MOGSC
MALAYSIAN OIL, GAS & ENERGY SERVICES COUNCIL

ENERGISE

THE MALAYSIAN OIL, GAS & ENERGY SERVICES COUNCIL (MOGSC)
QUARTERLY NEWS LETTER

MOGSC OFFICIALY OPENS NEW OFFICE



On 2nd March 2023, MOGSC welcomed its members and stakeholders to the new office at Binjai 8. We had moved here since 1st January 2023 upon vacating their previous office at Wisma UOA Jalan Pinang, where we had been there since 2020.

To celebrate this monumental milestone, the past presidents of MOGSC were invited to officially open the office. MOGSC would like to thank Puan Sharifah Zaida Syed Ibrahim and En. Sofiyan Yahya for officiating the new office and we will continue to bring MOGSC forward.

MOGSC would also like to thank various stakeholders from industry players, Petronas, PACs, government agencies and all of you for supporting MOGSC and we look forward to continue our relationship and engagements with all of you.

MOGSC WROTE TO PRIME MINISTER

On 18 January 2023, MOGSC have written to the Prime Minister Malaysia, Dato Seri Anwar Ibrahim, who is also looking after the finance portfolio, urging the government's intervention in addressing the liquidity issue in the oil and gas market, especially relating to Sapura Energy Berhad. One of our recommendation is for government to intervene in Sapura Creditors scheme where MOGSC urged that vendors that was owed by Sapura to be paid in full and not take any haircuts. Instead, the banks, who are the secured creditors in any schemes should take the heat as they have stronger balance sheet to absorb the impact. The suppliers meanwhile were made mainly from mid tiers and SME companies and does not have the means to stay afloat. MOGSC will continue our role in championing industry issues and looking forward for anything that help improve the sustainability and survival of our members and the industry in general.

for the full article : pages no 2

LETTER TO PRIME MINISTER

TOur Ref: MOGSC/012023/03/1194

25 January 2023

YAB DATO SERI ANWAR BIN IBRAHIM
Perdana Menteri dan Menteri Kewangan
Pejabat Perdana Menteri Malaysia
Blok Utama, Bangunan Perdana Putra
Pusat Pentadbiran Kerajaan Persekutuan 62502, Putrajaya, MALAYSIA

Dear YAB Dato' Seri,

First of all, I think it is not too late to wish you Happy New Year 2023. Under your dynamic leadership, we are optimistic the coming years will be an era of sustained success for all of us. We pray that you will be given the strength, courage, wisdom and perseverance to guide us through the challenges and foreseeable obstacles that we would be facing.
The Malaysian Oil, Gas and Energy Services Council (MOGSC) was established in 2003 as an independent association pursuing the national interest of the Oil and Gas Services and Equipment (OGSE) segment in Malaysia. Our main mission is to promote, create awareness, increase the profile and visibility of approximately 600 current membership's strength, employing 60,000 workforce. We engage and collaborate with stakeholders at all level; government agencies, industry players and the academics for the benefits of the Malaysian Oil, Gas & Energy Industry in general.

Lately there had been a lot of grievances shared by the industry players surrounding the current state of the Malaysian oil and gas industry. Collectively, the main players in the industry, which generally are the public listed companies (PLC) within the OGSE sector, had been showing below par financial performance reflecting a big disparity between the performance of the major oil companies under PETRONAS Petroleum Arrangement Contractors (PACs) and the supporting supply chain. We believe the compounding factor is amplified by the trend of awarding integrated and large contracts to these PLC's, resulting in most of the Mid Tiers, the Small and Medium Enterprises (SME), technically now the subcontractors and vendors, made to jointly confront severe financial crisis with negative cashflow, registering alarming losses and with possibility of closing business due to non payment by their Main Contractors (and the PACs).

Please allow us to bring your attention to some specific issues. The most glaring reference is the current one faced by approximately 700 vendors due to non-payment by Sapura Energy Berhad's Group of Companies. Currently, due to their dire financial situation, Sapura Energy Berhad, one of the biggest oil and gas player in the industry, had to seek court protection from legal actions. This pre-emptive strike insulates them from vendors and suppliers who are trying to recover the long outstanding sum.

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For the record, Sapura had lost almost 95% of their market capitalisation since the first oil price crash in 2014, with RM 13 billion wealth had been destroyed. It is estimated that Sapura Energy's owing to vendors and suppliers, majority of which are Bumiputera companies, under their trade payables stood at approximately a colossal RM 3.3 billion.

In the context of business impact, Sapura's issues and predicaments had impaired the supply chain support system directly, and to the PAC that engaged Sapura as their Main Contractor, indirectly. One of our member companies had set up a new business in 2018 to tap into the vast opportunities that the industry provided. In 2019, they received their first ever Purchase Order (PO) for their business from one of Sapura's subsidiary, with a value of RM 2.7 million. As to help part finance this PO, they sought for financial institutions' assistance to support the project cashflow. To date, they were only reimbursed RM 700,000 from the completed works while the remaining now falls under Sapura's scheme of arrangements. They had to sell their personal assets just to cover unexpected expenses and the risk of going for liquidation is real.

Alarmingly, this is not an isolated case as many others fell under the same vicious technicalities. In another case, a member who initially skeptical of supporting Sapura was given the assurance by the PAC operator as the ultimate client, that payment will be arranged by way of direct payments. Upon completion of their scope of supply, only RM 2.3 million from total of RM 5 million work done, were arranged for payment, while the remaining is still uncertain. The PAC has now distanced themselves from that service provider, conveniently stating that they will not interfere contractual disputes between main contractors and sub-contractors

Both of the examples were for the approximately RM 4 billion Pegaga Project, an EPCIC Contract awarded by Mubadala Petroleum to Sapura. For the record, the project achieved its first oil in May 2022 with the PAC benefiting from the hard work, commitment and competence of the local OGSE companies. Moving forward, we must not allow similar business casualties if we are to build a sustainable and robust ecosystem.

These are just few examples of Mid-tier and SME companies, despite having contributed to the success of the projects but due to the contract structure, had to finance the larger corporations. Many of our members now are risking their livelihood and survival as they are the victims and casualties in a disruptive supply chain with inadequate protection to smaller OGSE players.
Lots have been said by many parties with regards to the issues faced by Sapura Energy Berhad. Despite the perceptions and opinions by public, we maintain our position where we seek Government's intervention to address these issues. We fully understand the rule of law of this nation where Company's Act is to be respected as it allows distressed companies given chance to restructure and to be rehabilitated so that it can return to be going concern. By all means, Sapura being also one of our members, need to be allowed time to recover. Unfortunately, many companies don't have the luxury of having strong balance sheets and solid financial position to weather this storm.

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Hence, the followings are critical recommendations to urgently alleviate the hardship of the affected OGSE Companies and workforce:

1. Assurance that all vendors and suppliers that had served Sapura Energy Berhad's Group of companies to recover the whole sum of what is owed to them. Unfortunately, the vendors and suppliers are in a precarious position wherein the overall supply chain, they are deemed as unsecured creditors and will be the last to be resolved. Under normal circumstances, in any restructuring scheme, vendors and suppliers will have to agree on "haircut payments", which sometimes would result in a 70% reduction from the outstanding. The financial institutions on the other hands, despite having stronger balance sheet to treat losses, will demand for maximum amount from this restructuring scheme. For record, as of December 2022, the cumulative shareholders' fund for all major banks in Malaysia is approximately RM 300 billion ringgit. If the government is to intervene in Sapura's case, unsecured creditors will be given more consideration and will eventually recover the sum owed to them.

2. Assistance in ensuring the liquidity of the companies affected by Sapura by helping them to recover their outstanding sum in a shorter space of time. For your information, according to proposed scheme of arrangements by Sapura which was presented to all creditors, they had proposed a Four (4) years' recovery period to collect the outstanding owing with only 5% of this sum to be paid in the first year. Since the creditors are made of mostly SME and Mid-Tier companies, the risk of them winding up before collecting this sum is a real.

3. The government to consider putting in additional capital to Sapura through Permodalan Nasional Berhad to enable payment settlement to Sapura's vendors and suppliers. Although it might be viewed as bailing Sapura by the government, but this is paramount to ensure that the large OGSE supply chain survive and subsequently thrive forward.

4. Expedite the approval and passing of Malaysian Small and Medium Enterprises Act (MSME) which we were informed had been drafted for several years, with the aim of protecting SME companies and ensuring payments matters will be taken seriously. This will ensure no repeat of unjust scenarios in the future.

I would like to refer to an important quote by economist John Maynard Keynes in the 1930s. He said that markets can stay irrational longer than you can stay solvent. Unfortunately, that bit of wisdom remains true today, especially in the OGSE segment where the impact is felt greater on SME and Mid-Tier companies. On the flip side, the PAC operators seemed to be in the position to allow the latitude of the irrationalities of the market as most of them registered record profits for 2022. This circumstance must not be at the expense of the OGSE segment struggling to remain solvent while ensuring the 60,000 competent workforce continue to be gainfully employed.

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The oil and gas had been resilient since the beginning. It has seen many cycles of ups and downs but no ecosystem can sustain without help by the stakeholders. The OGSE eco system in Malaysia had been developed the to where it is today over the last 50 years. Moving forward, these are the ecosystem that will be required to continue serving the country to meet future requirements in this industry especially as we are moving towards net zero carbon in 2050 and have subscribed to COP26 in the global arena.

MOGSC is proud to be representing fellow OGSE service providers that have contributed significantly in the journey of our nation building. We are the unsung heroes, the frontliners and the pillars of strength of Malaysia economy. We have bruised, injured, fallen, but we always get back up to support the nation.

In every successes that this great nation had thus far from the oil and gas industry, and the future successes that we will achieve, partly was due to the contribution of mariners out there providing accommodation and supplies to offshore fields, the welders and fitter at the fabrication yards building new structures, the drilling team continuously involved in the extraction of oil and gas, the maintenance contractors helping to maintain plants and refineries, and the thousands of OGSE personnel out there providing services within the industry in various segments. We have been here since the beginning of the industry, we are here today overcoming obstacles and challenges, and we will be here standing proud supporting the national agenda for years to come.

YAB Dato' Seri, it is our wish that the Government rally all the stakeholders, for immediate meaningful actions in strengthening the OGSE segment so it can remain resilient and competitive. The journey towards a sustainable energy ecosystem is a long and a challenging one, we plead your indulgence to guide us out from the predicament we are in. We will bounce back stronger and be a force to be reckoned with in the global Oil, Gas and Energy space, Insha'Allah.

Thank you very much and God Bless Malaysia.

Thank you.
Your Sincerely,

Ts. Saggaf Syed Ahmad
President
The Malaysian Oil, Gas & Energy Services Council

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HONOURING FORMER PRESIDENT OF MOGSC



Y.M Tengku Dato' Ibrahim Petra bin Tengku Indra Petra
2004 - 2008

He began his career with PETRONAS in 1980, and two years later was appointed by the Ministry of Foreign Affairs, Malaysia as the Malaysian Consul General based in Los Angeles, USA. Upon his return in 1984, he assumed the position of Executive Chairman in Petra Finance Berhad until the company was sold in 1995. In 1988, while he was still with Petra Finance Berhad, he formed Petra Resources Sdn Bhd ("Petra Resources"), an oil and gas trading company. He was appointed its Non Executive Chairman, and in 1998, became the Executive Chairman and Managing Director of Petra Resources. He was later appointed the Executive Chairman and Chief Executive Officer of Petra Perdana Berhad ("Petra Perdana") when Petra Resources was acquired by Petra Perdana in May 2000.

He is no longer the Executive Chairman and Chief Executive Officer of Petra Perdana with effect from 5 February 2010 and 19 March 2010 respectively. Today, his priority is to spearhead Petra Energy in becoming a leading 'onestop' integrated brown field services provider for the upstream oil and gas industry in the country and region.

He does not have any family relationships with any member of the Board or major shareholder of Petra Energy. He does not have any conflict of interest with Petra Energy and neither has he been convicted of any offence within the past 10 years.

He was the first President of the Malaysian Oil, Gas and Energy Services Council (MOGSC) for two consecutive terms since its inception in December 2003. His tenure as President, ended in April 2008.



Ts. Sofiyan Yahya
2008 - 2014

En. Sofiyan Yahya has 40 years experience in the oil and gas industry, domestic and international. He started his career as an engineer, progressed into management and later established himself as an entrepreneur. Sofiyan is currently the Executive Chairman of Cekap Technical Services Sdn Bhd and a board member of MPRC. His various business interests include Digital/IT and e-motorcycle manufacturing. He has been involved in various organizations and business platforms in support of the community and industry, including as a founding member and past President of MOGSC.



Datuk Ramlan A. Malek
2014 - 2016

Datuk Ramlan was a Director of PETRONAS Gas Berhad and a member of the PETRONAS Management Committee. He was also a Director of Malaysia Petroleum Resources Corporation and the Malaysia-Thailand Joint Authority as well as the Chairman of the Society of Petroleum Engineers ("SPE") - Asia Pacific (M) Sdn Bhd ("SPE").Datuk Ramlan has 35 years of working experience in the upstream E&P areas. His early career was in petroleum engineering and production operations followed by upstream business development, strategic planning, petroleum arrangements negotiation, projects and procurement coordination, as well as general supervision of domestic upstream activities. He led efforts in securing deep-water exploration and development, enhance-oil-recovery projects, major petroleum infrastructure projects, small fields development and unitization of petroleum fields straddling boundaries and increasing local services companies participation. Datuk Ramlan is currently a director of the SPE and past President of Malaysian Oil & Gas Services Council ("MOGSC").



Ts. Sharifah Zaida Nurlisha Syed Ibrahim
2016 - 2022

Sharifah Zaida Nurlisha received her Bachelor of Electrical Engineering (BEng (Hons)) and Master of Business Administration (MBA) degrees from Nottingham University, England. She started her career as an Instrument Engineer at Sime Engineering Sdn Bhd in 1990 before moving to the discipline of Project Management with MMC Oil & Gas Engineering Sdn Bhd in 1995. Her experience includes Project Engineering to Project Manager of various types of Oil & Gas contracts while serving other positions in the company – Head of Department of Project Management and General Manager of Project Management Services, before holding her current position as Chief Executive Officer of MMC Oil & Gas Engineering Sdn Bhd.

She has served actively on the Malaysian Oil, Gas & Energy Services Council (MOGSC) for over 10 years, served as an elected Executive Committee for the 2010/2012 term, Vice President for 2 terms, 2012/2014 and 2014/2016 and as President for 3 terms, 2016/2018, 2018/2020 and 2020/2022. She is now the Advisor of MOGSC for 2022-2024 term. In her tenure, together with her Excos, she successfully lifted MOGSC visibility to both government and industry stakeholders in the Oil and Gas industry as the voice of OGSE (Oil and Gas Services and Equipment) service providers and a platform for neutral discussion on issues in the industry.

THANK YOU TO THE OUTGOING GENERAL MANAGER



Rather than saying that it is sad moment, MOGSC wants to say that it had been an honour for us, and the industry generally, to have Rohazlee Hashim serving us as the General Manager for the past 7 years.He joined MOGSC in 2016 and 16th January was his last day with MOGSC before he goes on to pursue his ambitions and personal achievements.

Being the General Manager, it is always a challenge to manage the associations and even more challenging managing the EXCOs. His role is to ensure the vision and plans set by the EXCO can be turned into an execution plan. And throughout his tenure, he had done an excellent job doing this with his calm and composed nature.

MOGSC thanks Mr Rohazlee again and wish him all the best in his future an endeavour. As always in oil and gas, there is no goodbyes. Only see you later.

WELCOME ON BOARD



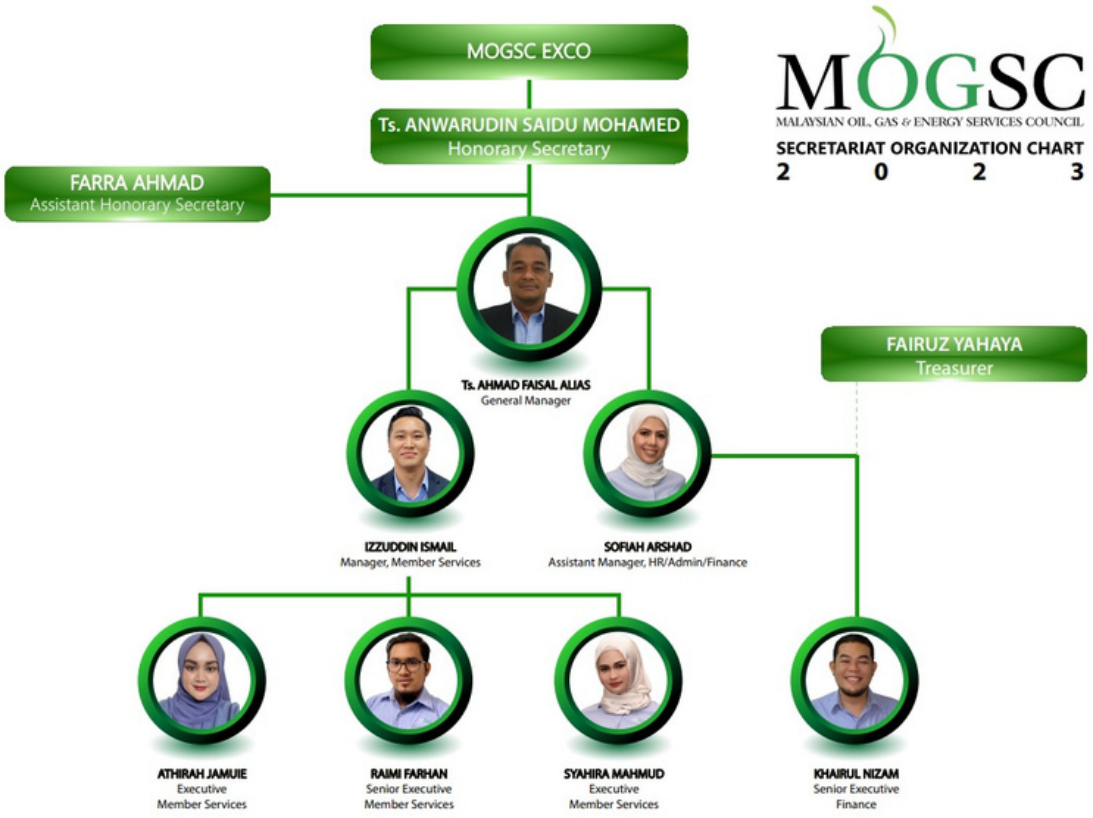
Ts. Ahmad Faisal Alias
MOGSC General Manager

MOGSC is pleased to announce the appointment of Ahmad Faisal Alias as our new General Manager. Faisal is taking over from Rohazlee and brings with him over 14 years of industry experience, having previously served as Business Development Manager at Velosi. We are confident that his expertise and leadership will be valuable to MOGSC as we continue to grow and serve our members.

In addition, MOGSC is pleased to introduce Izzuddin Ismail as our new Manager. Izzuddin has extensive experience in managing industry-related exhibitions and meeting delegations to strengthen the relationship between Malaysia and South Korea. We warmly welcome both Ahmad Faisal Alias and Izzuddin Ismail to the MOGSC team and look forward to their contributions to the organization.



Izzuddin Ismail
MOGSC Manager



MDB SESSION 2023

On 17 January 2023, MOGSC was invited to joining the dialogue session between associations and the Ministry of Finance, chaired by YAB Prime Minister which is minister of finance. This is part of their initiative to listen to feedbacks from the industry players that will be used in the preparation of budget 2023 which will be tabled in February.

Some key points from the Prime Minister's opening remarks was that the government will be preparing the revised budget prudently based on facts and data available which will also be reflecting on the current global economic uncertainties which is projected to be on a downward trend in 2023.

He admitted that this is not business as usual scenario and quoted economists John K Galbaraith on his view in his essay "Culture of Contentment" where it narrates how the complacent majority captures the political process and determines economic policy.

He assures that the revised budget will take into consideration proper policies to ensure sustainability of the ecosystem which comprises big players and SMEs with a care and compassionate approach. There is also needs for balancing act to ensure subsidies to be rationalize by introducing targeted subsidies for specific group of people.

MOGSC will be sending a follow up letter to MOF on its proposal and suggestions for the upcoming budget, which should focus on addressing liquidity issues faced by the industry.







ENGAGEMENT WITH MOGSC WORKING GROUP CHAIRPERSONS

MOGSC organize our quarterly engagement with the chairpersons of our working groups. One of our strategic approach is to empower the chairpersons of working groups so that they become the extension of EXCOs to achieve our focus areas and objectives. It is good to see enthusiastic oil and gas personnel presenting their achievements from 2022 and more importantly their plans for 2023.Hence, MOGSC would like to invite all of you to be part of any of our working groups in order to contribute to the industry.







ENGAGEMENT SESSION WITH LHDN (LEMBAGA HASIL DALAM NEGERI)

On 30 January 2023, MOGSC attended an engagement session between Lembaga Hasil Dalam Negeri (LHDN) and stakeholders which includes 50 trade associations and chambers of commerce.

According to its CEO, Datuk Dr Mohd Nizom Sairi, the main reason for the gathering was to personally thank the stakeholders for their commitment and support in in tax compliance, translated in a record breaking direct tax revenue figure. He said that he sees their role as a facilitator of compliance in tax administration.

For further enhancement, they now introducing Tax Corporate Governance Framework (TCGF) to assist in tax compliances by having a better collaboration with business owners.

During the Q&A session, most of the questions across the industry touched on cashflow issues that prevent prompt payment of tax, unfavourable and unfair penalty regime, and restrictions in travel due to taxation issue. For oil and gas segment, we have requested a dedicated session with the Hasil's CEO for our members. Will update on this once the session is confirmed.





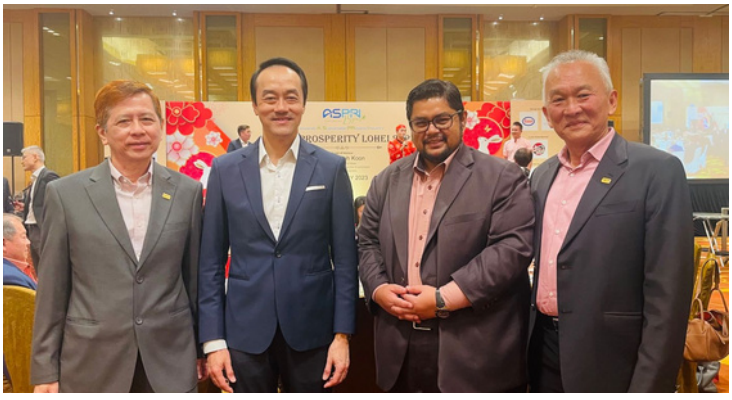


ENGAGEMENT WITH ASPRI (ASSOCIATION OF PROCESS INDUSTRY)

On 3 February 2023, MOGSC was honoured to be invited to Association of Process Industry (ASPRI) dinner at Marina Bay Sands. ASPRI is MOGSC's counterpart in Singapore looking after the service providers. The event was graced by Dr Koh Poh Koon, Senior Minister of State for Sustainability and Environment, Senior Minister of State for Manpower.

We were also touched that in his welcoming remarks, ASPRI's President Mr Danny Chua highlighted MOGSC, where he sees the regional collaborative efforts must be continued for the the good of the industry in ASEAN. In Dr Koh's address, he pointed out clearly the initiatives by the government and efforts that must be collectively done by all stakeholders to ensure agendas such decarbonisation, digitalisation and automation, and workforce competencies can be successfully achieved accordingly.

ASPRI had been working closely with the government and stakeholders and as a result, they have established spin offs businesses such as dormitory services for workers and training centers at their headquarters. MOGSC sees ASPRI as an association we will need to look up to and will definitely want to learn more from them and replicate good initiatives that they have done in Singapore for betterment of Malaysian industry. Special thanks to Wayne Yap for the hospitality and look forward to engage with you soon.





MOGSC VISIT THE MEMBERS



On 8th February 2023, we kick start our “MOGSC Visit the Members” series with a trip to Sapura Energy Berhad at their headquarters at The Mines. The objectives of this program is to get to know our members better and also exchange views and opinions to improve the industry together. It is also a chance to catch up on what is going on with them as well.

We were welcomed by Sapura Group CEO, Datuk Anuar Taib, who was appointed in 2020, their Chief Strategic Officer, and also their corporate communications team.

The discussions revolved around Sapura’s current progress in relation to their creditors scheme that impacted other members and the industry in general. MOGSC brought forward the concerns from the members on this and sought Sapura’s appropriate actions to resolve this.

MOGSC also mentioned that we have written to the Prime Minister to request for necessary government intervention and support to Sapura in order for the supply chain issues to be addressed and resolved accordingly. It was pleasant to hear that Sapura is in the midst of finalizing the payment scheme and in negotiations with banks to ensure a favorable plan to safeguard the vendors and suppliers interests.

More or less, when exchanging views, MOGSC and Sapura are aligned in identifying the pain points of the industry which include inequitable contracting mechanism, low rates and unfavorable banking supports.

MOGSC also invited Datuk Anuar to share his experience, the do’s and don'ts's, lessons learnt and what can be done to avoid another crisis like this from happening to any oil and gas players in the future. Despite the issues that they have been facing, Sapura still remains an important entity in Malaysia’s oil and gas scene. It is in the nation’s best interest to have Sapura back on a strong footing and continue to fly the Malaysian flag high.

NATIONAL OGSE STEERING COMMITTEE MEETING

On 9th February 2023, MOGSC presented paper for the approval of the committee for fundings to support 2 initiatives which is under MOGSC. The initiatives are B2, R&D apprenticeship program and E2, Financial Management workshops. MOGSC feels that both initiatives given are in line with MOGSC’s 4 key focus areas and in order for this 2 initiatives to achieved its objectives, adequate resources and programs need to be planned and conducted.

MOGSC also wished the new economic minister, YB Rafizi Ramli all the best and pray that under his leadership our economy can be steered to the right direction. It was also good to catch up with Datuk Tengku Taufik and Dato Bacho Pilong in the meeting.









MOGSC VISIT TO MBOT OFFICE





On 10 February 2023, an excellent engagement MOGSC and Malaysia Board of Technologist (MBOT) to discuss several strategic cooperation which will benefits the development of working professionals in Malaysia.

Amongst other, the discussion focused on MOGSC to be part of MBOT Technology and Technical Working Group (TTWG), cooperation between both parties in promoting professional development within the Oil and Gas sector, MOGSC to be apart of MBOT Professional Panel. In such Capacity MOGSC will develop the learning modules to provide the induction course for prospect future Professional Technologist and Professional Technician in term of their registration or application.

MOGSC also accepted the official appointment as a learned body to provide ample of avenues for Continuing Professional Development (CPD). In same capacity MOGSC also envisage to introduce new training or awareness sessions related to adjacent sector to O&G such as Carbon Management , Energy Efficiency , waste to Resources and Sustainable Materials.

MOGSC will continue to work closely and strategically with MBOT for the betterment and development of future ready talents in Malaysia.

EAST-COAST OIL & GAS CONFERENCE (ECOGC)







On February 12, 2023, MOGSC participated in a program hosted by Kolej Kemahiran Tinggi Mara (KKTM) and Terengganu Oil and Gas Council (TOGC). We are grateful to KKTM and TOGC for inviting us to share our insights on the oil and gas industry's importance in Malaysia and its role in nation-building.

During the presentation session, our presentation focused on the global and local challenges faced by the industry and the efforts required to ensure its continued resilience and competitiveness including the readiness for Net Carbon Zero 2050, ESG, and energy transition.

We commend KKTM and Mara for their efforts in developing programs and syllabus that cater specifically to the oil and gas industry and support the industry from the fundamentals stage. We believe that this needs to be continued and improved to ensure that the industry has access to the resources it needs to thrive.

We look forward for a closer collaboration with our counterpart, TOGC, to improve the industry collectively

MOGSC EAST COAST TEH TARIK NETWORKING SESSION

We organize MOGSC Teh Tarik Session with our members in East Cost at Kelab Golf & Rekreasi Petronas which was attended by almost 50 members. We see Terengganu Oil and Gas Council (TOGC) headed by YM Tunku Amran as an important association that looks after the interests of Terengganu players. Hence we look forward for closer ties and collaboration with them to ensure the betterment of the industry overall. We were also pleased that Petronas GM for Peninsular Asset, En Ahmad Shazaly Ramli and Head of PMA, En Hafiz Azzad took the time to grace our event as well. We promise to come back and do a courtesy visit to their office in our next trip.







MOGSC ENGAGEMENT WITH PETRONAS PD&T




On 25th February 2023, MOGSC collaborated with Petronas Group Project Delivery leadership team in a brainstorming session to set direction of resolving quality issues in project delivery. There are few task force set as a moving forward plan to address issues ranging from enhancement of integrity level within the industry, improving competency of quality related personnel via proper certification, quality structure within project organization and consequence management approach. MOGSC also shared pain points and recommendations to improve quality in the same session.

One of immediate action by MOGSC is to plan for the creation of a new working group specifically on quality. Framework on this new working group will be developed as soon as possible so a targeted approach on quality can be established. MOGSC believes that an honest and transparent discussion with Petronas on issues faced by the industry will ensure that the segment remain resilient and continuous efforts can be made for betterment of the industry.

ENGAGEMENT WITH SIRIM DURING ISO 29001 LAUNCHING FOR THE INDUSTRY



On 2nd March 2023, MOGSC were pleased to be invited by SIRIM QAS International for ISO 29001 Petroleum, Petrochemical and Natural Gas Certification Launch Ceremony. This ISO 29001 is a quality management system for Petroleum, Petrochemical and Natural Gas industries which is tailored for all organizations working within the oil and gas industry supply chain.

The launch of this certification will help organizations improve business performance in terms of the management system, environmental, social, financial, and customer satisfaction while enhancing business reputation and trust at the international level. We are looking forward to engage with SIRIM to come out with awareness programs so that our members can embark into the journey of obtaining ISO 29001.

Thank you Dato Indera Dr Ahmad Sabirin Arshad and his team for the warm welcome and hospitality, and we look forward to strengthen further collaboration between MOGSC and SIRIM.





MOGSC ENGAGEMENT WITH LHDN







MOGSC welcomed LHDN team, lead by their Deputy CEO Puan Wan Ramiza, for an engagement session dedicated for oil and gas segment. This session is a follow up from the previous engagement session held by LHDN with associations and business chambers stakeholders held on 30th January. MOGSC had requested a dedicated session so that pain points and recommendations by oil and gas stakeholders on tax maters can be heard and deliberated. The best takeaway from Puan Wan Ramiza's remarks is that LHDN is looking for a win win situation whereby the industry players will want to improve on their business profits and HASiL will achieve greater compliance in terms of direct taxes collected. Based on this engagement, MOGSC will be submitting proposals and recommendations to LHDN on how to ensure the oil and gas segment can remain resilient and can be sustained. Thank you to the leadership of Mohd Nizom Sairi for making the efforts to connect with stakeholders and hopefully we can have good collaboration together.













MOGSC'S NEW OFFICE WARMING CEREMONY

























Courtesy Visit to PETROS





On 7th March 2023, The Malaysian, Oil Gas & Energy Services Council (MOGSC) first engagement in Sarawak is to pay a courtesy visit to Petros at their office in Kuching. We last visited Petros in 2018 when they were just started and it is amazing to see where they are today after 5 years.

In the engagement, Petros shared their plans for both upstream and downstream businesses and also shared their Gas Roadmap, a 10-year plan to realize the full potential of Sarawak's abundant gas resources and drive step-change progress in domestic gas utilization. MOGSC also shared their focus areas and where they feel they can play a role in assisting Petros to create a resilient, competitive and sustainable OGSE ecosystem in Sarawak, leveraging on the strengths of local resources. MOGSC also suggested that pain points and recommendations to move forward captured in MOGSC's working group can be shared to Petros for the betterment of the industry. It was also good to catch up with Petros Chairman, Tan Sri Hamid Bugo and exchange views with regards to the industry on how to overcome the challenges and obstacles.

Thank you Petroleum Sarawak Berhad (PETROS) and their leadership team for welcoming us and we wish you all the best in your future endeavour.

Courtesy Visit to SPECA





On 8th March 2023, The Malaysian Oil, Gas & Energy Services Council (MOGSC) paid a visit to Sarawak Petroleum Contractor's Association (SPECA) at their office in Kuching.

We always feel that engagement and collaboration with our regional counterparts is important to collectively improve the industry together and align our objectives in ensuring local OGSE ecosystem thrive.

Courtesy Visit to Sarawak Deputy State Secretary (DSS)



The Malaysian Oil, Gas & Energy Services Council (MOGSC) final but the most important engagement in Sarawak is an engagement with Sarawak Deputy State Secretary and also Director of Sarawak Economic Planning Unit, Datu Dr Muhammad Abdullah Zaidel.

Datu Dr Muhammad took the time to share the oil and gas journey of Sarawak and how the overall ecosystem was built, impressively within a short space of time. He also shared that Sarawak had a long term vision that was established 5 years ago which some of them already comes into realization.

MOGSC appreciated the fact that the state look at the association as a collaborator in ensuring the betterment of the industry together and engagements like this will allow closer ties in finding good moving forward plan. We also offer our assistance to the state, where deems necessary, in helping the OGSE ecosystem in Sarawak. This is definitely a start to a long term relationship between MOGSC and Sarawak EPU.

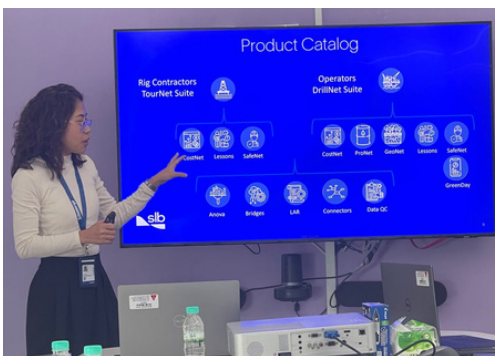
MOGSC Visit Sarawakian Members

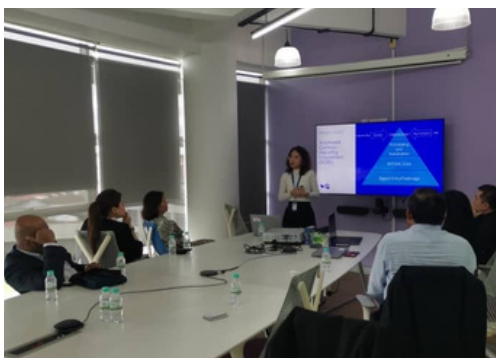


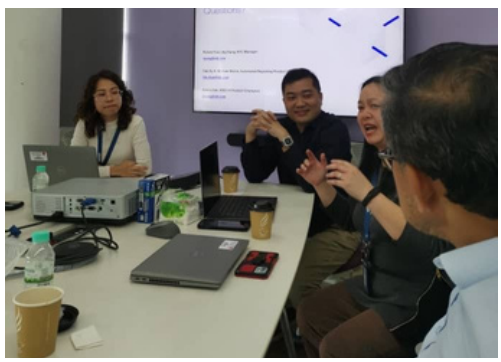
MOGSC pays a visit to SLB Kuching Technology Center which was previously Independent Data Services (IDS), one of MOGSC members. Founded in 1995, and based in Kuching, IDS is the leading provider of cloud-delivered reporting and analytics services to the upstream oil and gas industry.

In 2021, Schlumberger acquires IDS as their web deployed reporting software, which delivers automated reporting capabilities with AI and machine learning ability, complemented the Schlumberger digital drilling portfolio.

This is an actual success story of a local company that employs local people, manage to provide solution that get the attention of international companies. Currently, 300 rigs all over the world is using their software. We wish the team all the best and look forward for them to continue to be part of MOGSC and share their journey to the members.







Lan Ngupi with Sarawak OGSE Players

Last but not least. This is first time we held a "Lan Ngupi" session at Grand Magherita at Kuching Sarawak with MOGSC Excos as well as our newly formed MOGSC Sarawak Sector Committee members.








MOGSC MEETS INDUSTRY LEADER



On 14th March 2023, "MOGSC Visits Member Series", we are honoured to be invited by none other than Tan Sri Dr Ngau Boon Keat, Chairman and Founder of Dialog Group Berhad, to their office at Dialog Tower.

Tan Sri shared on the early years of PETRONAS where he was part of the team that was instrumental in shaping Petronas moving forward plan leveraging on resources available.

It made us realized that the far sighted vision back then created strong fundamentals in our oil and gas journey, especially on how they structured the earlier The Production Sharing Contract (PSC) in 1976 to replace the concession-based system which are tailored to match the opportunities offered, providing optimum sharing of the profit oil and gas between PETRONAS and investors.

Tan Sri also very passionate in ensuring the growth and well being of OGSE players always protected since the ecosystems were build for 50 years and look forward for more engagements with MOGSC to share his team experiences and knowledge. God willing MOGSC will continue to carry your aspirations for the industry and ensure Malaysian OGSE segment will continue to be resilient and competitive moving forward.

MOGSC 1ST PRESIDENT VISIT TO NEW OFFICE





On 14th March 2023, The Malaysian Oil, Gas & Energy Services Council (MOGSC) welcomed Tengku Dato' Ibrahim Petra bin Tengku Indra Petra, the first President of MOGSC to our new office and we are also honored that he finally get to officiate our office.

Tengku Dato' Petra served as MOGSC president from 2004 to 2008 and was instrumental in charting MOGSC's framework moving forward. He spent almost 2 hours sharing his experiences with us and wished MOGSC all the best in carrying our duties.



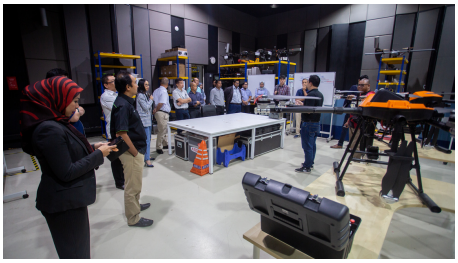


MOGSC TECHNICAL VISIT TO AERODYNE GROUP

On 15th March 2023, MOGSC organized a technical visit to Aerodyne Group in Cyberjaya. This technical visit was arranged by the Decommissioning Working Group where the objective is to learn on innovative ways to implement drones and data management for decom activities. Congratulations, Kamarul A Muhamed , on propelling local capabilities to this level, and thank you for having us. We wish you all the best!








MOGSC WELCOME NEW MEMBERS

We are proud to share that we have managed to attract approximately 28 new members in a single quarter, definitely one of our best achievements as far as membership registration is concerned. We are looking forward to active participation from all of our members!

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INDUSTRY INSIGHTS

Uzma win 3 years contract from PETRONAS Carigali



KUALA LUMPUR: Uzma Bhd has secured a contract from PETRONAS Carigali Sdn Bhd (PCSB) for the provision of self-cleaning through tubing perforation. In a filing with Bursa Malaysia, Uzma said the scope of works comprised of the supply of through tubing perforation equipment and services for PCSB's Malaysia asset. The duration of the contract will be for three years, effective from Nov 30, until Nov 29, 2025. The value of the contract was not disclosed. Uzma expects the contract to contribute positively towards the earnings and net assets per share of the company for the financial year ending June 30, and onwards until the expiry of the contract.

What are the upcoming Oil and Gas project in Malaysia in 2023



Among the most significant projects expected to get going in 2023, the one most talked about is Petronas's Kasawari in Malaysia – the first carbon capture and storage (CCS) development in the region. FID was expected in 2023, but Petronas jumped the gun and announced investment approval in late November 2022

https://www.energyvoice.com/oilandgas/asia/470125/oil-investment-asia-pacific-2023/#:~:text=Among%20the%20most%20significant%20projects,approval%20in%20late%20November%202022.

Sarawak bakal keluarkan gas Metanol ke pasaran terbuka



Sarawak Premier Datuk Patinggi Tan Sri Abang Johari Tun Openg revealed details about the second methanol plant in Sarawak following the first plant's completion. "From a financial standpoint, it is sorted out and is a private sector investment. "You can see that financial institutions have high confidence in this industry," he said.

https://mediapermata.com.br/sarawak-akan-mula-hasilkan-metanol-januari-2024/#:~:text=KUCHING%2C%2031%20JAN%20%E2%80%93%20Sarawak%20akan,Petrokimia%20Bintulu%20di%20Kidurong%2C%20Bintulu.

PETRONAS revenues expected to remain strong, says Fitch Solutions



KUALA LUMPUR (March 17): Fitch Solutions Country Risk and Industry Research expects Petroliam Nasional Bhd (Petronas)'s revenues to remain strong, as the influx of tourists since the re-opening of borders in March 2022 should continue acting as a tailwind for transportation fuel demand, which will aid sales volumes for

https://www.theedgemarkets.com/node/659571#:~:text=KUALA%20LUMPUR%20(March%2017)%3A,will%20aid%20sales%20volumes%20for

Petronas to contribute RM40b dividend payout to govt in 2023



KUALA LUMPUR (Feb 24): Petroliam Nasional Bhd (Petronas) is expected to pay about RM40 billion in dividends to the government in 2023, slightly higher than the previous Budget 2023's headline RM35 billion.

Despite the latest adjustment, the figure is still lower than the RM50 billion dividend paid by the national oil and gas company in 2022, when the average Brent crude oil price exceeded US$100 per barrel.

https://www.theedgemarkets.com/node/656623

MOGSC seeks government help in recovering debts from Sapura Energy



MOGSC, which represents 600 O&G companies, has written to Prime Minister Datuk Seri Anwar Ibrahim to seek government intervention in the recovery of as much as RM3.3 billion in debts that Sapura Energy owes to its members.

https://www.theedgemarkets.com/node/654990#:~:text=MOGSC%2C%20which%20represents%20600%20O%26G,Energy%20owes%20to%20its%20members.

PETRONAS, Sabah govt expand collaboration in Oil and Gas sector



'Heads of agreement' paves the way for state government company to acquire a 50% interest in the Samarang production sharing contract. PETRONAS and the Sabah government have inked a "heads of agreement" (HoA) to expand their collaboration in the oil and gas industry.

Malaysia's O&G sector to stay robust in 2023



'Heads of agreement' paves the way for state government company to acquire a 50% interest in the Samarang production sharing contract. PETRONAS and the Sabah government have inked a "heads of agreement" (HoA) to expand their collaboration in the oil and gas industry.

Petra Energy awarded two contracts from PETRONAS Carigali



KUALA LUMPUR (March 17): Petra Energy Bhd on Friday (March 17) announced that its subsidiary Petra Resources Sdn Bhd had received two contracts for the provision of accommodation workboats from Petronas Carigali Sdn Bhd (PCSB).

The contracts are for its accommodation workboats Petra Orbit and Petra Galaxy

https://www.theedgemarkets.com/node/659649#:~:text=KUALA%20LUMPUR%20(March%2017)%3A,Petra%20Orbit%20and%20Petra%20Galaxy.

Malaysia launches 10-year blueprint for oil, gas sector



Malaysia is seeking to steer its oil and gas sector away from uncertainty created by the Covid-19 pandemic, unveiling a 10-year industry plan aimed at thriving in a lower oil price environment and capitalising on the global energy transition.

https://www.argusmedia.com/en/news/2210210-malaysia-launches-10year-blueprint-for-oil-gas-sector

SPORTS SECTION

We're back with the first friendly match of 2023! MOGSC FC will play again VELESTO for the opening friendly match at Kelab Aman in February. MOGSC FC faced SLB FC, DESB FC, and GTS in the next match, which took place at Eco Ardence Setia Alam, Padang Bola Sintetik UM Varsity, and MPAJ Pandan Perdana in Kuala Lumpur.

MOGSC FC 3 - 3 VELESTO









MOGSC FC 4 - 2 SLB FC









MOGSC FC 3 - 1 DESB FC









MOGSC FC 2 - 1 GTS FC









MOGSC UP COMING EVENT 2023

MOGSC
MALAYSIAN OIL, GAS & ENERGY SERVICES COUNCIL

ANNUAL GENERAL MEETING (AGM) 2023

17 MAY 2023
2.00 PM - 5.00 PM
Kiku Hall, Level 43, Malaysian Petroleum Club,
Tower 2, PETRONAS Twin Tower, KLCC

20 ANNIVERSARY



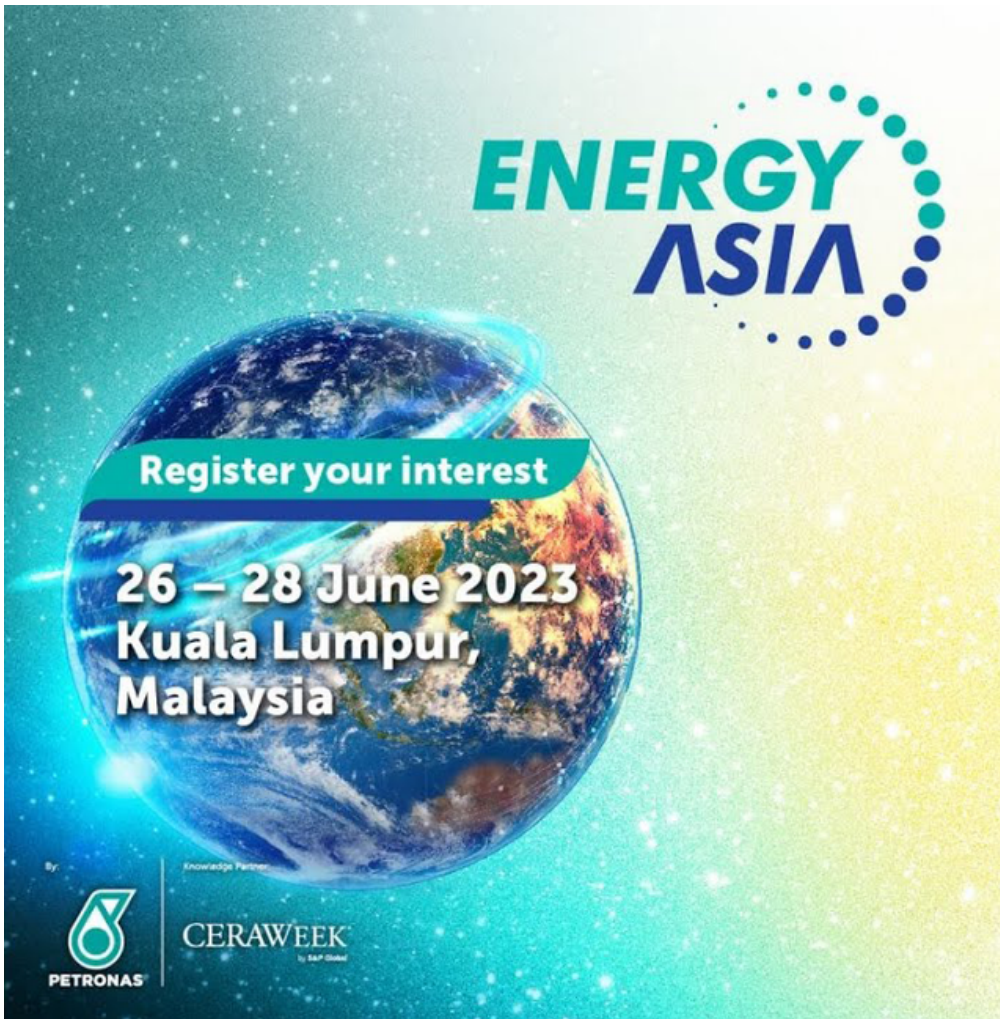

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