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Port Klang Free Zone

Publication: The Star – B&W
StarBiz (News), P. B4 (1 of 1)

Date: June 8, 2007

New plant to boost Kvaener output

It will double the firms' capacity of subsea systems equipment

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PORT KLANG: Aker Kvaener, an oil and gas equipment maker and service provider, expects to double its global subsea systems equipment production capacity via its new manufacturing centre in Malaysia.

President Martinus Brandal said the centre, launched yesterday, would boost the company's production of certain deepwater facilities.

This include the Christmas Tree, a set of valve spools and fittings connected to the top of an oil well to direct and control the flow of formation fluids.

The centre is also a strategic investment to substantially grow both Aker Kvaener's top and bottomline from 2009 onwards.

The Norway-based company, which records average revenue of US\$9bil annually, has business dealings in 30 countries.

The US\$100mil Malaysian centre is located in the Port Klang Free Zone and can assemble a complete range of subsea systems equipment.

It can also test, fabricate and provide technology and expertise from a single place.

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»We are in favour of Petronas' vision to make M'sia a deepwater hub«

MARTINUS BRANDAL

tracts under way, including a major assignment on the ground-breaking Murphy Oil deepwater Kikeh field in Terengganu.

"We completed the first Kikeh subsea tree and control module that was fully assembled and manufactured here a few weeks ago," Brandal said after launching the centre.

He said the company had also secured two projects in India.

The deepwater facilities for the projects, valued at about US\$1.6bil, will be manufactured in Malaysia.

According to Brandal, Malaysia was selected for the subsea centre following extensive mar-

ket research in the region.

He said the global gross oil production from deepwater was expected to increase to 21% in 2010 from 7% in 2005.

"Our final selection was based on Malaysia's favourable investment climate, accessibility to the dynamic deepwater markets in the region and the availability of qualified technical resources.

"Also, we are in favour of Petronas' vision to make Malaysia a deepwater hub for oil and gas in South-East Asia," he said.

Petronas vice-president (oil business) Datuk Anuar Ahmad, who was representing president Tan Sri Mohd Hassan Marican, said the centre had brought the country closer to becoming the regional hub for deepwater oil exploration.

"We have to-date discovered 1.4 billion barrels of oil reserves and 6.4 trillion cu m of natural gas reserves from our deepwater areas.

"Our first deepwater oil drilling in Kikeh will begin in October, to be followed by Gumusut Kakap and Malikai (both in Sabah) in 2011 and 2013 respectively.

"About 25% to 30% of Malaysia's oil production is forecast to come from deepwater fields in the next five years," he said.