

**Speech for the Launching Ceremony of Maharaja Lela South Project**  
**By YB Pehin Datu Singamanteri Kolonel (B) Dato Seri Setia (Dr.) Awang Haji**  
**Mohammad Yasmin Bin Haji Umar,**  
**Minister of Energy at the Prime Minister Office.**  
**At PetroleumBRUNEI Services' Fabrication Yard, Serasa. 4<sup>th</sup> July 2014**

Bismillah Hirrahman Nirrahim,

All praises be to Allah Subbahanhu Wataala, salawat and salam upon our beloved Prophet Muhammad Sallallahu 'Alaihi Wassalam, his family, companions and faithful and honest followers till the end of time.

Assalamualaikum Warahatullahi Wabarakatuh  
and a Very Good Morning,

Your Excellency Nguyen Truong Giang, Ambassador  
Extraordinary and Plenipotentiary of Vietnam

Mr. Yves Grosjean, General Manager, TOTAL E&P Deep  
Offshore Borneo B.V.

Yang Mulia Dato Paduka Haji Matsatejo bin Sokiaw, CEO of  
PetroleumBRUNEI,

Senior officials from the Government of His Majesty the Sultan  
and Yang Di-Pertuan of Negara Brunei Darussalam and senior  
representatives from the companies,

Ladies and Gentlemen,

1. Please allow me at the outset to congratulate the Block B Joint Venture Partners on the occasion of this morning event, which marks another very important milestone in the joint venture's involvement in Brunei Darussalam's upstream sector.
2. It is with great pleasure for me on behalf of the Government of His Majesty the Sultan and Yang Di-Pertuan of Negara Brunei Darussalam, to express His Majesty's Government appreciation for the continuous confidence shown by the Block B Joint Venture's partners in Brunei Darussalam's upstream sector, demonstrated today by the launching of the Maharaja Lela South Project that entails hundreds of million dollars in investment. At the same time, I would also like to stress on behalf of the Government, on the need for the various parties involved in the project including the contractors and sub-contractors to support His Majesty's Government ongoing drives toward local business development and increasing local contents. And on the same token to adhere and respect our laws and regulations, and directives especially those relating to Health, Safety and Environment.

3. It is also a great pleasure to note that the MLS Project will amongst others, extend Block B's production life to beyond 2025, while increasing current daily production from 30,000 barrel of oil equivalent per day to around 40,000 boe per day. I was also made to understand that the capital investment of US\$1.4 billion would bring about the development of an additional 0.5 tcf of gas worth more than US\$7.5 billion (as LNG).
4. The current phase of the MLS Project alone involving contracts for engineering works, procurement and construction of surface facilities, requires a capital expenditure of US\$319 million. Divided into three work packages, the total local content is expected to be in the region of 42 percent and creates employment opportunities for 289 locals. I understand that Package 1 is awarded to PTSC Vietnam, Package 2 is to SapuraAcergy and Package 3 to Technip Sdn Bhd. This morning I met RTO- who are in charge of training some of the work force of this project, I'm very pleased to see the results of the EICF initiatives.
5. As I understand, this is a very complex project involving deep high pressure and high temperature reservoirs, as such I would also like to applaud and congratulate the joint venture leads by TOTAL, for being able to make this project economically viable through amongst others, the application of cutting edge

technologies and in depth knowledge of the *in situ* geological conditions. Indeed, the implementation of the Project fits nicely with the aspirations set out in the Energy White Paper, especially on sustaining and increasing the nation's oil and gas production.

6. It is also most appropriate and significant that this auspicious launching is being held in this holy month of Ramadan and at this location, which is now home to PetroleumBRUNEI Services Sdn. Bhd.'s Fabrication Yard. Serasa is part of the bigger area of Muara, which is set to become one of the most important areas in Brunei Darussalam for its industrial and maritime activities. Muara is already the nation's main sea port and Insya Allah, soon we would be witnessing a lot more activities starting with the Heng Yi Refinery and Petrochemical Project and the construction of the Integrated Marine Supply Base at the nearby Pulau Muara Besar. I believe these developments will bring about further economic activities as spin-offs – including service industries such as this fabrication yard, and therefore more business opportunities for local SMEs and more importantly, more job opportunities for our locals.

Ladies and Gentlemen,

7. Please allow me to touch briefly on the history of the development of this fabrication yard. I understand that at the beginning TOTAL and I'm sure there must be reasons for this, had doubts on the capability of PetroleumBRUNEI to deliver the yard in time. Yet despite their earlier doubts and concerns, TOTAL admirably chose to assist PetroleumBRUNEI in setting up this facility. This shows what we can achieve together if major operators and companies are more forthcoming with the solutions rather than just raising issues and problems. Congratulations for making this project possible.
8. I have spoken too many times on the Government's drives toward the development of local SMEs and raising the value of local contents. And I believe the main players in our oil and gas industry already have a very good understanding of the Government's reasons for this agenda and are taking positive steps toward supporting the said agenda.
9. The flight of the local SMEs is very dear to the Energy Department and the need to help them should not be overstated. The Government, the main operators and the SMEs need to align and work together on some of the more difficult issues that ranges from obtaining work permits and getting lands from the various Government's authorities, to the setting

up of better communication and promoting transparencies and business integrity. On these, it is good to note that important processes such as tendering and awards of contracts among the major operators and companies are now more transparent and well documented.

10. Yet there are still some rooms for improvement where communication is concerned. Just a couple of days ago, one of the major operators here in Brunei Darussalam organized a special session for local SMEs that have not yet been able to secure a service or supply contract with the said operator. For the session, the operator must have spent a considerable sum in bringing expert speakers from outside the country. I leave it to you all to judge whether that was a good session because out of the 21 SMEs represented at the session, only 3 chose to speak up and took the opportunity to ask questions and put forward concerns that they have with the ways contracts are being awarded.

Ladies and Gentlemen,

11. The SMEs must be more forthcoming even if they feel others could see the issues as small. Some of the SMEs seemed to already have a set mind on the reasons why they have not been able to progress. Sessions like the one that I mentioned earlier are designed to help them identify other underlying reasons that they may not been able to see before. We need to change

the attitude of some of our SMEs. It is better for us to have a muzakarah, that is having a discussion with an open mind with a genuine willingness to work together toward improving any weakness there may be. For example as I said earlier, in the processes of obtaining work permits and lands, improving communication and ensuring transparencies, rather than just blaming and continuing to criticize the system.

12. As stated by an expert from Shell Nigeria at the SME's event that I mentioned earlier, companies that started small few years ago now has million dollars turnover. This holds true even for us here in Brunei and is a proof that we can grow as well. As in any business environment, to be successful, we must endure and learn from others and our very own experiences.
13. But I do see a silver lining from all of these. As I mentioned earlier, our major operators seem to have a better understand of the predicaments of the local SMES and are working closely with the Government in offering the necessary assistance. I appreciate TOTAL's commitment and support and hope that could be brought to a higher level. I understand that around two third of the CAPEX of US\$1.4 billion will be spent in the next stage of this MLS Project, i.e. for the drilling activities. We need to ensure that the winning bidders would do their parts in developing our SMEs and increasing local contents, by engaging our service companies and employing locals.

Ladies and Gentlemen,

14. TOTAL in Brunei Darussalam has an excellent record on safety performance without any LTI. But we should not be complacent especially where the contractors are new to Brunei's environment. I would therefore like to urge those involve in the implementation of this Project to strictly observe both the legal and the best practices' requirements of HSSE at all stages.
15. As required under the Workplace Safety and Health (Facilities) (Control of Major Accident Hazards) Regulation 2013, companies operating facilities deemed to pose a major hazard if an accident were to occur, are required to obtain Safety Case's Certificate from His Majesty's Government. On this, I would like to inform that the Energy Department has to date received submissions for Safety Case's Certificate for 33 facilities. Out of these, 3 have now been approved and will receive their certificates soon.
16. I would like to assure everyone that the Government of His Majesty the Sultan and Yang Di-Pertuan of Negara Brunei Darussalam through the Energy Department places great importance on safety and environment within the oil and gas industry. There will not be any compromise on this. Anyone can report to us if it is felt that the management or a company



is not serious about HSE.

Ladies and Gentlemen,

17. Thank you for according me your precious time. Before concluding, please allow me to also thank the organising committee for the invitation and the opportunity to speak at this morning function. To our Muslim colleagues, I would like to wish you all Ramadan *Al-Qareem Al-Mubarak* and may it be to all of us a month full of barakah and goodwill.

By the reciting the kalimah Bismillah Hir Rahman Nir Rahim and with full Tawakal to Allah Subhana Wataala, Salawat and Salam upon the beloved Prophet Muhammad Sallulahu Alaihi Wassalam, and I am pleased to officially launch the Maharaja Lela South Project.

Assalamualaikum Warahmatullahi Wabarakatuh.