

NATIONAL OGSE INDUSTRY BLUEPRINT IMPLEMENTATION 2021-2030

Quarterly Report

Q2 2022



ECONOMIC PLANNING UNIT
PRIME MINISTER'S DEPARTMENT



mprc
malaysia petroleum
resources corporation






Table of Contents

- 1 Highlights
- 2 Quarterly Progress Update
- 3 Upcoming Key Items



Content

1/3

1 Highlights

The 2022 OGSE Roadshows kicked-off with the Terengganu OGSE Roadshow 2022 held in Kuala Terengganu on 30 May 2022. The roadshow provided a platform for the local OGSE industry to discover and learn more about the National OGSE Blueprint initiatives for the OGSE companies to benefit.



Manfaatkan OGSE Atasi Cabaran Kejatuhan Harga Minyak

POSTED BY ADMIN KORPORAT | 30 MEI 2022 | BERITA UTAMA

YB Datuk Tengku Hassan Tengku Omar, the State of Terengganu Trade, Industry, Regional Development and Administrative Wellbeing Committee chairman officiated the Terengganu OGSE Roadshow in Kuala Terengganu, Terengganu on 30 May 2022

CONFIDENTIAL



Terengganu OGSE Roadshow 2022 consisted of presentation and Q&A sessions attended by more than 100 OGSE companies and 200 attendees



The roadshow provided the opportunity for the OGSE companies in Terengganu to directly interface and clarify enquiries about the National OGSE Blueprint initiatives



Terengganu OGSE companies learnt more about the i-OGSE initiative

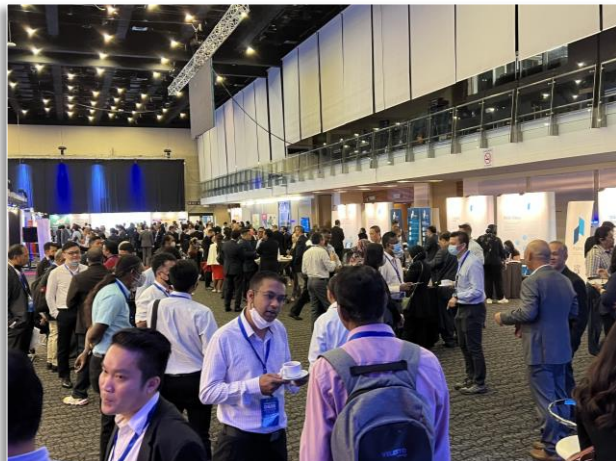


OGSE companies had the opportunity to connect and learn more about the National OGSE Blueprint initiatives

Following that, Sarawak OGSE Roadshow was held in Kuching with the participation from Blueprint implementation partners such as PETRONAS, MIDA, MATRADE, TalentCorp, TERAJU, MOGSC and the OGSE industry partners such as PETROS, PERKESO, MIDF, SME Corp and JPDC on 22 to 23 June 2022



Sarawak OGSE Roadshow 2022 consisted of speaking and panel sessions attended by more than 200 OGSE companies and 600 attendees



OGSE companies had the opportunity to connect and learn more about the National OGSE Blueprint initiatives and partner agencies



Guests of Honour walkabout to partners exhibition display area







YAB Datuk Patinggi Tan Sri Abang Abdul Rahman Zohari Tun Abang Haji Openg, Premier of Sarawak with YB Dato' Sri Mustapa Mohamed, Minister in the Prime Minister's Department (Economy) officiated the Sarawak OGSE Roadshow in Kuching, Sarawak



Content 2/3

2 Quarterly Progress Update

Initiatives' Progress Update Summary as of end June 2022

| Button's Description | | Status | Definition | No. of Initiatives |
|---|----------------------|------------------|--|--------------------|
|  | Green | On track / ahead | <ul style="list-style-type: none"> As per schedule or ahead of schedule | 14 |
|  | Yellow | Behind schedule | <ul style="list-style-type: none"> Up to 15% behind schedule | 1 |
|  | Red | Delayed | <ul style="list-style-type: none"> More than 15% behind schedule | 4 |
|  | Grey | Pending outcome | <ul style="list-style-type: none"> Initiative is pending outcome / Monthly projection has not started | 0 |
| n/a | Not available | Not Started | <ul style="list-style-type: none"> Initiative's activity has not started | 2 |
| Total | | | | 21 |

Summary

Outcome-based Progress Update as of end June 2022









Initiatives Progress Update as of end June 2022 (1/2)

| Legend | |
|---|----------------------------------|
| | On schedule or ahead of schedule |
| | Up to 15% behind schedule |
| | More than 15% behind schedule |
| | Pending outcome / Projection NS |
| n/a Initiative's activity has not started | |

| Initiative | Led by | Approved KPI for 2022 | Progress Update Report | Status |
|---|--------|--|---|--------|
| A1: Government Point of Contact for OGSE | | | | |
| | | <ul style="list-style-type: none"> Number of Unique Visitors to i-OGSE One Stop Centre Portal Target: 6,000 visitors | <ol style="list-style-type: none"> Target to have 2,700 number of unique visitors by end June 2022. Total of 3,942 unique visitors received as of end June 2022. The initiative was promoted to OGSE companies in programs such as OTC Asia 2022, SMJ-SOGIP week, SOGCE week, OGSE Roadshows in Terengganu and Sarawak MPRC will continue to promote the initiative in upcoming programs such as Sabah OGSE Roadshow 2022, National OGSE Roadshow 2022 and OGA / MOGSEC 2022. | |
| A5: OGSE Company Recognition | | | | |
| | | <ul style="list-style-type: none"> Number of OGSE companies registered for "OGSE Status" Target: 625 companies | <ol style="list-style-type: none"> Target to have 305 companies registered for the OGSE Status by end of June 2022. 196 applications have been received for processing and registration of which 133 companies have been registered for the OGSE Status. To increase uptake, project team plans to: <ul style="list-style-type: none"> Offer the status to OGSE100 companies. Screen MPRC database of 1,300 companies and select candidates to offer OGSE Status. Intensify the promotion via industry associations and OGSE Roadshows. The A5 Working Group meeting conducted on 14 July 2022 further deliberated on the proposed benefits for OGSE Status companies | |
| C1: Skilled Worker Retention Program | | | | |
| | | <ul style="list-style-type: none"> Number of skilled O&G jobs introduced under the program Target: 450 jobs | <ol style="list-style-type: none"> Target to have 225 number of skilled O&G jobs introduced by end June 2022. After months in development, MPRC's OGSE Pavilion successfully featured 12 companies with over 300 job opportunities at the myStarjob Fair 2022 in Pavilion Bukit Jalil Convention Centre on 25 – 26 June 2022. Beginning August 2022, participating companies will provide monthly updates progress reports to MPRC on personnel recruited / hired through the myStarjobs fair. | |

Initiatives Progress Update as of end June 2022 (2/2)

| Legend | |
|---------------------------------------|---------------------------------------|
| ● | On schedule or ahead of schedule |
| ● | Up to 15% behind schedule |
| ● | More than 15% behind schedule |
| ● | Pending outcome / Projection NS |
| n/a | Initiative's activity has not started |







| Initiative | Led by | Approved KPI for 2022 | Progress Update Report | Status |
|--|--|--|---|--|
| D2: Export Support Incentive to OGSE segments which are export ready | | | | |
|  |  | <ul style="list-style-type: none"> Number of Finance Matching arranged by MATRADE for OGSE companies Target: 25 companies | <ol style="list-style-type: none"> MATRADE has organised a programme with selected SME companies in the oil and gas sector in 1H 2022. 10 companies have been matched as of 1H 2022 Another 15 companies scheduled in 2H 2022 |  |
| E2: Financial management workshops | | | | |
|  |  | <ul style="list-style-type: none"> Number of OGSE companies attended the Financial Management Workshop Target: 100 companies | <ol style="list-style-type: none"> Initiative has not started due to resources constraint and MOGSC has submitted budget request paper for consideration in the last Steering Committee meeting and initiative implementation achievement progress reporting is suspended until the resource requirements are resolved. The last Steering Committee has instructed MOGSC to discuss with EPU and PETRONAS regarding the resources required and collaboration with PETRONAS. PETRONAS in collaboration with MOGSC will conduct a session with PETRONAS panel banks as part as their Vendor Financing Programme (VFP) on 16 August 2022. | n/a |
| F1: Centralisation of OGSE Bumiputera assistance | | | | |
|  |  | <ul style="list-style-type: none"> Number of Bumiputera OGSE Companies approved for assistance Target: 10 companies | <ol style="list-style-type: none"> No achievement due to Approval Committee has yet to convene. Approval Committee Meeting is expected to be held in August 2022. Thus, number of companies approved will be updated in Q3 2022. |  |

Summary

Milestone-based Progress Update as of end June 2022










Initiatives Progress Update as of end June 2022 (1/6)

| Legend | |
|---------------------------------------|---------------------------------------|
| ● | On schedule or ahead of schedule |
| ● | Up to 15% behind schedule |
| ● | More than 15% behind schedule |
| ● | Pending outcome / Projection NS |
| n/a | Initiative's activity has not started |

| Initiative | Led by | Approved KPI for 2022 | Progress Update Report | Status |
|---|--|--|--|---|
| A2: Industry consolidation | | | | |
|  |  | <ul style="list-style-type: none"> Operationalisation of Industry consolidation <ul style="list-style-type: none"> Target: Strategy Paper for High Potential Consolidation finalised | <ol style="list-style-type: none"> MPRC has met with stakeholders namely PETRONAS (11 May 2022 and 1 June 2022), MOSVA (13 May 2022), AMIM (23 May 2022), Ekuinas (26 May 2022) and TERAJU (6 June 2022) to discuss on the A2: Industry consolidation initiative. <ol style="list-style-type: none"> Key findings from stakeholders is the unavailability of data making it difficult to build a case for change in addressing the fundamental issues faced by the OSV players and currently there is no immediate need in addressing the “supply side” as there are sufficient OSV supply to meet local production requirements. Based on the findings from the engagements with OSV players and stakeholders, MPRC plans to move forward and explore consolidation potentials with other adjacencies starting with Fabrication players. In parallel, MPRC is preparing a paper to postpone the operationalisation of the A2 initiative to 2023 to better manage industry sentiment with a more mature, robust and informed approach for consolidation in the next SC meeting. |  |
| A3: OGSE industry data depository | | | | |
|  |  | <ul style="list-style-type: none"> Operationalisation of OGSE industry data depository <ul style="list-style-type: none"> Target: Inaugural Publication of OGSE Industry indicators with limited circulation | <ol style="list-style-type: none"> RM2.0 million DE allocation to fund the initiative was approved on 17 March 2022 and submitted to MyProjek on 1 April 2022 PETRONAS has submitted to MPRC the Standardised Work And Equipment Categories (SWEC) Code Industry population database Next Working Group meeting is scheduled tentatively on 24 August 2022 |  |

Initiatives Progress Update as of end June 2022 (2/6)

| Legend | |
|---------------------------------------|---------------------------------------|
| ● | On schedule or ahead of schedule |
| ● | Up to 15% behind schedule |
| ● | More than 15% behind schedule |
| ● | Pending outcome / Projection NS |
| n/a | Initiative's activity has not started |

| Initiative | Led by | Approved KPI for 2022 | Progress Update Report | Status |
|--|--|---|--|--|
| A4: Industry-wide guidance on global OGSE trends & best practices | | | | |
|  |  | <ul style="list-style-type: none"> Operationalisation of Industry-wide guidance on global OGSE trends & best practices <ul style="list-style-type: none"> Target: Publication of one article and develop a strategy paper for Industry Wide Guidance on Global OGSE Trends and Best Practices | <ol style="list-style-type: none"> MPRC has published two article on OGSE trends and best practice as follows: Article 1: https://www.theedgemarkets.com/article/my-say-structural-barriers-og-sectors-path-sustainability Article 2: https://www.theedgemarkets.com/article/my-say-cyber-risks-malaysias-oil-and-gas-industry Development of the best practices is going on track and target to be completed by Q4 2022. |  |
| B1: Applied R&D centers to bridge academia & industry | | | | |
|  |  | <ul style="list-style-type: none"> Operationalisation of Applied R&D centers to bridge academia & industry <ul style="list-style-type: none"> Target: Roll-out of R&D collaboration program with industry players and academia | <ol style="list-style-type: none"> Engagement with UTP was done and UTP has volunteered to support MPRC to engage the relevant O&G unis and facilitate the workshop. Questionnaire for the workshop has been completed and reviewed by UTP for feedback and alignment. |  |
| C2: OGSE Career Promotion | | | | |
|  |  | <ul style="list-style-type: none"> Operationalisation of OGSE career promotion <ul style="list-style-type: none"> Target: Conduct OGSE Career Promotion Event | <ol style="list-style-type: none"> MPRC conducted the OGSE Career promotion event in 25 to 26 June 2022 in collaboration with myStarjob Fair 2022 in Pavilion Convention Centre Bukit Jalil which successfully featured 12 companies with over 300 job opportunities. The participating companies includes i) Cekap Technical Services Sdn Bhd, ii) Deleum Berhad, iii) Hengyuan Refining Company Berhad, iv) Hurricane Geo Inspection Survey, v) Petrofac Engineering Services (M) Sdn Bhd, vi) Proeight Sdn Bhd, vii) Reservoir Link Sdn Bhd, viii) Solvnex (initiative powered by PETRONAS & Tata Consultancy Services), ix) Taqa Consortium Sdn Bhd, x) UZMA Berhad, xi) Velesto Energy Berhad, and xii) Wehaya Sdn Bhd. Beginning Aug 2022, participating companies to provide monthly updates progress report on personnel recruited / hired based on OGSE career promotion programs. |  |

Initiatives Progress Update as of end June 2022 (3/6)

| Legend | |
|---|----------------------------------|
| | On schedule or ahead of schedule |
| | Up to 15% behind schedule |
| | More than 15% behind schedule |
| | Pending outcome / Projection NS |
| n/a Initiative's activity has not started | |

| Initiative | Led by | Approved KPI for 2022 | Progress Update Report | Status |
|--|--------|--|--|--------|
| E1: OGSE Financing Center of Excellence | | | | |
| | | <ul style="list-style-type: none"> Operationalisation of OGSE financing Center of Excellence <ul style="list-style-type: none"> Target: Launch of Virtual Centre of Excellence (CoE) | <ol style="list-style-type: none"> The development of the virtual Centre of Excellence (CoE) is on track. Project team is currently in developing the virtual CoE with the portal developer. On track to launch the virtual CoE by end Q4 2022. | |
| E3: OGSE Alternative Financing Platform | | | | |
| | | <ul style="list-style-type: none"> Operationalisation of OGSE Alternative Financing Platform <ul style="list-style-type: none"> Target: Identified one Alternative Financing Provider to provide financing to OGSE Companies through the I-OGSE Portal | <ol style="list-style-type: none"> Kick-off engagement with Financial Institution (FIs) conducted with Bank Islam Next step is to engage with the Development Financial Institution (DFIs) in Malaysia including SME Bank to understand the challenges in having access to financing. Information shared from the engagement will be used as part of the preparation of development the framework content | |

Initiatives Progress Update as of end June 2022 (4/6)

| Legend | |
|--------|---------------------------------------|
| | On schedule or ahead of schedule |
| | Up to 15% behind schedule |
| | More than 15% behind schedule |
| | Pending outcome / Projection NS |
| | Initiative's activity has not started |

| Initiative | Led by | Approved KPI for 2022 | Progress Update Report | Status |
|---|--------|---|--|--------|
| D1: Orchestration of consortiums for OGSE players, with facilitation of seed financing | | | | |
| | | <ul style="list-style-type: none"> Operationalisation of Orchestration of consortiums for OGSE players, with facilitation of seed financing <ul style="list-style-type: none"> Target: Budget obtained to implement the program under Energy Export Fund allocation in 2023 | <ol style="list-style-type: none"> Due to MATRADE internal budget submission process, only D3 application was considered for the next approval stage by EPU. Next steps for D1 are dependent upon EPU's final decision on the request for D3. In the meantime, MATRADE plans seek council from the SC and prepare a paper to escalate in the next SC meeting. | |
| D3: Mitigation of export risk through debt collection, export risk insurance & arbitration | | | | |
| | | <ul style="list-style-type: none"> Operationalisation of Mitigation of export risk through debt collection, export risk insurance & arbitration <ul style="list-style-type: none"> Target: Budget obtained to implement the program under Energy Export Fund allocation in 2023 | <ol style="list-style-type: none"> MATRADE currently waits for EPU's final decision on D3 | |
| D5: Energy Export Fund | | | | |
| | | <ul style="list-style-type: none"> Operationalisation of Energy Export Fund <ul style="list-style-type: none"> Target: Budget obtained to implement the program under Energy Export Fund allocation in 2023 | <ol style="list-style-type: none"> Due to MATRADE internal budget submission process, only D3 application was considered for the next approval stage by EPU. Next steps for D5 are dependent upon EPU's decision on the request for D3. EPU has also requested MATRADE to revise the Energy Export Fund's initiative name to a new name which EPU will advise. In the meantime, MATRADE plans seek council from the SC and prepare a paper to escalate in the next SC meeting. | |







Initiatives Progress Update as of end June 2022 (5/6)

| Legend | |
|--------|---------------------------------------|
| | On schedule or ahead of schedule |
| | Up to 15% behind schedule |
| | More than 15% behind schedule |
| | Pending outcome / Projection NS |
| | Initiative's activity has not started |

| Initiative | Led by | Approved KPI for 2022 | Progress Update Report | Status |
|--|--------|---|---|--------|
| B4: Fiscal Facilitation for Technology Adoption | | | | |
| | | <ul style="list-style-type: none"> Operationalisation of Fiscal Facilitation for Technology Adoption <ul style="list-style-type: none"> Target: Linking of Fiscal Facilitation for Technology Adoption to i-OGSE One Stop Centre Portal | <ol style="list-style-type: none"> Target activity completed. Information on Facilitation for Technology Adoption is linked to the i-OGSE One Stop Centre Portal on 31 May 2022. | |
| B6: In-shoring of R&D activities & high-value manufacturing from MNCs | | | | |
| | | <ul style="list-style-type: none"> Operationalisation of In-shoring of R&D activities & high-value manufacturing from MNCs <ul style="list-style-type: none"> Target: Outreach program with selected MNCs and R&D centres | <ol style="list-style-type: none"> All items are progressing on schedule with six (6) outreach programs planned throughout the year. <ol style="list-style-type: none"> Currently, 2 outreach activities conducted with MNCs and 2 more to be held soon in 2H 2022. 2 outreach activities conducted at R&D centres. | |
| B2: R&D apprenticeship program | | | | |
| | | <ul style="list-style-type: none"> Operationalisation of R&D apprenticeship program <ul style="list-style-type: none"> Target: To launch and commence the R&D apprenticeship program in 2022 | <ol style="list-style-type: none"> Initiative has not started due to resources constraint and MOGSC has submitted budget request paper for consideration in the last Steering Committee meeting and initiative implementation achievement progress reporting is suspended until the resource requirements are resolved. Steering Committee has instructed MOGSC to discuss with EPU and PETRONAS regarding the resources required and collaboration with PETRONAS. Discussions conducted with MOGSC and PETRONAS on 5 July 2022 and MOGSC on 14 July 2022 proposed a OGSE Blueprint Tech Lever Working Group to formalise the collaboration. | |

Initiatives Progress Update as of end June 2022 (6/6)

| Legend | |
|---------------------------------------|---------------------------------------|
| ● | On schedule or ahead of schedule |
| ● | Up to 15% behind schedule |
| ● | More than 15% behind schedule |
| ● | Pending outcome / Projection NS |
| n/a | Initiative's activity has not started |

| Initiative | Led by | Approved KPI for 2022 | Progress Update Report | Status |
|---|---|--|--|---|
| B5: Overseas researcher outreach program | | | | |
|  |  | <ul style="list-style-type: none"> Operationalisation of Overseas researcher outreach program <ul style="list-style-type: none"> Target: Roll-out of pilot overseas researchers outreach program | <ol style="list-style-type: none"> Talentcorp conducted survey to understand the demand of R&D overseas researcher within OGSE industry. Based on the survey findings and engagement with OGSE companies, it showed that the demand for overseas researcher is very low. Most OGSE companies required talents that have skillsets in technology and innovation, however, they have challenges to hire local talent with that skillsets and open to hire Malaysians abroad instead of expatriate. TalentCorp also had a meeting with MPRC to get their inputs on the findings and suggested the focus for B5 initiative will not only focus on R&D overseas researcher but also expands the skillsets to high-skilled talent in technology and innovation. TalentCorp will still facilitate OGSE companies if they require to hire R&D overseas researcher. Moving forward, TalentCorp plan to conduct more comprehensive survey on OGSE Talent Demand Mapping and formally engage with key companies via OGSE Industry Roundtable Workshop to gather and solidify inputs, challenges and feedback on talent matters. MPRC will be one of the TC strategic partners for OGSE Talent Demand mapping Survey and OGSE Industry Roundtable Workshop. The final design and scope of the roll-out of the pilot overseas researchers outreach program will based on the findings from the OGSE Talent Demand mapping Survey and OGSE Industry Roundtable Workshop. |  |
| C4: Exert mentorship from ex-OGSE talents | | | | |
|  |  | <ul style="list-style-type: none"> Operationalisation of Expert mentorship from ex-OGSE talents <ul style="list-style-type: none"> Target: Roll-out of pilot mentorship program | <ol style="list-style-type: none"> Based on feedback and input of engagement with relevant stakeholders (MOGSC, SPE, MPRC), mentoring programme to tap on senior ex-OGSE talents expertise and knowledge is crucial to ensure the talent development in OGSE industry. Next, we will formally identify key strategic partners and co-create the structure of the mentoring programme to tailor specifically for OGSE industry. |  |



Content

3/3

3 Upcoming Key Items

Upcoming
Key Items

Key items timeline

| Key Dates | Items | Completed | Upcoming | Not Started |
|----------------|---|-----------|----------|-------------|
| Jan 2022 | 2022 KPI setting workshop with 2022 initiative owners | | | |
| 28 Jan 2022 | Quarterly Report Q4 2021 Distribution | | | |
| 25 Apr 2022 | Steering Committee Meeting No. 1/2022 | | | |
| 29 April 2022 | Quarterly Report Q1 2022 Distribution | | | |
| Today | Quarterly Report Q2 2022 Distribution | | | |
| Sep - Oct 2022 | 2023 KPI setting workshop with 2023 initiative owners | | | |
| Oct 2022 | Quarterly Report Q3 2022 Distribution | | | |
| Nov 2022 | Steering Committee Meeting No. 2/2022 | | | |
| Jan 2023 | Quarterly Report Q4 2022 Distribution | | | |
| Apr 2023 | Steering Committee Meeting No. 1/2023 | | | |
| Apr 2023 | Quarterly Report Q1 2023 Distribution | | | |





Disclaimer

This report contains privileged and/or confidential information. If you are not the intended recipient (or responsible for delivery of the message to such person) or if you have inadvertently received this report, you should destroy or delete this report and notify the sender by email accordingly.

All opinions, conclusions and other information in this report that do not relate to the official business of the Economic Planning Unit, Prime Minister's Department and/or Malaysia Petroleum Resources Corporation shall be understood as neither given nor endorsed by the Economic Planning Unit, Prime Minister's Department and/or Malaysia Petroleum Resources Corporation. We accept no liability for the content of this email, or for the consequences of any actions taken based on the information provided.

The report is confidential under the Official Secrets Act 1972 (1 January 2006) and is the property of the Government of Malaysia.

Secretariat, National OGSE Industry Blueprint 2021-2030 Steering Committee. Economic Planning Unit, Prime Minister's Department. All rights reserved (2022).

CONFIDENTIAL



**ECONOMIC PLANNING UNIT
PRIME MINISTER'S DEPARTMENT**

