

Speech for Maharaja Lela South Project Jacket Load Out
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. 16th July 2015

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 the Socialist Republic of Vietnam,

Her Excellency Loan Forgeron, Ambassador Extraordinary and Plenipotentiary of the Republic of France,

Your Excellency Cho Won Myung, Ambassador Extraordinary and Plenipotentiary of the Republic of Korea,

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

Dato Paduka Haji Matsatejo bin Sokiaw, CEO of PetroleumBRUNEI,

Mr Doan Dinh Thai, General Manager of Bidding Division PetroVietnam,

Mr Dong Xuan Thang, Director PTSC M&C, Vietnam,

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

Ladies and Gentlemen,

1. It was just over a year ago when I was given the opportunity to visit this facility for the launching of the Maharaja Lela South (MLS) Project. Today, what we have in front of us is the jacket for the MLJ3 Platform fabricated here at this very place, with the involvement of both local and non-local companies alike. The structure is by itself, even with the topside yet to be installed, very imposing and is a testimony of the hard work and cooperation given by all parties involved in its fabrication.
2. On behalf of the Government of His Majesty the Sultan and Yang Di-Pertuan of Negara Brunei Darussalam, I would like to congratulate all involved in this fabrication project for a job well done. I would like to thank the main contractor, PTSC M&C of Vietnam, for their confidence in having the works carried out at this fabrication yard – and in the process, opening wider opportunities for involvement by our local companies and workforce.
3. Similarly, I would also like to express my sincere thanks to TOTAL for your strong support in Brunei's local business development drives through this project. I would like to give my compliments to TOTAL as the operator of the MLS Project for their decision to proceed with the Project despite the dip in current oil market prices. I understand that at the time the Final Investment Decision was made, oil prices were much higher than it is today, having lost about 50% of its value since the end of last year alone. Again, this shows the strong commitment by TOTAL and their joint venture partners towards the development of the untapped resources at the Maharaja Lela Jamalulalam Field.

4. I would like to reiterate that the Maharaja Lela Jamalulalam Field has been in production since 1999. As such, the Maharaja Lela South Project will *Insyah Allah* enable this Field to increase and sustain production levels for years to come in line with our Energy White Paper.
5. I further understand that there were some initial apprehensions on the economic challenges of carrying out the fabrication works here in Brunei Darussalam at the new PetroleumBRUNEI Services Fabrication yard. The completion of this fabrication has shown what could be achieved through dedication and cooperation of all those involved throughout the whole chain of this project. It is my hope that with the completion of this jacket fabrication project, similar works would be lined up to be carried out here in the near future which would *Insyah Allah*, help us to leverage and attain greater local content for our oil and gas industry.
6. As mentioned in my speech last year, the Government of His Majesty the Sultan and Yang Di-Pertuan sees the investments of the Block B Ventures in the MLS Project as proof of the venture partners' confidence in Brunei Darussalam's upstream sector. I had also stressed on the need for us to work hand in hand in the drive to further local business development and increase local content, which would help to bring optimum benefits to Brunei Darussalam. On top of it all and importantly, we must strictly adhere to the laws and rules in force especially those pertaining to Health, Safety and Environment.

7. From what I have heard and personally seen so far, the whole of the MLS Project has progressed very well and we should be able to see the production coming on stream by the middle of next year. Yet before then, there are still plenty of work to be done – and again, I urge all involved to be diligent and ensure that these works are carried out in the best possible manner, ensuring safety of both the workforce and the environment – as well as within the allocated time and budget.
8. At this juncture, I would also like to remind everyone involved in the MLS Project to avoid issues relating to business integrity. The Government of His Majesty the Sultan and Yang Di-Pertuan takes breaches of business integrity very seriously and will not hesitate to use the full force of the laws to deal with offenders. Breaching business integrity does not only bring loss of reputation to individuals, but also financial losses to the institutions they work for and to the country as a whole.
9. Please allow me to also take this opportunity to say a few words to our local contractors. Apart from the financial aspects from your involvement in this project, it is also important that you apply your gains in term of experiences and technology-know-how towards further development and strengthening of your respective companies, and see this as just another important milestone in pursuit of greater successes and sustainability in the future.

Ladies and Gentlemen,

10. Our offshore areas are teemed with oil and gas exploration and production activities, and these activities offer plenty of commercial and jobs opportunities for both locals and non-locals alike. Yet, the reality before us is very clear - involvement of our own local companies and workforce in shipping, offshore supplies and services are still at the very minimal. I do not see this situation as helpless – for opportunities are abound and still there for our local SMEs to participate in.
11. Although the numbers are still small, some of our locally owned shipping companies are doing quite well. The future is very interesting with a growing demand for more vessels – potentially up to 30 new build for BSP alone in the next 10 years, to service its offshore activities. It is our aspiration that these new builds would be built here in Brunei Darussalam and for this *Insyah Allah*, there is already a plan in line for the setting up of a modern locally located shipyard where these could be carried out.
12. The Government of His Majesty the Sultan and Yang Di-Pertuan continues to advocate a competitive and level playing field for the healthy growth of locally owned shipping businesses. It is for this reason – why we have also supported the provision of longer term vessel supply contracts subject to operational requirement, so that these shipping companies could have ample income to cover not only their day-to-day operations but also to service financing of their vessels and enable return of investment.

13. Concerted efforts by the Government and the private sector on local business development would also lead to another very important objective, increasing the local content of the oil and gas activities in Brunei. We want to see, as much as possible, the huge expenditure spent annually on the oil and gas related project to remain here in Brunei Darussalam.
14. I was made to understand that the MLS Project involves 3 major contracts – the fabrication of the MLJ3 Platform; the transportation, assembly of the platform offshore and pipe-laying works; and, debottlenecking of the onshore processing plant (OPP). The total costs for these 3 contracts is slightly above US\$300 million – contributing at current estimate, around US\$125 million or 42% to local content. The total workforce required for the fabrication of the MLJ3 Platform and the debottlenecking of the OPP contracts is 456, out of which 174 or 40% are locals including the 43 riggers, scaffolders and markers/fitters from the EICF training programme.

Ladies and Gentlemen,

15. In order to maximize the economic benefits from the existing and future growth in maritime industry, the Government has taken various measures including through the development of the required infrastructures, providing our local manpower with the skills and knowledge to work in the marine industry, and encouraging local banks to offer competitive and attractive financing packages for the acquisition of vessels.

16. Allow me to provide a picture of what we want to achieve on this. Firstly, the setting up an integrated marine supply base in Pulau Muara Besar would Insya Allah, open up commercial opportunities in areas ranging from services and logistics including supply of oil & gas based petrochemicals and chemicals for exploration and production activities here in Brunei and the region. The Government of His Majesty the Sultan and Yang Di-Pertuan are also looking at the possibility of setting up facilities to cater for the more technically demanding activities of ship building, maintenance, repair and refit of vessels.
17. Secondly, turning the Sungai Duhon Industrial Area into a more organized site for fabrication and maritime-related industry, would allow us to encourage further growth and opportunities for our local SMES. In this regard, I am pleased to share that next week the Sungai Duhon Industrial Area will be receiving its first 3 local tenants. The facilities at Sungai Duhon would include bases for marine supplies activities – that would be offered to qualified businesses on a fair, transparent and open tender. It will also have a well-equipped Marine Academy that would train and produce local mariners with IMO-recognised qualifications.

Ladies and Gentlemen,

18. 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's ceremony. Although we are at the final days of the holy month, to our Muslim colleagues, I would like to wish you all Ramadhan *Al-Qareem Al-Mubarak* and may it be, to all of us, a month full of barakah and goodwill. Please allow me to specifically express my utmost appreciation and admiration to our Muslim brothers and sisters working especially on this site - with the added challenges of having to endure the elements during the month of Ramadhan, to complete the fabrication works on time for this load out.
19. I pray to Allah Subhanahu Wataala that with His blessings we would be granted the opportunity to again greet and welcome future months of Ramadhan. I would also like to wish everyone here a very Happy Hari Raya Maaf Zahir Dan Batin and may Allah Subhanu Wataala bless all of us with forgiveness, happiness, and good health, Amin, Amin, Ya Rabbal Alamin.

By the reciting the kalimah Bismillah Hir Rahmaa Nir Rahim and with full Tawakal to Allah Subhana Wataala, Salawat and Salam upon our beloved Prophet Muhammad Sallulahu Alaihi Wassalam, and I am pleased to officially launch the load out of the MLJ3 Jacket for the Maharaja Lela South Project.

Assalamualaikum Warahmatullahi Wabarakatuh.