



## HIGHLIGHTS

# Highlights from MOGSEC 2016

Malaysia Petroleum Resources Corporation (MPRC) once again returns to The 3rd Malaysia Oil & Gas Services Exhibition and Conference (MOGSEC) 2016 with an exciting line-up of programmes. This year, MPRC brought together six key exhibitors—MIDA, MTDC, RHB Bank, University of Malaya, Universiti Teknologi PETRONAS and Heriot-Watt University to exhibit at the Innovation Pavilion.

The Innovation Pavilion is the platform and avenue to bridge OGSE firms with

Malaysia-based academic institutions and the financial services industry. MPRC believes that MOGSEC 2016 was a huge success and we would like to congratulate the organising committee and taskforce members for the great effort in making it an eventful one. Throughout MOGSEC 2016, we have received overwhelming support from the Malaysian Oil & Gas industry and other stakeholders; we hope our endeavours continue to stoke the flames of ambition in making Malaysia a thriving hub for OGSE activities in Asia Pacific.



PETRONAS' President & Group Chief Executive Officer, Datuk Wan Zulkiflee Wan Ariffin, Zamri Jusoh, PETRONAS VP, Malaysian Petroleum Management, Malaysia External Trade Development Corporation (MATRADE) Chief Executive Dato' Dzulkifli Mahmud and Datuk N. Rajendran, Malaysian Industrial Development Authority (MIDA) Deputy Chief Executive Officer at the official launch of Innovation Pavilion and MPRC's trio of publications—SME GROW FY2014, Financing Schemes for OGSE Companies and Doing Business in Southeast Asia 2016-2017

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**Meet-The-Expert Talk**  
at Innovation Pavilion

**Innovation Pavilion and Publications Launch**

by Datuk Wan Zulkiflee Wan Ariffin, President & Group Chief Executive Officer, PETRONAS

**Industry-Academia Collaboration Recognition Ceremony**

by Bacho Pilog, Head of Production & Operations Management, PETRONAS

**3 New Publications:**

- SME Grow FY2014
- Doing Business in Southeast Asia 2016-2017
- Financing Schemes for OGSE Companies 2016



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## Highlights from MOGSEC 2016



Group photo: Bacho Piong, Head of Production & Operations Management, PETRONAS, MPRC's representatives, OGITeC Cluster Lead and respective Industry-Academia partners at the Innovation Pavilion



Bacho Piong, Head of Production and Operations management PETRONAS, during the plaque signing ceremony to officiate the Industry-Academia Collaboration for R&D



Datuk Shahrol Halmi, President/ CEO of MPRC during the plaque signing ceremony to officiate the Industry-Academia Collaboration for R&D



Puan Sharifah Zaida Nurlisha Syed Ibrahim, President, The Malaysian Oil & Gas Services Council (MOGSC) accompanying PETRONAS' President & Group Chief Executive Officer, Datuk Wan Zulkiflee Wan Ariffin during his VIP tour at the Innovation Pavilion



(From left) Azmel Rasheed, Vice President, Human Capital & Technology, MPRC, Associate Prof. Dr. Arham Abdullah, Director, Industrial Relations, Ministry of Higher Education, Professor Dr Rofina Yasmin, Associate Vice Chancellor, Industry and Community Network, University of Malaya



(From left) Syahiran Amir Hamzah, Assistant Director Oil and Gas Division, Malaysian Investment Development Authority (MIDA), Masni Muhammad, Director, Oil & Gas Services Division, MIDA, Syed Azlan Syed Ibrahim, Senior Vice President, Industry and Market Enabler, MPRC, Datuk N. Rajendran, Deputy Chief Executive Officer, MIDA, Azlan Mohd Yusof, Executive Director, Services Development, MIDA



MPRC's Innovation Pavilion at MOGSEC 2016



MPRC's team at the Innovation Pavilion on the 1st day of MOGSEC 2016

## HIGHLIGHTS

# Get to know our exhibitors

**M**PRC is proud to have brought together six key exhibitors—MIDA, MTDC, RHB Bank, University of Malaya, Universiti Teknologi PETRONAS and Heriot-Watt University —at the 3rd MOGSEC 2016. We spoke to them at length to learn about the various initiatives and/or programmes available that can bring about transformational changes to the Malaysian OGSE landscape. Excerpts of the interviews with our exhibitors are as follows:

*Note: We will feature an extensive interview with Malaysian Investment Development Authority (MIDA) in the next edition of our e-Newsletter. Stay tuned for more updates.*

## Malaysian Technology Development Corporation

### Can you share a background on MTDC and its various initiatives?

MTDC was established under the National Council for Scientific Research and Development with the objective to promote technology transfer via the commercialisation of local research output and through the introduction of strategic technologies into the country.

Our technology development ecosystem is not limited to any particular industry. It consists of the provision and management of grants, soft loans and equity funding as well as technology incubation services in partnership with local institutes and universities. We also offer advisory and nurturing services for local technology companies.

### What are some of the key features of your initiatives and could you share some of your successful examples?

What is special about us is that we do not just provide funding, but we cover the complete equation of technology



development which includes incubation and advisory services. This is because we place emphasis on the sustainability of the technologies that are being developed and commercialised.

Our team is available to assist companies in terms of the help that they may require. For example, if they have a marketing issue after the technology has been commercialised, then our expert will come in to assist. The hand-holding part is what differentiates us from other bodies.

### In your view, how will your firm's initiatives help to drive development and improve the OGSE industry?

While we are proud to say that the oil and gas industry is the biggest contributor to the nation's income, it is also the industry that is the biggest spender on foreign equipment. To help reduce this outward cash flow, we collaborate with our partners such as MPRC and our local universities to actually bring the technologies available in the universities out into the market.

Through this, we can develop and commercialise more indigenous technology and in the future, even export it. This would enable us to increase our income.

### Lastly, I would like to get you thinking a bit differently. Imagine we are now in 2020 and what your organisation has done has led to a lot of changes. Malaysia has a robust OGSE ecosystem and its players are globally competitive. What do you think would have taken place over the years to have that become a reality?

I believe that the government should give more exposure on industries in which we already have quite an expertise in, for example oil and gas. We already have a history of oil and gas development that stretches back 40 years in this country and as such, we should be ready to capitalize on the talent that we have. We should leverage on our experience and expertise to develop technologies that not only can be used domestically, but be exported as well.



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## HIGHLIGHTS - GET TO KNOW OUR EXHIBITORS

### RHB Bank

#### Can you tell us more about the solutions or initiatives you have introduced to help the OGSE players? and its background?

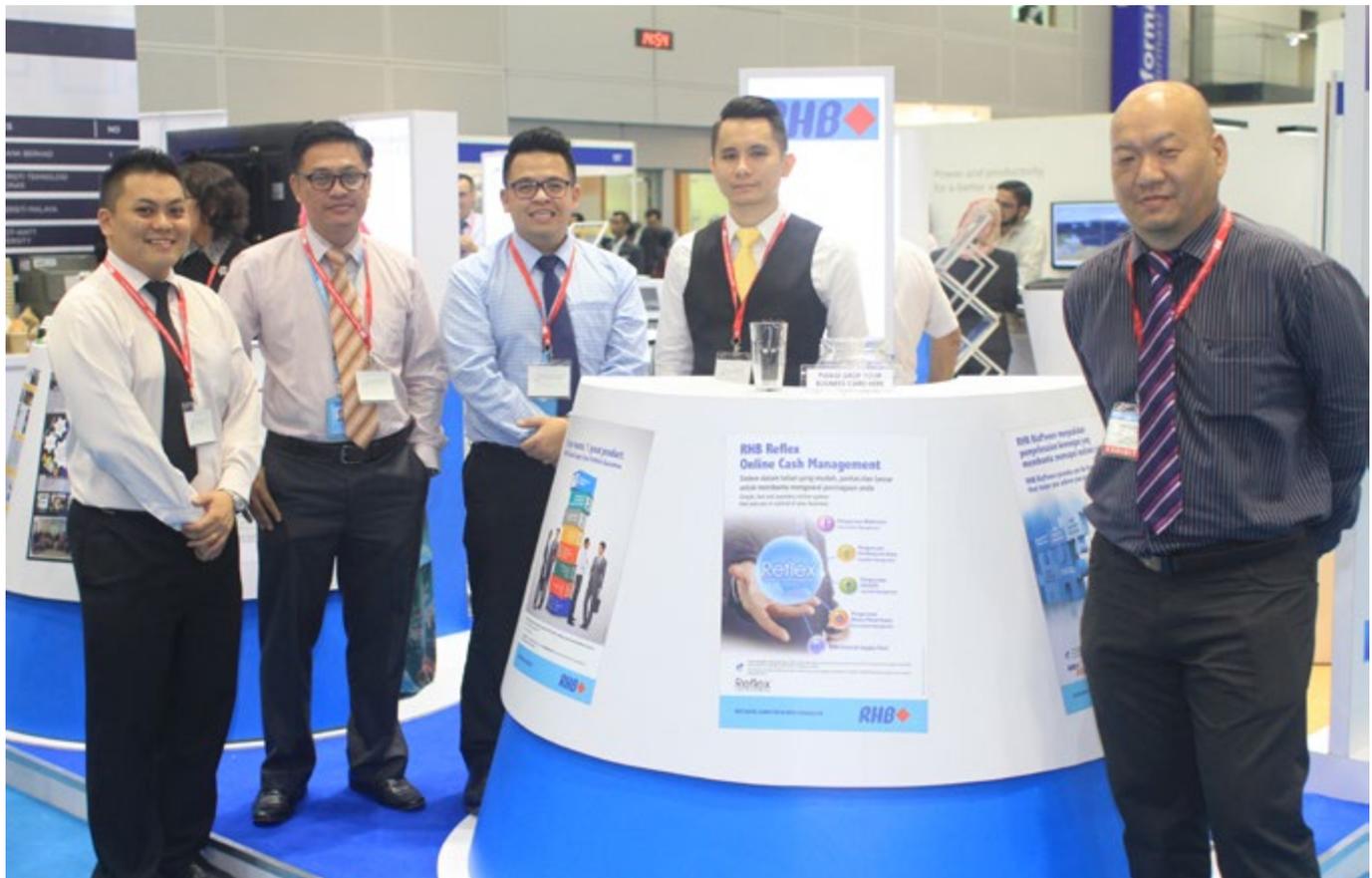
The Biz Power solution is aimed at helping SMEs to grow and allow them secure working capital and fixed asset financing needs on fast track basis. Our other product, the Financial Supply Chain solution can help SMEs link to its network web primarily to ensure they can complete their daily trade financing transaction end to end.

#### What are some of the key features of your products and what are some successful examples?

Our Biz Power solution as well as comprehensive branches network and business centres assist RHB to meet the financing needs of SMEs by assigning scores to standard documents submissions, while the Financial Supply Chain allow SMEs to use RHB REFLEX online banking to resolve and settle daily trade transactions and collections.

#### How will the initiative(s) offered by your firm help to drive development and improve the OGSE industry?

Biz Power solution can assist in the funding needs of SMEs in OGSE objectively to develop the industry, while Financial Supply Chain allow SME to link its buyers and sellers via online banking transactions.



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## HIGHLIGHTS - GET TO KNOW OUR EXHIBITORS

### University of Malaya



**Can you share with us your initiatives or programmes aimed at improving the OGSE industry?**

As a Research University, UM focuses on technology creation and innovation via collaboration with the industries and other research institutions. Hence the establishment of Innovation Incubator of University Malaya (I2U) Complex.

**What are some of the key features of your initiatives and what are some successful examples?**

The I2U Complex will served an accelerator for UM's innovation and technologies productisation, based on four different types of disciplines; namely Oil & Gas, Life Sciences, Physical Engineering and ICT/IoT.

**How will the innovation/ R&D/ initiative(s) offered by your institution/ agency help to drive development and improve the OGSE industry?**

As a full service incubator, I2U Complex will also house a MAKERSPACE which focuses on IoT. It will be a great addition the OGSE industry which at most only focuses on their hard-tech.

**Lastly, I would like to get you thinking a bit differently. Imagine we are now in 2020 and what your organisation has done has led to a lot of changes. Malaysia has a robust OGSE ecosystem and its players are globally competitive. What do you think would have taken place over the years to have that become a reality?**

In 2020, hopefully the OGSE scene in Malaysia is more dynamic, and most of the players become technology owner instead of just distributorship.



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## HIGHLIGHTS - GET TO KNOW OUR EXHIBITORS

### Universiti Teknologi Petronas



**What is the UTP programme or initiatives that can help the OGSE industry that you can share with us? Can you also share a background on this?**

UTP offers industry partnerships and collaboration, which we believe to be very important in ensuring our continued relevance. In fact, my office, the Strategic Alliance Office—was established primarily to drive more industry involvement and collaboration on campus. We engage industry in a wholesome way in terms of supporting teaching, enhancing students' experience as well as spurring technology development.

We have been successful in working with big players such as Schlumberger, Technip and Halliburton either for funding, internship placement or research, but we have not been as successful with smaller local companies. Our collaboration with MPRC was aimed bridging this gap, so that these companies we can leverage on each other's strengths and needs to create impact.

We have basic, applied, development prototyping, as well as testing facilities which are open and available for our partners to use. We have collaborations with more than 22 industry partners and 80 universities worldwide, as well as more than 400 companies for internships.

**What are some of the key features of your programmes and what are some successful examples?**

There are 14 research centres on campus. We prioritise long-term collaboration between these research centres and

companies. However, we also have collaboration work for more short-term problem solving such as designing molds and mechanical components. This has proven to be more successful in terms of involving smaller local companies.

One success story is our collaboration with CPOC, whereby we developed a software solution for membrane quality prediction. The solution that was developed helped in reducing operational costs for offshore platforms by allowing testing to be simulated and done using a software. This eliminated the need to remove the membrane manually hence reducing costs.

Another success story is when our Centre for Biofuel and Biochemical Research (CBBR) collaborated with a company to develop methyl esters from renewable biomass. It has a much shorter reaction time, as well as a much lower energy requirement when compared to the conventional method of production.

Given this, we believe that we have the capacity to work together with the industry to create innovation that is relevant.

**How will the programmes or initiatives offered by your university help to drive development and improve the OGSE industry?**

In a sense we are different from other universities in Malaysia because the majority of our effort is in the oil and gas industry, from basic and applied research to pre-commercialisation. We have some technologies licensed and adopted by the industry.

Many of our Malaysian companies are not developing indigenous technology. Instead,

they bring in technology from outside the country which has a proven track record. Helping develop technology is our way of developing the OGSE industry because at the end of the day, we are increasing local technology content.

We face the challenge of trying to communicate the technologies that are available in the universities. As such, our collaboration with MPRC under the OGITEC cluster would hopefully help address this issue.

**Lastly, I would like to get you thinking a bit differently. Imagine we are now in 2020 and what your organisation has done has led to a lot of changes. Malaysia has a robust OGSE ecosystem and its players are globally competitive. What do you think would have taken place over the years to have that become a reality?**

The main challenge with the O&G industry is that it is a high-risk industry. Many of the operators are very cautious to try new innovation and technology, especially if it is developed locally without as extensive a track record when compared to technology developed outside.

Despite this, we continue to develop new technology that are proven in our labs and even tested in pilot cases. However, we lack the opportunity to test them on the actual fields, platforms and rigs. My wish is for that platform to be available so that we can actually do so and accelerate local technology development. UTP, along with MPRC under the OGITEC cluster should convince the operators and policy makers to allow us to have the platform to better collaborate with the industry.



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## HIGHLIGHTS - GET TO KNOW OUR EXHIBITORS

# Heriot Watt University

**Besides the “low tolerance for failure culture”, what do you see are key barriers for adopting open innovation within the oil and gas industry?**

The need to find appropriate balance between risk and economics in terms of adopting new technologies in the industry is probably the major barriers to open innovation. Innovators generally challenge boundaries and are not afraid of failure, so addressing this balance is key. To overcome this, people who are inventing or innovating in that space need to start having open or more open dialogue with people in the oil and gas industry. This could then allow the inventors to find real requirements within the ecosystem. Remember, every innovation is a replacement for something.

**Can you elaborate further on the risks mentioned earlier?**

Everything from catastrophic risk of failure of production to innovation that isn't properly work through. In terms of early adoption, you need to have things like for example, an open space for piloting, incubating space and giving people to try new technology.

**From the two case studies you have shared, Heriot-Watt has made significant strides in accelerating an innovative culture in Scotland's oil and gas industry. Malaysia, as you have heard from my colleague Azmel, wants to inculcate innovative culture and further strengthen**



**the collaboration between universities and the industry. What would you say are key learning points in this journey towards collaborative innovation?**

It is important to understand the customer or both parties for successful engagement of ideas. Traditionally, people in the industry think that working with the universities is weird, in terms of the pace at which the universities operate, which may be at a slower pace. This isn't the case for academics today. The academic culture went through significant changes in the last 10 years. Today academic staffs are required to do industry-relevant research. They also need to have strong engagements with the industry in order to understand industry trends.

In terms of getting academia and industry work together in Malaysia, MPRC's effort is good; trying to get people together, trying to start innovation for us where people can start to communicate and build collaborative entities.

**We heard about your two case studies in Edinburgh. What is HW bringing to its Malaysian campus? Is HW looking at research collaborations in oil and gas with Malaysian oil and gas services and equipment companies?**

At the moment, we are focusing on teaching. Education is fundamental to innovation. We do have plans to develop number of activities over the years. But, our focus for now is to have a fully-functioning university campus here in Malaysia's administrative capital of Putrajaya. We are willing to sit down and talk to people from services sector.

In terms on MPRC's initiatives for funding, we would go to get grant funding and help Malaysia Oil & Gas industry and do some structured research.

**Lastly, I would like to get you thinking a bit differently. Imagine we are now in 2020 and what your organisation has done has led to a lot of changes. Malaysia has a robust OGSE ecosystem and its players are globally competitive. What do you think would have taken place over the years to have that become a reality?**

By 2026, my son will be 28 years old. He would've had 15 years' experience in playing collaborative computer games and a long history of computer-based communication.

With the advances we see in new communication and new media, I think this will change the oil and gas landscape dramatically in the coming years.

At the same time, I also think that Malaysia will be well-placed to be a hub for reservoir and well-performance activities.

I think you have to consider a lot of whole things for next 10 years ahead. Going back to what I said, you need to have good fundamentals in petroleum engineering to make sure you understand your the supply chain, at a time when the supply chain is becoming more complex and widespread in data communication.



## EVENTS

# 3rd MPRC's Industry Networking and Talk- Statoil's Long-Term Energy Outlook and what it means for us (Part 1)

Malaysia Petroleum Resources Corporation on September 9 hosted its signature talk series, the MPRC Industry Networking and Talk, or MINT with guest speaker Eirik Waerness, senior vice president and chief economist of Statoil and an impressive lineup of panel participants including oil and gas veteran Dato' Wee Yiau Hin and the Boston Consulting Group Kuala Lumpur's partner and managing director Rick Ramli. Below are excerpts from Statoil's Eirik presentation. Excerpts of the panel discussion will be available in the fourth quarter of our newsletter.

## What will shape the global energy landscape by 2040?

Everyone can fly and everyone is flying thanks to the growth of Asia's prospering middle-class consumers. These consumers, with more disposable income, will power energy consumption in decades to come. To those in oil and gas industry—which is going through one of the most transformative periods in history—this meant “we will not be in the current oil price regime forever,” said Eirik Waerness, senior vice president and chief economist of Norway's Statoil as growth in aviation travel will lead to more demand for aviation fuel.

In presenting Statoil's annual Energy Perspectives report, which describes how global economy, international energy

markets and energy-related greenhouse gas emissions develop, based on three different scenarios: Reform, Renewal and Rivalry, Waerness noted that “Asian oil and gas demand will grow in all scenarios.”

Based on Statoil's projections, oil and gas demand in this region—home to more than five million people—at the very least, will need 2.7 million barrels of oil or 10% more, by 2040 in the Renewal scenario and 50% more in the Rivalry scenario.

Similarly, Waerness predicts that Asia will need to import more gas, either from Russia, Australia or the Middle East in order to meet future demand.

## The Three Scenarios: Reform, Renewal and Rivalry

Energy Perspectives 2016 was prepared by Statoil's team of analysts in various fields, from macroeconomics to climate policies and geopolitics. The Reform story is based on the national climate targets set under the Paris COP21 agreement, which places more restrictive measures in policies over time.

Renewal paints an ambitious energy and climate landscape in the future, where nine out of 10 cars sold in 2040 will be hybrid or electric vehicles. Waerness also said this scenario assumes there'll be a transformation in the electricity sector,

where sun and wind will account around 40%-45% of global electricity generation, up from the current 5%.

In Rivalry, the landscape will be further impacted by geopolitical conflicts, more diversified regional development and a lack of coordinated policies. “In this scenario, there's less improvement (in carbon emission levels and energy mix). And if this continues, we will become increasingly worried about supply and security.”

While the three scenarios can drive development in a different way, Waerness emphasised that the analysis reveals the need for major investments in the entire energy landscape, from oil and gas, to renewables, infrastructure and storage by 2040.

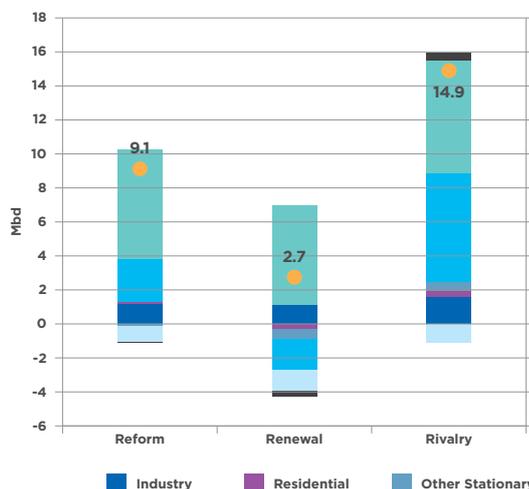
“The conclusion is, we will need huge investments in renewable energy (to improve global energy mix), but even more investments will be needed in oil and gas by 2040 to meet future demand,” he said.

In reference to aviation travel trends in Asia Pacific, the number of travellers from China has grown from 10 million people in the last decade to about 150 million in 2015. “If this trend continues to 2040, we will have eight billion air movements by the Chinese alone,” he said. If you think about it that is a lot of aircraft and a lot more aviation fuel needed to fuel airspace travel.

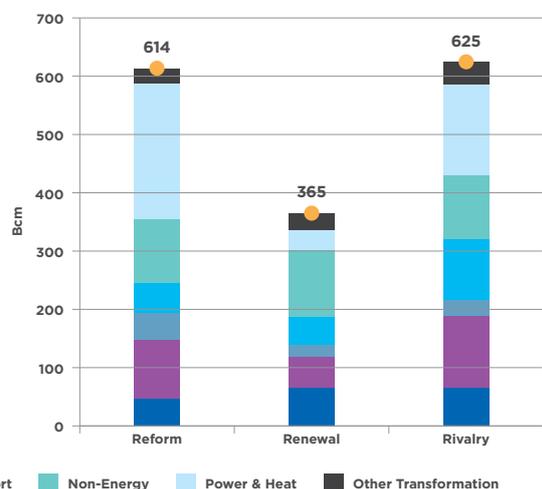
## Asian oil and gas demand will grow

Depending on scenario - but non-energy demand growth is significant

CHANGE IN OIL DEMAND 2013-2040



CHANGE IN GAS DEMAND 2013-2040



## EVENTS

# Meet-The-Expert Session at Innovation Pavilion 2016

## Underwater Development & Business Opportunities

As one of the fund recipient company by the Malaysia Technology Development Corporation (MTDC), Bermuda Subsea that is led by the Managing Director, Zainal Abidin Mohd Noor had the opportunity to share its company's capabilities and expansion plans at the Meet-The-Expert Talk session at the Innovation Pavilion on the 2nd day of MOGSEC 2016.

The subsea oil & gas technology is advancing to meet the requirements of increasingly demanding production environments, with deeper water, higher reservoir temperatures and pressures. Bermuda Subsea sees the importance in this niche area, and have taken the

opportunity to expand their businesses to also look at providing an end-to-end underwater services and solutions. They have developed into one of key self-operated underwater services firm for commercial projects through the work they have done over the years. With their track records and experiences, enable them to receive a RM 10 million worth of funds from MTDC to help them in growing their business and to continue manufacture and servicing the competitive market.

As shared by Zainal, "Bermuda Subsea has its own system, besides manufacturing our own diving system, we also train local ROV

pilot and to date we have successfully trained up to 100 over highly trained ROV pilot. We envision to be the leading full range ROV solutions provider and remains as the preferred company by Clients in the underwater and offshore environment."

Bermuda Subsea, founded in 2008, focuses on providing underwater services for remotely operated vehicles (ROV) and diving services for the domestic and regional oil and gas (O&G) markets. Bermuda's objective is to be one of the successful underwater specialists with locally owned equipment and stimulating the growth of local suppliers and vendors to be in underwater cluster program.



Zainal Abidin Mohd Noor, Managing Director from Bermuda Subsea (M) Sdn Bhd, sharing the background of his company

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## EVENTS - MEET-THE-EXPERT SESSION AT INNOVATION PAVILION 2016

### Growing Local Capabilities Through Domestic Direct Investment Initiative

MIDA's Domestic Investment Strategic Fund (DISF) plays an important role in developing local capabilities in OGSE and other industries.

Launched by the Government in July 2012, DISF hopes to accelerate the shift of Malaysian-owned companies in targeted industries to value-added, high-technology, as well as knowledge-intensive and innovation-based industries.

DISF is also well-placed to harness and leverage on out-sourcing opportunities, according to Syahiran Amir Hamzah, assistant director at MIDA's Oil & Gas division.

"From companies that are bidding for oil and gas projects or companies looking to acquire another local companies, but are unable to obtain funding, MIDA is in the position to step in and help provide grants," he added.

Beyond DISF, Syarahan added that MIDA can offer other forms of assistance and incentives on the training of Malaysians in technical areas, modernisation of facilities, R&D activities that are carried out in Malaysia as well as international standards, certification, licensing and the purchase of new technologies.

"Incentives are also available to companies that acquire foreign high-technology

companies as well as production firms," he added.

The Malaysian Investment Development Authority (MIDA) is the government's principal agency for the promotion of the manufacturing and services sectors in Malaysia. MIDA assists companies which intend to invest in the manufacturing and services sectors, as well as facilitates the implementation of their projects. In recent years, Malaysia has also created a vibrant market for merger-and-acquisition activities to acquire key resources such as technology, capabilities, physical space as well as key personnel.



Syahiran Amir Hamzah, Assistant Director, Oil and Gas Division from Malaysian Investment Development Authority, delivering his talk on growing the local capabilities through DDI initiative

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## EVENTS - MEET-THE-EXPERT SESSION AT INNOVATION PAVILION 2016

### Oil & Gas Innovation Technology Clusters Let the Innovation Conversations Begin

At the recent Malaysia Oil and Gas Services Exhibition and Conference 2016, Innovation Pavilion was focused on creating robust conversations between enablers such as research universities, OGSE companies and operators, to spark win-win collaborations, and generate new ideas to solve existing pain points.

“For innovation to take place means having a lot of meaningful, lively conversations. We hope the platform we have in place can ensure these conversations continue,” MPRC Vice President for Human Capital and Technology (Development) Mohammad Azmel Harun Rasheed said at MOGSEC 2016’s Innovation Centre.

Besides Innovation Pavilion at MOGSEC 2016, MPRC has played host to a number of programmes and forums since the beginning of the year. The Oil and Gas Innovation Forum in April, which came on the heels of the launch of Oil & Gas Innovation and Technology Clusters (OGITeC) in Nov 2015, was a step closer

towards building an innovation community that can work together to create technologies that help boost efficiencies in E&P, among others.

This community is now thriving, and with eight R&D collaborations currently taking place, also showcased the importance of creating a platform such as OGITeC – which bridges innovators and researchers, operators and companies.

“The [OGITeC] model we have created is simple, but effective. We created a platform where all key players can congregate, be it foreign or domestic OGSE companies, then connect them via OGITeC to operators and enablers. Through this platform, we hope it’ll lead to win-win solutions for all parties involved,” Azmel said.

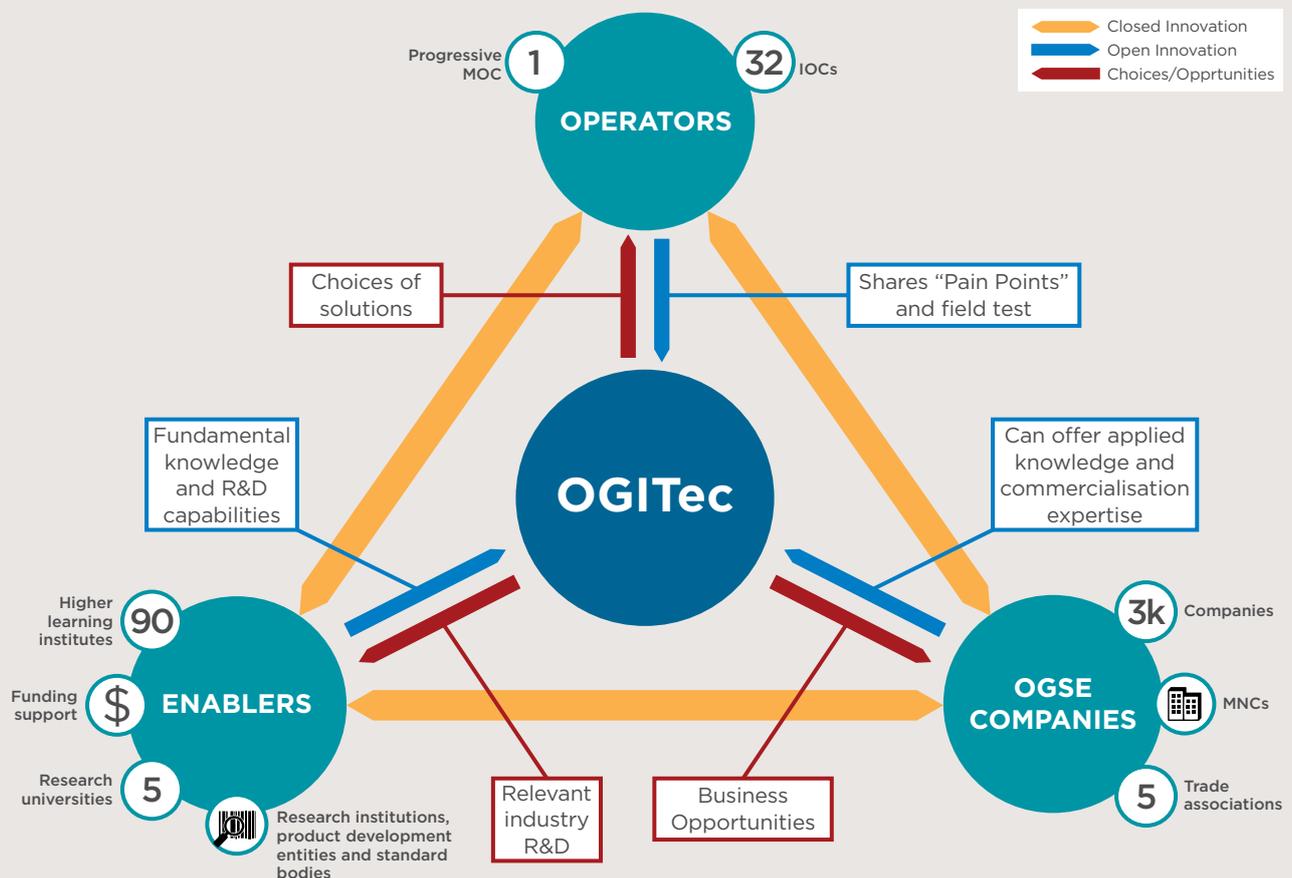
Azmel also emphasised that technology and innovation are key to the long-term sustainability of Malaysia’s OGSE industry and as Malaysia steps up its initiatives in

establishing the nation as the preferred hub for OGSE activities in Asia Pacific.

“You can find highly competent Malaysian OGSE companies. But the question is, can these OGSE companies with their existing capabilities sustain in the long run? Are they competitive enough? Through our analysis of the industry, a significant number of our OGSE players have low technology ownership and remains heavily reliant on domestic jobs,” he said.

Azmel added that OGSE companies needed to learn from the successes of its Norwegian counterparts. “Although Norway’s oilfield services companies were developed around the same time as Malaysia, their players have grown to become successful global players. Thus Norway serves as an ideal benchmark for Malaysian OGSE companies to aspire to. And there’s no better time than now for Malaysian OGSE companies to develop new technologies.”

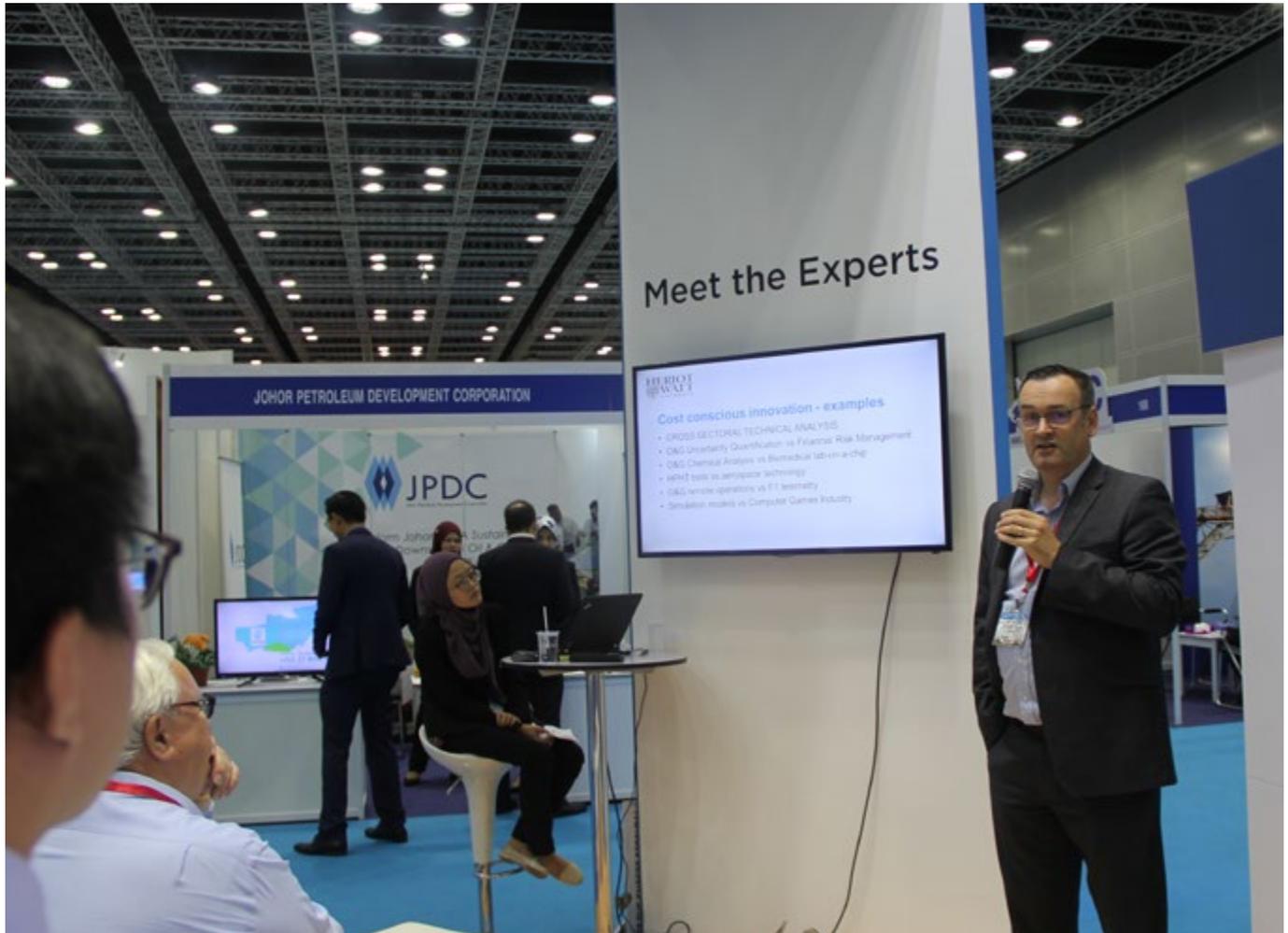
### A Platform to Connect and Develop Home-Grown Technology and Innovation



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## EVENTS - MEET-THE-EXPERT SESSION AT INNOVATION PAVILION 2016

## Collaborative Innovation in a Cost-Conscious Market



Gordon Winton, Director of Business Development, Petroleum Engineering, from Heriot-Watt University, delivering his talk on "Collaborative innovation in a cost-conscious environment: Examples and Advice from Scotland" at the Meet-The-Expert session.

At the recent MOGSEC 2016, a Heriot-Watt University representative shared his view on oil and gas innovation progress in Scotland at a time when the industry is undergoing a significant period of change.

Gordon Winton, business development director at Heriot-Watt's Institute of Petroleum Engineering, which is responsible for facilitating collaborative research across IPE said there's a push among academic institutions and academic researchers in the UK and Scotland towards industrial applied research as well as identifying solutions that can "address market priorities."

"In UK today, universities are increasingly being measured by their impact to the economy and society...how research and new discoveries can make a difference to businesses and people. Therefore,

development of IP is now seen [by universities] as an important product rather than by-product, thereby making commercialisation of IPs far more critical than before," Winton said.

"What's being addressed now at UK and Scotland universities is the seamless transfer of knowledge to supply chain. Also equally important, is how universities can learn from supply chain innovators."

To address this, Winton said that the Scottish government established an Innovation Centre programme in 2012, to support transformational collaboration between universities and businesses.

"This [programme] has the support of the industry and draws on Scottish universities' research expertise to work on problems, create solutions for industry, and thus,

create positive impact to the industry players. This is a beneficial circle as these innovation projects not only resolves industry problems, but also an avenue for researchers to gain project ideas," he said, adding that successful collaborations with universities can mean significant headways in industry development.

"The current oil price environment is a great time for collaborative innovation and to keep the innovation conversations flowing, be it within the industry or with other industries. We have seen how F1 telemetry is adopted in oil and gas, and how it can improve processes and reduce lag-time. So, for Malaysia oil and gas industry, get the conversations [between universities and industry] going. The window of opportunity is now."

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## EVENTS - MEET-THE-EXPERT SESSION AT INNOVATION PAVILION 2016

### MTDC Commercialisation Funding

Speaking at MPRC's Innovation Pavilion during MOGSEC, Senior Vice President of the Malaysian Technology Development Corporation (MTDC), En. Idjarmizuan Ibrahim, emphasised the importance of Malaysian OGSE companies in developing their own technology for use in the oil and gas industry. He also took the opportunity to present on grants, soft loan financing schemes, and incubator and advisory services that MTDC can offer to Malaysian OGSE technology developers. He further emphasised that there is an urgent need to increase local technology content in order to decrease reliance on foreign technology imports for the oil and gas industry, as it is the largest contributing segment to the nation's economy.

"We already have a history of oil and gas development that goes back 40 years in this country. As such, we should be ready to capitalise on the talent that we have," said En. Idjarmizuan. He added that Malaysia "should leverage on our experience and expertise to develop technologies that not only can be used domestically, but be exported as well."

Additionally, he said that MTDC was well-placed to offer a whole spectrum of funding and advisory services to help Malaysian OGSE companies commercialise their technologies.



Idjarmizuan Ibrahim, Vice President - Fund Management Division, from Malaysian Technology Development Corporation (MTDC), delivering his talk on the MTDC Commercialisation Funding

Some of the financing schemes available under MTDC include grants such as the Commercialisation of Research and Development Fund (CRDF) and the Technology Acquisition Fund (TAF), as well as soft loan and equity funding such as the Business Start-Up Fund (BSF), the Business Growth Fund (BGF) and for Bumiputera companies, the Business Expansion Fund (BEF). In addition, MTDC

also has technology incubation centres at FRIM, UTM Skudai, UKM, UPM and UITM, as well as advisory and nurturing value added services such as project management, technology development, fundraising, business development and others. For more information, companies are encouraged to visit MTDC's website at <http://www.mtdc.com.my/>



## MTDC's FUNDING - OVERVIEW

<b>Appointed by the Government since 1997 to manage Government grants</b>	<ul style="list-style-type: none"> <li>• Commercialisation of R&amp;D Fund (CRDF)</li> <li>• Technology Acquisition Fund (TAF)</li> </ul>
<b>10th Malaysian Plan</b>	<ul style="list-style-type: none"> <li>• Business Start-up Fund (BSF)- Convertible loans</li> <li>• Business Growth Fund (BGF)- Hybrid fund</li> </ul>
<b>MTDC Roles</b>	<ul style="list-style-type: none"> <li>• To identify, finance and develop potential companies in strategic technology areas</li> <li>• To focus on commercialisation of public sector research results</li> <li>• To identify and transfer emerging and strategic technologies for adoption by industries</li> </ul>

## PROMOTIONS

# Our Signature Publications

**W**e have recently launched three of our signature publications during MOGSEC 2016. Each of our publication is carefully produced and published in house with the hope that all of these publications will serve as a useful reference to our stakeholders and other industry players.

We will feature more in-depth content of each publication in the next edition of our e-newsletter. Stay tuned for more updates!



### SME GROW FY2014

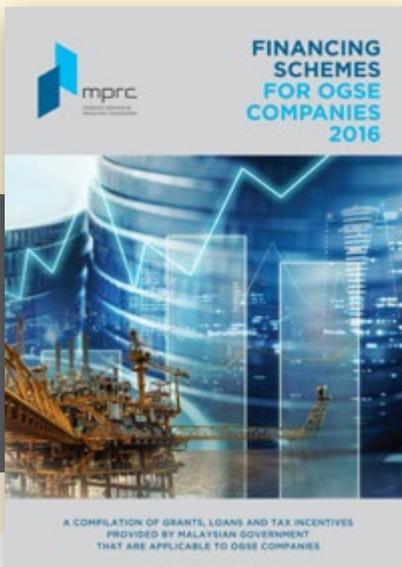
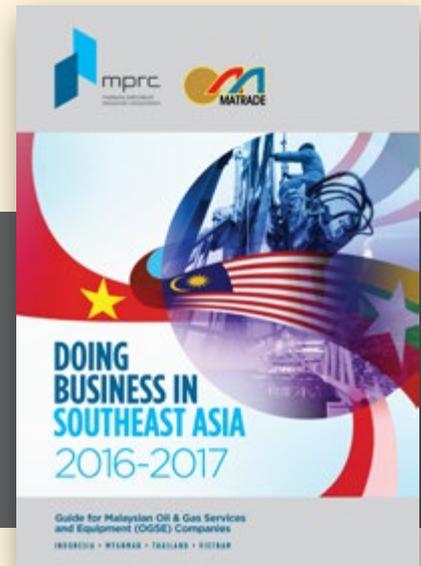
SME GROW lists active Oil & Gas Services and Equipment (OGSE) Small and Medium-sized Enterprises (SMEs) with the potential to grow from the SME segment into Mid-tier companies. SME GROW applies a filtering process to identify a number of SME companies with high potential, and ranked based on both revenue growth and profitability.

If you need more information on this publication, please write to [sme.grow@mprc.gov.my](mailto:sme.grow@mprc.gov.my)

### DOING BUSINESS IN SOUTHEAST ASIA 2016-2017

A guide for Malaysian OGSE Companies, produced in collaboration with MATRADE, outlines the oil and gas landscape and market entry strategies for Malaysian OGSE companies interested in expanding their business to Indonesia, Myanmar, Vietnam and Thailand. This publication also features on-the-ground insights from Malaysian OGSE players, key contacts, as well as information on MATRADE's export assistance programmes for Malaysian exporters.

If you need more information on this publication, please write to [pbo@mprc.gov.my](mailto:pbo@mprc.gov.my)



### FINANCING SCHEMES FOR OGSE COMPANIES 2016

The Financing Schemes for OGSE Companies is a compilation of grants, loans and tax incentives provided by Malaysian government agencies and Development Financial Institutions that are relevant to the Oil & Gas Services and Equipment (OGSE) sector.

If you need more information on this publication, please write to [financingschemes@mprc.gov.my](mailto:financingschemes@mprc.gov.my)

# MPRC Launches Three New Publications at MOGSEC 2016

Malaysia Petroleum Resources Corporation (MPRC) launched its trio of publications, SME Grow FY2014, Financing Schemes for OGSE Companies and Doing Business in Southeast Asia 2016-2017, aimed at further spurring the development of the oil & gas services and equipment (OGSE) industry.

Held on the sidelines of the 3rd Malaysia Oil & Gas Services Exhibition and Conference, OR MOGSEC 2016, at MPRC-hosted Innovation Pavilion, the publications launch was recognised by PETRONAS' President & Group Chief Executive Officer, Datuk Wan Zulkiflee Wan Ariffin.

"The Government has set forth a bold ambition to establish Malaysia as the preferred hub for OGSE in Asia Pacific. Achieving this vision requires companies to embrace change and innovation to build a stronger OGSE ecosystem whilst driving cross-agency collaboration as well," said Dr Shahreen Madros, Executive Director at MPRC. "The oil and gas industry will

continue to play an important role in Malaysia's ambition to become a high-income nation. Therefore MPRC sets out to make a transformational difference to help the sector become more resilient and ultimately emerge fitter and competitive for a positive and sustainable future. These three publications are the culmination of our initiatives for the industry."

As the development agency for domestic OGSE players, MPRC continues to build awareness on Malaysia's OGSE capabilities, provide information on the available financing assistance for their businesses and identify opportunities for OGSE in the new markets.

The aim to better understand the OGSE value chain led to the publication of SME GROW, where MPRC lists active SMEs with the potential to grow into Mid-tier companies. Financing Schemes for OGSE Companies is a compilation of grants, loans and tax incentives provided by government agencies and DFIs, a lifeblood of companies

seeking to grow their capabilities in order to remain viable, competitive and to position for any price upswings.

Doing Business in South East Asia: Guide For Malaysian OGSE Companies outlines the oil and gas landscape and market entry strategies for Malaysian OGSE companies interested in expanding their business to Indonesia, Myanmar, Vietnam and Thailand. Produced in collaboration with MATRADE, this publication also featured on-the-ground insights from Malaysian OGSE players, key contacts, as well as information on MATRADE's export assistance programmes for Malaysian exporters.

"We hope that the three new publications help catalyse new business ideas, help OGSE players gain better access to funds and eventually encourage more OGSE companies to venture to Southeast Asia, which continues to offer the biggest opportunities for the companies even in current climate," Shahreen said.



From Left to Right: Sharifah Zaida Nurlisha Syed Ibrahim, President of The Malaysian Oil & Gas Services Council (MOGSC), Zamri Jusoh, PETRONAS VP, Malaysian Petroleum Management, Ir Dr Shahreen Madros, Executive Director of MPRC, PETRONAS' President & Group Chief Executive Officer, Datuk Wan Zulkiflee Wan Ariffin, Malaysia External Trade Development Corporation (MATRADE) Chief Executive Dato' Dzulkifli Mahmud and Tan Sri A K Nathan is the Executive Chairman and Group Managing Director of Eversendai Corporation Berhad at the official launch of Innovation Pavilion and MPRC's trio of publications—SME GROW FY2014, Financing Schemes for OGSE Companies and Doing Business in Southeast Asia 2016-2017

# MPRC Brings Key Innovation Pathfinders to MOGSEC 2016

Malaysia Petroleum Resources Corporation (MPRC) returns to the 3rd Malaysia Oil & Gas Services Exhibition and Conference with Innovation Pavilion, showcasing ongoing R&D projects by universities as well as financing schemes by RHB Bank, Malaysia Investment Development Authority (MIDA) and Malaysian Technology Development Corporation (MTDC).

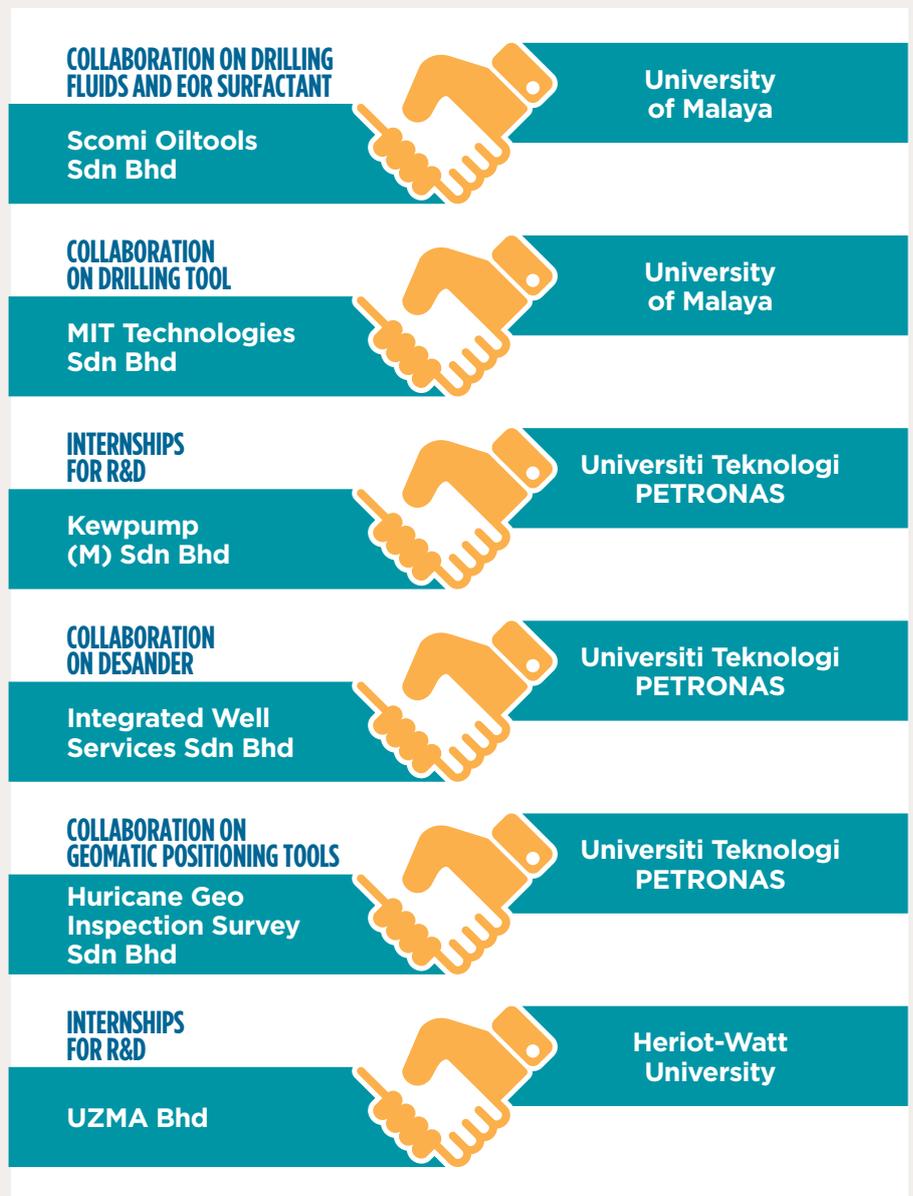
The Innovation Pavilion, officiated at MOGSEC 2016 by PETRONAS' President & Group Chief Executive Officer, Datuk Wan Zulkiflee Wan Ariffin, highlights the need for continuous linkage between the industry, financial institutions, government agencies and universities regardless of the oil and gas business cycle to innovate.

Universities exhibiting at the Innovation Pavilion include University of Malaya, Universiti Teknologi Petroleum and Heriot-Watt University where they will share their research prowess in oil and gas. Their research areas include reservoir characterisation, enhanced oil recovery, carbonate research among others to all industry attendees at the three-day MOGSEC 2016.

To increase awareness on available financing schemes for OGSE companies and SMEs, RHB Bank will share exciting schemes such as working capital financing for its SMEs. Also exhibiting under the Innovation Pavilion is MIDA, the government's principal promotion agency to oversee and drive investments into the manufacturing and services sectors in Malaysia.

The Pavilion also saw the launch of three new MPRC publications on Day 1—SME GROW FY2014, Financing Schemes for OGSE Companies and Doing Business in Southeast Asia 2016-2017 Vol 1—which is part of MPRC's endeavour to help Malaysian OGSE companies develop indigenous technologies and improve competitiveness.

Day 2 of MOGSEC 2016 will see the recognition of six collaboration agreements between six companies and four universities in the areas of subsurface technology, marine systems and topside process engineering.



Collaboration partners

Of these six collaborations, two will be on R&D-related internships for OGSE companies, where Malaysian OGSE companies Uzma Bhd and Kewpump (M) Sdn Bhd will provide student researchers a hands-on industry R&D environment. The collaboration partners are shown in the exhibit above.

Besides meeting relevant experts and researchers from universities, representatives from government agencies and RHB Bank at the Innovation Pavilion, visitors will be

able to participate in the Meet-The-Experts sessions on topics such as:

- Collaborative innovation in a cost-conscious market
- Commercialisation Funding
- Growing Local Capabilities Through Domestic Direct Investment Initiative
- Oil-prone coals of Northwest Borneo
- Underwater Development & Business Opportunities

# Malaysia Eyes German Mid-sized Companies - PM Najib



Prime Minister Datuk Seri Najib Razak and German Chancellor Angela Merkel (Bernama Photo)

**H**aving established strong ties with Germany's multinational companies, Malaysia is now keen to also attract the country's mid-sized manufacturers, said Prime Minister Datuk Seri Najib Tun Razak in his official visit to the country.

Studies have shown that no other country has as many mid-sized global market leaders as Germany, which has a population of about 80.6 million and is the world's fourth largest economy.

Malaysia's small and medium enterprises can therefore learn much from German mid-sized companies especially in terms of their entrepreneurial spirit, their competitive strategies and their adaptation and innovation in advanced technology, he said.

Accounting for a substantial number of companies and known collectively as "Mittelstand", they are the backbone of the economy, supplementing the bigger well-established industrial and manufacturing giants.

"We look forward to more investments from Germany, particularly in new growth areas, in emerging technologies, and in capital-intensive, high value-added, knowledge-based, skill-intensive and export-oriented industries," he told

German business leaders at a dialogue session in Germany's capital today.

Companies participating in the dialogue included Atotech, AWS Schaefer, BMW, Daimler, Osram, Volkswagen, Infineon, Bombardier Transportation, Ensinger, B. Braun, Green Sugar and Biesterfeld International.

He said there are also huge opportunities in the vibrant services sectors such as information and communications technology, oil and gas services, private healthcare, private high education, tourism and professional services.

Germany is Malaysia's largest investor from the European Union with a total of 552 manufacturing projects to date, and these investments, which total US\$11.4 billion (about RM39.6 billion), have created more than 63,500 new jobs.

Notable German firms which have already had a strong presence for decades include Volkswagen, BMW, BASF, Osram, Mercedes, Audi, Deutsche Bank, Siemens AG, Bosch and Infineon.

Last year, Germany was Malaysia's 12th largest trading partner globally, with total bilateral trade of US\$10.3 billion (RM35.74 billion).

Besides investing in Malaysia, Najib told the business leaders that they could use the country's strategic location to tap into the ASEAN market, which is poised to become the world's fourth largest economy by 2050 at the latest.

"With our pro-business, prudent and pragmatic policies Malaysia is your ideal partner for doing business in the region. We are committed to ensuring that the needs of investors who wish to do business in Malaysia are met," he said, adding Malaysia also has incubated home-grown stars such as Globetronics, Inari, Unisem and Vitrox.

"These domestic players have moved up the value chain by intensifying their research and development activities, and also through technology diffusion between them and their global partners," he said, noting that Malaysia's domestic players are more than capable of meeting the stringent demands of both original equipment manufacturers and the international market.

Over his three-day visit to Germany, Najib also witnessed a signing ceremony between AWS Schaefer Technologie GmbH and Satellite Pipeline Sdn Bhd from Malaysia to build a RM80 million manufacturing facility in Gebeng, Pahang.

The plant in Gebeng will be involved in engineering, fabrication and installation of a heat induction bending facility which is used mainly in the oil and gas industry. The factory will also have a heat treatment facility and laboratory.

AWS Schaefer is a prominent family-owned company specialising in pipe-forming and pipe-manufacturing machines with more than 50 years of experience.

AWS Schaefer Chief Executive Officer Hubertus Engels signed the agreement on behalf of the company while Satellite Pipeline was represented by Managing Director Abdullah Osman.

(Source :Bernama)

# UPCOMING CONFERENCES

## CONFERENCES IN OTHER PARTS OF THE WORLD



### Rio Oil & Gas Expo & Conference

24-27 October 2016  
Av Salvador Allende 6555, Rio de Janeiro, Brazil  
<http://www.rioilgas.com.br/en/>



### Singapore International Energy Week 2015

24-28 October 2016  
Marina Bay Sands, Singapore  
<http://www.siew.sg/>



### Offshore Energy 2016 Exhibition & Conference

25 & 26 October 2016  
Amsterdam RAI, Amsterdam, The Netherlands  
<http://www.offshore-energy.biz/home/>



### Asia Pacific Oil & Gas Conference & Exhibition

25-27 October 2016  
Crown Perth, Australia  
<http://www.spe.org/events/apogce/2016/>



### 9th Annual Asian Downstream Week

26-27 October 2016  
Sands Expo & Convention Centre, Singapore  
<http://www.downstream-asia.com/>



### 2nd International Conference and Expo on Oil and Gas

3-5 November 2016  
Istanbul, Turkey  
<http://oil-gas.omicsgroup.com/#conference2016>



### Abu Dhabi International Petroleum Exhibition & Conference (ADIPEC)

7-10 November 2016  
ADNEC, Abu Dhabi  
<https://www.adipec.com/>



### The 10th edition of the International Petroleum Technology Conference (IPTC)

14-16 November 2016  
Bangkok Convention Centre at CentralWorld in Bangkok, Thailand  
<http://www.iptcnet.org/2016>



### The 21st International Oil & Gas Exhibition & Conference (OSEA)

29 November-2 December 2016  
Marina Bay Sands, Singapore  
<http://osea-asia.com/the-event/>

## MPRC REGISTRATION

# Want your company to be featured in the next edition of Malaysia OGSE Catalogue?

Follow the simple step-by-step guide below:



### STEP ONE

Download the Malaysia OGSE Catalogue form and MPRC Industry Data Gathering form

\* Both forms are downloadable via MPRC's official website at [www.mprc.gov.my](http://www.mprc.gov.my)



### STEP TWO

Fill in and complete both forms

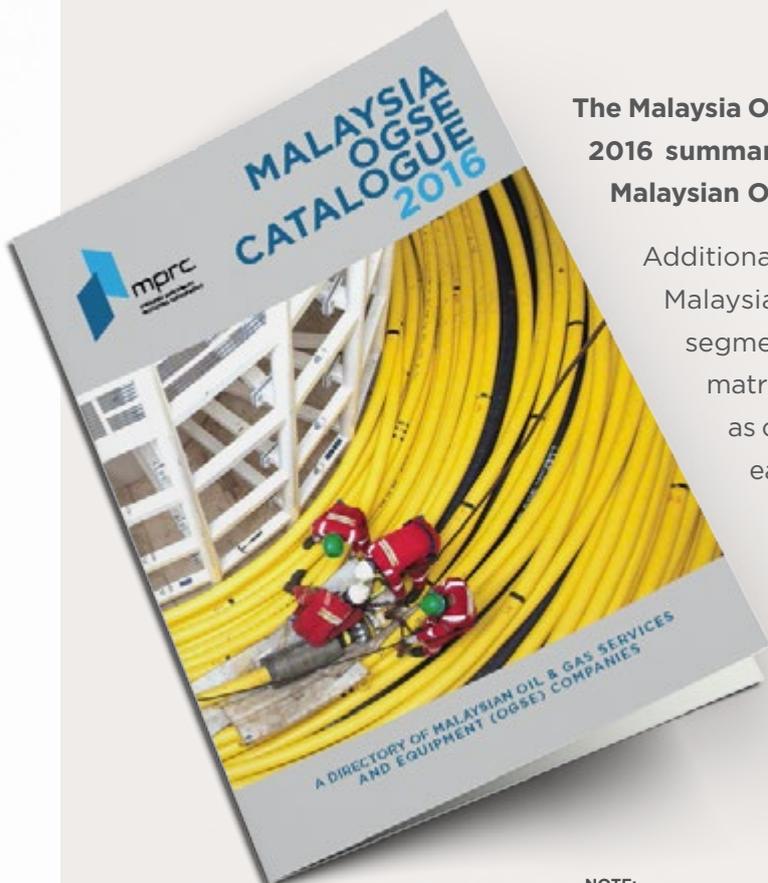
\* Please read the instructions when completing the forms



### STEP THREE

Send it back to us

\* Please send ALL the completed forms to: [ogse.industry@mprc.gov.my](mailto:ogse.industry@mprc.gov.my)



The Malaysia Oil & Gas Services and Equipment (OGSE) Catalogue 2016 summarises the background and project experiences of Malaysian OGSE companies.

Additionally, this catalogue aims to map the capabilities of Malaysian OGSE companies to complement the 13 major segments of the oil and gas value chain in a user-friendly matrix. Office addresses, telephone & fax numbers as well as contact persons and email addresses are provided for each individual company. The purpose of this catalogue is to promote Malaysian oil and gas capabilities in international markets. It will also be used as a reference point for international oil companies, national oil companies, and contractors.

#### NOTE:

A company is defined as a Malaysian OGSE company if:

- It is a Malaysian registered legal entity
- A substantial proportion of its revenue is generated from the oil and gas sector

Malaysia Petroleum Resources Corporation reserves the right to determine the suitability of Malaysian OGSE companies that will be featured in this publication. Malaysia Petroleum Resources Corporation also reserves the right to amend, modify and/or eliminate any of the Malaysia OGSE company profiles at its sole discretion, with or without prior notice.



**mprc**

malaysia petroleum  
resources corporation

## About MPRC

Malaysia Petroleum Resource Corporation (MPRC), an agency under the Prime Minister's Department was established in 2011. The agency is responsible for growing Malaysian Oil & Gas Services and Equipment (OGSE) firms and leveraging on Malaysia's strategic geographical location to enhance its position as the preferred hub for OGSE activities in the region. As the OGSE development agency, MPRC helps promote, catalyse and globalise the country's OGSE capabilities in the upstream, midstream and downstream segments. To learn more about what we do, do visit [www.mprc.gov.my](http://www.mprc.gov.my)

**Tell us  
what you think!**

### Malaysia Petroleum Resources Corporation

Suite 20-11, Level 20, G Tower,  
199 Jalan Tun Razak,  
50400, Kuala Lumpur, Malaysia.

tel +603 2858 8555  
fax +603 2858 8599  
email [information@mprc.gov.my](mailto:information@mprc.gov.my)  
web [www.mprc.gov.my](http://www.mprc.gov.my)

We'd love to hear from you!  
Drop us your feedback  
or suggestions at

**[scd@mprc.gov.my](mailto:scd@mprc.gov.my)**