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Dr Emir Mavani, President & Chief Executive Officer

The past one and a half years, since the formation of MPRC, has kept my team and I very busy, as we try to scope the roles played by different industry players and determine how as an industry, we can move forward to realise the objectives of the Economic Transformation Programme. The ETP has articulated very clear goals and objectives with fixed deadlines to achieve these deliverables. To a great extent, progress has been made but there is still a lot to do.

At the national level, MPRC together with the Industry Consultative Council, the umbrella group for oil and gas trade associations, have embarked on several discussions and meetings to firm up plans on key industry initiatives such as capacity building, human capital development and macro-economic issues. MPRC also worked on several human capital initiatives with Malaysian Oil and Gas Engineering Council (MOGEC), Ministry of Higher Education, Talent Corporation as well as universities to offer internship opportunities for graduating students. MPRC also organised a lab together with the Sabah State Government to identify

types of investments as well as jobs creations programme for the oil and gas industry in the State. And MPRC is also in discussions with various trading companies on their plans to set up local Malaysian offices for their regional trading hub under the GIFT programme.

Stemming from these activities, 2013 is considered the 'year of implementation' for various projects under MPRC's purview. To realise the GNI investments and job creation opportunities, we seek support from Industry players, investors, tertiary institutions, and other government agencies to make these plans happen. Already we have seen active interest from foreign companies coming to Malaysia in terms of upstream and downstream opportunities. We envisage that 2013 will see more joint ventures and alliances between foreign MNCs with local players.

The task that MPRC has set for itself is high and we believe there will be more exciting developments to come. For example, more Malaysian companies are taking part in Offshore Technology

Conference 2013 in Houston. MPRC is also working with key players to organise an oil and gas funding forum. Other on-going events and activities in the pipeline will ensure that we are focused on making Malaysia the number one oil and gas hub in the Asia Pacific region by 2017.

I therefore want to thank all of you for making 2012 a memorable year for the industry. Let's use 2013 to push ourselves and the Industry to greater heights. On behalf of the Board, Management and staff of MPRC, I would like to take this opportunity to wish all our business partners, clients, investors and business associates Gong Xi Fa Cai. May this year bring lots of blessings and good fortune to all of you. Have a good holiday and travel safe.

Crossing the seas to seek opportunities

Oilfield Services and Manufacturing

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Ten Norwegian oil and gas companies and agencies recently came to Malaysia to meet with their industry counterparts. Organised by MIDA, the Norwegian Trade and Investment Mission to Kuala Lumpur was an opportunity for these delegates to understand and familiarise themselves on local business environment, build contacts and explore possible business ventures with Malaysian companies. MIDA and MPRC organised an industry presentation for the delegation and also coordinated the participation of 21 Malaysian oil & gas services companies.

"Norway's oil and gas industry is well known for the strengths of their innovative, modern and cutting edge

technologies which were tested and deployed in their home markets before exporting overseas. There are a lot that Malaysian oil and gas SMEs can learn or emulate from their Norwegian counterparts in terms of R&D and intellectual capabilities. Secondly, there are many entrepreneurial SMEs in Norway which anchor their oil and gas industry. These SMEs provide a wide range of services, resources and capabilities to support the upstream and downstream oil and gas industry, and this allows them to specialise or deepen their product offerings as contractors or suppliers. There is much that we can learn from the Norwegian oil and gas services sector. This is the first of many international missions, and we hope that this exchange of ideas, knowledge and relationships will be further strengthened in the years to come," said MPRC's Executive Director Oilfield Services Dr. Shahreen Madros.

The Malaysian Norwegian Business Council also organised a dinner and networking session for all delegates and participating companies, hosted by H.E.Hans Ola Urstad, Ambassador of Norway to Malaysia, at the Ambassador's residence.

Growth Sector

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McDermott International, a global oil and gas services company, recently signed a joint-venture agreement with TH Heavy Engineering Bhd. to provide a wide range of marine construction services to support the demands and needs of the industry. The JV covered full engineering, procurement, construction, installation and commissioning services not only in Malaysia but also in the wider Asia Pacific region.

Scott Cummins, senior vice president and general manager of McDermott and Nor Badli Mohamad Alias, managing director, signed on behalf of their respective companies to form two new companies to undertake such services in the region.

Did you know?



Question 1

Who is the richest man in ASIA that has diversified their business into oil & gas industry?

- A. Robert Kuok
- B. Li Ka-Shing
- C. Ananda Krishnan
- D. Syed Mokhtar

Answer B. Li Ka-Shing

Husky Energy Inc. is a publicly traded energy company based in Calgary, Alberta, Canada, and controlled by Hong Kong billionaire Li Ka-Shing (70%). Husky's foundation is in Western Canada, northern Alberta and off Canada's East Coast. Husky also owns interests in China, holds exploration rights offshore Indonesia and in the United States. The company employs approximately 4,700 people (as of 2011), has approximately \$32 billion in assets and produced an average of 313,000 barrels (49,800 m³) of oil equivalent per day in 2011, making it one of Canada's largest energy companies.



Question 2

How many offshore oil rigs are there in the world at the end of 2012?

- A. 1001
- B. 300
- C. 488
- D. 591

Answer D. 591

The increasing demand for oil and gas is pushing energy companies to explore frontier areas like the Arctic and new offshore zones given that output from accessible fields is declining. Global oil demand has risen 14% in total to 88 million barrels per day (bpd) in 2011 from 2001, according to the BP annual statistical review. Rapidly growing economies have accounted for much of the increase - consumption in China doubled in the same period to 9.76 million bpd. Due to the increasing demand there were 591 offshore oil rigs in the world end of 2012. In 2013, the number will grow by 28 to 619.



Question 3

In the history of oil industry, the earliest known oil wells were drilled by which nationality?

- A. Chinese
- B. Indians
- C. Greeks
- D. British

Answer A. Chinese

According to George E. Totten, the earliest known oil wells were drilled in China in 347 CE. They had depths of up to about 800 feet (240 m) and were drilled using bits attached to bamboo poles. The oil was burned to evaporate brine and produce salt. By the 10th century, extensive bamboo pipelines connected oil wells with salt springs. The ancient records of China and Japan are said to contain many allusions to the use of natural gas for lighting and heating.