17th May 2023. MOGSC conducted its 20th Annual General Meeting held at the Malaysian Petroleum Club (MPC). The AGM was attended by 66 participants representing member companies. This AGM was also held in conjunction with MOGSC’s 20th year anniversary since its inception in 2002. The meeting was also attended by the founding members and past presidents. Following the AGM, MOGSC hosted a Hari Raya Open House at the same location which was joined by approximately 600 guests and members.

MOGSC would like to thank you all for attending our AGM and MOGSC Open House. Your presence was really meaningful as we are in a celebratory mood due to our 20th anniversary and Aidilfitri celebrations.

Thank you as well for your constructive comments and suggestions and we will take note of this in order to elevate MOGSC to a higher level and continue to be the voice of the industry. On behalf of all EXCOs and secretariat, we again thank you all for the overwhelming support to our event and look forward to your support and participation in upcoming programs and events.

More on AGM news inside
AGM 2023 - SUMMARY FROM THE PRESIDENT'S KEYNOTE ADDRESS

In his keynote address, MOGSC's President, Ts Syed Saggaf Syed Ahmad reiterated MOGSC's mission to represent the interests of the service providers and promote their core competencies and expertises. He also mentioned that one of the most important aspects of this would be the engagement with stakeholders. He shared that in the last 1 year, MOGSC had been engaging with many stakeholders including Petronas and the government ministries and the agencies. He was pleased to note that MOGSC's efforts had not gone unnoticed, and stakeholders recognized MOGSC's voice and influence in the industry and more importantly, willing to work hand in hand with the industry to ensure that a resilient and competitive OGSE segment could be established.

He also mentioned that liquidity remained a challenge in the industry and shared the latest analysis of the state of the industry where despite some improvements in market capitalization and profitability as compared to the previous year, the market still suffered from an increase of trade payables. To summarise, based on a study of 34 companies listed in Bursa Malaysia, the total market capitalization in 2022 was RM 67b which reflected an increase of 3% from 2021. In terms of profitability, the industry suffered a collective loss of RM 2b, which was however an improvement of 60% from 2021. The most worrying trend was on trade payables where there was an increase of 30% between 2021 to 2022, an increase from RM 14b to RM 18b.

The President called for collective efforts by all stakeholders to ensure that the overall oil and gas ecosystems could be sustained where the OGSE players would be the most important element in the supply chain as the service providers to the oil operators. He called for an emphasis of Sustainable Development Goal number 10, reducing inequality, to close gaps between operators and service providers where there is a gross imbalance in terms of earnings.

In his closing, he invited all members to be more involved and to continue to support all programs that MOGSC organized, and to share constructive comments and suggestions for improvements as MOGSC would be committed to continuous improvement, and feedback would be essential to ensuring that MOGSC remain relevant and effective in driving the growth of Malaysia's oil and gas industry. MOGSC would continue to be assertively pragmatic, and coherent in our message of nation building and we would always be open for dialogues and engagements. All for the betterment of our Oil, Gas and Energy Industry!
AGM 2023 - KEY STAKEHOLDERS ENGAGEMENTS

Engagements with PETRONAS

1. Dialogues and discussions with Group Procurement have resulted in closer ties and collaboration in addressing industry issues, especially related to technology and fair contracting mechanisms. On contracting mechanism, some pain points brought forward have started to be actioned upon and in some instances, rate negotiations have already taken place. Some new tenders have also taken into account the grievances brought forward to becomes more equitable with the elements of uncertainty and risks removed.

2. An engagement session with MPM was held to allow the regulatory body to listen directly to industry pain points along with the industry recommendations to move forward. This has now become a bi-annual event and MOGSC will give updates on half yearly basis.

3. In technology space, MOGSC has engaged with PRSB directly to address pain points brought by the industry, and for the first time, we have a better understanding on how to push the technology agenda forward. We have also been given the privilege by PRSP to offer our members the opportunity to undertake several of PRSB's newly developed technologies. More to come in this space from other divisions such as TDEX (under GTS) where we had extensive engagements with recently.

4. We have also engagements with GP's Industry Shaping division to collectively strategize ways to further improve the industry with programs such as Vendor Financing Program Conversation Day and OGSE Industry Survey.

Engagement with Government Agencies

1. Ministry of Finance where we addressed the liquidity issue and participated in the budget dialogue.

2. Engagement with LHDN through its Sesi Libat Urus and subsequently, we managed to organize a dedicated session where we discussed issues pertinent to the industry. We eventually sent a letter to recommend ways to improve the relationships between the industry and LHDN.

3. Engagement with MATRADE to structure trade missions to bring our local OGSE players abroad to showcase their capabilities.

4. Engagement with Economic Ministry and MPRC on Dasar Tenaga Baru and OGSE Blueprint where MOGSC committed to support this agenda for the future good of OGSE sector.
AGM 2023 - MOTIONS DELIBERATED

A total of 8 motions were deliberated and approved by the members.

MOTION 1

Change of address to:

Unit 22-3A, Binjai 8 Premium Soho, No. 2, Lorong Binjai, 50450 Wilayah Persekutuan Kuala Lumpur

RESULTS: Motions carried with 39 votes agreed, 0 disagreed, 0 abstained

MOTION 2

Membership 1:
Associate Members Membership of this category shall be open to:

(iv) Student or academic faculty member, who is a Malaysian citizen or foreign national above age of 18 years pursuing diploma / degree / post graduate course in the tertiary education institution or university with a desire to be involved in the oil, gas and energy industry after graduation.

(v) Individual who is a Malaysian citizen or foreign national above the age of 18 years involved in the oil, gas and energy industry pursuing their career as independent or freelance basis.

(vi) Individual who is a Malaysian citizen or foreign national above the age of 18 years involved in the oil, gas and energy industry affiliated with MOGSC through its official capacity as a panel, or body for government agencies such as MBOT.

RESULTS: Motions carried with 35 votes agrees, 1 disagree, 0 abstained

MOTION 3

Membership 2:
Honorary Members

The EXCO will choose eminent persons from the oil, gas and energy industry to be appointed as Honorary Members of the Society. Such Honorary Members will be chosen unanimously by the EXCO. Honorary Members shall have no voting rights.

RESULTS: Motions carried with 34 votes agreed, 0 disagreed, 0 abstained

MOTION 4

Source of income:

Entrance fees, subscriptions, other dues and commercial activities which align with the association’s mission and values. Such proposed commercial activities shall be subject to the review and approval of the members at AGM / EGM. Such commercial activities shall not be in conflict of interest with the members. Based on the number of votes (60 for and 0 against the motion), the Chairperson declared the motion carried.

RESULTS: Motions carried with 23 votes agreed, 4 disagreed, 0 abstained
MOTION 5

Committee:

The committee is not to have more than one (1) individual from a member company represented. Multiple individuals from a member company may be proposed and contest in the election for the different positions, however, only one (1) of the individuals with a simple majority and the highest position will be elected. The same applies for more than 1 member company who seek to be elected where they are affiliated to each other as subsidiaries, parent, affiliates, associates. In which only one (1) of the individuals with a simple majority and the highest position will be elected. Any person with affiliations to multiple companies that are eligible to vote shall disclose all affiliations in writing 14 days prior to the date of the vote.

RESULTS: Motions carried with 26 votes agreed, 0 disagreed, 0 abstained

MOTION 6

Financial Provision 1:

The Treasurer may hold a petty cash advance not exceeding RM3,000.00 at any one time. All money in excess of this sum shall within seven (7) days of receipt be deposited in a bank approved by the committee. The bank account shall be in the name of the Society.

RESULTS: Motions carried with 32 votes agreed, 0 disagreed, 0 abstained

MOTION 7

Financial Provision 2:

No expenditure exceeding RM20,000.00 at any one time shall be incurred without prior sanction of the office bearers and no expenditure exceeding RM100,000.00 in any one month shall be incurred without prior sanction of a general meeting with the exception of income generating activities and any expenditures relating to corporate social responsibility (CSR) including donations where MOGSC becomes the party to receive fund from various stakeholders. The President together with the Secretary or the Treasurer may incur expenditure less than RM20,000.00 at any time for the benefit of the Society.

RESULTS: Motions carried with 33 votes agreed, 1 disagreed, 0 abstained

MOTION 8

Property Administrator/trustee:

Three (3) trustees, who must be over 21 years of age, may be appointed at the annual general meeting and may hold office at the pleasure of the Society. They may hold office for a duration of two (2) terms (4 years) where at the end of their tenure, to be re-elected as the Society's trustees or for new trustees to be appointed at the annual general meeting.

RESULTS: Motions carried with 29 votes agreed, 0 disagreed, 0 abstained
AGM 2023 - FINANCIAL REPORT BY TREASURER

The Treasurer presented the financial statements and informed the meeting that year 2022 was a good year for MOGSC where total income was increased from RM749,897 in year 2021 to RM1,810,792 in year 2022. MOGSC moved from a loss of RM14,494 in year 2021 to a surplus of RM212,642 in year 2022. The significant increase in revenue was attributed to the success of the MOGSEC event which was a significant income generator for year 2022.

The Treasurer also reported an increase of 63 new memberships as at 31 December 2022. He credited the previous leaders of MOGSC who had laid down a strong organization structure to enable the current and future successors to operate moving forward.

Total expenses were also increased significantly from RM123,010 in year 2021 to RM814,777 in the 2022 financial year. The Treasurer informed the meeting that office rental remains the major expense. One of the initiatives for cost optimization was to move office from Wisma UOA II to Binjai 8 Premium Soho. The move is targeted to reduce rental cost by 40%.

Staff cost is projected to increase by 19% in year 2023. Unpaid subscription fees of RM255,502 in year 2022 had been written off in line with accounting practices.

The Treasurer thanked the members for paying the subscription fees timely. He stressed that MOGSC relied heavily on subscription fees and appealed to members to pay the subscription fee on time.

The President invited the floor to raise any questions that they might have on the accounts. Encik Baharom from Romstar Sdn. Bhd. voiced his concern over the written off of the subscription fees as RM1,200.00 was not a big sum and the inability of approximately 120 members to pay the subscription fees did raise concerns.

The Treasurer responded that the exercise to verify and confirm the status of members was still ongoing and would be expected to complete by the end 2023 and an increase in MOGSC workforce would be essential to improve collections and to drive membership number further.

The Meeting noted the suggestion from the floor on the possibility of the subscription fee to be paid in instalments. After no further questions or comments were raised by the members and upon the proposal of Puan Suzanna Baharom from Romstar Sdn. Bhd. duly seconded by Puan Hafizdah Esham from Protank Group the Treasurer’s report, the Audited Financial Statements and the Auditor’s Report for the year ended 31 December 2022 were accepted.
AGM 2023 - ACTIVITY REPORT BY HONORARY SECRETARY

On behalf of MOGSC, we would like to thank your enthusiasm, dedication and camaraderie working directly and indirectly in positioning OGSE (Oil & Gas Services & Equipment) sector in a landscape for sustainable growth by advocating and addressing pain points, and to garner the required assistance and support from all stakeholders to ensure the sector stay relevant, prosper and grow for the benefit of the industry and the nation.

MOGSC has always been advocating to ensure OGSE sector is regulated and conducted fairly and is given fair opportunities to become healthier and prosperous. MOGSC never stops in advocating the sustainability and growth of OGSE sector with every opportunity to ensure the voice of the industry is heard and more importantly acted upon.

Among the highlights of this quarter are the Community outreach activities, and many initiatives surrounding the key focus areas that cover our stakeholders (Industry players, PETRONAS & PAC's and Relevant Government Agencies). Among others are:-

1. Discussion with Korean Delegation to intensity close collaboration with Korean Service Segment and Malaysia OGSE sector to seek opportunities to collaborate on new technological fronts and business ventures.

2. Media publications to elevate the awareness of the existing state of OGSE sector which required assistance to improve its financial health and the need to close the gaps, especially the disparity of financial performance between oil producers and the OGSE players serving them.

3. Discussions to harness support and resolutions to address current pain points of OGSE sector related to sectorial liquidity, fairer and sustainable contracting mechanism and talent development and retention.

4. Participation in various conferences, workshops, roundtables, and symposiums to discuss and generate ideas for collaboration and co-creation of new practices that could help to address industry wide challenges and OGSE sectorial issues such as addressing potential challenges associated with Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (CPTPP), Financing for OGSE players, elevated participation from OGSE sector in ESG and Decarbonization agenda, etc.

5. Close collaboration with Johor, Terengganu, Sabah and Sarawak sectors whereby MOGSC takes the stand as the enabler of progressive OGSE sector for the states. In this regard MOGSC initiated a discussion with Sabah Oil & Gas Services Council (SOGSC) to establish an of MoU in relation to cross collaborations in areas of mutual interest and benefits. More details will be shared in the next edition of Energise.

MOGSC established prominent presence in the Sabah Oil & Gas Conference and Exhibition (SOGCE) where by it hosted MOGSC pavilion and participated in having speakers in various plenary sessions and throughout the Conference. We concluded the trip with a Networking Golf event to bring together key stakeholders from the O&G community, including industry leaders, professionals, and enthusiasts. The golf session often serves as not only a platform for networking and collaboration but also to strengthen the bonds within our industry, enabling us to overcome challenges and seize opportunities in an ever-evolving global landscape.

Once again thank you for the unwavering support to our initiatives and we look forward to see you in our next edition of Energise.
AGM 2023 - KEY ACTIVITY HIGHLIGHTS

Sabah Oil & Gas Conference and Exhibition (SOGCE) 2022
9 June 2022
Sabah International Convention Centre (SICC), Kota Kinabalu

SOGCE Networking Golf 2022
11 June 2022
Aroma Golf & Country Club, Kota Kinabalu

Sarawak OGSE Roadshow 2022
12 June 2022
Borneo Convention Centre (BCC), Kuching Sarawak

9TH MOGSC AGM 2022
29 June 2022
Novotel Kuala Lumpur City Centre (KLCC)

Supporting MPRC OGSE Roadshow
18th July 2022
Sabah International Convention Centre (SICC), Kota Kinabalu

Engagement with MPRC
19th July 2022
Auditorium, Block A, PETRONAS Research Sdn Bhd

Engagement with MATRADE
12th August 2022
Level 13, East Wing, Menara Matrade

Vendor Financing Programme - Conversation Day with MOGSC & MOSVA
16th August 2022
The Zenith Hotel, Putrajaya

Jemputan Ke Majlis Dialog Kementerian Perdagangan Antarabangsa & Industri (MITI)
25th August 2022
Dewan Perdana Menara MITI

Engagement with Ministry of Human Resources
28th September 2022
MPRC Ballroom

MOGSC Invited by SIRIM for ISO 29001
2nd March 2023
Dorsett Hotel, Subang Jaya, Selangor

MOGSC Office Warming
2nd March 2023
Level 39, Premium Soho Binjai 8, Kuala Lumpur

Meeting Between MOGSC and MBOT
10th February 2023
MBOT Presint 8, Putrajaya

East Coast Oil & Gas Conference
15th February 2023
Kuala Golf & Rekreasi PETRONAS (KGRP), Kerteh, Terengganu

MOGSC - MGA Annual Industry Gala Dinner 2022
23rd November 2022
InterContinental Hotel, Kuala Lumpur

International Project Management Conference (IPMC)
15th December 2022
Double Tree By Hilton, Kuala Lumpur
MAJLIS Perkhidmatan Minyak dan Gas Malaysia (MOGSC) akan terus memperjuangkan nasib pemain industri serta memainkan peranan penting memperkasa dan mewujudkan ekosistem minyak, gas dan tenaga yang berdaya saing.

Begitu mesej yang disampaikan oleh presidennya, Syed Saggaf Syed Ahmad di dalam ucutama beliau ketika berlangsungnya Mesyuarat Agung Tahunan MOGSC ke-20, semalam yang bertempat di Malaysia Petroleum Club. Ia juga merupakan sambutan ulang tahun ke-20 penubuhan MOGSC yang dihadiri bekas presiden, selain lebih kurang 100 ahli-ahli daripada berbagai syarikat.

KUALA LUMPUR: Industri perkhidmatan serta peralatan minyak dan gas (OGSE) di Malaysia menunjukkan prestasi yang membimbangkan sejak beberapa tahun kebelakangan ini apabila nilai permodalan pasaran syarikat-syarikat dalam sektor berkenaan menunjukkan kemerosotan.

Presiden Majlis Perkhidmatan Minyak & Gas Malaysia (MOGSC), Syed Saggaf Syed Ahmad, berkata berdasarkan kajian yang dilaksanakan pihaknya tahun lalu, prestasi 34 syarikat OGSE tersenarai di Bursa Malaysia menunjukkan nilai permodalan pasaran dan keuntungan yang lebih rendah, manakala nilai pemutang lebih tinggi.

KUALA LUMPUR (May 18): The financial status of oil and gas firms is likely to improve, particularly with the commitment of capital expenditure and projects by oil producers, thus reducing losses suffered, said the Malaysian Oil, Gas and Energy Services Council president Syed Saggaf Syed Ahmad.

Citing an analysis of 34 oil and gas companies on the Malaysian stock exchange, he said the total loss was successfully reduced by approximately 60% in 2022 to RM2 billion from RM6 billion in 2021.
AGM 2023 - RECOGNISING LONG SERVING MEMBERS

During the event, as a token of appreciation and recognition, MOGSC presented mementos for long serving members, who have been with us for 20 years since our inception in 2003.

Thank you for your loyalty and support!
AGM IN PICTURES
MOGSC Hari Raya Open House
MOGSC is proud to be part of Malaysia Task Force in the upcoming Offshore Technology Conference (OTC) Asia 2024. The first task force meeting to set the tone for the event was held on 12th May 2023.

Since MOGSC will play a big role in this, we have suggested the following as part of promoting our local OGSE players to the international stage.

1) MOGSC suggested that an SME oriented program be established so that we can showcase the SME capabilities within the oil and gas ecosystem. This will give a chance to SME companies to be part of OTC and give them international exposure without having to fly abroad.

2) MOGSC proposed a downstream focus program as a subset to OTC to showcase the capabilities of our downstream players especially since we have a big presence in Pengerang, Johor. This will open up doors to downstream players to be part of OTC which is predominantly an upstream event before.
MOGSC’s opinion is that consolidation is something that all stakeholders need to sit down and discuss its benefits to the overall industry and if it does, what implementation strategies needs to be undertaken. Besides, easing the hurdles and mitigating regressive outcome due to compliances and industry regulations, there must be an incentives in place for companies to consolidate so that it can be deemed worthwhile. This is where governments should intervene in consolidation efforts and consider any form of financing or tax breaks/incentives for consolidated companies for several years.

Consolidation could strengthen companies and industry further, if done strategically. There are many reasons to consolidate. Companies that could find synergies in their operations to make it more efficient, or have complementary or value-adding products and services by grouping together could benefit from consolidation.

Companies that adopt this strategy should emerge stronger after consolidation, for example, for having stronger balance sheet, or broader products & services portfolio, or improved technologies, or leaner and more efficient operations, or stronger workforce etc.

Having said this, it doesn’t mean companies should consolidate for the sake of consolidation. It has to be synergistic and should be left to market forces to decide. There is an example within Malaysia that a healthy consolidated behemoth can elevate the whole ecosystem, but in its current wounded state, can drag everybody in.
MOGSC Corporate Social Responsibility (CSR)

8th April 2023, was an inspiring day for MOGSC team as we embarked on an Aid Flood Victims activity in Batu Pahat Johor. After packing all the donated items into a Hilux truck, we left Kuala Lumpur in a convoy of three cars at around 1pm. Upon arriving at the Batu Pahat mosque, we prayed and did a final check on the donations before proceeding to Parit Singgahan 4 and Parit Basri to distribute them to the flood victims.

We managed to wrap up the activity around 6:30 pm, and ended with an Iftar session at Liza Kitchen. It was truly heartwarming to be able to help those in need. We extend our heartfelt thanks to En Selamat Bin Miskon, the village representative, for his invaluable assistance during our Aid Flood Victims activity there. His guidance in bringing us to the houses of the flood victims was crucial in ensuring the smooth distribution of the donated items. We are humbled by his generosity and support in helping us make a positive impact in the community.

On 16th May 2023, we extended a helping hand to those in need. On this day, on behalf of MOGSC & our members, we had the honour of delivering our donation to the Turkish Embassy in Kuala Lumpur, supporting the earthquake victims. Together, we can make a difference! Gratitude knows no bounds.

A heartfelt thank you to Mr. Osman Aktas, the second secretary at the Turkish Embassy in Kuala Lumpur, for his invaluable assistance in facilitating our donation. Your dedication and support are deeply appreciated. Once again, to our Members, together, we are making a positive impact in the lives of the earthquake victims. Thank you for being a beacon of hope and compassion.
On 23rd May 2023, MOGSC President Ts Syed Saggaf Syed Ahmad was honoured to be invited by Petronas MPM to be one of the panellists for the Malaysian Upstream Awards 2023, representing the views of the industry.

He stated that, OGSE ecosystem was built in line with Petronas existence for the last 50 years and we have evolved according to the technological advancement and requirements that came along the way.

A decarbonised future is another phase of this journey and OGSE players will play important roles in the energy transition agenda and key to address the energy trilemma as long as we can collaborate with stakeholders to create a sustainable and equitable energy ecosystem.

Honoring the Best in Oil and Gas Industry at the Upstream Awards Dinner

23rd May 2023, it was a great honor given by Petronas MPM for MOGSC to be part of this event, in recognition of OGSE players efforts in ensuring the successes of oil operators in Malaysia. It was pleasing to hear that in his remarks, En Firouz Asnan, the SVP of MPM, give special mention to MOGSC as one of the components of the overall oil and gas ecosystem. He also said that in 2022, 130 million manhours were expended with so much success achieved in Malaysian upstream space. More projects and programs are already in the pipeline this year as Petronas commits 20% increase in its budget for this year. The newly created Legacy Award deserving went to Dato Idris Mansor, the man responsible in the early set up of Petronas and instrumental in the growth of Petronas Carigali Sdn Bhd.
Johor OGSE Roadshow 2023

On 23rd May 2023, Malaysian Petroleum Resources Corporation,(MPRC), organised the Johor OGSE Roadshow 2023, with the theme “Unlocking Opportunities in Energy Transition”. The event was held at the Persada Johor International Convention Centre in Johor Bahru.

The objective was to create awareness of the National OGSE Blueprint 2021-2030 and the support and services offered by the government and its relevant agencies in advancing the OGSE sector.

The launching ceremony keynote speech was delivered by YB Tuan Mohd Hairi bin Mad Shah, Member of the Johor State Executive Council and the Chairman of the Youth, Sports, Entrepreneur Development, Cooperatives and Human Resources Committee.

After the launching ceremony and keynote speeches, a gallery walk session to visit the various exhibition booths was held. In parallel time various sharing sessions and discussions took place between industry players and stakeholders.

MOGSC also had a booth and was proud to give a briefing to the VIPs on MOGSC’s history and rise to importance, and also on the development of the Johor chapter and other regional chapters of the members.
On 1st June 2023, MOGSC welcomed Korea Plant Industry Association (KOPIA) delegation to our office. Its delegation comprised of Korean companies involved in the plant businesses from energy and utility segments. The objective of this engagement was to strengthen bilateral collaboration between both parties and to create new market via business matching between Korean companies with MOGSC members especially in downstream space. We will continue this discussion and explore ways to ensure that our members will benefit from this initiative.

KOPIA Delegation List

- GRENEX 
- TOTAL ENGINEERING CO., LTD.
- WILL SCREEN & PLANT
- ENG & FILTRATION SYSTEM COMPANY
- DOT
- OSCG
- Unison HKR
- JEONGDO
- Machinery Co., Ltd.
- (주)대한 E&C
- COASEAN
- by Goodhill
- G & TOPS
On 6th June 2023, MOGSC was invited to attend the Malaysian Board of Technologists (MBOT) CEO Roundtable Session focusing on high skilled talent development strategies.

The discussion framework includes:

1) Understanding the current talent landscape
2) Best practices and innovative strategies
3) Aspirations and focus areas
4) Strategy recommendations and implementors

MOGSC highlighted our concern with the recent report by Minister of Education where only 50% of SPM school leavers would be interested to go to college. This is the fundamental issues that all stakeholders must address to ensure that the current brain drain situation will not elevate further: hence we suggested to have a closer collaboration between MBOT, academia and industry to find ways to entice school leavers to attend new and innovative courses and to ensure that these programs would also address the shortage of talents in the market. One of the programs shared by one of the academia representatives from UMP and UTHM was “Earn and Learn” where students would be concurrently trained while learning.
On 1st June 2023, The SME Working Group under MOGSC met with the Licensing Team of PETRONAS, led by Pn Natrah Tahir and her colleagues Pn Norlela and Pn Alaina to discuss the changing O&G ecosystem, headwinds facing the players and the key roles played by the stakeholders.

Amidst the open atmosphere, we raised and discussed specific issues faced by our members including evaluation on local content and how scoring is done, client-agent-principal communications, multiple discount requests and equitable contracting strategy. The Malaysian O&G sector are largely shaped by the 1974 Petroleum Development Act, which placed strategic priority on developing capabilities. As a result, we now have companies exporting their products and services globally. Licensing plays a critical part in how these are managed.

Going forward, challenges are aplenty. The government in November 2022 announced the ratification of Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), expected to open up new opportunities, but with threats largely unknown.
SOGCE 2023

Sabah Oil and Gas Conference and Exhibitions (SOGCE) 2023 held on 8th and 9th June 2023 in Kota Kinabalu was a resounding success. It was a great effort by the organizing committee led by Dolly Jimayol, EMBA, CEM (IAEE) in bringing excellent speakers to the event with the main purpose of discussing its theme "Energy Security and Sustainable in Oil, Gas and Energy Industry in Sabah". Other than that, SOGSE 2023 also managed to attract almost 100 exhibitors to promote their capabilities and technologies to many visitors and delegates from Sabah and all over Malaysia.

MOGSC was invited to participate in the conference and was strongly represented by its President, Ts Syed Saggaf Syed Ahmad, as a speaker for OGSE - The Backbone of Malaysia’s Nation building and its importance in the overall Energy Ecosystem, EXCO’s Ahmad Fairuz Yahaya as a panelist, Ts Anwaruddin Saidu Mohamed and Ts Amir Hisham Albakri as a moderator. In addition MOGSC advisor Ts Sharifah Zaida Nulisha Syed Ibrahim acknowledged MOGSC contributions and recognized their expertise in the field of oil and gas.

This recognition reaffirmed MOGSC's commitment to further develop the industry and work towards its sustainable growth. Getting fully involve in SOGCE 2023, provided an unparalleled opportunity to witness the latest advancements and engage with industry leaders. MOGSC expressed gratitude for the acknowledgment and reaffirmed its commitment to contribute to the growth and development of the oil and gas sector.
Digital Energy Asia 2023, hosted by PETRONAS was held in KL Convention Centre on 7th June 2023. Ts Anwarudin represented MOGSC as the panel speaker in Opening Plenary session. The session was moderated by the well-known Media Anchor/ Journalist, Kamarul Bahrin Haron. Other speakers were Prof. Tan Sri Dato' Dr. Chuah Hein Teik, President of Federation of Engineering Institutions of Asia and the Pacific (FEIAP), Dato Prof Dr. Norzani Bt Azman, Deputy Director General, Department of Higher Education, Ministry of Higher Education, Ir Dr M Zurix M Mohamad, Custodian, Measurement, GTS, PETRONAS Project Delivery & Technology, and Ir Johnson Tan, VP, Head of Application & Technology, Siemens Malaysia Sdn Bhd.

The panel discussion was attended by more than 150 professionals, mostly from O&G and Energy Industry. The discussion focused on “Building an Inclusive Workforce in the Oil & Gas Industry. Ts Anwarudin highlighted several points for the attendees and skills development authorities and academic to take forward:-

1. Malaysia and the whole Energy System must work together to ensure correct messages are sent across the communities, academic institutions on the importance, and evergreen relevance of the O&G industry to nation’s socio-economy.

2. Propagate and make awareness to others on the professional accountability demonstrated by the industry to ensure minimal disruptions to the environment today and commitment toward low carbon operation years to come.

3. To ensure Science, Engineering and Technology graduates are well equipped with the right skills and knowledge, and are well renumerated to make the industry attractive.

4. For the government to recognize the contribution of O&G industry and OGSE sector in all fronts in creating high quality jobs.

5. To work together to address the declining interests in STEM, and to improvise the context of energy education for Malaysians, to be relevant in today’s context and able to address the future challenges.
Engagement with Sabah Oil and Gas Services Council

On 8th June 2023, at the Sabah Oil, Gas and Energy Conference & Exhibition (SOGSE) 2023, we had an engagement with the local Sabah Oil and Gas Service Council (SOGSC). It is always our aim to support any organizations that represent the interests of the local service providers and promote their core competencies and expertise. In principle, we agreed to form a strategic alliance in several areas where MOGSC could collaborate with SOGSC in order to assist them to help Sabahan companies grow and ensure they would be able to be competitive to participate actively in Sabah oil and gas ecosystems. We look forward to work closely with SOGSC.
SOGCE 2023 IN PICTURES
MOGSC participated in SOGCE 2023 by opening the MOGSC Pavilion. Mumtaz Energy, SIRIM QAS International, MIDF, Aerodyne and Wehaya set up their exhibition booths in this Pavilion. On top of that, for the first time, MOGSC introduced a new program to bring its member companies to participate in an exhibition without being physically present. MOGSC helped to market these companies by bringing their profiles and brochures. This program was subscribed by Faazmiar and MMC Oil and Gas.
International Energy Week (IEW) 2023

On 13th June 2023, MOGSC was invited to support Sarawak International Energy Week (IEW) 2023 with the theme “Transitioning Towards a Net Zero Carbon Future”. In the keynote address by the Premier of Sarawak, he shared the efforts made by Sarawak government in their energy transition agenda and their achievements in reducing carbon footprint and creating sustainable energy. Sarawak has been making efforts to explore renewable energy in the areas of hydro, solar and stimulating hydrogen economy as a new energy source, to ensure that their dependency on fossil fuel could be reduced.

Sarawak also set to focus on production of sustainable aviation fuel from its first microalgae carbon capture facility. Earlier, in a special address titled “Powering Sustainable Future”, the Singapore Market Authority CEO mentioned that currently, there has been a big gap between sustainable energy agenda and the funding requirements. He suggested the following to ensure that the agenda could be achieved =:

1) Framework between governments to encourage capacities building
2) Encouraging private sectors to play active roles in expediting the sustainable agenda
3) Multilateral collaborations to close gaps in financing and funding requirements.

Sarawak is blessed with natural resources that can accelerate their decarbonization efforts and more importantly has the right leadership that can carry the vision that had been set earlier. It is always impressive to see what Sarawak has achieved thus far in this space as it continues to plan for the future towards 2050.

YM Tan Sri Tengku Taufiq visiting MOGSC

It was good to catch up with Tan Sri Tengku Taufiq who took time to drop by our booth after his panel session at IEW 2023, although it was not originally planned. We exchanged views on the industry issues and I thanked him for his commitment and efforts to ensure a transparent and close collaboration between Petronas and MOGSC.

We informed him that there had been many engagements with his leadership team and divisions, and that we have also become more active in working with our regional counterparts to elevate the overall OGSE segment.

At the same time, however we did express to him that liquidity remained a challenge and we needed a pragmatic and innovative approach to address this issue, especially when ESG requirements in financing scheme would cause difficulties for OGSE players. For this, we will continue to give recommendations and suggestions from the industry so that we can be more resilient and move forward together. MOGSC will continue to play this important role of addressing industry pain points.
IEW IN PICTURES
On 16th June 2023, MOGSC visited one of our members, Brooke Dockyard & Engineering Works Corporation in Kuching, Sarawak as part of our Decommissioning Working Group Technical Visit and Meeting Session. This occasion was part of our “MOGSC Visit Members” program as we would make the effort to visit as many members as possible.

We were humbled to be welcomed by their chairman YBhg. Datu Haji Safri Bin Zainudin and his leadership team. Brooke was established in 1912, which means that this industry player has been around for more than 100 years.

Tanjong Baram Drilling Platform (TBDP-A) was installed and commissioned in 2015, at a location 6km from Kuala Baram. In April 2023, it was decommissioned by one of our member companies, Redtech Offshore Sdn Bhd and brought back to shore for refurbishment before it would be relocated in SEA 'Hibiscus' South Furious field in Sabah. This is the first repurposed project in Malaysia where the topside was removed, refurbished on shore and later remobilised for offshore installation. This will become one of the benchmarks for the industry moving forward.

In the meeting, which was also attended by Petronas MPM, we shared that MOGSC would organize a Decommissioning Forum in Q3 where we would have speakers share their experiences and views. We would also have an engagement session with Petronas soon where they plan to share the overview of decommissioning programs for the next 5 years.
The Future of Maintenance & Reliability Conference (FMRC)

On 20th June 2023, MOGSC was invited to be the institutional partner of “The Future of Maintenance and Reliability Conference 2023”. MOGSC President was also invited to give a keynote address with the topic “The Future of Industry Players in a Sustainable Energy Ecosystem”.

Industry revolutions are not so unprecedented but this speed of changes has never been seen before. Both industry leaders and talent supplies must embrace disruptive technologies. For now adapting is a must but soon mastering the technology becomes fundamental.

Maintenance and reliability segments might not be as glamorous as their other counterparts but their importance cannot be underestimated. Their contribution to ensure that the facilities are running smoothly is key to ensuring that there is no disruption to productions and operations. However, in line with digitalization and technological advancement, the industry players have to evolve accordingly to be more competitive and resilient.

3NOVEX GLOBAL - EVENT OVERVIEW

An important requirement for reliability engineering for maintenance is having a documented and technical basis for every maintenance program task and decision. Associating every maintenance action or asset decision to a failure mode, failure mechanism or failure cause is a key success factor for assuring safe, sustainable, and successful asset-intensive workplaces. The main purpose of maintenance and reliability in any industry having mechanical equipment is to maintain the capability of the system while controlling costs. This is why maintenance, reliability and asset management have an important role.

This 3novex conference brought together industry leaders and experts from different industries to share and provide insights on how they overcame complex problems using different approaches integrated with cutting-edge advancements, exploring key trends in the industry, and enhancing company value by nurturing a people-first culture. Attendees gained insights on how to decrease costs, create higher ROI on assets, and improve their company’s overall value.
On 26th June 2023, MOGSC was given the honor to be in one of the panel sessions during Energy Asia 2023, on the topic of “Institutionalizing ESG in Decision Making and Building Partnerships”.

The session was chaired by Rohini Samtani from S&P Global and MOGSC President was joined by En Abdul Aziz Othman, President of Malaysian Gas Association (MGA), Leo Pui Yong Chief Sustainability Officer of Tenaga Nasional Berhad, and Micheal O’Dowyer from Morgan Stanley.

ESG represents a risk management and investment framework for a company to evaluate the risks as well as the potential it faces, measure performance against benchmarks, and communicate the actions it is taking. In recent times the Environmental dimension, and specifically carbon emissions, has become the dominant factor in ESG performance metrics and benchmarks. Whilst emissions clearly require urgent attention, regulators, banks, investors and benchmarking agencies must also recognize the role of social and governance actions as a key part of a company’s sustainability journey, and how they can be holistically assessed on their stated commitments and targets.

During the session, MOGSC President also shared that:

1) The current OGSE players in Malaysia are key to sustainability agenda as this is the ecosystem built over the last 50 years and it is the same ecosystem that must be able to continue serving the nation and support this agenda.

2) Liquidity remains a challenge and it needs a pragmatic approach and closer collaboration with all stakeholders to ensure the market is well financed and funded for OGSE players that are still heavily involved in oil and gas activities. The emphasis of ESG by financial institutions has created a big vacuum in the financing needs of the currently ongoing projects. ESG requirements have moved too fast that the industry cannot cope!

3) We need to stay true to the sustainable development goals where one of its 17 goals is to reduce inequality within and among the country. This is paramount to close the gaps, especially in financial aspects between oil producers and the OGSE players serving them.

Hence, to move forward, MOGSC is forming a special task force in seeking for a pragmatic solutions to this liquidity issue to cater to the current needs of the market and prevent collapse of the industry. Of course this must involve all stakeholders not only regulators, bankers and investors but must also include the oil producers and government so that while we are moving towards ESG, the current ecosystem must be backed by a proper financial policies and mechanisms for it to be sustainable.
Memorandum of Understanding (MoU)

On 27th June 2023, The Malaysia Oil, Gas and Energy Services Council (MOGSC) and Sabah Oil & Gas Services Council (SOGSC) signed a historic Memorandum of Understanding during Energy Asia 2023.

MOGSC, we believe in the power of collaboration, partnership, and continuous improvement. We recognize the importance of working together to achieve our common goals. By working together and sharing our experiences, we hope to find solutions to challenges and make a positive difference for our industry.

In line with this, MOGSC sees the collaboration with SOGSC will address the following;

1. Addressing the challenge for technical transfer and/or upscaling in SOGSC members and Sabah companies by partnering with MOGSC members;

2. Addressing financing and liquidity issues and need of SOGSC and Sabah companies through MOGSC current and future financial incentives and programmers; and

3. Addressing and finding a suitable strategy for a fair and sustainable contract system for SOGSC and local Sabah oil and gas services and equipment players and MOGSC players.

We would like to thank each others and every one that made this a reality. Together, we will strive to ensure the aspirations by Sabah state government to ensure growth of Sabah companies becomes successful.
**MOGSC WELCOME NEW MEMBERS**

We are proud to share that we have managed to attract approximately 25 new members in this single quarter, definitely one of our best achievements as far as membership registration is concerned. We are looking forward to an active participation from all of our new members.
Sapura Energy gets breathing time to restructure its finances
Cash-constrained Sapura Energy can breathe a sigh of relief after being granted a time extension of up to 30 November 2023 to submit its Practice Note 17 (PN17) regularisation plan to the relevant Malaysian regulatory authorities.

https://www.upstreamonline.com/finance/sapura-energy-gets-breathing-time-to-restructure-its-finances/2-1-1466277

Petronas chief executive has contract extended
Taufik's existing, initial three-year contract — he is effectively appointed by the Malaysian government — was due to expire at the end of this month.

“I have been extended, and I think that's as far as I am probably at liberty to say. Other than that, you have to get comments from my shareholders and boards,” he told Malaysia's national news agency Bernama after attending International Energy Week in Sarawak last week.

https://www.upstreamonline.com/people/petronas-chief-executive-has-contract-extended/2-1-1469682

Bumi Armada venture secures extension for key FPSO contract worth over $40 million
“The value of the contract extension is approximately $43 million,” it stated.

The Malaysian contractor said the "contract extension is expected to contribute positively to the future earnings of Bumi Armada Group".

SP Energy has a majority shareholding in the joint venture with 51% plus one share, with Bumi holding the balance equity of 49% minus one share, it added.


Petronas’ MISC re-skilling offshore and onshore workforce
MISC, Malaysia’s marine giant and Petronas subsidiary, is upskilling and re-skilling its onboard and onshore workforce as the contractor moves to keep abreast of the changing maritime landscape.

https://www.upstreamonline.com/people/petronas-misc-re-skilling-offshore-and-onshore-workforce/2-1-1470641

Malaysia launches 10-year blueprint to revive oil and gas sector
The National Oil & Gas Services and Equipment (OGSE) Industry Blueprint 2021-2030 comes after nearly two-thirds of over 4,000 vendors fell off the radar, victims of a “double whammy”

Demand for energy and transportation tanked during the pandemic and this came on top of the rout in oil markets between 2014 and 2016.


Enquest to increase gas production in Malaysia with Petronas
UK Based oil and gas extractor Enquest has announced an agreement with Malaysian energy conglomerate Petronas to increase the amount of gas it extracts from the Seligi field.


Country focus: Malaysia at an energy crossroads
Traditionally, Malaysia has been a large producer of oil and natural gas. According to a 2021 analysis by the United States Energy Information Association (EIA), Malaysia is the second-largest oil and natural gas producer in Southeast Asia. The region punches above its weight on a global scale and is the world’s fifth-largest liquefied natural gas (LNG) exporter.


Industry players: Domestic gas market’s development needs to be intensified
KUALA LUMPUR: The natural gas market is expected to remain tight this year as Russia further tightens supplies to Europe amid sanctions imposed against the world’s second-largest producer of natural gas following its invasion of Ukraine early last year.

https://www.upstreamonline.com/people/petronas-misc-re-skilling-offshore-and-onshore-workforce/2-1-1470641
Mr Zahid Hamidi Abdul Hamid, Senior Data Scientist from Iraya Energies, gave a talk on the topic of “Sand Production and Sand Control Benchmarking through Unstructured Data Analysis with Machine Learning, a case study over 400 wells”.

Mr Norazan Abdul Kadir, General Manager, Wells Management of MPM, PETRONAS. Mr Norazan discussed the “Malaysia Wells Activity Outlook 2023-2024”, covering drilling as well as well intervention activities for the whole of Malaysia for 2023 and 2024. This is the kind of information sharing, discussions and clarifications that many industry players had been looking forward to since the issuance of the PETRONAS Activity Outlook 2023-2024 in December last year.

The gathering started at 4pm and was full house soon after. After the opening speech by Mr Ros Aliff, Chairman of SWWG, two speakers took their turn on the stage to deliver their talks:

- Mr Zahid Hamidi Abdul Hamid, Senior Data Scientist from Iraya Energies, gave a talk on the topic of “Sand Production and Sand Control Benchmarking through Unstructured Data Analysis with Machine Learning, a case study over 400 wells”.

- Mr Norazan Abdul Kadir, General Manager, Wells Management of MPM, PETRONAS. Mr Norazan discussed the “Malaysia Wells Activity Outlook 2023-2024”, covering drilling as well as well intervention activities for the whole of Malaysia for 2023 and 2024. This is the kind of information sharing, discussions and clarifications that many industry players had been looking forward to since the issuance of the PETRONAS Activity Outlook 2023-2024 in December last year.

The venue was perfect for such informal session where participants could listen to the speakers, ask burning questions, network with people of similar interests, while sipping their favourite coffees at the same time. All in all, every attendee enjoyed a fruitful session that day, and they looked forward to a similar chat session in the future.
Sport Section

SOGCE Networking Golf 2023

On 10th June 2023, MOGSC hosted SOGCE Networking Golf 2023 at Sutera Harbour Golf & Country Club, Kota Kinabalu, Sabah. It attracted 32 flights with 128 participants. Since it was a charity oriented event, some of the proceeds from the event were donated to Society of Hope Sabah.

MOGSC would like to thank our sponsors - Malaysia Airlines, Mumtaz Energy, ILB, Kemuncak Lanai, EXS Synergy, Nuri Cerah, Petra, Paradigma Cemerlang and OGA.

Congratulations to all winners.
GRAND LUCKY DRAW

Thank you!

SOGCE Networking Golf 2023 Sponsor

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MMC Oil & Gas Engineering (MMCOG) and DORIS (HQ in Paris) have just established a Malaysian Joint Venture named DORIS MMC Sdn Bhd (DORIS MMC), which aims to provide quality engineering services at highly competitive rates for oil and gas projects, as well as state-of-the-art engineering services for low carbon and new energy projects.

DORIS MMC, is based in Kuala Lumpur and functions as a global engineering centre, representing DORIS and MMCOG’s long-term commitment to the Asia Pacific region and a new value proposition to the global energy industry.

DORIS and MMCOG have successfully completed a number of small projects together over the course of this year, enabling them to calibrate delivery processes, and forge effective working relationships.

With its people and systems now ready for delivery, DORIS MMC Sdn Bhd is presently engaged in a marketing campaign to inform its current clients and to expose its capabilities to prospective clients. Additionally, it is also preparing to tender for several projects, including large forthcoming developments in the Middle East and Asia.

DORIS and MMCOG acknowledge that DORIS MMC must be nimble and innovative to ensure its long-term success as the energy business continues to adapt to the changing demands of both the Asia Pacific and worldwide markets.

This applies not only to technical solutions, but also to commercial outcomes and the collaboration between DORIS and MMCOG fosters an atmosphere that allows clients to receive maximum level of value. As it offers “Engineering Solutions for the Future,” DORIS MMC strengthens existing relationships and forges new ones, deepening the commitment of both partners to the Asia Pacific and other parts of the world.

May this long-term partnership between DORIS and MMCOG continue to provide international and domestic clients with the high-quality engineering they expect and open doors to many different opportunities and achieve even greater heights in the future.
MOGSC ENERGISE - Quarter 2, 2023

MOGSC UPCOMING EVENTS

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IMPERIAL KLUB GOLF, KARAWACI
Saturday, 29 July 2023

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