

## NEWS CLIPPING – PRESS

CLIENT:	UBM MES		
PUBLICATION:	THEEDGEMARKETS.COM	SECTION:	CORPORATE
DATE:	WEDNESDAY, 12 JULY 2017	PAGE NO.:	1 OF 3
CIRCULATION:	ONLINE	FREQUENCY:	ONLINE
HEADLINE:	PLENTY OF OPPORTUNITIES FOR LOCAL O&G PLAYERS		

Edition: **Malaysia** Singapore

**THEEDGE**<sup>TM</sup>  
**MARKETS**  
MAKE BETTER DECISIONS



[Home](#) | [Corporate](#) | [Sections](#) ▾ | [The Edge TV](#) ▾ | [Others](#) ▾ | [新闻](#) | [TheEdgeProperty.com](#)

TRENDING NOW [Bandar Malaysia](#) [FCV](#) [TMDB](#)

CORPORATE

FROM THE EDGE

Select Language ▾

## Plenty of opportunities for local O&G players

Adam Aziz / The Edge Financial Daily

July 12, 2017 10:22 am MYT



KUALA LUMPUR: Local oil and gas (O&G) companies are awash with various opportunities within the country in light of continued measures by the government to spearhead the growth of the oilfield services industry here, said Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi.

These include policies and incentives to spearhead the industry's growth, together with increasing participation by the government in the exploration of marginal oil field and deepwater reserves, he said.

“One of Malaysia's key aspiration is to grow the oil field services industry in line with the government's vision to catapult Malaysia into a high-income nation by 2020,” Ahmad Zahid said at the opening of the 16th Asian Oil, Gas & Petrochemical Engineering Exhibition (OGA 2017) yesterday.

Part of the Economic Transformation Programme entails the local oil, gas and energy sector achieving 5% annual growth in national gross domestic product (GDP) contribution until 2020, from one-fifth of total GDP currently.

**NEWS CLIPPING – PRESS**

<b>CLIENT:</b>	<u>UBM MES</u>		
<b>PUBLICATION:</b>	<u>THEEDGEMARKETS.COM</u>	<b>SECTION:</b>	<u>CORPORATE</u>
<b>DATE:</b>	<u>WEDNESDAY, 12 JULY 2017</u>	<b>PAGE NO.:</b>	<u>2 OF 3</u>
<b>CIRCULATION:</b>	<u>ONLINE</u>	<b>FREQUENCY:</b>	<u>ONLINE</u>
<b>HEADLINE:</b>	<u>PLENTY OF OPPORTUNITIES FOR LOCAL O&amp;G PLAYERS</u>		

“In the 11th Malaysia Plan, the prime minister highlights Malaysia’s role as an O&G services hub, as one of the key drivers for the growth of the services sector that will guide the country’s economic growth until then,” said Ahmad Zahid.

Measures include entry point projects such as Enhanced Oil Recovery (EOR), regional storage solutions and unlocking of premium gas demand, targeted to contribute RM131 billion in incremental gross national income and generate about 52,000 jobs by 2020, he added.

Meanwhile, Ahmad Zahid said, the government is also helping to increase the industry’s competitiveness through subsidy rationalisation, opening up access to liquefied natural gas imports, and tax cuts for marginal field explorers and developers.

“The Malaysian government has devoted considerable resources to the exploration of marginal oil fields and deepwater reserves,” he said.

This includes Petroliam Nasional Bhd’s (Petronas) US\$1 billion (RM4.3 billion) contract with ExxonMobil Corp for the Tapis field – the first of seven marginal field EOR projects. Deepwater exploration and production continues at fields like Gumusut-Kakap and Siakap North-Petai, while regasification terminals are being constructed in the west of Peninsular Malaysia.

Additionally, the launch of Global Incentives for Trading, paired with the ability of the local industry to offer an adequate skilled workforce and infrastructure at a significantly lower cost compared with its neighbours, has attracted global oil companies here, said the deputy premier.

This is reflected in the increasing number of multinational O&G players who are looking to set up their regional base in Malaysia, underpinned by the nation’s “stable political and business environment, as well as cost competitiveness”, he said.

Ahmad Zahid also said that this year could be the “road to recovery” for the O&G sector after experiencing a “year of tough decisions” in 2016.



## NEWS CLIPPING – PRESS

CLIENT:	UBM MES		
PUBLICATION:	THEEDGEMARKETS.COM	SECTION:	CORPORATE
DATE:	WEDNESDAY, 12 JULY 2017	PAGE NO.:	3 OF 3
CIRCULATION:	ONLINE	FREQUENCY:	ONLINE
HEADLINE:	PLENTY OF OPPORTUNITIES FOR LOCAL O&G PLAYERS		

Citing forecasts, he said the industry remains incredibly resilient despite the tumultuous periods over the past few years.

“In a recent report, Opec painted an optimistic outlook for the oil market in 2017, saying global demand will rise to exceed current production,” he said.

“A survey by Reuters also found that Brent crude oil could average at US\$58.20 per barrel in 2017 and US\$65.20 in 2018, while according to JPMorgan, Brent and WTI crude oil prices will average at US\$56.75 per barrel this year,” he added.

The OGA 2017, which runs until tomorrow, serves as a platform for governments, corporations and service providers to converge and collaborate in the interest of strengthening the future of the regional O&G sector.