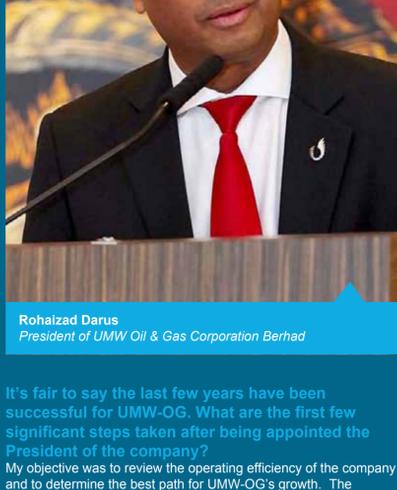


# Interview with Rohaizad Darus, President of UMW Oil & Gas Corporation Berhad

UMW established its oil and gas division in 2002 and saw rapid progress in positioning itself as an established player in the Malaysian oil and gas industry. We speak to the man responsible behind this turnaround Rohaizad Darus, President of UMW Oil & Gas Corporation Berhad who shares his views on what it takes to steer the business forward to great heights.



**Rohaizad Darus**  
President of UMW Oil & Gas Corporation Berhad

It's fair to say the last few years have been successful for UMW-OG. What are the first few significant steps taken after being appointed the President of the company?

My objective was to review the operating efficiency of the company and to determine the best path for UMW-OG's growth. The reorganisation plan focused on two main areas—to turnaround the division and to seek for listing in Bursa Malaysia. With this plan in mind, I started to grow the company's asset, people and market. These were three important tools to make this transformation meaningful and thankfully, we had some very good results but I think the most interesting was having the company listed in November 2013.

We hear UMW-OG is looking at new initiatives to expand offshore. How does the company position itself in the international arena?

To secure a bigger market share, we will need sufficient asset and the right people to go along with it. Moving towards that direction, we have acquired another four drilling rigs. The first of these (UMW NAGA 5) will be delivered in May 2014. Our long-term goal is to grow our fleet by at least one rig per year which will suggest more room for expansion. Penetrating globally, UMW-OG was awarded two jack-up rig contracts and a hydraulic workover unit (HWU) contract from Petrovietnam Drilling, a three year contract with Thailand's PTT Exploration and Production (PTTEP) for HWU and most recently, a contract in the Philippines for Nido Petroleum for UMW NAGA 5. Given our exposure in the international market, it is important for us to understand how these countries operate financially, logistically and culturally to be able to address the potential exposures and add value and a sense of ease for those working with us.

How has UMW-OG managed to stay ahead of big technology shifts?

We've been fortunate to acquire state-of-the-art technology even before I came in, although I must stress the importance of sufficient training. We are developing a comprehensive workforce plans for UMW-OG, and will continue to invest in skills and training to ensure our employees are trained to fill these jobs. With that in mind, UMW-OG emphasises on transfer of foreign expertise into Malaysia to establish training programs in the area of technical and operations. We want to make sure our people are ready to cope with the technology advancement and to be fully productive at what they do.

Where do you think the most significant growth will occur in UMW-OG within the next few years?

UMW-OG has made its presence across Southeast Asia by securing contracts in Indonesia, Vietnam and Thailand, while the group is also active in Asia-Pacific with facilities in China and Turkmenistan. Going forward, UMW-OG's overseas expansion plans will focus on the ASEAN and Asia-Pacific regions, which are expected to provide sufficient opportunities for the group in the next two to three years. More importantly, we would hope to position ourselves as a strong global player in drilling business with a depth of expertise.

Another driver for change is to attract and retain local talent. What is your take on garnering quality work force into the industry?

UMW-OG has always focused on career development so that new engineers can see clearer pathways for possible career advancement. Not only have we invested in technology training, but we also have developed training in the health, safety and environment. This assures that we will have the qualified people we need to meet our customers' needs, deliver financial results for our shareholders, and sustain our growth. We do see a shortage in attracting young talents; however UMW-OG will continue to build up the interest in this area as we want the new generation to understand that they will be able to work on some of the most interesting technical challenges in the world today and they can work in an interesting and adventurous sector.

...Which brings to my next question, how did UMW-INSTEP Drilling Academy (UIDA) come about? We understand this is collaboration with PETRONAS' skills training arm, Institut Teknologi Petroleum Petronas (INSTEP). How has this helped bridge the human capital gap?

The objective of UIDA is to address shortage of local Malaysian drillers and drilling personnel, as the majority of local positions are currently filled by expatriates, to fill the competency gap between local and international drillers and to support UMW-OG and PETRONAS human capital and workforce development needs. Trainees can expect a programme curriculum that is holistic, practical-based and aligned to the latest industry standards and practices. We intend for the academy to have its courses certified by the International Association of Drilling Contractors (IADC) and the International Well Control Forum (IWCF). Students can look forward to hands-on experience on our state-of-the-art simulator and drilling rig, which I believe will equip them with a better understanding in the operation and maintenance of drilling system. So far, we've had a number of students enrolling for some the courses and can expect an increase once UIDA goes fully operational this year. UMW is proud to announce the official launch of UIDA on the 27th March 2014.

With a diverse portfolio in the Asia Pacific region, how does UMW-O&G support its foreign employees?

UMW-OG's training and development programs are targeted at developing employees in every country where we do business. Keep in mind that this is a global industry, and we need to develop employees in every region, and give everyone the same opportunities to advance. Hence, we have introduced a localisation policy to nurture talents in whichever country we operate namely China, Turkmenistan and Vietnam. In our company, career development also means giving the locals there a chance to develop so they are also able to give back to their respective country, just like we have.

What would be your personal principles and values that you strongly hold onto in order to make it big in the industry?

We have various stakeholders involved in our operations, therefore operating with honesty and integrity is vital. These values will help employees feel rooted on both at personal and professional level. Secondly, I am a firm believer in waking up every morning with a sense of purpose. Purpose is essential to keep us motivated, so we need to always keep in mind the role that purpose plays in our success and in the success of the company. With this sense of purpose, UMW gives me the opportunity to improve things, which in turn helps other people improve.

With huge responsibilities ahead, how do you balance work and play?

When I am off from work, I try to switch off my mind from work matters unless it is urgent or critical. You need to be able to shift your focus to family and private life once you are back home. Another good thing about my job is that I go on frequent travels, which also means ample of me time. Travelling hours allow me to catch up on my leisure reading and gives me the time to recharge for what's coming ahead.

# Enhancing O&G's Human Capital

Establishing networks of top talents is a pertinent aspect in ensuring sufficient talent needs are met in the oil and gas industry. In benchmarking ourselves against developed nations, Malaysia will need to be globally competitive in its ability to produce, attract and retain local talent.

The oil and gas industry is a competitor for 'skilled talents', drawn from a pool that appears to be stagnant in size. The ways in which these talents are generated and supplied to the industry are complex and involve many feedback loops, some of which are country specific. As transactions and technologies become more complex, companies must have strong global reach and experience, while at the same time being close to local markets.

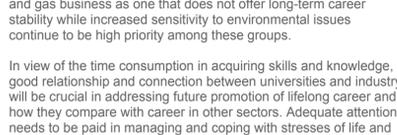
We take a look at some of the most significant challenges in the coming years involving the oil and gas workforce:

1. 'Crew Change'; for instance, more than 50% of the current industry workforce are expected to retire within the next five years
2. Perceptions and misconceptions relating environmental concerns and work-life balance
3. Skills gap; the technology used in the oil and gas sector has become increasingly complex for a challenging environment.

\*Data derived from the International Gas Union in collaboration with Deloitte Consulting, Malaysia, 2012.

During the 2012 World Gas Conference in Kuala Lumpur, Malaysia, a panel discussion with 114 young engineers from several local universities were conducted in order to discuss and explore ways to continue tackling this increasing challenge in the oil and gas industry.

## Joining the oil and gas industry?



\*Data derived from Dr. Uenishi, Kenji. "The future of natural gas: winning the race for talent". [http://site.geenergy.com/business/ge\\_oilandgas/enewsletter/geog\\_viewsandnews\\_062512/fieldnotes.html](http://site.geenergy.com/business/ge_oilandgas/enewsletter/geog_viewsandnews_062512/fieldnotes.html). June '12.

There is a clear reflection on how talent development, career growth, along with a positive reputation and an outstanding work culture, are perceived as strong drivers in a company's ability to attract and retain talent.

However, new entrants to the job market may frequently see the oil and gas business as one that does not offer long-term career stability while increased sensitivity to environmental issues continue to be high priority among these groups.

In view of the time consumption in acquiring skills and knowledge, good relationship and connection between universities and industry will be crucial in addressing future promotion of lifelong career and how they compare with career in other sectors. Adequate attention needs to be paid in managing and coping with stresses of life and work so that the manpower remains healthy and productive at a physical and emotional level.

## How do we optimize local talent?

- Raise career awareness
- Enhance university-to-work-transition
- Build platforms to boost talents

MPRC alongside TalentCorp and PEMANDU, with the support of the Ministry of Education (MOE), is committed to enhancing the employability of graduates in the job market with initiatives that include:

## Structured Internship Programme (SIP)

The objectives of the SIP are to:

1. Provide practical perspectives on the academic concepts and theories the interns have studied at the University.
2. Prepare local graduates from IPTA and IPTS to become relevant to industries and ready to enter employment.
3. Encourage companies/ industries to make internship programmes more structured in terms of their competency development.
4. Introduce students as early as possible to the working world.

For more information on the SIP, please visit TalentCorp's website at: <https://sip.talentcorp.com.my/about.php>

## Industry Centre of Excellence (ICoE)

MPRC along with its partner university, Universiti Teknologi Malaysia (UTM) have been appointed by the Ministry of Education as the Industry Centre of Excellence for the oil and gas industry. A programme developed to support the implementation of the Graduate Employability Blueprint by the Ministry of Education of Malaysia, the ICoE focuses on the human capital development by targeting students in higher learning institutions to be trained by industry players in specific industries before graduation, with the objective of developing more industry-ready graduates. Currently, there are nine clusters under the ICoE programme, namely electronics, oil and gas, biotechnology, automotive, wholesale and retailing, construction, information and communications technology, hospitality and tourism, and healthcare.



## Asia on Stage – MPRC Paved the Way for OTC Asia 2014

March was all about Asia, namely the Offshore Technology Conference (OTC) Asia which took place on the 25th March to 28th March 2014. Kuala Lumpur was proud to host this inaugural world-class oil and gas event of the year and MPRC continued to be at the crest of this to further realise our aim in making Malaysia as the regional oil and gas services and manufacturing hub in Asia Pacific. Aptly themed 'Meeting the Challenges for Asia's Growth', the 4-day event brought the oil and gas fraternity together and offered delegates an up close and personal view of the various offshore machinery and technology used in the industry.

As part of the OTC task force comprising representatives from Malaysia External Trade Development Corporation (MATRADE), the Malaysia Investment Development Authority (MIDA), Malaysian Oil & Gas Services Council (MOGSC) and International Conference & Exhibition Professionals (ICEP), MPRC is no stranger to the scene having jointly organised the Malaysian Pavilion at OTC Houston in May 2012 and 2013. The event opened doors to large and SMI/SME service providers and trade associations as delegates met a range of operators and contractors in order to better understand the international market, gaining invaluable advice, contacts and information.

MPRC hopes that industry players were able to leverage on OTC Asia as a platform to attract more business events and visitors to support the growth of the oil and gas industry.

### OTC Asia 2014 Highlights

- **One of its kind!**  
MPRC as one of the task force members successfully brought the first ever instalment of the OTC Asia series to Malaysia under the same successful brand as the flagship OTC Houston, Arctic Technology Conference and OTC Brasil.
- **A comprehensive showcase**  
2014 OTC Asia Exhibition welcomed over 150 local and international companies, showcasing their technology capabilities and experience, business models, products and services. MPRC can assist you in engaging with international leaders and pursue new technological and business opportunities.
- **Extensive conferences**  
Highlights of the technical programme included a number of country sessions each day featuring various scenarios related to the oil and gas industry. Another unique aspect is the University-Industry Collaboration Session which combined the education sector and the oil and gas industry in a thought-provoking discourse.
- **See you 2016!**  
Apart from being the host of the maiden OTC Asia in 2014, MPRC will also have the privilege of hosting the next OTC Asia 2016 in Malaysia.

**Look out for MPRC's Vol 12 newsletter as we give you a more in-depth look into OTC Asia 2014!**



# JPDC Gears Up for PIPC's Robust Development Upon RAPID's Confirmation

The year once again highlights another benchmark for the oil and gas industry as Petrolim Nasional (PETRONAS) approves the final investment decision (FID) for the Refinery and Petrochemical Integrated Development (RAPID) at Pengerang Integrated Complex (PIC) in south Johor. The USD27 billion (RM89 billion) mega project is set to be a game-changer in Malaysia's oil and gas landscape in the region, as well as on the global front with state-of-the-art infrastructure and technology. The project is also in line with MPRC's aim to catalyse new engines of growth for Malaysia and create new businesses and employment opportunities.

Initiated by the Federal Government and coordinated by Johor Petroleum Development Corporation (JPDC), PIC is part of the larger Pengerang Integrated Petroleum Complex (PIPC), and will begin construction upon the full handing-over of the project site to PETRONAS by the Johor state government. "We are at the brink of creating history in Malaysia's oil and gas industry and one step closer in realising the vision of a regional hub in Pengerang" explains JPDC CEO Yazid Ja'afar indicating PETRONAS' decision to go-ahead as a tipping point.

## QUICK FACTS

<b>JPDC</b> Johor Petroleum Development Corporation	JPDC is a subsidiary of Malaysia Petroleum Resources Corporation (MPRC) and the master planner of the PIPC development. Their main tasks are to coordinate and facilitate Johor's downstream oil and gas industry to potential investors.
<b>PIPC</b> Pengerang Integrated Petroleum Complex	PIPC is the single largest petrochemical park in Malaysia. This complex will house oil refineries, naphtha cracker, petrochemical plants and liquefied natural gas import terminal and a regasification plant. Two major catalytic projects have been committed within the PIPC area: 1. Pengerang Deepwater Petroleum Terminal (PDPT) project by Dialog-Vopak 2. Refinery and Petrochemical Integrated Development (RAPID) and other associated facilities that are called PIC.
<b>PIC</b> Pengerang Integrated Complex	PIC is part of PIPC. PIC will be developed by PETRONAS and will consist of RAPID and other associated facilities.
<b>RAPID</b> Refinery and Petrochemical Integrated Development	RAPID is part of PIC, and located inside PIPC. RAPID will house the construction of a petroleum refinery, naphtha cracker, petrochemical plants, an LNG regasification plant, a power plant and a water treatment centre.
<b>PDPT</b> Pengerang Deepwater Petroleum Terminal	PDPT is located inside PIPC. PDPT is owned and developed by DIALOG-Vopak.
<b>PIDPT</b> Pengerang Independent Deepwater Petroleum Terminal	PIDPT is Phase 1 of the Pengerang Deepwater Petroleum Terminal (PDPT). PIDPT will involve the reclamation of 150 acres of land with oil storage capacity.

# DID YOU KNOW?



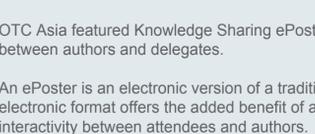
The Answer is F. All of the above

UMW Oil & Gas division manufacture transmission and drilling pipes, provide drilling and workover services via their rigs, fabricate onshore-offshore structures, and extend oilfield services to their clients.



The answer is d. 52,300

The growth of Malaysian oil and gas sector is estimated to be at 5% annual growth from 2010 to 2020. In addition, the ETP has identified 12 Entry Point Projects (EPPs), as well as business opportunities within the sector and these EPPs are expected to create additional 52,300 jobs. A significant proportion of these jobs will be highly-skilled, with an estimation of 21,000 (40%) for qualified professionals.(ex: engineers and geologists).



The answer is b & c

OTC Asia featured Knowledge Sharing ePoster Sessions (KSS) as a platform for enhanced discussion and interaction between authors and delegates.

An ePoster is an electronic version of a traditional poster, presented on a kiosk with a large flat screen display. The electronic format offers the added benefit of animation and video to enhance the visual experience to provide greater interactivity between attendees and authors.

During the Knowledge Sharing ePoster Sessions (KSS), authors presented their technical papers at the respective ePoster Stations, located at the Level 3 Foyer. Conference delegates were encouraged to attend the session for more knowledge sharing and networking opportunities.

## Question 1

1. What kind of services does UMW Oil & Gas division provide?
  - a. Manufacture transmission
  - b. Drilling pipes
  - c. Drilling and workover services
  - d. Fabricate onshore-offshore structures
  - e. Extend oilfield services
  - f. All of the above ✓

## Question 2

2. How many jobs are expected to be created in the Malaysian oil and gas sector in view of the growth from 2010 to 2020?
  - a. 10,000
  - b. 23,500
  - c. 38,050
  - d. 52,300 ✓

## Question 3

3. What were the latest technology used to promote Offshore Technology Conference from 25 to 28 March 2014?
  - a. Satellite Monitoring
  - b. Knowledge Sharing ePoster (KSS) ✓
  - c. OTC Asia Mobile App ✓