



SPEECH TEXT
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13TH INTERNATIONAL PETROLEUM TECHNOLOGY CONFERENCE
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Distinguished Guests,
Ladies and Gentlemen,
Good Afternoon

I am pleased to welcome you, to the 13th International Petroleum Technology Conference (IPTC).

It is a privilege for Malaysia, to host this prestigious gathering.

Last year, the 12th IPTC was held in Dhahran, Saudi Arabia.

This year, for the very first time, the IPTC is being held virtually, due to the COVID-19 pandemic.

Despite being held virtually, the excitement and anticipation for this year's IPTC has not abated.

More than 3,000 energy professionals are here, participating in this virtual conference' with the theme

'Progressive Collaboration and Innovative Solutions: Shaping the Future of Energy'.

Ladies and gentlemen,

The oil and gas sector continues to face a multitude of short-term uncertainties, and long term challenges.

The emergence of the COVID-19 pandemic last year, adversely affected economic activities around the world, apart from tragic loss of human lives.

The oil and gas sector has not been spared.

In 2020, global oil demand declined by about 9% to 91 million barrels per day, compared to 100 million barrels the year before.

Oil prices plunged to below US\$20 per barrel in April 2020, with WTI tumbling into negative territory, for the first time in history.

Many oil producing countries and companies, had to resort to production cuts, disrupted business operations, delayed projects, as well as lower revenue, profitability, asset impairments, and even manpower rationalisation.

Despite the recent strengthening in oil prices and improving demand, we are not out of the woods yet.

Ladies and gentlemen,

In the longer term, the accelerating pace of energy transition, will create pathways for economies and industry players, to focus on clean and sustainable energy sources. With countries and players, committing themselves to a net-zero carbon future, we expect to see the rapid growth of non-traditional sources of energy, including hydrogen and nature-based solutions.

One thing is for sure, the recent pandemic has accelerated energy transition.

There is mounting pressure for the oil & gas industry, to be more environmentally sustainable, by reducing emissions across the value chain.

At the same time, there is an increasing need for industry players, to demonstrate their commitment to Environmental, Social, and Governance (ESG) goals, in line with a more sustainable future.

Distinguished delegates,

Notwithstanding the challenges, oil and gas will remain the most important source of energy, for the foreseeable future.

The International Energy Agency projects, that Oil and Gas will remain the dominant fuel, even in 2040.

Oil and Gas will continue to make up, close to 50% of the energy mix, which is similar to the levels we see today.

Furthermore, natural gas will play an even more critical role, in facilitating energy transition.

At the same time, we need to brace ourselves for the widespread use, of cost competitive renewables such as solar, hydrogen and wind.

On the other hand, coal – albeit considerably more economical – will not be a viable option in the future, due to its detrimental environmental effects.

Furthermore, the costs of generating electricity from renewables, are becoming more competitive.

As domestic markets mature, there will be greater opportunities, for future cost reductions in renewables.

Ladies and gentlemen,

Given the challenges facing the oil and gas sector, and the important role it continues to play, the big question is “how do oil and gas players respond, remain resilient and ensure competitiveness in the long term?”

Technology and innovation is key to answering this question – as it will lead the way in pushing the oil and gas industry, to becoming more environmentally sustainable.

From a policy-making perspective, the industry has to be supported with the right ecosystem, including market-based energy pricing, fit-for-purpose policies, and attractive fiscal terms.

Ultimately, the stability of the upstream’s sector investment climate, must be preserved.

Ladies and gentlemen,

Oil & gas is still a vital component, of Malaysia’s economic wealth.

On average, about 20% of the nation’s revenue, was derived from the oil & gas sector from 2015 to 2020.

On this note, Malaysia remains committed, to promote and preserve an attractive investment climate, in our upstream sector.

We continue to welcome investments, strategic collaboration and partnerships, to further unlock value potential in Malaysia’s upstream sector.

Let me take this opportunity to share with you that the Malaysian Government, under the purview of the Economic Planning Unit, is in the final stage of formulating the country’s National Energy Policy.

This document, together with specific action plans, will be launched in the second half of 2021.

It will guide the planning and development, of the country’s energy sector, as it transitions towards a low carbon future.

Distinguished participants,

In realising the shared aspirations of oil and gas players towards a more sustainable future, continued discourse is of paramount importance.

I am confident that collaboration and sharing of ideas, particularly in the science and technology related to the upstream sector, will facilitate oil and gas players to achieve this.

Before I end, I would like to take this opportunity to convey my gratitude, to the organisers for putting up this event successfully.

My thanks also goes to the host organisation, PETRONAS, and co-hosts Mubadala Petroleum and Schlumberger, as well as all the participants and presenters, for coming together to make the 13th IPTC a success.

Thank you