oil and Gas Services Malaysia



Dato' Kamarul Redzuan Bin Muhamed

Managing Director & CEO
Uzma Berhad



Dr. Wei-Nee Chen

VP, New Energy Ventures
Hibiscus Petroleum Berhad



Haida Shenny Hazri

Chairperson
Keyfield Offshore Berhad



Dato' Abdul Razak Abdul Majid

Independent Non-Executive Director
PETRONAS Gas Berhad



Ir. Abd Rashid Md Sidek

President
Malaysian Oil & Gas Engineering Council (MOGEC)



Dr. Rezal Khairi Bin Ahmad

CEO
NanoMalaysia Berhad

MPRC SENIOR LEADERSHIP TEAM



1

MOHD YAZID JA'AFAR

President/Chief Executive Officer



2

MUSTAFA AKBAR REZA

Head, Operations



3

ROSMAN MOHD SEDEK

Head, Human Resource & Corporate Services



4

ILHAM FADILAH BINTI SUNHAJI

Head, Corporate Strategy & Research



5

LIM SHIE-LYNN

Manager, Strategic Communications

MPRC SENIOR LEADERSHIP AND MANAGEMENT TEAMS



1 Mohd Yazid Ja'afar
President/Chief Executive Officer

2 Mustafa Akbar Reza
Head, Operations

3 Rosman Mohd Sedek
Head, Human Resource & Corporate Services

4 Ilham Fadilah Binti Sunhaji
Head, Corporate Strategy & Research

5 Lim Shie-Lynn
Manager, Strategic Communications

6 Mohd Ezwan Zakaria
Vice President, President/CEO Office

7 James Chan
Vice President, OGSE, Operations

8 Mohd Jefriman Johan Al-Amin Johari
Senior Manager, New Projects, Operations

MPRC SUBSIDIARY:



JOHOR PETROLEUM DEVELOPMENT CORPORATION BERHAD

Johor Petroleum Development Corporation Berhad (JPDC) was incorporated on 9 April 2012 as a federal agency reporting to the Economic Planning Unit, Prime Minister's Department. JPDC is a wholly owned subsidiary of Malaysia Petroleum Resources Corporation (MPRC).

Mandates:



To plan and develop strategies for the downstream oil and gas development in Pengerang Integrated Petroleum Complex (PIPC)



To coordinate and drive the execution of development projects



To identify and manage funds required for financing the downstream oil and gas development in PIPC and Johor



To promote and market PIPC's downstream oil and gas industry to potential investors



To enhance inclusiveness towards an equitable society with more access to economic opportunities in PIPC



To ensure the availability of industry workforce to drive and sustain PIPC's development growth



Vision:

To transform Johor into Sustainable, World-Class Downstream Oil and Gas Hub.



Mission:

With the vision, JPDC is tasked with the mission to plan and co-ordinate the development of a sustainable downstream oil and gas industrial area in PIPC, promote investments into PIPC and Malaysia, and facilitate participation by Malaysian businesses and manpower in the PIPC development and economic activities.

MPRC Subsidiary:

ABOUT PIPC

The Pengerang Integrated Petroleum Complex (PIPC) sits on a 22,904-acre area in Pengerang, to the south-east of Malaysia's Johor state. The PIPC is designed to accommodate downstream oil and gas industrial facilities such as refineries and petrochemical plants, deep-water terminal and storage tanks, naphtha crackers, regasification plants and supporting facilities, as well as manufacturing plants and industrial parks. Included in the PIPC master plan are designated areas for related support services such as a plastic and fine chemicals park, a light and medium industrial park, a waste management center, an emergency response center, a logistics hub, a commercial hub and others.

PIPC has an upper hand in the downstream oil and gas sector in the region owing to its strategic location. It gives access to major international shipping lanes between the Middle East and China. The proximity of Pengerang to Singapore is another plus point. The refinery hub sits close to the world's commodity traders that are mostly based in Singapore. With a water depth of more than 24 metres and having no breakwater, it enables very large crude carriers and ultra large crude carriers to operate.

Investment Opportunities and Infrastructures in PIPC

In 2021, the Government of Malaysia has completed 25 packages of infrastructure and public amenities in PIPC to support downstream oil and gas industry growth at a development value of RM2.47 billion. The Malaysian Government offers various incentives to investors, both local and foreign. These include investment tax allowances, import duty exemptions, reinvestment allowances and others. These incentives may vary between plans and structures, depending on the status of companies investing in Malaysia or the PIPC. JPDC, being the appointed organization to oversee the overall development of the PIPC, collaborates with the Malaysian



Pengerang Deepwater Terminals in PIPC provide up to 3.83 million cubic metres of oil storage facilities with 3 jetties. (Photo courtesy of Dialog Group Berhad)



Catalytic Investors in PIPC.

Investment Development Authority (MIDA) to actively guide investors to the applicable incentives.

Since 2013, JPDC has been organising and coordinating a series of re-skilling and upskilling training programs for 5,907 local manpower, aimed at creating a downstream oil and gas industry workforce.

PIPC Milestone

The PIPC covers both core and non-core downstream activities and is planned to be developed over four phases starting from year 2012 until 2037. Its first development phase (2012-2019) has been completed, which witnessed two significant, world-class catalytic projects completed – Pengerang Deepwater Terminals (PDT) and Pengerang Integrated Complex (PIC).

Pengerang Deepwater Terminals (PDT), developed by DIALOG Group Berhad and its investment partners, is a deepwater terminal with 3.83 million cubic metre oil storage facilities developed on a 1,300-acre area with an investment value of USD2.5 billion. It has been operational since April 2014.

Pengerang Integrated Complex (PIC) developed by PETRONAS is an integrated downstream petroleum facility covering an area of 6,303 acres with an investment value USD27 billion. The PIC comprises an integrated refinery and petrochemical complex, and is further supported by associated facilities namely a co-generation plant, an LNG re-gasification terminal, a raw water supply plant, a deepwater terminal, and air separation unit, as well as centralised and shared utility facilities. The construction of PIC, which began in 2015, is in its final commissioning stage.

MPRC KEY ACTIVITIES IN 2019 AND 2020

The year 2019 and 2020 witnessed the Malaysia's oil and gas services and equipment (OGSE) sector enduring trying times when the COVID-19 pandemic dealt a severe blow to economies and industries around the world, as countries imposed movement restrictions to slow the spread of the virus.

MPRC also navigated through our own uncertainties and challenges amid a dynamic political landscape in Malaysia over the last two years. Nevertheless, we saw the need to support the OGSE industry in adapting to a rapidly evolving landscape, while also embracing digitalisation and innovation. Below are some of the key activities MPRC carried out during the 2019-2020 period.

2019

Oil and Gas Asia Exhibition — OGA Innovation Awards – June 2019



MPRC's President and CEO, Mohd Yazid Ja'afar, was one of the seven judges for The Oil and Gas Asia Exhibition OGA Innovation Awards.

Cross-Ministry Technology Collaboration Forum – October 2019



MPRC shared findings from the first Cross-Ministry Technology Collaboration Forum Workshop and put forward a forum charter to commence discussions with representatives from various government agencies.

Launching of the Shared Prosperity Vision 2030 – November 2019



MPRC took part in the launching of the Shared Prosperity Vision 2030 by then Prime Minister, Tun Dr. Mahathir bin Mohamad.

MPRC Key Activities in 2019 and 2020

2020

National OGSE Industry Blueprint Steering Committee – July 2020



MPRC hosted its first Steering Committee Meeting in Putrajaya as part of the National OGSE Industry Blueprint.

Future Trends 2030 (FT 2030) – September 2020



MPRC co-organised Future Trends 2030 (FT 2030): A 10 Year Outlook into the Oil and Gas Industry with the Economic Planning Unit (EPU), Prime Minister's Department.

National Oil Storage Policy Feasibility Study Committee Meeting – December 2020



MPRC held its final National Oil Storage Policy Feasibility Study Committee Meeting. The meeting was attended by representatives from government agencies such as the Economic Planning Unit (EPU), the Department of Statistics Malaysia (DOSM), PETRONAS, the Malaysian Investment Development Authority (MIDA), the Ministry of Transport (MOT), the Ministry of Domestic Trade and Consumer Affairs (KPDNHEP), the Maritime Institute of Malaysia (MIMA) and the Malaysian National Security Council (MKN).

2021 HIGHLIGHTS

February 2021

MPRC hosted a virtual workshop with the Malaysia Oil & Gas Services Council (MOGSC) in preparation for a series of financial management-related workshops that MPRC co-organised with MOGSC.

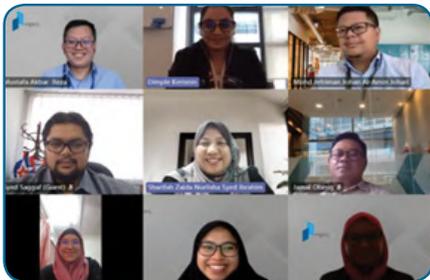


March 2021

The Malaysian Anti-Corruption Commission (MACC) conducted an anti-corruption awareness and briefing session for MPRC employees.

March 2021

MPRC conducted a virtual knowledge sharing session with Cradle Fund Sdn. Bhd., Malaysia's early-stage start-up influencer, incorporated under the Ministry of Finance (MOF) with a mandate to fund potential and high caliber tech start-ups through its Cradle Investment.



August 2021

Our MPRC colleagues Mustafa Akbar Reza, James Chan, Rohazwan Zakaria, and Nurafiqah Mohd Ali held a discussion with Universiti Teknologi Petronas (UTP) Deputy Vice Chancellor (Research, Innovation & Commercialisation) Prof. Ir. Dr. Mohd Shahir Liew and his team to discuss collaborations in operationalising Technology & Talent-themed initiatives from the National OGSE Industry Blueprint 2021-2030.

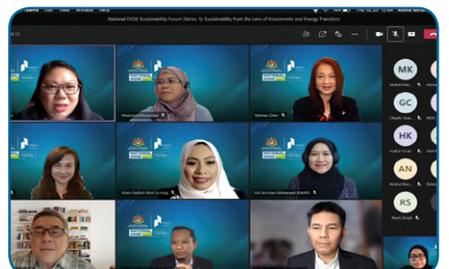


August 2021

TalentCorp, in collaboration with MPRC, conducted a survey to better assess the demand and supply for high-skilled overseas Research & Development professionals among Malaysian OGSE employers.

July 2021

The Economic Planning Unit (EPU) and MPRC co-organised the 'National OGSE Sustainability Forum Series 1 - Sustainability from the Lens of Investments and Energy Transition.'

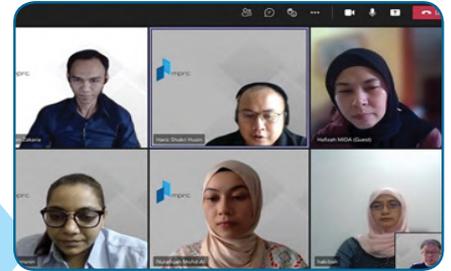


2021 Highlights



May 2021

BFM interviewed MPRC president and CEO, Encik Mohd Yazid Ja'afar on the Breakfast Grille, where he shared insights from the National OGSE Industry Blueprint 2021-2030.



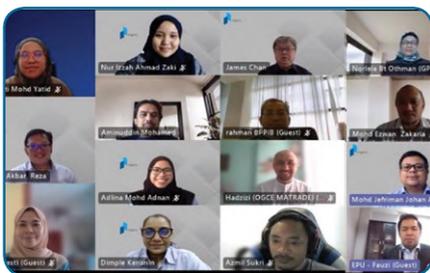
April 2021

MPRC, together with the Economic Planning Unit (EPU), Prime Minister's Department, launched the National Oil and Gas, Services and Equipment (OGSE) Industry Blueprint 2021-2030 and OGSE Development Grant (OGSE DG).



June 2021

Our colleagues, James Chan, Rohazwan Zakaria, Nurafiqah Mohd Ali, Dimple Kerisnin and Hariz Shukri Husin joined a working group discussion with the Malaysian Investment Development Authority's (MIDA) Oil & Gas, Maritime and Logistics Services Division.



June 2021

MPRC held a discussion with Universiti Teknologi PETRONAS (UTP) on the National Oil and Gas, Services and Equipment (OGSE) Industry Blueprint 2021-2030 initiatives and potential future collaboration.



July 2021

MPRC conducted a workshop to obtain alignment from representatives of different government ministries and agencies on OGSE company recognition and definition.



June 2021

MPRC's President and CEO, Mohd Yazid Ja'afar, Mustafa Akbar Reza, James Chan and Rohazwan Zakaria held a discussion with Datuk Arham Abdul Rahman, MIDA's Chief Executive Officer to discuss and seek collaboration on the National Oil and Gas Services and Equipment (OGSE) Industry Blueprint 2021-2030 initiatives.

2021 Highlights

September 2021

The Economic Planning Unit and MPRC co-organised the National OGSE Sustainability Forum Series 2 – Adopting Sustainability Agenda: Are OGSE Companies Doing Enough?



October 2021

MPRC's President and Chief Executive Officer, Mohd Yazid Ja'afar was one of the panellists in the panel discussion hosted by the Malaysian Gas Association (MGA).

September 2021

MPRC launched the i-OGSE microsite.



December 2021

Together with the Economic Planning Unit, Prime Minister's Department, MPRC co-organised its first stakeholder engagement meeting for the Regional Gas Market Hub Study. The engagement marks the first of many as MPRC works to gain perspectives across public and private sectors in an effort to position Malaysia as a regional gas market hub.



December 2021

MPRC held its first Oil & Gas Innovation and Technology Collaboration (OGITeC 2.0) Working Group Kick-off Meeting. OGITeC 2.0 is a platform established by MPRC to spur and accelerate innovation and technology in the oil & gas sector. The meeting was joined by representatives from the Economic Planning Unit (EPU), PETRONAS, Malaysian Technology Development Corporation (MTDC), Malaysian Investment Development Authority (MIDA), Bumiputera Agenda Leading Unit (TERAJU), SME Corporation, MIMOS Berhad and Malaysia External Trade Development Corporation (MATRADE).



2021 Highlights



October 2021

The MPRC Corporate Retreat was organised from 4-8 October 2021 internally amongst MPRC staff to participate and strategise the new roles, initiatives, and mandate which had to be aligned with the objectives of the Energy Division under the Economic Planning Unit (EPU), Prime Minister's Department.



October 2021

The Economic Planning Unit (EPU) and MPRC jointly organised the National OGSE Sustainability Roadmap Roundtable Discussion.

November 2021

The MPRC Productive Getaway (PG) took place from 19-20 November 2021 and was an opportunity for staff to work together to develop their respective team's Key Performance Indicators (KPIs), department budgets and any other requirements to implement all the initiatives for FY2022.



November 2021

MPRC organised the second and final Steering Committee Meeting of 2021 for the OGSE Development Grant (OGSE DG).



November 2021

MPRC held its final Industry Advisory Panel (IAP) Session of the year.

November 2021

Our MPRC colleague, Dimple Kerisnin, attended the Abu Dhabi International Petroleum Exhibition (ADIPEC) 2021 and met His Excellency Mohd Tarid Sufian, Ambassador of Malaysia to the United Arab Emirates (UAE) and YM Datuk Tengku Muhammad Taufik, President & Group CEO of PETRONAS, alongside with the representatives from different Malaysian OGSE companies.



NATIONAL OGSE INDUSTRY BLUEPRINT 2021-2030

The Government of Malaysia, through the Economic Planning Unit (EPU) and MPRC, launched the National OGSE Industry Blueprint 2021-2030 in April 2021, aimed at further intensifying the local OGSE development, adapting to the rapidly evolving needs and requirements of the global market such as the energy transition, to remain competitive.

Supported and guided by the EPU in the Prime Minister's Department, MPRC worked closely with different ministries, government agencies, PETRONAS and industry associations to develop the National OGSE Industry Blueprint 2021-2030.

The launch was officiated by the Minister in the Prime Minister's Department (Economy), YB Dato' Sri Mustapa Mohamed, on 27 April 2021. The Minister emphasised his hope for the OGSE sector to strive towards doing its part in making sure Malaysia's oil and gas is produced as cleanly as possible.

This Blueprint is anchored on the following core objectives to realise the vision for the OGSE industry:

National GDP growth

Sector employment

Export development

Fiscal contribution



National OGSE Industry Blueprint 2021-2030

The vision of the Blueprint is to develop a robust, resilient and globally competitive Malaysian OGSE sector which contributes to the sustainable development of National priorities. Based on this vision, the Blueprint has identified four strategic pillars to spur the industry effectively and inclusively:



Competitiveness

Competitiveness through improved cost and quality to increase sector contribution to National GDP. A competitive sector is characterised by the utilisation of technology and human capital improvements to deliver superior quality and margins. This includes cost competitive processes and an integrated supply chain which allow customers to be served cheaper and faster. This would increase competitiveness against foreign vendors both locally and internationally. Concurrently, foreign investors would gravitate towards Malaysia as an international hub for OGSE, as the market demonstrates its capability of delivering superior returns.



Resilience

Resilience through a heightened ability to prepare for and adapt to change, where players can withstand oil price volatility and macroeconomic uncertainty. The industry would be able to spread exposure across multiple, less-correlated segments and relevant adjacent sectors and industries to cushion market and economic fluctuations. OGSE players should also reduce their dependence on PETRONAS and/or other Malaysian customers by expanding and diversifying their customer base.



Sustainability

Sustainability by maintaining the sector's social 'license to operate'. Achieving this involves formulating regulation in adherence to global standards on labour, funding, and procurement practices. This also includes adopting strategies to promote sustainable business operations in line with evolving environmental standards and promoting robust corporate governance and social responsibility frameworks tailored to OGSE industry.



National Development

Development with national and local interests in mind. This involves meeting national targets for community development such as Bumiputera participation. Beyond community development, meaningful SME participation should be pursued to ensure gainful job creation. In addition, the industry should look towards opportunity-creation in key regions such as Sabah and Sarawak.

The successful implementation of this Blueprint will see the industry undergo significant changes and leverage on its strengths while addressing areas for improvements, to ensure the industry continues to flourish by 2030. While the OGSE industry is currently a major component of Malaysia's economy, a sound and robust implementation of the Blueprint will see greater contribution to the nation's GDP to approximately RM40 billion from current levels of RM20 billion. The sector is expected to continue to be a major employer of skilled and semi-skilled talents and employ around 60,000 people.

The Blueprint has identified 31 initiatives across key levers including export, Bumiputera development, technology, industry and financial strength, and talent. The initiatives will be rolled out in phases from 2021

to 2023 and MPRC will implement 13 initiatives overall while the others will be implemented by other agencies such as MATRADE, MIDA, TERAJU and TalentCorp amongst others.

The implementation of the Blueprint will be monitored through the setting up of a Steering Committee (SC) and has been established following the launch of the National OGSE Industry Blueprint 2021-2030. The SC convenes for meeting at least twice a year during the implementation phase of the Blueprint, with members comprising Secretary Generals from the Ministry of Finance (MOF), the Ministry of International Trade and Industry (MITI), the Ministry of Entrepreneur Development and Cooperatives (MEDAC), the Ministry of Science, Technology and Innovation (MOSTI),

National OGSE Industry Blueprint 2021-2030

the Ministry of Higher Education (MOHE), the Ministry of Human Resources (MOHR), Senior Deputy Secretary General of the Prime Minister's Department and EPU Director General, with the Minister in the Prime Minister Department (Economy) serving as chair. MPRC alongside EPU's Energy Division are joint secretariat for the SC.

Governance structure for Blueprint initiatives

The following governance structure for Blueprint initiatives (see figure below) will ensure accountability and provide execution certainty by providing a platform to unblock any potential intra-agency and inter-agency issues:



¹ Initiative owners to only be called for SC meeting as and when needed to present on relevant sub-initiatives. Initiative owners who are also SC members will be excluded from deliberations on initiatives which are owned by the respective owners;

² Proposed committee members would be the KSUs from MOF, EPU, MEDAC, MITI, MOHE and MOHR. The committee chair may also invite the President and Chief Executive Officer of PETRONAS and the Chief Statistician of DOSM;

³ MOHE is to be represented by the appropriate agency;

⁴ MOGSC is an invited member in its position as an initiative owner, for as long as their owned initiative is underway;

⁵ Initiatives are referring to on-going in-flight initiatives already being implemented by PETRONAS; High-level reporting of status updates of PETRONAS in-flight initiatives at SC as and when required.



National OGSE Industry Blueprint 2021-2030



MPRC ON SUSTAINABILITY - TRANSITIONING TO A SUSTAINABLE FUTURE

The National OGSE Industry Blueprint 2021-2030 is aligned with both the Budget 2022 and the 12th Malaysia Plan (12MP), which depicts aspirations to link Malaysia's economic plans with the Sustainability Development Goals (SDGs). This is especially relevant as the National OGSE Industry Blueprint 2021-2030 lists sustainability as one of the four critical levers in ensuring that the OGSE industry will survive and grow in the post-pandemic economy.

The Government's commitment to reduce the nation's greenhouse gas emissions intensity and make Malaysia a carbon-neutral country as early as 2050 is commendable and comes at a pivotal time for the country. The initiatives outlined in Budget 2022 will go towards addressing sustainability-related awareness gap among OGSE companies. One of the initiatives MPRC is taking towards this end, is through collaboration with public and private universities to offer courses that will increase the awareness and competencies on sustainability as well as energy transition.

With regards to OGSE businesses, many have argued that in the time of the COVID-19 lockdowns and when business is down, sustainability is the last thing on their mind. However, MPRC believes that the pandemic presents a unique opportunity for OGSE companies to embark on embracing sustainability practices as well. Companies could assess and develop strategies to institute the necessary changes and embrace sustainability by adopting environmental, social and governance (ESG) criteria.

There has always been a strong link between ESG and value creation. This goes beyond availability and access to funding. A strong ESG proposition would potentially widen an organisation's customer base, with more sustainable products and services to offer. It would also help OGSE businesses get better access to resources through stronger community and government relations.

MPRC believes that a higher ESG adoption would also mean that there will be a boost in employee motivation and changing attitudes on social stigmas commonly associated with businesses with larger-than-average carbon footprints, which could restrict the talent pool.

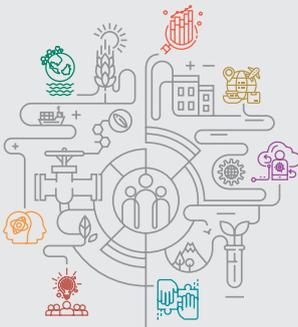
Therefore, MPRC aims to work closely with regulators and assist OGSE companies in their long-term ESG journey. To drive the ESG conversation and initiative forward, we plan to produce an OGSE sustainability plan. This will be a public-private, government-industry collective effort. MPRC has held a successful sustainability roundtable panel discussion and workshop and we look forward to continuing to drive this important transition in the future.

OGSE DEVELOPMENT GRANT

During the year, MPRC introduced the Oil and Gas, Services and Equipment Development Grant (OGSE DG) in conjunction with the launch of the National OGSE Industry Blueprint 2021-2030 to assist high potential local OGSE companies in increasing competitiveness in the OGSE industry.

The OGSE Development Grant is developed with OGSE Small Medium Enterprises (SMEs) and Mid-Tier Companies (MTCs) in mind. In line with the newly launched 10-Year National OGSE Industry Blueprint, it is hoped that the Development Grant will help enhance local players' competitiveness through innovation in technology and help accelerate their move towards commercialisation and exports. MPRC aims to support at least 20 local OGSE companies per year.

Designed by MPRC, the OGSE Development Grant comes at a time when OGSE companies are still reeling from the effects of low oil prices in 2020 brought on by an oversupplied market and disruption in oil demand as governments around the world-imposed travel restrictions and lockdown orders to stem the spread of the COVID-19 pandemic. Some OGSE firms had barely recovered from the 2014-2016 oil price drop when the pandemic struck.



TWELFTH MALAYSIA PLAN

The OGSE Development Grant is part of the Twelfth Malaysia Plan (12MP) to assist and facilitate high potential OGSE SMEs and MTCs to move and develop their technology and innovation along the complex stages of the commercialisation process. Scope of funding under the five-year OGSE Development Grant covers Sector-specific Intelligence, Intellectual Property, Consultation, Marketing and Promotion, POC/Prototype Development and International Standard or Certification. The grant is a matching fund on a 70:30 basis.

To further support the local OGSE innovation and technology scene, the Government, via MPRC, will also establish a cross-agency collaboration platform to look at opportunities such as access to funding, intellectual property, information-sharing on relevant research areas and commercialising innovation and technology.

This effort, the Oil and Gas Innovation-Technology Collaboration or OGITeC will also facilitate the exchange of ideas and discovery insights among government agencies to help streamline processes. When implemented, it is hoped that OGITeC will help the OGSE businesses to step up their game.

NATIONAL OGSE SUSTAINABILITY FORUMS

The National OGSE Sustainability Forums 1 and 2 — co-organised by EPU and MPRC — brought together policymakers, industry champions, and thought leaders to provide insights around increased investor scrutiny and expectations surrounding sustainability in their investment decisions.

The first Sustainability Forum, held in July, explored ‘Sustainability from the Lens of Investments and Energy Transition’ and was officiated by Minister in the Prime Minister’s Department (Economy) Dato’ Sri Mustapa Mohamed.

The second Sustainability Forum, held in September, focused on ‘Adopting Sustainability Agenda: Are OGSE Companies Doing Enough?’ and was officiated by former Director of the Energy Division in EPU, Zaeidah binti Mohamed Esa.

NATIONAL OGSE SUSTAINABILITY FORUM (SERIES 1)

NATIONAL OGSE SUSTAINABILITY FORUM (SERIES 1)
Sustainability from the Lens of Investments and Energy Transition

15th July 2021
Thursday | 9:30 am - 1:00 pm
Virtual Platform

KEYNOTE SPEECH
BY **YB Dato' Sri Mustapa Mohamed**
Minister in the Prime Minister's Department (Economy)

WORKING TOGETHER TO MANAGE CLIMATE CHANGE/TRANSITION
BY **YBrs. Pn. Madelena Mohamed**
Director of Islamic Banking and Takaful, Bank Negara Malaysia

WELCOMING REMARKS
BY **YBhg. Datuk Saiful Anuar Bin Lebal Hussien**
Director General, Economic Planning Unit, Prime Minister's Department

SUSTAINABILITY CRITERIA IN INVESTMENT & FINANCING FOR OIL & GAS SECTOR
BY **YBrs. Pn. Nik Amilzan Mohamed**
Chief Executive Officer, Kumpulan Wang Persaraan(Diperbadankan) - KWAP

SUSTAINABILITY IN THE MALAYSIAN OGSE SECTOR - THE WAY FORWARD
BY **YBrs. En. Mohd Yazid Ja'afar**
President/Chief Executive Officer, Malaysia Petroleum Resources Corporation

SUSTAINABILITY AGENDA DRIVING ENERGY TRANSITION: THE ROLE OF NATIONAL OIL COMPANY
BY **YBrs. En. Hazli Sham**
Chief Government and Regulator Advisory, Petroleum Nasional Berhad (PETRONAS)

PANEL DISCUSSION

YBrs. Pn. Ruzi Rani Ajith
Chief Executive Officer, CGS-CIMB Securities

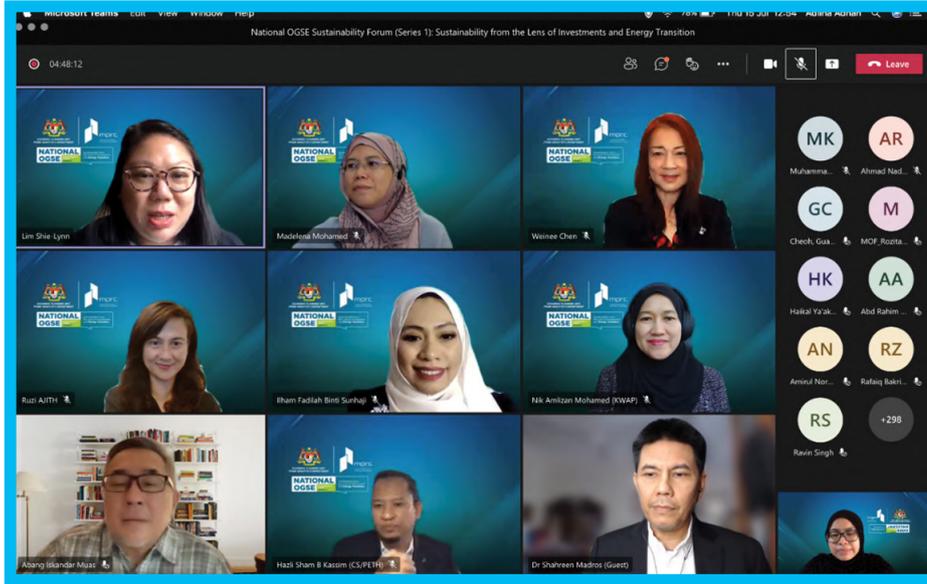
YBrs. Ir. Dr. Mohd Shahreen Madros
Adjunct Professor, UKM Graduate School of Business

YBrs. Pn. Iham Sunhaji
Head of Corporate Strategy & Research, Malaysia Petroleum Resources Corporation (Moderator)

YBrs. Dr. Wei-nee Chen
Vice President, New Energy Ventures, Hibiscus Petroleum Berhad

National OGSE Sustainability Forums

NATIONAL OGSE SUSTAINABILITY FORUM (SERIES 1)



NATIONAL OGSE SUSTAINABILITY FORUM (SERIES 2)

SERIES 2

NATIONAL OGSE SUSTAINABILITY FORUM
Adopting Sustainability Agenda for OGSE Companies through

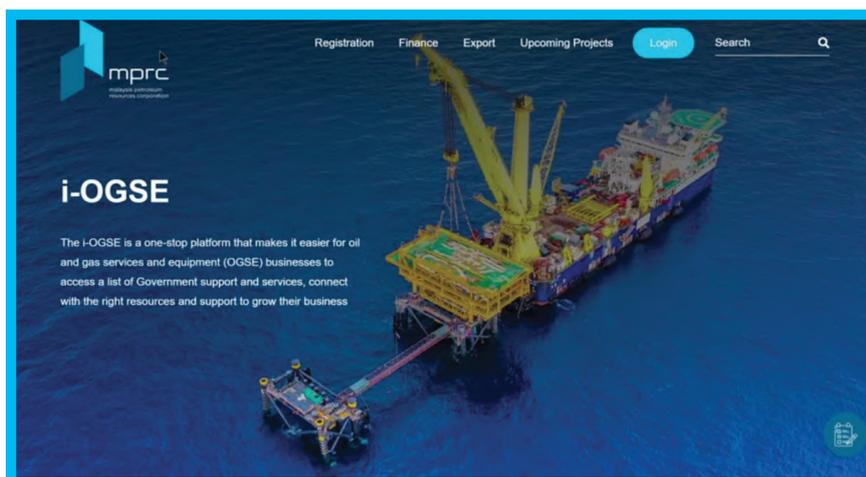
02 SEPTEMBER 2021
Thursday | 9:00am - 1:00pm | Virtual Platform

<p>KEYNOTE ADDRESS</p> <p>YBrs. Dr. Zaidah binti Mohamed Esa Director of Energy Division, Economic Planning Unit, Prime Minister's Department</p>	<p>WELCOMING REMARKS</p> <p>YBrs. En. Mohd Yazid Ja'afar President/Chief Executive Officer, Malaysia Petroleum Resources Corporation</p>	<p>EMBEDDING SUSTAINABILITY INTO YOUR COMPANY'S DNA: Benefits and Implications</p> <p>YBrs. Dr. Ken Yeoh Vice President/Head for Corporate Governance & Sustainability (Regulation), Bursa Malaysia Bhd</p>	<p>STRATEGY TO ADOPT SUSTAINABILITY PRACTICES for OGSE Companies</p> <p>YBrs. En. Kenny Ronald Ngatin Managing Director, Ocean Vantage Holdings Bhd</p>
<p>PANEL SESSION: Adopting ESG, Are OGSE Companies Doing Enough?</p>		<p>PANEL SESSION: Instilling Governance Culture in Internalisation of Sustainability Agenda</p>	
<p>MODERATOR</p> <p>YBrs. Dr. Moonyati Yatid Senior Manager, Corporate Strategy & Research, Malaysia Petroleum Resources Corporation</p>	<p>YBrs. En. Rohaizad Darus President, VELESTO Energy Bhd</p>	<p>MODERATOR</p> <p>YBrs. Pn. Iham Sunhaji Head of Corporate Strategy & Research, Malaysia Petroleum Resources Corporation</p>	<p>YBrs. En. David Berry Deputy President, Malaysia Institute of Corporate Governance (MICG)</p>
<p>YBrs. Ts. Sharifah Zaida Nurlisha President, Malaysian Oil & Gas Services Council (MOGSC)</p>	<p>YBrs. En. Patu Kiew Hual Executive Director, Corporate Planning & Engineering and Construction Services, Dialog Group Bhd</p>	<p>YBhg. Datuk Dr. Hafshah Hashim Chairman, Women Leadership Foundation</p>	<p>YBrs. En. Kamarul A Mohamed Founder & CEO of Aerodyne Group</p>
<p>ORGANISED BY:</p>		<p>SUPPORTED BY:</p>	



i-OGSE

The i-OGSE microsite was launched during the year as a one-stop portal on relevant information, public sector services and support. Curated by MPRC, this initiative, which is also one of the 31 recommendations from the National OGSE Industry Blueprint, aims to provide a single point of coordination in the Government for the OGSE industry to reach out to all Government support and services.



The main page for the i-OGSE microsite on MPRC's website.

The centralised microsite aims to further facilitate companies through the application process to encourage effective take-up of industry initiatives. Nonetheless, this initiative will not prevent any industry player, regulator (PETRONAS), government ministry/agency or other stakeholder from reaching out directly to the Government on OGSE-related matters.

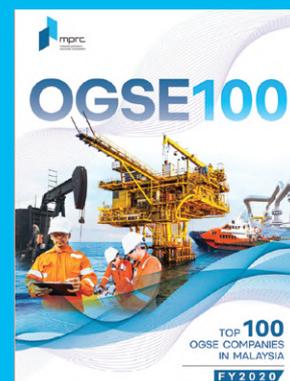
OGSE100

2021 also saw MPRC analysing and publishing the OGSE100 for FY2020, as part of MPRC's bid to advance information transparency about the health of Malaysia's OGSE industry. OGSE100 ranks the top 100 companies—public listed and privately-held entities—by their revenue.

The 2020 edition also saw MPRC, for the first time, reviewing the progress of sustainability reporting about 25 publicly held OGSE companies. And for the first time, we also analysed how the COVID-19 pandemic has impacted the Southeast Asian region's Oil and Gas industry.

The top 10 OGSE companies in Malaysia for FY2020 are:

1. MISC Berhad
2. Sapura Energy Berhad
3. Yinson Holdings Berhad
4. Bumi Armada Berhad
5. Dialog Group Berhad
6. Technip Geoproduction (M) Sdn Bhd
7. Wah Seong Corporation Berhad
8. KNM Group Berhad
9. Muhibbah Engineering (M) Berhad
10. Halliburton Energy Services (Malaysia) Sdn Bhd



MPRC TEAM ACTIVITIES

The COVID-19 pandemic and lockdown saw MPRC staff implementing Working from Home (WFH) arrangement for the most parts of 2021. Despite this, we were still able to carry out our mandate and initiatives to the industry.

VOLUNTARY ALLOWANCE DEDUCTION FOR COVID-19 EFFORTS

On 1 June 2021, Chief Secretary to the Government, Tan Sri Mohd Zuki Ali, announced that a portion of civil servants' allowances of three months will be channeled towards the 'Akaun Amanah Bencana', in support of the government's initiative to provide relief and financial aid to those affected by the pandemic. The contributions were a gesture of the civil service's solidarity, following former Prime Minister, Tan Sri Muhyiddin Yassin's announcement that all Federal Ministers and their Deputies would contribute their salaries for three months towards the relief fund. In response to the call for solidarity by the Malaysian Government, MPRC participated in the efforts and saw a 100% involvement from all staff, displaying the importance of voluntary efforts during the pandemic period.

MPRC LEAD PROGRAMME

The MPRC team also took part in the LEAD Programme, which was a leadership development programme introduced in 2013 specially designed for MPRC by the NHA Academy (previously known as NHA consulting). The programme took place from 9-11 April 2021 and throughout the programme, employees were exposed to different aspects of leadership (personal leadership, inter-personal leadership and business leadership) and included stakeholder management and productive conversation, all to help maximise leadership skills to accelerate commitment, alignment and results.



MPRC Team Activities

DOUBLE-VACCINATION PROGRAMME

We understood the importance of having a fully-vaccinated MPRC team to instill stakeholder confidence while also protecting ourselves and our community. We're pleased to note that we reached a 100% COVID-19 vaccination (2 doses) in the MPRC workplace on Sep 20.

MPRC CORPORATE RETREAT 2021

The MPRC Corporate Retreat was organised from 4-8 October 2021 amongst MPRC staff to participate and strategise new roles, initiatives, and mandate. The outcome of the Corporate Retreat saw the following achievements:

- An updated MPRC statement of purpose to describe the organisation's overarching existence to develop the OGSE industry.
- Endorsement from MPRC's Board of Directors and EPU's Energy Division for MPRC's five-year roadmap.



MPRC QUARTERLY TOWNHALLS

2021 saw MPRC conduct its townhalls on a quarterly basis, carrying out regular reflection as a team on essential updates from each department, team agendas, internal and external issues and important matters pertaining to the organisation. Some of the key highlights from the townhall session included MPRC's five-year Roadmap (2022-2027), MPRC's new statement of purpose, mission statement, strategic focus areas and strategic priorities for the organisation.

In addition, we also shared MPRC's soon to be introduced Anti-Bribery and Corruption Policy. Upon completion, the policy will serve as MPRC's foundation towards establishing and implementing an anti-bribery and anti-corruption system in the MPRC workplace.

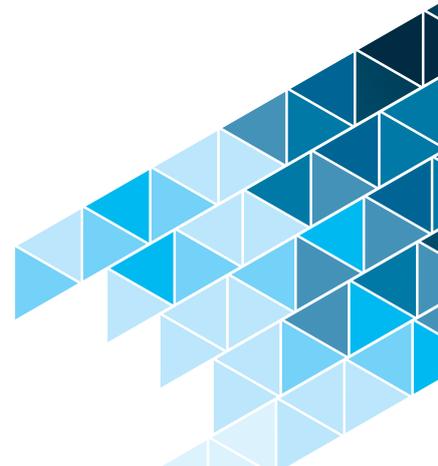
MPRC PRODUCTIVE GETAWAY 2021

The MPRC Productive Getaway (PG) took place from 19-20 November 2021 and was an opportunity for staff to work together to develop their respective team's Key Performance Indicators (KPIs), department budgets and any other requirements to implement all the initiatives for 2022. In addition, the PG served as a period of reflection on each department's successes, weaknesses and areas that will be helpful to learn from in order to identify strategies to improve for future corporate planning.



YEAR-END DINNER 2021

The MPRC team also held a year-end dinner for the staff as way of saying thank you for their hard work and efforts throughout the year.



MOVING FORWARD IN 2022 AND BEYOND - A PERIOD OF TRANSITION AND TRANSFORMATION

Amid an evolving landscape and as economies around the world charge full speed towards energy transition, various factors will play a significant role in the survivability of Malaysia's OGSE sector. In the coming years, these are some of the areas to look out for:

ADOPTING ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) REQUIREMENTS AND PRACTICES

Malaysia's OGSE industry will need to be ready to better prepare for a low-carbon, sustainability-focused future. This will likely see more companies announcing or pledging carbon emission targets while also diversifying their businesses into renewables.

There is also an expectation for Malaysia to match the pace of transition with international ESG standards today.

In addition, the Ministry of Finance has also mapped out the Government's initiatives on sustainable development goals (SDGs), allowing Malaysia to better match the national landscape of financing programmes with SDG-related projects. Overall, Budget 2022 included transition towards low carbon practices, environment and diversity, community empowerment and Malaysia plans to issue its first government sustainability sukuk in Malaysian Ringgit.

At MPRC, in the coming years, as part of our evolving focus, we will be supporting EPU in advancing the sustainability agenda within the OGSE and the broader oil, gas and energy industry.

ATTRACTING, TRAINING, AND RETAINING EMPLOYEES IN A TOUGH LABOUR MARKET

Employment and upskilling of the workforce continue to be one of the key priority areas seeing as lockdown measures during the COVID-19 have impacted jobs and sources of income across all industries, especially OGSE. In the OGSE industry, concerns abound that it would face difficulties in attracting, obtaining and retaining talent when the sector recovers.

One of the pain points that should be addressed is matching employable skills amongst local graduates against industry expectations. There is also a need for a wider pool of experienced talents to address the departure of experienced Malaysian OGSE talent to worthwhile opportunities in other oil-producing countries.

As more OGSE companies shift towards greener operations and practices, enhancements of new skills are needed. This would then involve employing technology and innovative approaches to reduce the carbon footprint for sustainable business growth such as big data and Artificial Intelligence (AI). Acquiring or developing skilled talent in these areas will prove to be essential to improve productivity, efficiency and safety in business operations.

Acknowledgement in the importance of ESG practices by OGSE companies also correlates to the changing talent needs, which was addressed in the Budget 2022 on efforts to encourage upskilling and training related to ESG. Today's generation of labour are more susceptible to join companies that have high ESG adoption, hence the importance for companies to shift towards more sustainable work practices.

Moving Forward in 2022 and Beyond - A Period of Transition and Transformation

Furthermore, in line with MPRC's areas of focus which will be carried out in the next five years, the **OGSE sector development** is a crucial component in driving this initiative forward. On this front, MPRC looks to solve the OGSE industry's fundamental issues related to competitiveness, resiliency, development and sustainability.

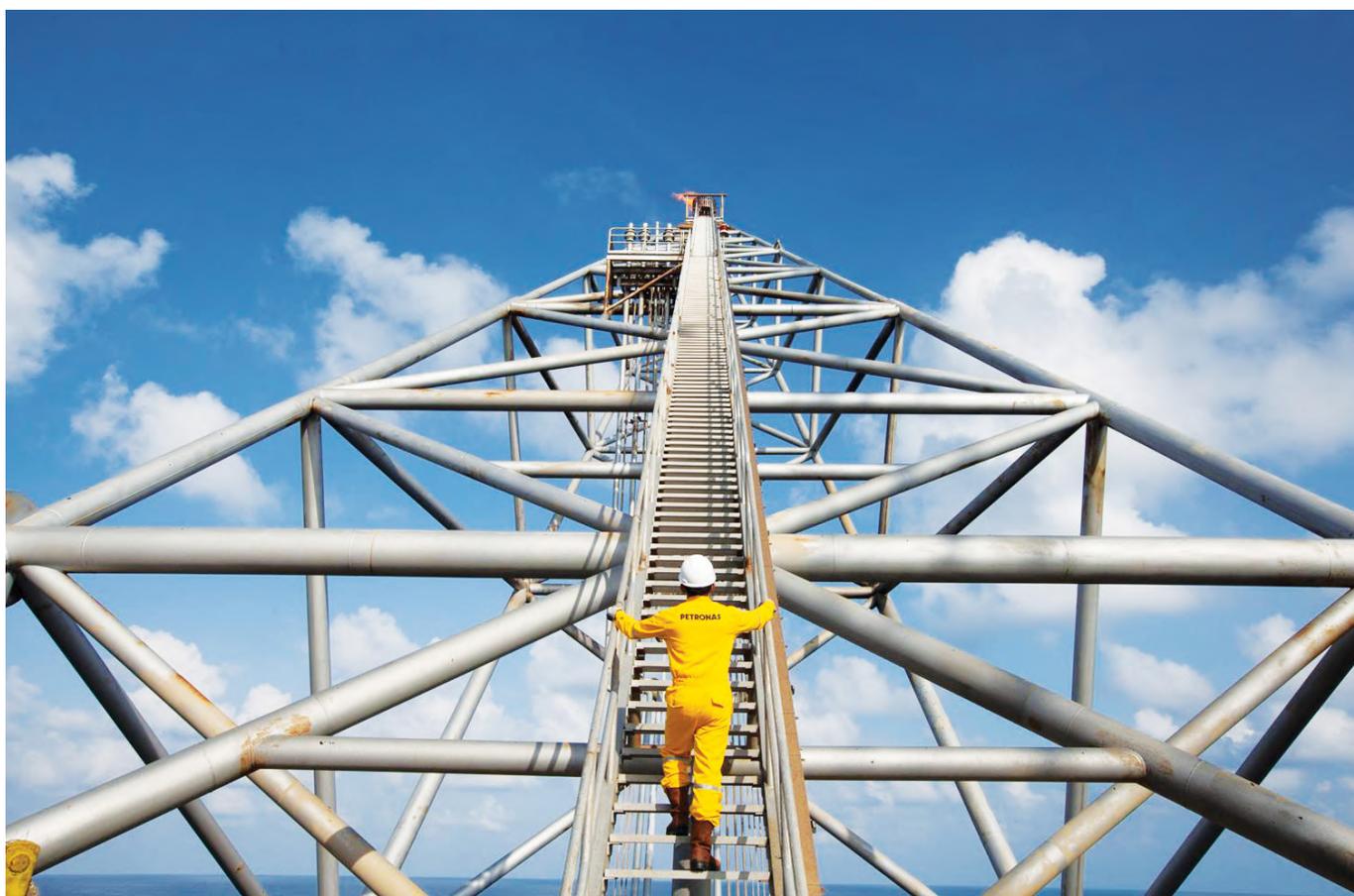
ALL IN - EVERYBODY HAS A ROLE TO PLAY

For Malaysia's OGSE companies to commit towards a greener future, there has to be a fine balance in providing secure and affordable access to energy, environmental sustainability and economic development, and financial survivability. This is where one of MPRC's core strategic focus area comes into play.

Setting up the proper ecosystems of policies, regulations and infrastructure are essential to promote wider usage of energy from clean and sustainable

sources to everyone. To embrace this energy transition, energy literacy and awareness must translate to a shift in behaviour and mindset towards sustainability. Even consumer behaviour must also shift towards more sustainable lifestyles.

With regards to **oil, gas and energy policy**, MPRC aims to deliver support to the EPU in providing research, consulting and policy advisory services. This is a vital role for MPRC as this illustrates the continuous assistance in helping the Malaysian Government to build up national resilience to drive nation's economy. Therefore, MPRC will continue to play its role in facilitating the Government and EPU to achieve its goals, long-term ambitions and give focus towards national efforts. Furthermore, as part of the sustainability agenda, we believe that supporting the Government and EPU will in turn, help the OGSE sector and spur more strategic collaborations that will create a robust, resilient and globally competitive Malaysian OGSE sector.



ACKNOWLEDGEMENTS

MPRC Would Like to Thank the Following Organisations for Their Support for Our Initiatives in 2021:

Advantage Austria	Malaysian Gas Association (MGA)
Aerodyne Group	Malaysian Institute of Corporate Governance (MICG)
Bank Negara Malaysia (BNM)	Malaysian Investment Development Authority (MIDA)
Bursa Malaysia Berhad	Malaysian Oil and Gas Engineering Council (MOGEC)
Cradle Fund Sdn. Bhd.	The Malaysian Oil & Gas Services Council (MOGSC)
CGS-CIMB Securities Sdn. Bhd.	Malaysia OSV Owners' Association (MOSVA)
Department of Statistics Malaysia (DOSM)	NanoMalaysia Berhad
Energy Division, Economic Planning Unit (ED EPU)	Ocean Vantage Holdings Berhad
Economic Planning Unit (EPU)	Petroleum Nasional Berhad (PETRONAS)
Environmental Resources Management (ERM)	ProEight Sdn. Bhd.
Hibiscus Petroleum Berhad	Prime Minister's Department
Johor Petroleum Development Corporation Berhad (JPDC)	Serba Dinamik Holdings Berhad
Keyfield Offshore Berhad	SME Corporation Malaysia
Kumpulan Wang Persaraan (KWAP)	SPIE Oil and Gas Services Malaysia
The Malaysian Anti-Corruption Commission (MACC)	Unit Peneraju Agenda Bumiputera (TERAJU)
Malaysia External Trade Development Corporation (MATRADE)	Universiti Kebangsaan Malaysia (UKM)
Ministry of Education (MOE)	Universiti Teknologi PETRONAS (UTP)
Ministry of Finance (MOF)	Uzma Berhad
Ministry of Human Resource (MOHR)	Velesto Energy Berhad
Ministry of International Trade and Industry (MITI)	Women Leadership Foundation

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