mprc
malaysia petroleum
resources corporation

CORPORATE
REPORT
2023

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FORGING PARTNERSHIPS FOR A

RESILIENT OGSE SECTOR

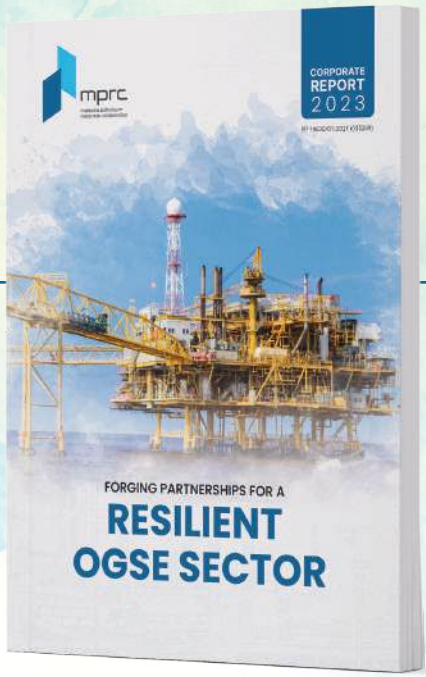
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INSIDE THIS REPORT



Cover Rationale

The corporate report cover design seamlessly blends watercolour elements with an iconic image of an oil rig, symbolising the corporation's commitment to sustainability of the Oil & Gas Services and Equipment (OGSE) sector. The incorporation of watercolour symbolises the fluidity of the OGSE sector amid the energy transition, while the oil rig image underscores the sector's core identity. This unique combination communicates a steadfast commitment to balancing business success with energy transition.

Furthermore, the graphic element inspired by the brand's logomark ensures consistency and reinforces brand recognition, adding a touch of familiarity to the design. These carefully selected visual elements and colour choices create a cohesive cover and serve as a powerful representation of MPRC's values and its role in the OGSE sector.



National OGSE Roadshow 2023, Kuala Lumpur, 19 October 2023



The National OGSE Industry Blueprint 2021-2030 Implementation Steering Committee Meeting, Putrajaya, 9 February 2023



Energy Asia 2023, Kuala Lumpur, 26-28 June 2023

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For more information, visit **www.mprc.gov.my** or scan this QR code

Established in **April 2011, Malaysia Petroleum Resources Corporation (MPRC)** is an agency of the Ministry of Economy primarily tasked with **advancing Malaysia's Oil & Gas Services and Equipment (OGSE) sector.**

As countries around the world, including Malaysia, embark on the energy transition, MPRC further advocates for OGSE companies to **pivot towards cleaner and sustainable energy as new areas for business growth.**

MPRC also **provides policy recommendations** to the Government on the oil & gas and energy industries.

Following the launch of the **National OGSE Industry Blueprint (OGSE Blueprint) 2021-2030**, MPRC serves as its custodian, coordinating and implementing its initiatives together with OGSE Blueprint partners. The OGSE Blueprint seeks to **develop a robust, resilient, and globally competitive OGSE sector** that contributes to sustainable national development in Malaysia.

MPRC's emphasis on the sustainability of the OGSE and energy industries is also aligned with Malaysia's national and global sustainability commitments. The commitments include the country's net zero carbon target by 2050 as outlined by the 12th Malaysia Plan, the National Energy Policy 2022-2040, the National Energy Transition Roadmap (NETR), as well as the United Nations Sustainable Development Goals (SDGs).

CORE VALUES

MPRC is guided by a set of core values that guide our decisions and how we conduct ourselves.

W

WIN-WIN

Mutual Benefit for All Parties

We will generate win-win solutions for our stakeholders that will be sources of national competitiveness and sustainable growth.

I

INTEGRITY

Be True to Yourself and Honest with Others

We create an environment of trust by saying what we mean and meaning what we say. We are unyielding in our ethics, and we take responsibility for our actions.

S

STEWARDSHIP

Every Task is an Opportunity to Add Value

We embrace every task as an opportunity to improve. We invest in the professional growth of our people. We are relentlessly focused on creating value when delivering on our mandates as nation builders.

H

HUMILITY

Respect for Others Will Empower Us to Shape the Future

We keep an open mind to a diversity of ideas, regardless of origin. We accept the possibility that there are better ideas than ours. We are respectful of others and their views, mindful that we are here to serve.

ABOUT MPRC



STRATEGIC FOCUS AREAS

OGSE SECTOR DEVELOPMENT

ENERGY TRANSITION (SUSTAINABILITY) PROMOTION & ADVOCACY

OIL, GAS & ENERGY POLICY & ADVISORY

STATEMENT OF PURPOSE

To be a progressive and trusted partner to advance energy support services, energy transition, policy advisory and advocacy, and contribute to Malaysia's sustainable economic growth.

STRATEGIC PRIORITIES (2022-2027)

- Solve the OGSE sector's fundamental issues (competitiveness, resiliency, development, and sustainability)
- Drive OGSE sector development in gas market, renewables energy and new energy

- Support Ministry of Economy in championing Energy Transition (Sustainability) in OGSE and broader Oil & Gas industry
- Promote and advocate gas as part of energy transition whilst also positioning Malaysia as regional gas market hub

- Support Ministry of Economy in providing research, consulting, and policy advisory services

KEY STAKEHOLDERS

Ministries

KEMENTERIAN EKONOMI
JABATAN PERDANA MENTERI
KEMENTERIAN PERALIHAN TENAGA DAN TRANSFORMASI AIR
KEMENTERIAN SUMBER ASLI DAN KELESTARIAN ALAM
KEMENTERIAN PENDIDIKAN TINGGI
KEMENTERIAN SUMBER MANUSIA
KEMENTERIAN PELABURAN, PERDAGANGAN DAN INDUSTRI
KEMENTERIAN PEMBANGUNAN USAHAWAN DAN KOPERASI
KEMENTERIAN KEWANGAN
KEMENTERIAN SAINS, TEKNOLOGI DAN INOVASI

Agencies

KEMENTERIAN EKONOMI JABATAN PERANGKAAN MALAYSIA
Suruhanjaya Tenaga Energy Commission
MGTC
seda MALAYSIA
MATRADE
MIDA MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY
ekuinas EKUITI NASIONAL BERHAD
HRD CORP HUMAN RESOURCE DEVELOPMENT CORPORATION
INVEST KL MALAYSIA
BURSA MALAYSIA
MDV
BANK NEGARA MALAYSIA CENTRAL BANK OF MALAYSIA
MIMOS GLOBAL A strategic agency under MOSTI
SIRIM
SME CORP MALAYSIA
TERAJU PEMERAJU BUMIPUTERA
TalentCorp ATTRACT · NURTURE · RETAIN
MTDC MALAYSIAN TECHNOLOGY DEVELOPMENT CORPORATION
TDA Technology Depository Agency
PERKESO
CIDB MALAYSIA

Government-to-Government Initiatives

MDBC Malaysian Dutch Business Council
Australian Government Australian Trade and Investment Commission
kotra Korea Trade-Investment Promotion Agency
BUSINESS FRANCE
M.O.C.I.
skkmigas
Norwegian Energy Partners
EUROCHAM MALAYSIA EU-MALAYSIA CHAMBER OF COMMERCE AND INDUSTRY
British High Commission Kuala Lumpur
ifp Energies nouvelles

Industry, Industry Associations & Professional Bodies

PETRONAS
MOGSC MALAYSIAN OIL, GAS & ENERGY SERVICES COUNCIL
MOGEC MALAYSIAN OIL & GAS ENGINEERING COUNCIL
MALAYSIAN Gas ASSOCIATION
MOSVA
MOCA MALAYSIAN OFFSHORE CONTRACTORS ASSOCIATION
SPE
EIC ENERGY INDUSTRIES COUNCIL
IMM

Higher Education & Skills Institutions

UTM UNIVERSITI TEKNOLOGI MALAYSIA
UNIVERSITI TEKNOLOGI MARA
UTP UNIVERSITI TEKNOLOGI PETRONAS
UNIVERSITI MALAYSIA PAHANG AL-SULTAN ABDULLAH
UniKL UNIVERSITI KUALA LUMPUR
ADTEC
Sarawak Skills

MPRC SUBSIDIARY: JPDC



Pengerang Deepwater Terminals (PDT) Storage Tanks

VISION

To transform Johor into a Sustainable, World-Class Downstream Oil and Gas Hub

MISSION

With the vision, JPDC is tasked with the mission to plan and coordinate the development of a sustainable downstream oil and gas industrial area in PIPC, promote investments into PIPC and Malaysia and facilitate participation by Malaysian businesses and manpower in PIPC development and economic activities.

About JPDC

Johor Petroleum Development Corporation Berhad (JPDC) is a wholly-owned subsidiary of MPRC. Established on 9 April 2012, its mandate is to plan and coordinate the construction of the Pengerang Integrated Petroleum Complex (PIPC) as well as to promote and facilitate investments in downstream oil, gas and petrochemical operations in PIPC. JPDC also plays a pivotal role in fostering and supporting the involvement of the local community in PIPC's economic expansion, both as skilled manpower for the industry and as entrepreneurs.

Powering Progress: Downstream Innovation Takes Centre Stage at PIPC

Located in Pengerang, southeast of the state of Johor in Malaysia, PIPC occupies a vast 22,904 hectares and is purposefully built to accommodate a range of downstream oil and gas industrial complexes. These comprise manufacturing facilities and industrial parks, as well as petrochemical and refining plants, a deep-water dock, storage tanks, naphtha crackers, regasification plants and associated facilities. A plastic and fine chemicals park, a light and medium industrial park, a waste management centre, an emergency response centre, a logistics hub, and a commercial hub are only a few of the zones designated for relevant support services in the extensive PIPC Master Plan.

Downstream oil and gas companies benefit from PIPC's strategic location, which puts them close to important international shipping lanes that connect the Middle East, the South Asian subcontinent and important growth markets in Northeastern Asia (China, Japan, and Korea). The refinery hub's proximity to Singapore, which is home to the majority of the world's commodity traders, further enhances its allure. Notably, the absence of breakwater and the water depth of over 24 metres at PIPC make it easier for very large and ultra-large crude ships to operate in its waters.

MPRC SUBSIDIARY: JPDC

JPDC Mandates



Plan and develop strategies for the downstream oil and gas development in Johor.



Coordinate and drive the execution of development projects.



Identify and manage funds required for financing the downstream oil and gas development in Johor.



Promote and market Johor's downstream oil and gas industry to potential investors.



Enhance inclusiveness towards an equitable society with more access to economic opportunities in PIPC.



Ensure the availability of industry workforce to drive and sustain PIPC's development growth.

Progress and Milestones of PIPC in 2023

The development progress of PIPC is closely monitored according to the PIPC Development Master Plan, spanning 25 years from 2013 to 2037 and divided into four phases: Phase 1 (2013-2019), Phase 2 (2020-2025), Phase 3 (2026-2031) and Phase 4 (2032-2037).

Now in Phase 2, JPDC has placed a strong emphasis on sustainability, encouraging new investments to incorporate robust sustainability plans in line with the increasing focus on green technology. These investments are expected to adhere to environmental, social and governance (ESG) standards, with financiers carefully reviewing project proposals to ensure compliance. Most new investments originate from Europe and Asia, reflecting a global interest in PIPC's development with a sustainability-focused approach.

On 13 October 2023, YAB Prime Minister Datuk Seri Anwar Ibrahim, who is also Finance Minister I, announced PIPC's designation as a hub for petrochemical and chemical activities. This designation includes incentives by the Government for investments in selected activities and the development of industrial parks.

As at 31 December 2023, PIPC has continued to make significant strides in its development. Out of a total of 22,904 hectares designated for industry development, 10,415 hectares, representing 45.5% of the total land area, have been committed to industry development. Notably, development has been completed on 6,256 hectares, which accounts for 60% of the committed area.

By 2037, targeted total investments in PIPC by 2037 are RM330.6 billion. As of December 31, 2023, committed investments have reached RM139.66 billion, constituting 42.2% of the targeted total investments.

MPRC SUBSIDIARY: JPDC



View of Pengerang Deepwater Terminals in the foreground and Pengerang Integrated Complex in the background

Job Creation and Refining Capacity

PIPC aspires to generate a total of 30,095 direct and indirect jobs by 2037. As of December 31, 2023, the complex has created 7,549 jobs, representing 25% of the targeted total. From 2013 to December 31, 2023, JPDC has provided training to 6,898 Malaysian workers, equipping them with new skills or upgrading their current skill sets.

Remarkably 95% of these trainees secured jobs with industry employers immediately after completing their training, contributing to the formation of a highly skilled and competent industrial workforce in Pengerang, poised to support the industry.

The planned total liquid storage capacity for the period 2013-2037 is set at five million cubic metres. As of December 31, 2023, the available capacity stands at 4.1 million cubic metres, reaching 82% of the planned total. Similarly, the planned total refining capacity by 2037 is anticipated to reach one million barrels per day.

As of December 31, the available refining capacity is 300,000 barrels per day, achieving 30% of the planned total capacity. Additionally, the planned total petrochemical production capacity by 2037 is aimed at 11.3 million tonnes per annum. By the end of 2023, the petrochemical production capacity reached 3.6 million tonnes per annum, achieving 31.9% of the planned total production capacity.

PIPC's Vision for the Future

As PIPC enters Phase 2, its strategic focus is on enhancing its position in the downstream O&G sector through targeted investments. One of the key areas of emphasis is the completion of the product chain, where intermediate products will be further processed into final products like plastics and synthetic fibres. This move aims to solidify PIPC's role in the value chain and increase its competitiveness in the market.

Furthermore, PIPC is actively pursuing new integrated projects that leverage advanced technologies. Technologies such as Crude Oil to Chemical (COTC), Plastic Waste to Chemicals, and Methanol to Olefins (MTO) are being embraced to enhance efficiency, competitiveness, and sustainability. JPDC is also committed to advancing towards a low-carbon energy system involving accelerating the solar energy industry, harnessing bio-energy resources, exploring the full potential of hydrogen, and developing new energy technologies.

JPDC's strategic utilisation of industrial land for developing downstream oil, gas, and energy hubs serves to fortify its standing as a pivotal industry player.

MPRC
IN THE NEWS






HOME NEWS GLOBAL MARKETS PROPERTY NET ZERO 2050 SCALE UP

News

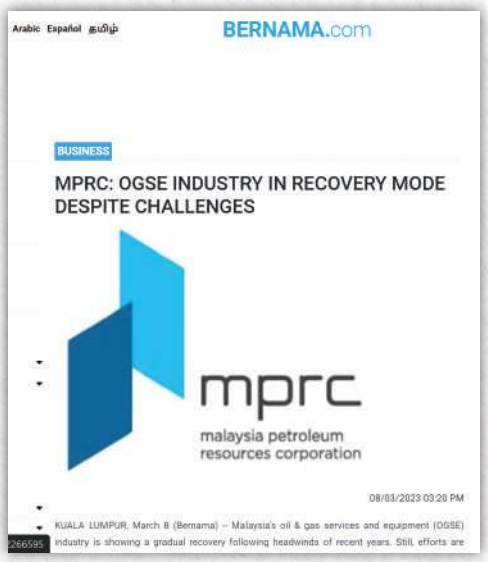
Johor MB Urges Companies To Leverage On OGSE Blueprint To Get A Leg Up Energy Transition

By Business Today Editorial - May 23, 2023



23 MEI 2023 - BERITA WILAYAH-SEKTOR MINYAK DAN GAS DI JOHOR-REKODKAN RM140 BILION JUMLAH PELABURAN

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BUSINESS

MPRC: OGSE INDUSTRY IN RECOVERY MODE DESPITE CHALLENGES

mprc malaysia petroleum resources corporation

08/03/2023 03:20 PM

KUALA LUMPUR, March 8 (Bernama) -- Malaysia's oil & gas services and equipment (OGSE) industry is showing a gradual recovery following headwinds of recent years. Still, efforts are


BH ONLINE

LAIN-LAIN (BISNES)

Pelan Tindakan OGSE disemak semula tahun depan

Hazwan Faisal Mohamad
hazwanfaisal@mediaprima.com.my
October 19, 2023 @ 2:02pm

Mohd Yazid berucap pada persidangan Jerayawara OGSE Kebangsaan 2023 di Kuala Lumpur, hari ini -NSTP/Aziah


MALAYSIA

Economy minister urges OGSE players to embrace energy transition to continue driving Malaysia's economy forward

Economy Minister Rafizi Ramli says the oil and gas services and equipment (OGSE) players must embrace energy transition, as this will help them solve many issues. — Picture by Yusuf Mat Isa

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The Malaysian Reserve

OGSE industry in recovery mode, but risks remain, says MPRC



PETRONAS: Perkasa ekosistem OGSE, rangsang pertumbuhan ekonomi negara

Astro AWANI


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BUSINESS

MPRC PLANS TO DO 'MID-TERM REVIEW' OF OGSE INDUSTRY BLUEPRINT NEXT YEAR


'OGSE Industry Is Facing Its Next Opportunity With Energy Transition,' Says Rafizi



Pahang's O&G, energy industry sees commited investments totalling RM800m in 1H 2023


Syarikat perkhidmatan minyak dan gas mesti terima peralihan tenaga

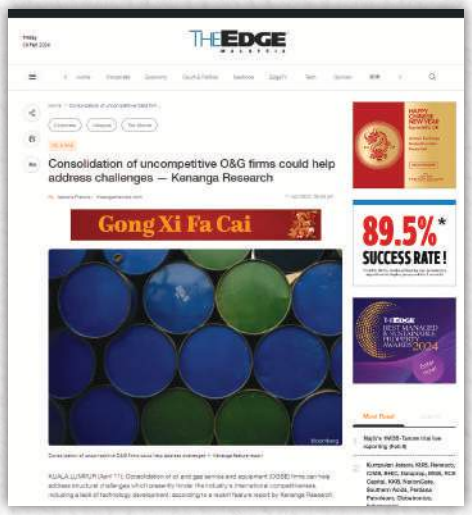
19 Oktober 2023 12:22pm

KUALA LUMPUR (Nov 9): The Mid-Term Review of the National Oil and Gas Services and Equipment (OGSE) Industry Blueprint 2021-2030 next year will encompass sustainability and energy transition for the industry as Malaysia accelerates its low-carbon aspirations to achieve net zero greenhouse gas emissions as early as 2050 ... 9 Nov 2023


The Edge Malaysia

https://theedgemalaysia.com › node

OGSE blueprint to expand sustainability ... - The Edge Malaysia



Consolidation of uncompetitive O&G firms could help address challenges — Kenanga Research


dayak daily

Deputy minister: Opportunities for SMEs in Sarawak's energy transition towards sustainability


Johor rekod RM140 bilion pelaburan dalam sektor minyak dan gas


malaymail

Rafizi: Oil and Gas Services and Equipment Blueprint to expand sustainability and energy transition initiatives in Malaysia




Syarikat OGSE mesti terima peralihan tenaga - Rafizi

CHAIRMAN'S MESSAGE



We have and will continue to play a pivotal role in steering the OGSE sector as it navigates the energy transition, bridging the gap between government and market requirements



DATO' DR. AHMAD SUHAILI IDRUS
Chairman, MPRC



Embracing Agility for the Energy Transition

On behalf of the Board of Directors, it is with great pleasure that I present to you Malaysia Petroleum Resources Corporation's (MPRC) Corporate Report 2023. Throughout the year, MPRC remained actively engaged in fulfilling its primary mandate of advancing Malaysia's Oil & Gas Services and Equipment (OGSE) sector.

The year 2023 presented a unique tapestry of challenges and opportunities for the global economy. While the global community gradually recovered from the lingering effects of the COVID-19 pandemic, geopolitical conflicts, climate extremes and economic volatility left indelible marks on communities and businesses alike. Moreover, the geopolitical tensions also continued to disrupt oil & gas supply, leading to higher energy prices, maintaining the pressure on the cost of living and potentially stunting global economic growth.

Against this backdrop, Malaysia's oil & gas industry showcased remarkable resilience, with production amounting to about 500,000 barrels per day (kb/d) of liquids and seven billion standard cubic feet per day (MMscf/d) of gas, in line with PETRONAS' target to produce two million barrels of oil equivalent per day (MMboe/d) by 2025.[1]

Despite this continued stable pipeline of oil & gas reserves in Malaysia, the Government, regulator and operators have reiterated their commitment to pivot towards cleaner sources of energy, fully embracing the energy transition. This has created implications for the OGSE value chain which serves the oil & gas and energy industries, underscoring MPRC's role to facilitate and support the OGSE sector towards sustainable growth.

[1] Source: PETRONAS Activity Outlook 2024-2026; "In the Spotlight" section.

Ensuring Long-Term Value Creation

The government's timely announcement of the National Energy Transition Roadmap (NETR), which was released in two parts in June and August 2023, marked a significant milestone as it provided a crucial foundation for navigating Malaysia's transformative journey from a traditional hydrocarbon-based economy to a high-value green economy. NETR calls for a collaborative approach involving Federal and State Governments, the industry, the public and the international community.

MPRC supports NETR's implementation, acknowledging its potential to propel Malaysia's commitment and dedication to reshaping the national energy mix and achieving the nation's low carbon goals. We have and will continue to play a pivotal role in steering the OGSE sector as it navigates the energy transition, bridging the gap between government and market requirements. Through the focus areas of its 5-Year Strategic Plan 2022-2027, MPRC seeks to ensure the development of holistic, effective stewardship and strategies for the OGSE sector.

To this end, we hope that our National OGSE Sustainability Roadmap to be introduced in 2024 and followed by the National OGSE Sustainability Framework, will be pivotal in empowering OGSE companies to address calls for cleaner and more enduring ways of doing business.

At the same time, MPRC continued to work with OGSE ecosystem players to solve the industry's most pressing issues, such as access to financing and talent. During the year, we strived to facilitate OGSE companies towards available sources of funding and will double these efforts in 2024 to ensure the industry receives the support it needs to survive and thrive. We also tied up with PETRONAS and the Malaysian Oil, Gas & Energy Services Council (MOGSC) to develop an industry talent framework to secure the long-term OGSE talent pool.

Collectively, these activities aim not only to equip the industry to develop further, but also ensure its sustainability for years to come. We also appreciate that cross-industry collaborations are essential to achieving the industry's sustainability goals and remain committed to MPRC's statement of purpose to be a progressive and trusted partner for the OGSE sector.

Acknowledgements

We would like to express our gratitude to the Ministry of Economy and its Energy Division for steering the OGSE sector's development and supporting MPRC's initiatives. Looking ahead, MPRC remains committed to playing a crucial role in securing the OGSE sector's long-term prosperity and fostering its contribution to Malaysia's economic development and growth. By embracing innovation, promoting sustainability, and nurturing collaborative partnerships between the government, industry players, and key stakeholders, MPRC remains confident that the OGSE sector can thrive in the evolving energy landscape and continue to position Malaysia as a globally competitive hub.

We also extend our appreciation to Malaysia Petroleum Management and PETRONAS for their roles in regulating and shaping the oil & gas industry and its OGSE supply chain.

We would also like to record our thanks to our National OGSE Industry Blueprint 2021-2030 (OGSE Blueprint) implementation partners, OGSE companies, other Government agencies as well as financial and academic institutions, among others, for their contributions in implementing the OGSE Blueprint.

On a personal note, I would like to thank my fellow colleagues on MPRC's Board of Directors, whose support and guidance have been instrumental in delivering key outcomes for MPRC in 2023. I would also like to appreciate the invaluable contributions of Encik Sofiyan Yahya, whose term as a Director concluded during the year, as well as thank YBhg. Dato' Haji Rosli bin Isa for his tenure in 2023. We also welcome our new Board member YBhg. Dato' Nor Eni Ismail, who joined us at the end of 2023.

On behalf of the Board, I am also pleased to commend the dedication of MPRC's management and employees for their commitment to carrying out the organisation's activities.

Finally, our heartfelt appreciation goes to the Minister of Economy, YB Tuan Rafizi Ramli, for his support towards MPRC and the OGSE sector.

DATO' DR. AHMAD SUHAILI IDRUS
Chairman, MPRC

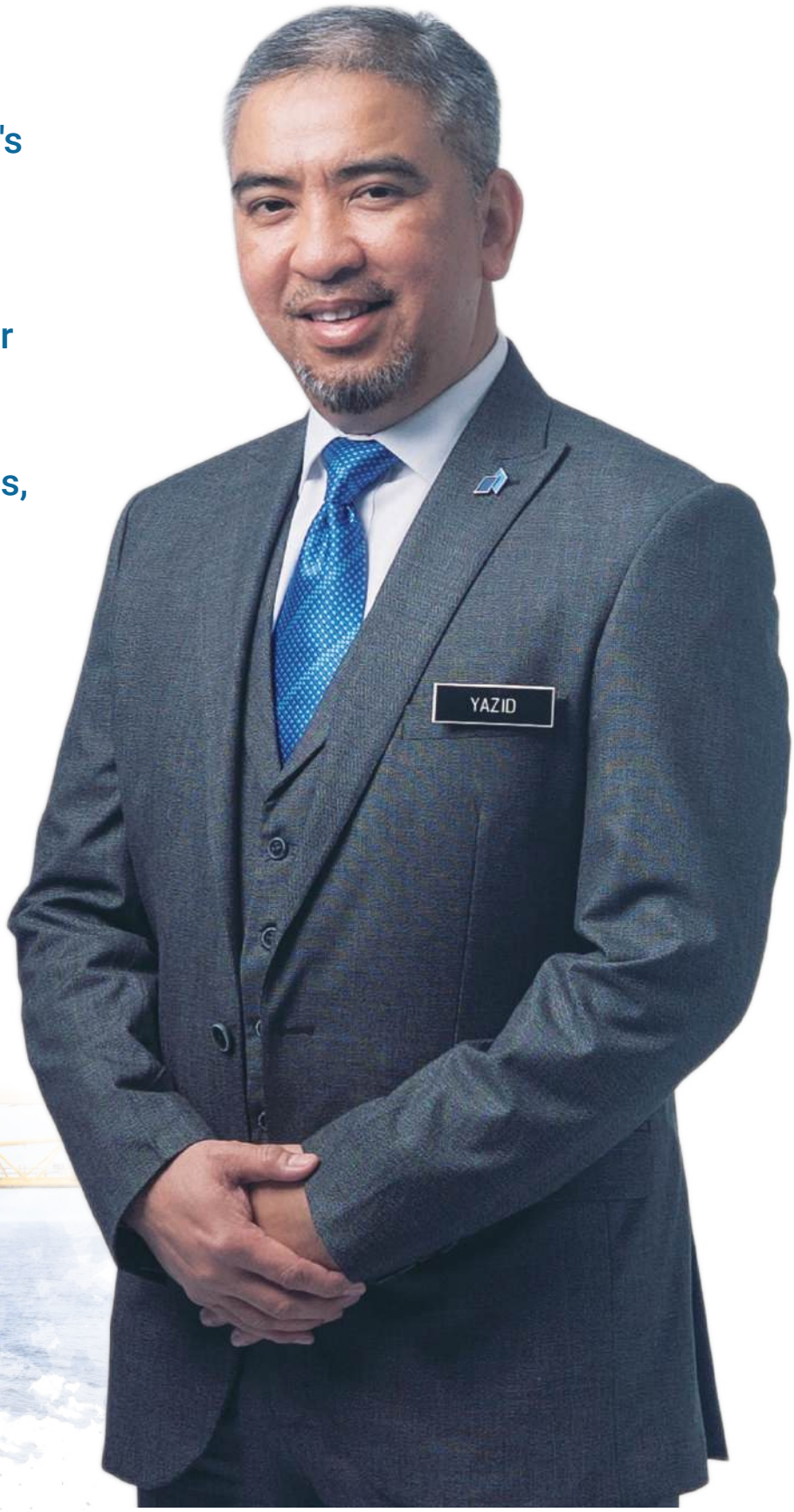


PRESIDENT/CEO YEAR IN REVIEW

Our role as the OGSE sector's trusted partner was key in enabling us to deliver our planned activities for the year, guided by our Five-Year Strategic Plan 2022-2027. These deliverables include one of our primary mandates, OGSE sector development.

MOHD YAZID JA'AFAR
President/CEO, MPRC





Steering Malaysian OGSE Forward

MPRC concluded another fruitful year in 2023, marked by the continued progress of our strategic initiatives. Across all our activities, we succeeded in establishing and strengthening linkages with our OGSE ecosystem stakeholders, living up to our statement of purpose to be a progressive and trusted partner to advance energy support services, energy transition, policy advisory and advocacy and contribute to Malaysia's sustainable economic growth.

Our role as the OGSE sector's trusted partner was key in enabling us to deliver our planned activities for the year, guided by our Five-Year Strategic Plan 2022-2027. These deliverables include one of our primary mandates, OGSE sector development. As part of this effort, we serve as custodian and lead implementation agency of the National OGSE Industry Blueprint (OGSE Blueprint) 2021-2030.

Launched by the Ministry of Economy (then the Economic Planning Unit) in April 2021, the OGSE Blueprint envisions the development of a robust, resilient and globally competitive Malaysian OGSE sector which contributes to sustainable development of national priorities by 2030. Working together with other OGSE Blueprint initiative leads and partners, I am pleased to report that the OGSE Blueprint sustained its momentum in its third year of implementation. Among highlights recorded in its implementation from 2021 to 2023 include:

- The launch of MPRC's Recognition of Prior Experiential Learning (RPEL) programme, where 63 OGSE workers were retrained and certified for welding inspection at Advanced Technology Training Centre (ADTEC) Kemaman and ADTEC Shah Alam and for underwater welding at Sarawak Skills. This programme aims to address the industry's talent shortage by ensuring talent are recognised and retained.
- Export promotion for 164 OGSE companies facilitated by MATRADE, providing them with access to potential sales up to RM2 billion through business matching and export promotion at international trade fairs.
- MIDA's approval of eight multinational corporations (MNCs) for new or expansion of OGSE projects in Malaysia.
- Fiscal facilitation from MIDA to 10 OGSE companies to access Industry4wrd Intervention Funds, Smart Automation Grant and Automation Capital Allowance.
- RM25 million in grants to over 20 OGSE companies from TERAJU through its Dana Kemakmuran Bumiputera, catalysing a projected RM250 million in investments.
- TalentCorp's engagement with almost 400 of Malaysian diaspora in OGSE to help reverse the brain drain, while also working with other OGSE ecosystem players to provide the six-month #Walkwithme OGSE industry coaching programme, which has so far mentored over 300 participants towards propelling their career trajectories in OGSE.

Complementing the OGSE Blueprint initiatives, MPRC has to-date approved RM15.5 million in matching funds under our OGSE Development Grant (OGSE DG) to 64 OGSE companies, of which 9 companies have successfully exported their products and services. MPRC developed the OGSE DG in 2021, consisting of a 70:30 matching grant of up to RM250,000 offered to eligible OGSE companies to adopt innovation and technology as well as to expand exports.

I am pleased to share that OGSE DG recipients have commended the grant's simplified application process and efficient disbursement as a boon, providing companies with timely access to much needed financial support for them to elevate their businesses.



Advocating sustainability as part of the energy transition

During the year, we also made notable strides in promoting and advocating sustainability of the OGSE sector as part of the energy transition. Our efforts proved especially timely in line with the Ministry of Economy's launch of the National Energy Transition Roadmap (NETR) in 2023. The NETR, along with the Mid-Term Review (MTR) of the 12th Malaysia Plan and the New Industrial Master Plan (NIMP) 2030, reiterated Malaysia's commitment to its low-carbon aspirations. The NETR, 12MP-MTR and NIMP 2030 provide clear direction on Malaysia's net zero plans, while also providing new economic opportunities for the country and its OGSE players to harness in the conventional oil & gas space as well as green growth areas.

Nonetheless, hydrocarbon-based fuels, albeit from cleaner sources, will remain a vital component of our energy mix for the foreseeable future. This is to ensure the country's energy security and affordability whilst it seeks new ways to use and produce cleaner energy and making natural gas as an important transition fuel. This, in turn, places emphasis on the continued relevance of the oil & gas industry, albeit a cleaner one, and its supply chain of OGSE companies.

The OGSE sector must, however, adapt to the evolving energy landscape to ensure its survivability and sustainability. For this reason, MPRC is committed to supporting OGSE companies to enhance their value in line with national and global sustainable development aspirations. To this end, during the year, working in concert with OGSE ecosystem players, we embarked on developing our National OGSE Sustainability Roadmap (NOS-R), marking the second of our three-part National OGSE Sustainability Programme.

The roadmap is the first of its kind for the OGSE sector, tailored to the needs of the sector by simplifying and providing clarity for adopting and disclosing sustainability practices. The NOS-R presents a pragmatic approach and targets for sustainability in OGSE companies, as our consultations with OGSE ecosystem stakeholders afforded us with the understanding for their need to balance between survivability and sustainability.

The NOS-R was previewed during our National OGSE Sustainability Forum in November 2023. Now in its fourth instalment and themed 'OGSE in Transition - Partnering to Accelerate Sustainability', the National OGSE Sustainability Forum 2023 underscored collaborative efforts within the OGSE sector to foster sustainable practices in line with Malaysia's net-zero goals.

The forum brought together nearly 400 participants from the OGSE sector, government agencies and sustainability experts from the energy, capital market and financial industries, among others, featuring sessions discussing financial challenges, resource considerations, ESG and energy transition.

We look forward to socialising the NOS-R among our OGSE company stakeholders in 2024 as well as embarking on the final part of the National OGSE Sustainability Programme with the concluding National OGSE Sustainability Framework.

Recognition as OGSE's trusted partner

Throughout the year, we were pleased to receive invitations to share our insights and initiatives on the trends and issues confronting the OGSE sector, including energy transition, sustainability, talent and technology, among others.

From the Program Transformasi Kontraktor Minyak & Gas Sarawak (PTKS) organised by Ministry of International Trade, Industry, and Investment Sarawak (MINTRED) to Suarah Petroleum Group (SPG), Dewan Usahawan Bumiputera Sarawak and the Sabah Oil and Gas Conference Exhibition (SOGCE) 2023 and to the international-level Energy Asia 2023 and Oil & Gas Asia 2023 held in Kuala Lumpur, across the country we strived to engage meaningfully with our stakeholders on the ground as well as promote the government support available to advance OGSE companies.

Another highlight of our stakeholder engagement events included our role at PETRONAS' OGSE Partners Day held in August 2023 in Kuala Lumpur. Apart from our knowledge-sharing conducted during the on-stage sessions, we were also entrusted to facilitate workshops involving the regulator, operators and OGSE companies which paved the way for the development of a wide-ranging implementation plan to address near-term OGSE sector needs.

The OGSE Partners Day full report will be completed and shared in 2024 and we are proud to have supported PETRONAS's initiative and serve as an impartial third-party in shaping a positive future for OGSE in Malaysia. We were also delighted to participate in other PETRONAS events during the year, including the Malaysia Upstream Awards, the launch of its Just Transition Report, Malaysia Upstream Project Excellence Conference and Universiti

Teknologi PETRONAS' inaugural TechConnect event. These activities allowed us to foster closer ties across the breadth of the OGSE sector and reiterate our positioning as the sector's trusted partner.

In addition to externally-organised events, we continued our initiative to raise awareness on the OGSE Blueprint. Building on the momentum of the OGSE Roadshows introduced last year, in 2023 we focused on the Southern and East Coast regions with the Johor OGSE Roadshow in May 2023 and East Coast OGSE Roadshow held in Kuantan, Pahang in July 2023, culminating in the National OGSE Roadshow held in Kuala Lumpur in October 2023. Themed 'Unlocking Opportunities in the Energy Transition', these roadshows attracted over 1,000 OGSE stakeholders, bringing together government, industry, financing institutions and other ecosystem partners to deliberate on opportunities and challenges for the OGSE sector amid the energy transition. We appreciate the support from the Ministry of Economy and its Energy Division as well as the respective State Economic Planning Units, OGSE Blueprint partners and initiative leads as well as other participating partners to contribute to the success of the events.

Moving Forward

The year 2024 ushers in an exciting time for MPRC as we will embark on a Mid-Term Review (MTR) of the OGSE Blueprint. As we approach the halfway point of the OGSE Blueprint implementation, while rapid developments in the oil, gas and energy landscape continue to unfold, it is timely for us to undertake this exercise. We expect to deep-dive into opportunities to refine and enhance the OGSE Blueprint to ensure it remains relevant and will achieve its 2030 goals.

The OGSE Blueprint MTR will also expand the ambit of sustainability, in line with its growing significance within the operating landscape.

In the wider oil & gas landscape, we see continued improvement in investment and job opportunities in Malaysia's upstream segment as global demand picks up. Nonetheless, these opportunities are expected to be more technically challenging, and the OGSE sector will need to respond accordingly to ensure the supply chain requirements of these new opportunities are met. At MPRC, we look forward to continuing to work with OGSE players to support the harnessing of these opportunities.

Acknowledgements

On behalf of the Management and staff of MPRC, I would like to thank our Board of Directors for their support and guidance throughout the year. I would also like to express our appreciation to the Ministry of Economy and its Energy Division for their advice and cooperation in fulfilling our mandate.

Additionally, I extend our sincere gratitude to PETRONAS and our OGSE Blueprint implementation partners and collaborators for their ongoing collaboration and cooperation in driving forward the initiatives outlined in the OGSE Blueprint. We express a further word of thanks to our Industry Advisory Panel (IAP) members for their contributions and active participation in our endeavours. We are also indebted to OGSE companies who make up our key stakeholders, for their trust in us and collaboration in advancing the sector, without which our progress would not have been possible.

On a personal note, I extend my deepest appreciation to my fellow colleagues at MPRC whose commitment and passion have consistently exceeded expectations in carrying out their responsibilities.

As we progress through 2024, we remain positive on the continued growth of OGSE in Malaysia, driven by the efforts made by all stakeholders. These efforts will not only sustain but also propel the continued advancement of our OGSE sector.

MOHD YAZID JA'AFAR
President/CEO
Malaysia Petroleum Resources Corporation

GOVERNANCE & LEADERSHIP

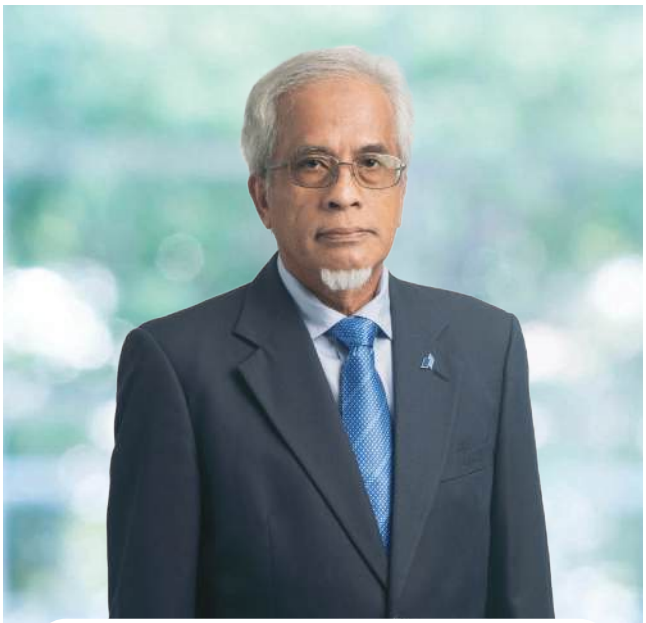
MPRC is governed by a Board of Directors whose members include representatives from the Ministry of Economy, the Ministry of Finance, the Malaysian Investment Development Authority (MIDA), Malaysia External Trade Development Corporation (MATRADE), as well as oil & gas industry experts. In the year 2023, the Board comprised nine individuals, each bringing diverse expertise to the table. Their collective experience contributed to comprehensive insights, fostering both effective and well-informed decision-making. The Board of Directors also continued to ensure robust corporate governance and MPRC's accountability towards the delivery of its mandates.





GOVERNANCE & LEADERSHIP

BOARD OF DIRECTORS



DATO' DR. AHMAD SUHAILI IDRUS

Independent Director and Non-Executive Chairman

Dato' Dr. Ahmad Suhaili Idrus has spent nearly three decades in the downstream, and midstream oil & gas industry mainly with Shell. He has served various senior leadership roles at Iskandar Regional Development Authority, PEMANDU and AECOM Malaysia. He is a Fellow of Chartered Management Institute (UK), Fellow of Institution of Mechanical Engineering (UK) and Member Institute of Engineers Malaysia. Dato' Dr. Suhaili holds a Doctor in Business Administration (DBA) from Asia e University, MBA from University of Malaya, and a BSc (Hons) in mechanical engineering from the University of Manchester Institute of Science & Technology.

GOVERNANCE & LEADERSHIP



DR. MOHD SHAHARIN BIN HAJI UMAR

Non-Independent Non-Executive Director

Dr. Mohd Shaharin bin Haji Umar is a Director of the Regional Development Division at the Ministry of Economy. In a career spanning more than two decades, he has vast experience working in government ministries/agencies specifically in areas related to energy, science and technology as well as social sector. Dr. Mohd Shaharin's forays in the Ministry's Energy and Social Services Divisions have seen him contributing to the preparation of the 11th Malaysia Plan, 2015-2020 and the 12th Malaysia Plan, 2021-2025. On many occasions, he has advised the former Minister in the Prime Minister's Department (Economy) on international oil and gas ministerial level forums including OPEC and non-OPEC, Gas Exporting Countries Forum (GECF), International Energy Forum (IEF), Malaysia-Thailand Joint Authority (MTJA) and other oil and gas-related engagements. Dr. Mohd Shaharin obtained his Ph.D. in Renewable Energy from Murdoch University, Western Australia in 2014. He pursued a Masters in Science and Technology Policy at the University of Manchester in 2004, after graduating from University of Malaya with a Degree in Science (Chemistry) in 1995.

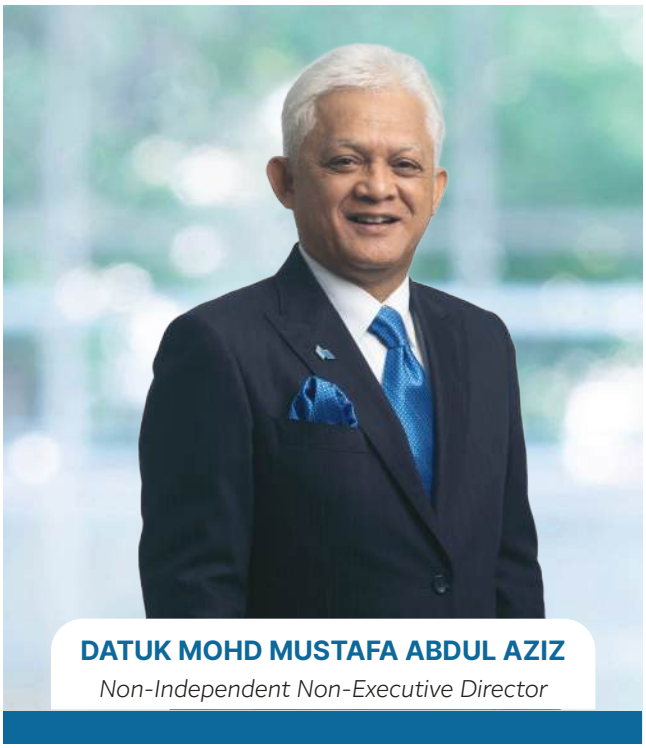


DATUK WIRA ARHAM ABDUL RAHMAN

Non-Independent Non-Executive Director

On 1 April 2021, Datuk Wira Arham Abdul Rahman was appointed as the Chief Executive Officer for the Malaysian Investment Development Authority (MIDA). Born in Perak, Malaysia, Datuk Wira Arham Abdul Rahman is an alumnus of the National University of Malaysia (UKM) where he graduated with a Bachelor's Degree in Economics. He also attended the Senior Executive course at the prestigious Kennedy School of Government, Harvard University USA in 2011. Datuk Wira Arham's illustrious career spanning 32 years in MIDA began in 1989 as an Economic Affairs Officer specialising in the Foreign Investment Division, a MIDA spearheading division for attracting and facilitating foreign investments into the country. In September 1994, Datuk Wira Arham's exceptional track record earned him the position as the Deputy Director of MIDA Cologne, Germany for six years, where he led MIDA's investment promotion initiatives to companies in Germany, The Netherlands, Belgium, Austria, and other Eastern European countries. In 2009, he contributed his extensive investment promotion expertise in the East Coast of USA as the Director of MIDA New York for four years. In 2013, Datuk Wira Arham returned to Malaysia where he was entrusted to helm the Foreign Investment Division in MIDA. Beginning May 2015, he was selected as the Executive Director of Investment Promotion, leading three MIDA divisions under his portfolio; Foreign Investment, Domestic Investment, Corporate Communications, subsequently ascending to the position of MIDA's Deputy Chief Executive Officer I on 1 February 2019.

GOVERNANCE & LEADERSHIP



DATUK MOHD MUSTAFA ABDUL AZIZ

Non-Independent Non-Executive Director

Datuk Mohd Mustafa Abdul Aziz leads the Malaysia External Trade Development Corporation (MATRADE) as the current Chief Executive Officer. His 30-year career in the civil service began with the Ministry of Foreign Affairs, followed by the Economic Planning Unit (EPU), Prime Minister's Department (Now known as the Ministry of Economy) before joining MATRADE in June 1994, where he played integral roles in export promotions. Previously the Deputy CEO (Export Acceleration) of MATRADE, he held various positions within the organisation including leading the markets of ASEAN & Australasia, China & Northeast Asia, Central Asia, West Asia, South Asia & Africa. At present, he is an Adjunct Professor at the Center for International Studies, College of Law, Government and International Studies UUM, Universiti Utara Malaysia. He is also the Advisory Board Member of Malaysian Association of Convention and Exhibition Organisers and Suppliers (MACEOS).



JUNIWATI RAHMAT HUSSIN

Independent Non-Executive Director

Puan Juniwati Rahmat Hussin has served PETRONAS Group for 35 years in several positions including Vice President & Venture Director of Pengerang Integrated Complex, Vice President of Human Resource Management and Vice President of Education Division. She currently sits on the Board of Tenaga Nasional Berhad as an Independent Non-Executive Director. She is also an Independent Non-Executive Director of DIALOG and a member of the Advisory Council for Yayasan Peneraju Pendidikan Bumiputera.

GOVERNANCE & LEADERSHIP



DATUK N. RAJENDRAN

Independent Non-Executive Director

Datuk N. Rajendran has over three decades of experiences with MIDA and has held various positions locally and abroad. He brings extensive experience in investment policy formulation and promotional activities. He was also a forum speaker/panellist for Offshore Technology Conference 2014, Offshore Northern Seas 2016, World Islamic Economic Forum 2017.

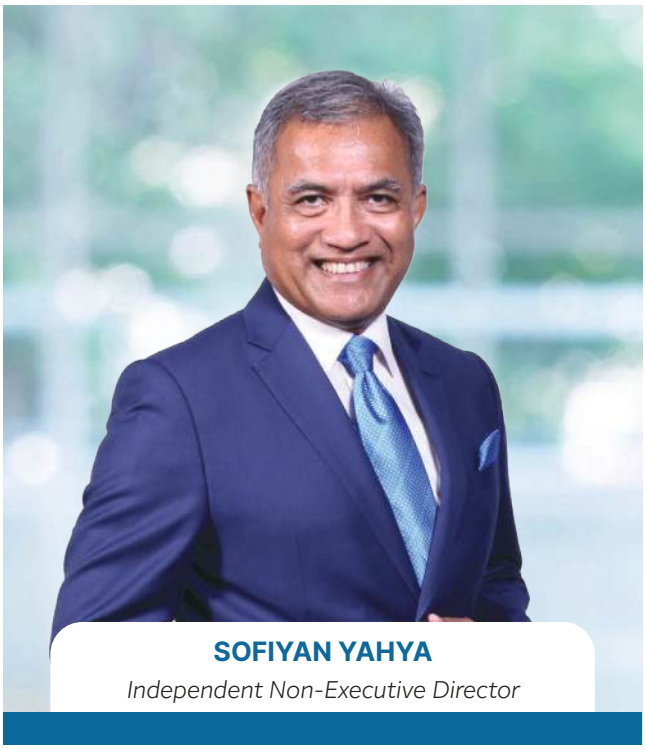


DATO' NOR ENI ISMAIL

Non-Independent Non-Executive Director

Dato' Nor Eni Ismail has more than two decades of public service experience as a civil service officer in several positions under various ministries and departments including Ministry of Investment, Trade and Industry (MITI), Ministry of Entrepreneur Development and Cooperatives (MEDC), the Public Service Department (JPA), the Economic Planning Unit (EPU) of Perak, and Ministry of Finance (MoF). She currently sits on the Board of Directors of Universiti Utara Malaysia, Perbadanan Insurans Deposit Malaysia and Pelaburan Hartanah Berhad.

GOVERNANCE & LEADERSHIP



SOFIYAN YAHYA

Independent Non-Executive Director

Encik Sofiyan Yahya has over 40 years of domestic and global experience in the oil and gas industry. He started his career as an engineer and later established himself as a successful entrepreneur in the industry. Sofiyan is currently the Executive Chairman of Cekap Technical Services Sdn. Bhd., Non-Executive Chairman of Ni Hsin Group Berhad and Managing Director of Digital Dagang Sdn. Bhd. Beyond his various business interests, he has also been involved in various organisations and business platforms in support of the community and industry. He is particularly interested in the sustainability agenda relating to nature and the environment. Sofiyan is also a founding member and past President of the Malaysian Oil, Gas & Energy Services Council (MOGSC).

Stepped down with effect from 2 June 2023



DATO' HAJI ROSLI BIN ISA

Non-Independent Non-Executive Director

Dato' Haji Rosli bin Isa is Secretary General of the Ministry of Natural Resources, Environment and Climate Change (NRECC). He possesses a Bachelor's Degree in Political Science from the National University of Malaysia (UKM). He also holds a Diploma in Education from UKM as well as a Diploma in Public Administration from Institute Tadbiran Awam Negara (INTAN).

Dato' Haji Rosli began his career in the Civil and Diplomatic Service in 1996, where he has gained experience from serving in the Prime Minister's Department, the Ministry of Education, the Public Service Department and the Ministry of Finance.

He was appointed Secretary General of NRECC in January 2023, having previously served as Secretary General of the former Ministry of Energy and Natural Resources.

Stepped down with effect from 10 October 2023

BOARD COMMITTEES

The Board Committees of MPRC play a crucial role in enhancing the effectiveness of the Board of Directors by providing support and guidance in specific areas with the aim to minimise the overall risk of the organisation. Currently, these Committees consist of the Board Tender Committee and the Audit and Risk Management Committee.

Audit and Risk Management Committee (ARC)

No.	Affiliation	ARC Committee Members	Position
1.	Independent	Pn. Juniwati Rahmat Hussin (ARC Chairman)	Independent Non-Executive Director
2.	Independent	Datuk N. Rajendran (ARC Member)	Independent Non-Executive Director
3.	Ministry of Economy	Dr. Hj. Mohd Shaharin bin Umar (ARC Member)	Non-Independent Non-Executive Director

Board Tender Committee (BTC)

No.	Affiliation	ARC Committee Members	Position
1.	Independent	Datuk N. Rajendran (BTC Chairman)	Independent Non-Executive Director
2.	Ministry of Economy	En. Mohd Fauzi bin Mustafa (BTC Member)	Deputy Director I, Energy Division, Ministry of Economy
3.	Ministry of Economy	En. Zahar bin Harun (BTC Member)	Director, Management Services and Finance, Ministry of Economy



GOVERNANCE & LEADERSHIP

MPRC's Senior Leadership Team is comprised of accomplished individuals with diverse backgrounds, each possessing extensive experience in both public and private sector capacities. Under the oversight of the Board of Directors, the Senior Leadership Team is entrusted with developing and implementing strategic initiatives aimed at enhancing the competitiveness of the local OGSE sector.

Leveraging their collective expertise, the Senior Leadership Team is committed to fostering innovation, driving operational excellence, and cultivating partnerships that will contribute to the sustained growth and success of MPRC.

SENIOR LEADERSHIP TEAM



MOHD YAZID JA'AFAR
President/Chief Executive Officer (CEO)



ROSMAN MOHD SEDEK
Head, Human Resource & Corporate Services



MUSTAFA AKBAR REZA
Head, Operations

GOVERNANCE & LEADERSHIP





ILHAM FADILAH SUNHAJI
Head, Corporate Strategy & Research



ELLINA BADRI
Head, Strategic Communications



EZWAN ZAKARIA
Vice President, President/CEO Office



JAMES CHAN
Vice President, President/CEO Office

GOVERNANCE & LEADERSHIP

INDUSTRY ADVISORY PANEL

MPRC benefits from an Industry Advisory Panel (IAP) which plays a pivotal role in fostering robust discourse on business and technology developments impacting the OGSE sector. Made up of OGSE sector captains as well as leaders outside the industry who can offer relevant insights into MPRC's OGSE sector development activities, the Panel also supports the organisation in identifying new opportunities and addressing challenges within the continuously evolving market.

The IAP members support MPRC in the following areas:

- Serving as a sounding board for MPRC's initiatives, including university-industry programmes.
- Enhancing communications between the OGSE sector and the Government.
- Providing MPRC with feedback and recommendations on talent retention and OGSE financing.
- Acting as early adopters and champions for MPRC initiatives, particularly in technology collaboration.

Panelists



ROHAIZAD DARUS
Non-Independent & Non-Executive Director
Sapura Energy Berhad



IR. AZMAN AHMAD
Director
SPIE Oil & Gas Services Malaysia



DATO' INDERA DR. HJ. AHMAD SABIRIN
President & Group CEO
SIRIM Berhad



DR. WEI-NEE CHEN
Executive VP & Head of Carbon Market
Bursa Malaysia



DATO' ABDUL RAZAK ABDUL MAJID
Non-Executive Chairman
Tenaga Nasional Berhad



DATO' KAMARUL REDZUAN MUHAMED
Managing Director & CEO
Uzma Berhad



DR. REZAL KHAIRI AHMAD
CEO
NanoMalaysia Berhad



IR. RASHID SIDEK
President
Malaysia Oil & Gas Engineering Council (MOGEC)



IR. AZHAR ZAINAL ABIDIN
Managing Director & Founder
ProEight Sdn Bhd

IAP Sessions 2023

In 2023, the MPRC conducted three roundtable sessions with the IAP. The discussions delved into crucial themes, primarily focusing on (i) Sustainability, (ii) Energy Transition with emphasis on key facets outlined in the National Energy Transformation Roadmap (NETR), and (iii) Technology as outlined in the OGSE Blueprint. The sessions provided a platform for MPRC to seek valuable feedback from the panel members, with the overarching goal to fortify MPRC's role in advancing the OGSE sector and foster competitiveness, resilience and sustainability.







INTEGRITY

Integrity is a cornerstone of MPRC's daily operations, aligning closely with the Government's unwavering commitment to professionalism, honesty and trustworthiness. MPRC's Integrity and Governance Unit (IGU) was established in 2019 and performs the following key functions: Complaint management, detection, verification and the enhancement of integrity and governance within the organisation.

MPRC has diligently updated and institutionalised a set of comprehensive governance policies, ensuring the organisation adheres to the highest ethical standards. Among the key policies are:

Key Policies

Anti-Bribery & Corruption Policy

A stringent policy in place to combat bribery and corruption, safeguarding MPRC's reputation and fostering fair business practices.

Whistleblower Policy

This policy serves as a crucial channel for employees to report unethical conduct without fear of retaliation, thus promoting a culture of transparency and accountability.

Conflict of Interest Policy

The policy focuses on mitigating potential conflicts and ensuring fair and unbiased decision-making.

Updated Procurement Policy & Procedures

An employee briefing session was held to update employees on the revised policies and procedures, reinforcing their commitment to procurement best practices, and emphasising transparency, governance, and confidentiality.

Ongoing Implementation of Organisation Anti-Corruption Plan (OACP)

The OACP fortifies MPRC's commitment to combat corruption and promote ethical behaviour.

Improvement in MACC's Corruption Risk Rating

Throughout the year, MPRC's IGU spearheaded several initiatives to underscore and uphold the organisation's dedication to governance and integrity. Notably, MPRC successfully improved its Corruption Risk Rating from the Malaysian Anti-Corruption Commisison (MACC) to 'Low' in 2023 from 'Medium' in 2020, demonstrating the organisation's commitment to ethical practices and continuously improving its corruption risk.

INTEGRITY

MPRC's Proactive Engagement in Strengthening JPDC Governance

MPRC has taken on an additional responsibility by actively engaging in the upliftment of its subsidiary, JPDC, focusing on enhancing governance and fortifying integrity within the organisation. A series of targeted initiatives underscore this commitment, including:



Initiatives

A series of targeted initiatives underscore this commitment, including:

Anti-Bribery and Corruption Policy Briefing

On 5 October 2023, MPRC conducted an internal briefing on the Anti-Bribery and Corruption Policy exclusively for JPDC's management and staff. This proactive engagement serves to align JPDC's team with MPRC's robust ethical framework, emphasising the importance of stringent policies in combating corruption and promoting ethical conduct.

Whistleblower Protection Act 2010 Awareness

MPRC, in collaboration with MACC, organised comprehensive awareness sessions on the Whistleblower Protection Act 2010. Both MPRC and JPDC board members and staff actively participated in these sessions on 11 July 2023 and 5 October 2023, respectively, facilitated by MACC.

First Corruption Risk Rating Achievement

MPRC achieved a significant milestone by obtaining the first Corruption Risk Rating of MEDIUM for JPDC. This accomplishment, indicative of a moderate risk rating, reflects MPRC's effective measures in mitigating corruption risks within JPDC's operations, underscoring the organisation's commitment to maintaining high ethical standards.

Personal Data Privacy Awareness Programme

Recognising the importance of data privacy, MPRC facilitated a brown bag programme on Personal Data Privacy Awareness for JPDC staff on 18 December 2023. Conducted in collaboration with Jabatan Perlindungan Data Peribadi (JPDP), this programme ensures that JPDC employees are well-versed in the principles and practices of safeguarding personal data, reinforcing MPRC's commitment to comprehensive integrity measures.

INTEGRITY



Awareness session on Section 17A of the MACC Act 2009 conducted by MACC Johor for JPDC, January 30, 2023



MPRC Brown Bag session on the Whistleblower Protection Act 2010 with MACC, 11 July 2023



KEY ACTIVITIES



KEY ACTIVITIES

NATIONAL OGSE INDUSTRY BLUEPRINT (OGSE BLUEPRINT) 2021–2030



National OGSE Industry Blueprint 2021-2030 Implementation Steering Committee Meeting, Putrajaya, 9 February 2023

MPRC is responsible for coordinating the implementation and monitoring the progress of the OGSE Blueprint, working with the Ministry of Economy, other Ministries and Government agencies as well as OGSE sector stakeholders which serve as OGSE Blueprint initiative leads and key partners. Launched in April 2021, the OGSE Blueprint is aimed at developing a robust, resilient, and globally competitive Malaysian OGSE sector that contributes to the sustainable development of national priorities.

The OGSE Blueprint is made up of 31 initiatives, of which 26 are implemented by MPRC and the OGSE Blueprint initiative leads, namely MATRADE, MIDA, TERAJU, TalentCorp, the Malaysia Oil, Gas and Energy Services Council (MOGSC), and the Ministry of Higher Education (MOHE). The remaining five initiatives are undertaken and monitored separately by PETRONAS and SME Corp.

The National OGSE Implementation Steering Committee, chaired by the Minister of Economy, monitors the progress of the OGSE Blueprint implementation. The Steering Committee convened twice in 2023, during which it also deliberated on the activities and targets planned for 2024 and discussed the upcoming OGSE Blueprint Mid-Term Review (MTR). The MTR aims to ensure the continued relevance and alignment of the OGSE Blueprint with national priorities and industry trends as it approaches its halfway mark of implementation.

Strategic Thrusts

- Competitiveness
- Resilience
- Development
- Sustainability

Enablers

- Technology, Innovation and Infrastructure
- Funding and Investments
- Human Capital, Mindset and Ways of Working
- Market Regulation and Bumiputera Participation
- Domestic and International Market Access

Scan the **QR code** for more information

KEY ACTIVITIES

OGSE BLUEPRINT IMPLEMENTATION HIGHLIGHTS 2021-2023

Facilitation Funding to Catalyse Growth



RM15.5 million in OGSE Development Grant committed to **64 local companies** to facilitate technology adoption and innovation, of which 9 companies have exported their products and services.

Addressing OGSE Talent Needs

Provided upskilling and certification to 63 OGSE workers in collaboration with ADTEC Shah Alam, ADTEC Kemaman as well as Sarawak Skills to increase their employability and meet the industry's workforce needs.

TalentCorp has engaged with almost 400 Malaysians diaspora to attract OGSE talent back to the country and mentored over 300 participants in the #walkwithme-OGSE Industry Coaching Programme.

Driving Investments and Exports

Between 2021-2023, MIDA has approved new/expansion OGSE projects from 8 MNCs.

MATRADE has provided 164 OGSE companies access to RM2 billion in potential sales through business matching and export promotion at international trade fairs.

KEY ACTIVITIES

76 applications on i-OGSE portal for grants, alternative financing and export programmes approved since the portal's launch in 1Q2023.

Between 2021-2023, **20 OGSE companies** approved for **RM25 million in grants** from TERAJU's Dana Kemakmuran Bumiputera, catalysing projected investments of over RM250 million.

10 OGSE companies received fiscal facilitation from MIDA to access Industry4WRD Intervention Funds, Smart Automation Grant and Automation Capital Allowance.

Championing OGSE Sustainability

81 OGSE companies adopt and report sustainability practices (OGSE Blueprint target: 70 companies adopting and reporting sustainability practices by 2030).

PLCs average revenue from foreign operations: 39% (OGSE Blueprint target: Exports to account for 50% of OGSE sector total revenue by 2030).



KEY ACTIVITIES

OGSE Roadshows 2023

In 2023, three OGSE Roadshows were conducted nationwide, bringing together all initiative leads and key partners to promote the OGSE Blueprint initiatives and Government support and services available for OGSE companies. These events, which welcomed 1,500 attendees from 400 companies, also served as a platform for MPRC to directly engage with OGSE ecosystem stakeholders to foster collaboration and knowledge sharing within the industry.

The OGSE Roadshows culminated in the National OGSE Roadshow in October 2023, which presented the progress of the OGSE Blueprint in its third year of implementation, as well as gathered OGSE sector stakeholders to discuss trends, opportunities and challenges facing the industry, including the energy transition.

Johor OGSE Roadshow, Johor Bahru — 23 May 2023





East Coast OGSE Roadshow, Kuantan — 27 July 2023





National OGSE Roadshow, Kuala Lumpur — 19 October 2023





KEY ACTIVITIES

Government Point of Contact for OGSE

The i-OGSE portal was launched as a standalone platform in March 2023, providing a one-stop point of contact for Malaysia's OGSE sector to the Government. The portal offers a comprehensive list of Government support and services on financing, talent development, technological, export programmes and information on upcoming projects in the Southeast Asia region.

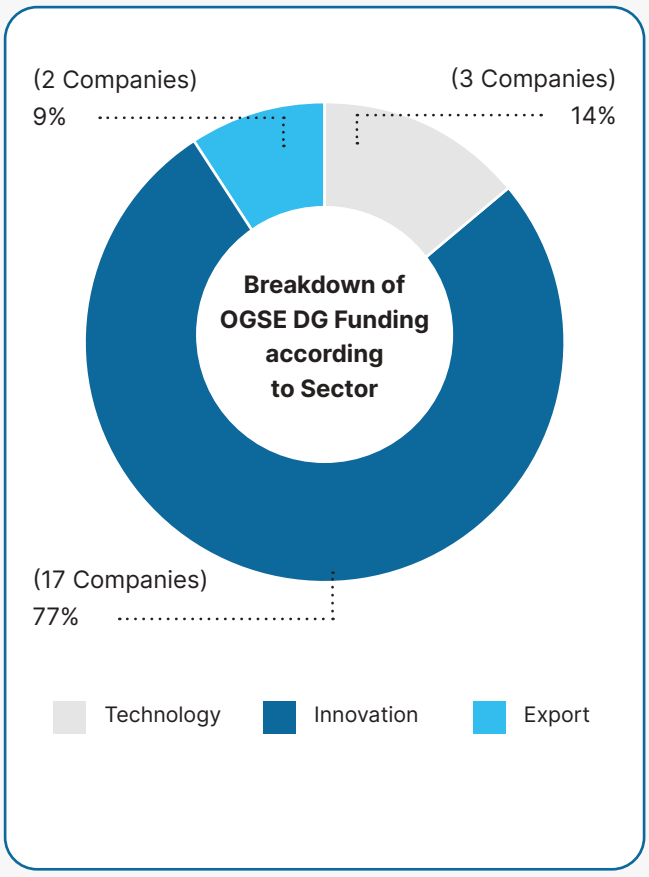
Since its inception, the i-OGSE portal has attracted over 24,000 unique website visitors. A social media campaign was initiated to increase the portal's visibility, driving over 9,000 website visits. The i-OGSE portal has enabled 57 companies to access financial assistance through different providers. Going forward, the portal will be updated regularly with expanded offerings for OGSE companies to support their growth and competitiveness.

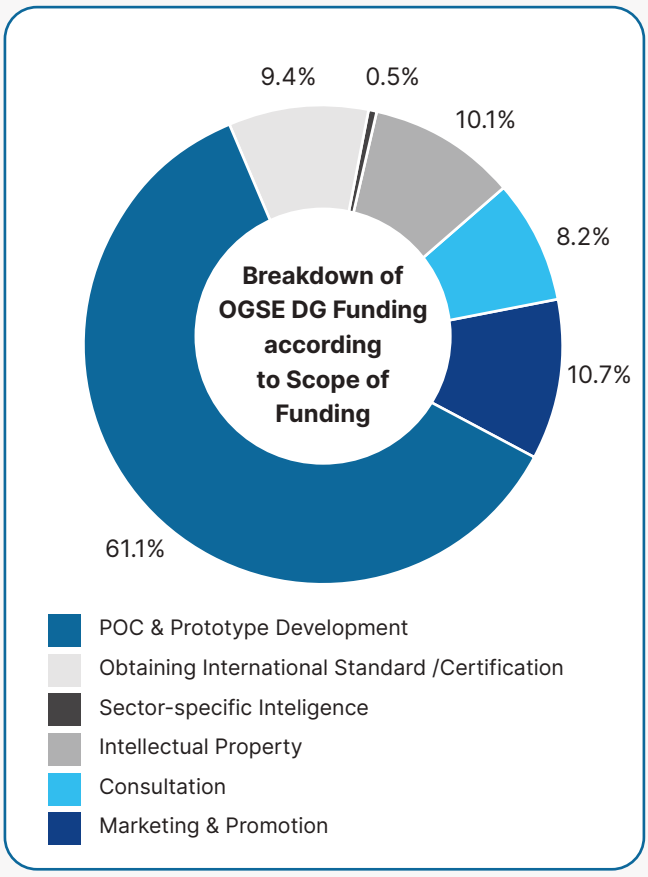
Scan the **QR code** to access the i-OGSE portal

OGSE Development Grant (OGSE DG)

In 2023, MPRC awarded the OGSE Development Grant (OGSE DG), a 70:30 matching grant capped at RM250,000 per company, to 22 companies, committing close to RM5.5 million in grants. The OGSE DG is available for eligible OGSE companies with projects focusing on technology, innovation or export.

For 2023, the breakdown of OGSE DG funding by sector with the scope of funding was as follows:





Scan the **QR code** for more information

Scan the **QR code** to watch the OGSE DG Success Stories Video

KEY ACTIVITIES

Skilled Worker Retention Programme

In 2023, MPRC launched the Recognition of Prior Experiential Learning (RPEL) programme for OGSE related skill sets as part of the OGSE Blueprint's skilled worker retention initiative to strengthen the workforce. RPEL provides formal recognition to OGSE talents for technical and management skills gained through previous experience, offering opportunities for better job prospects and a pathway to further education.



Sixty-three participants were certified in skills such as Welding Inspection and Underwater Welding Operation, following training at ADTEC Kemaman, ADTEC Shah Alam and PPKS@Sarawak Skills.

Bumiputera Participation

MPRC's coordination efforts, connecting Bumiputera OGSE companies to the government agency TERAJU, have resulted in significant support for qualifying applicants. As of December 2023, 80% of successful applicants have received financial assistance through the Dana Kemakmuran Bumiputera funding program with a total value of assistance granted to these companies amounting to RM6,787,044, reflecting the commitment to enhancing Bumiputera participation and capabilities in the sector.

Technology

In driving the OGSE Blueprint's technology lever, during the year MPRC embarked on strategic collaborations including with Universiti Teknologi Petronas (UTP) to organise the inaugural TechConnect 2023 alongside Malaysian Research Accelerator for Technology and Innovation (MRANTI). The event, which attracted over 130 attendees, provided OGSE technology stakeholders with a platform to present solutions and foster discussions on commercial applications of decarbonisation innovations in line with the energy transition.

Other technology initiatives MPRC conducted during the year included engaging with relevant technical agencies including Standard and Industrial Research Institute of Malaysia (SIRIM) and MIMOS Berhad to underscore its commitment to executing technology levers outlined in the OGSE Blueprint, reflecting MPRC's dedication to driving technological advancement and innovation within the industry.

OGSE Company Recognition

The OGSE Company Recognition programme seeks to acknowledge both upstream and downstream OGSE companies actively involved in the industry. These companies do not necessarily need to hold licenses or registrations with PETRONAS, although operating in Malaysia requires a PETRONAS license. To qualify for OGSE recognition, companies must meet specific criteria. By the end of 2023, a total of 2,578 companies had attained OGSE status. Beyond this recognition, these companies enjoy benefits such as obtaining firsthand information on government support & services, inclusion in the OGSE catalogue and further facilitation on applications for the services provided in the i-OGSE portal.

KEY ACTIVITIES

OGSE Sector Data Depository

MPRC monitors the growth of the OGSE sector by leveraging a centralized data depository for market information and data analysis. At present, Malaysia's OGSE data is scattered across several agencies and sources, both from the private and public sectors, which poses a challenge in accurately tracking the progress and growth of the sector. Despite the National OGSE Industry Blueprint 2021-2030 outlining tracking of 18 indicators, crucial metrics such as GDP contribution, OGSE export revenue (currently only accessible through public listed companies), and the count of skilled and semi-skilled workers remain unavailable.

The lack of visibility creates a gap in data and market information that would be useful for the government to make informed decisions and data-based policies for the country. To address this issue, MPRC is collaborating with the Department of Statistics Malaysia to initiate an OGSE census slated to commence in June 2024. The OGSE census aims to centralise, standardise, and regulate the collection of OGSE sector data, enabling data-driven policymaking.

In addition to these efforts, MPRC consistently publishes OGSE100 as part of its annual publication alongside thought leadership articles aimed at disseminating the latest updates and insights within the industry.

In 2023, data for the following indicators were released:

No.	Indicator	Target	Achievement (latest available)
1.	Industry profit before tax	4%	-3.5% (2022)
2.	Export as a proportion of total revenue	32%	54% (2022)
3.	Pipeline of VDP graduates	30	75 (2022)
4.	Proportion of listed companies in the industry	1%	1.14% (2022)
5.	Market share of SMEs	10%	12.8% (2022)
6.	Number of billion-ringgit companies	15	9 (2023)
7.	Proportion of local principals in the industry	80%	89% (2022)
8.	Revenue per company	RM60mil	RM31.78mil (2022)
9.	Number of OGSE100 companies reporting sustainability practices	70 companies	88 companies (2023)
10.	Number of companies in the Dow Jones Sustainability Index	5 companies	1 company (2023)

OGSE Sector Consolidation Strategy Study

The OGSE Blueprint identified consolidation in the OGSE sector to address fragmentation and lack of scale and diversity in some segments of the sector, with the aim of strengthening and improving the competitiveness of overcrowded segments. MPRC leads this initiative and during the year commenced the OGSE sector Consolidation Study to determine segments suited for consolidation.

As part of this initiative, MPRC conducted two workshops with OGSE sector players, including PETRONAS, to obtain input on segments which may require consolidation and identify the key drivers and approach to consolidation relevant to Malaysia's OGSE sector, among others. The study is expected to conclude in June 2024.



Scan this **QR code** for full details on the progress of OGSE Blueprint implementation as at 31 December 2023

KEY ACTIVITIES

NATIONAL OGSE SUSTAINABILITY PROGRAMME

MPRC embarked on the National OGSE Sustainability Programme in 2022 to enable the OGSE sector to respond to the growing call for climate action and ensure the sector's long-term survivability. The programme, which consists of a trilogy of National OGSE Sustainability documents to guide OGSE companies on adopting and reporting on sustainability, also forms part of the OGSE Blueprint's sustainability targets. The National OGSE Sustainability Programme is undertaken in collaboration with OGSE ecosystem stakeholders to ensure its relevance and usability for the industry.

Following the National OGSE Sustainability Plans (NOS-P) introduced in 2022, in 2023 MPRC initiated the development of the National OGSE Sustainability Roadmap (NOS-R) which identified pathways tailored for OGSE companies to embark on sustainability reporting. The NOS-R will be completed in April 2024. To this end, a series of NOS-R Technical Committee (TC) and Steering Committee (SC) meetings were conducted in 2023, following NOS-R workshops conducted with the participation of Ministries, Government agencies, PETRONAS, United Nations Global Compact (UNGC), OGSE players and industry associations. These engagements aimed to address issues and challenges in adopting sustainability practices and gather suggestions and recommendations for improvement of the NOS-R, ultimately aiming to steer the overall development of the roadmap.

The completion of the NOS-R is set to be marked with the introduction of the National OGSE Sustainability Framework Guide (NOS-F Guide) by 2025.

During the year, MPRC also organised the annual National OGSE Sustainability Forum which was attended by over 300 participants. The NOS-R was previewed during the event.

National OGSE Sustainability Roadmap (NOS-R) Technical Committee Meeting 4 October 2023



National OGSE Sustainability Roadmap (NOS-R) Steering Committee Meeting 16 October 2023



National OGSE Sustainability Forum 23 November 2023





KEY ACTIVITIES

OGSE100

MPRC's flagship OGSE100 report, now in its ninth edition, provides analysis of the Malaysian OGSE sector's financial performance. Its key highlight is the ranking of the country's top 100 OGSE companies by revenue. Additionally, the report provides valuable insights into the industry's business conditions, emerging trends and outlook.

The OGSE100 is prepared using the latest financial reports available from the Companies Commission of Malaysia's Corporate and Business Information Data, which typically lags by one year. Hence, each year, the OGSE100 covers the industry performance for the preceding year. For the financial year ended 2022, OGSE100 reported an industry size of 2,286 companies and an industry revenue of RM72.7 billion, marking its second consecutive year of stable revenue growth, increasing 7% y-o-y, from RM67.9 billion in 2021.



Scan the **QR code** to read OGSE100 FY2022

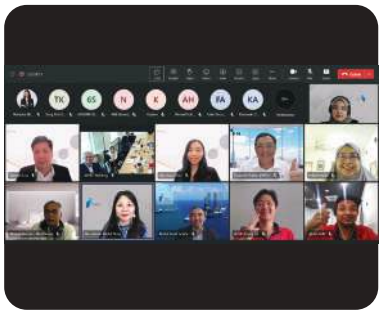


KEY ACTIVITIES

A TRUSTED PARTNER FOR THE OGSE SECTOR

MPRC organises and participates in externally organised events to actively engage with its stakeholders nationwide. These engagements enable MPRC to exchange ideas, showcase thought leadership and address pertinent issues facing the OGSE sector. These engagements aim to cultivate a deeper understanding of emerging trends, innovations and challenges while empowering participants with valuable insights and strategic perspectives on the OGSE sector.

Industry Engagements in 2023



Industry Engagement Series with Rystad Energy and GlobalData

MPRC hosted two webinars with energy consultants Rystad Energy and GlobalData, drawing over 200 attendees. The Industry Engagement Series aimed to provide a comprehensive understanding of the evolving energy and OGSE industries. The webinars facilitated insightful discussions on trends, innovations, and challenges shaping the sector. Participants exchanged knowledge and ideas, gaining a deeper understanding of current issues and opportunities in the industry.



Malaysia Upstream Awards 2023

MPRC participated as an exhibitor and contributed to knowledge-sharing sessions at this event hosted by Malaysia Petroleum Management (MPM), PETRONAS. MPRC's presence aimed to strengthen its role as a government agency by promoting government initiatives through the OGSE Blueprint.



10th Sabah Oil, Gas & Energy Conference & Exhibition (SOGCE'23)

At SOGCE'23, MPRC displayed our commitment to sustainable expansion of Sabah's oil, gas, and energy sector beyond Peninsular Malaysia. We engaged with experts to identify gaps, challenges, and opportunities to complement state government initiatives.



Program Transformasi Kontraktor Bumiputera

MPRC participated in a panel session organized by the Ministry of International Trade, Industry, and Investment Sarawak (MINTRED) in collaboration with Suarah Petroleum Group (SPG) and Dewan Usahawan Bumiputera Sarawak (DUBS) to discuss the latest developments in the oil and gas industry. Our representative presented on Malaysia's OGSE sector during the session. The program aimed to promote inclusivity, enriching the collective discourse surrounding industry progress and development.



MOGSC Members' Day 2023

MPRC's participation in MOGSC Member's Day demonstrated our collaboration and support for industry associations, highlighting the importance of mutual support in driving the industry forward.

KEY ACTIVITIES



PETRONAS OGSE Partners Day 2023

This event brought together key industry players and stakeholders to collaborate and foster a resilient and sustainable OGSE ecosystem. MPRC's role as a facilitator engaged in discussing available government support such as financing opportunities and talent development programmes.



Oil & Gas Asia (OGA) 2023

OGA stands as Southeast Asia's premier and largest oil and gas trade show, catalysing progress within the oil, gas, energy and petrochemical sectors. As one of the industry's key events, OGA provides a pivotal touchpoint for the government with the oil and gas industry. MPRC has been a supporting partner since 2017, reinforcing its commitment to advancing the industry's growth and sustainability. MPRC's participation includes speaking session, panel discussion and exhibition.



Kenanga O&G Industry Insight Session 2023

MPRC was invited to share on OGSE policy developments, industry outlook, and the recent OGSE100 publication, alongside discussions on the National OGSE Sustainability agenda. This acknowledgement underscores MPRC's esteemed position as a trusted voice within the OGSE sector, to contribute valuable perspectives on its development and sustainability.



Energy Asia 2023

MPRC was invited as a supporting partner and participated in an exhibition, speaking panel and fireside presentation in the inaugural Energy Asia event, which is an extension of CERAWeek – one of the biggest oil and gas events in the world.



PETRONAS Just Transition Report Launch

MPRC had the honor of participating at the Just Transition Report Launch organized by PETRONAS as a panel speaker and provided valuable insights on the unique challenges facing the Malaysian energy sector in a Just Transition environment.



Malaysia Upstream Project Excellence Conference (UPEC) 2023

As a supporting partner at the UPEC 2023, organised by MPM PETRONAS, MPRC contributed in speaking engagements in discussing elements crucial for capital project excellence, such as technology, talent, funding access, and challenges in the OGSE sector.



Universiti Teknologi PETRONAS (UTP) TechConnect 2023

MPRC partnered with UTP to organise TechConnect 2023, providing a platform for OGSE technology stakeholders to present and discuss decarbonisation innovations' commercial applications in line with the energy transition.

KEY ACTIVITIES

MPRC WORKFORCE ENHANCEMENT

MPRC Workforce Enhancement initiatives represent a dedicated effort towards cultivating a highly skilled and adaptable workforce equipped to meet the evolving demands of the industry. With the primary objective of aligning the skills and capabilities of employees with organisational goals and industry demands, this initiative underscores MPRC's commitment to fostering professional development and nurturing talent within its ranks. Through targeted training programmes and skill-building initiatives, MPRC seeks to empower its workforce with the necessary tools and expertise to excel in an ever-changing landscape.

In 2023, MPRC's Training Plan reached 334.5 hours in employee development. Employees were trained in functional key areas to their respective roles, including Finance, GRI Reporting Standards, Public Relations and more. Key metrics such as the achievement of learning objectives and participant engagement were carefully monitored to gauge the impact of the training.

MPRC Team Building

MPRC conducted a team-building exercise during the year to strengthen teamwork, communication and collaboration among employees. Activities during the team building centred on individual and team reflection to optimise working in teams as well as productivity workshops which equipped employees with tools to enhance the delivery of their targets such as GRPI, AAR, The Success Cycle, MBTI, Team Development, Giving and Receiving High-Quality Feedback, Personal Action Plan, and Team Action Plan..



Sexual Harassment Awareness

MPRC values a safe and inclusive workplace free from all forms of discrimination and harassment. To uphold this, MPRC implemented a comprehensive anti-sexual harassment policy, approved by the Board of Directors on 27 September 2023. As part of these efforts, an awareness session was organised with legal adviser Ranita Markandan to educate employees about preventing sexual harassment in the workplace.



KEY ACTIVITIES

Bursa Bull Charge 2023

MPRC participated in the Bursa Bull Charge 2023 (BBC2023), the flagship charity run organised by stock exchange operator and regulator, Bursa Malaysia. The event took place on 8 October 2023 in Kuala Lumpur's central business district, where MPRC fielded two teams each for the 1.5km CEO Run and the 5.0km individual run categories. MPRC's involvement in the BBC2023 not only aimed to strengthen relationships with stakeholders but also demonstrated MPRC's support for the capital market's Corporate Social Responsibility (CSR) initiatives. The 2023 instalment of the charity run supported charitable organisations advocating climate action and environmental protection, aligning with Malaysia's commitment to the United Nations Sustainable Development Goals (UNSDG).



Office Relocation

In December 2023, MPRC relocated its office to M.o.F Inc. Tower in Kuala Lumpur, following 12 years of operation at GTower, also in Kuala Lumpur. This move reflects MPRC's commitment to improving its workspace to support its expanding operations and workforce, aiming for increased productivity and efficiency in fulfilling its mission and objectives.





MOVING FORWARD

The energy transition is set to continue playing a major role in the OGSE landscape. With the Malaysian Government and major OGSE customers such as PETRONAS remaining firm to their commitment to achieve net zero by 2050, the OGSE sector must take steps to comply with sustainability requirements in line with the country's low carbon aspirations. This could entail pivoting their businesses towards new opportunities in the energy transition as well as embracing more energy-efficient operations.

Related to the energy transition, sustainability remains another important focus area for the OGSE sector. As customers and other stakeholders demand for greater accountability to environment, social and governance (ESG) factors, so too must the OGSE sector enhance their sustainability practices and reporting to ensure their businesses deliver value towards not only profits but also people and the planet.

The sector must also continue to contend with structural areas such as technology adoption, access to finance and talent attraction and retention to ensure it meets oil & gas supply chain requirements and remain competitive. Further to this, the ongoing liberalisation of markets through free trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Regional Comprehensive Economic Partnership (RCEP) will also create new opportunities and challenges for the sector to contend with.

Amid these developments, MPRC remains committed to supporting the OGSE sector to continuously advance as well as meet customer and other stakeholder demands towards ensuring a resilient, competitive and sustainable Malaysian OGSE ecosystem.

ACKNOWLEDGEMENTS

MPRC would like to thank the Ministry of Economy, helmed by YB Tuan Rafizi Ramli, Minister of Economy, as well as the Ministry's Energy Division, for their support and stewardship of the OGSE sector. We are also grateful to PETRONAS and the OGSE Blueprint initiative leads and key partners for their unwavering commitment to OGSE sector development. Furthermore, MPRC would like to express our appreciation to the Malaysian OGSE players for their contributions to the sector and support for the Government's initiatives. Finally, MPRC would like to thank other relevant Ministries, Government agencies and other partners for continuing to work with us to advance the Malaysian OGSE sector and contribute to national economic development.

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