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Recovery in oil price, relaxation of lockdowns a boost

OIL AND GAS

PETALING JAYA: Petrolim Nasional Bhd (PETRONAS) is maintaining an upbeat stance on the subsurface and underwater segments of its business moving forward towards 2025, including rigs drilling, hydraulic workover units, and well services.

The national oil company attributed the positive outlook for the sections to a number of factors, including the recovery in oil price compared to 2021, the relaxation of lockdowns and movement restrictions as well as increase in workover recompletion to reactivate idle wells and well plug and abandonment.

The energy company also pinned its bright perspective for the underwater segment on the continuous requirement of inspection, repair and maintenance activities to upkeep the integrity of offshore facilities.

In its Activity Outlook 2023 to 2025 report, PETRONAS pointed out its rig count increased to 20 in 2022, a 25% growth from 16 rigs in 2021, while also revealing that 96 wells are targeted to be drilled under its future development, appraisal and exploration drilling programmes.

"At the same time, 21 producing wells are planned for workover activities where one or more variety of remedial operations will be carried out to increase production, and 28 wells have been identified for plug and abandonment where typically producing wells have reached their end of productive life," the report noted.

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PETRONAS Activity Outlook 2023 to 2025 report

2023, while expecting to register gradual growth in the following two years on the back of high market demand, adding that further resources optimisation will be implemented through activity consolidation across various petroleum-arranged contractors.

PETRONAS has moved its estimate for the number of man-hours potentially required for offshore maintenance, construction and modification higher to the range of 11.88 million to 12.3 million man-hours in the next two years 2024, from the 11.44 million to 11.82 million span previously.

The oil and gas giant revised its forecast for the number of lifts using heavy lift barges to five in 2023, from eight it forecast last year, although it expects an increase to 10 to 12 units in 2024 and potentially further in 2025.

"The increase of activities for 2024 and 2025 may pose challenges in the existing tight supply market," it said.

PETRONAS is expecting uncertainties in

the energy market to persist, adding industry players have to be flexible in responding to the changing energy landscape and embrace innovation as well as new solutions towards a lower-carbon future.

Its vice-president of group procurement, Freida Amat, said PETRONAS is committed to cooperating with its partners as the industry accelerates efforts to decarbonise operations as part of a wider energy transition move.

In line with the renewable energy agenda, she said the transition into clean energy needs to take place as soon as possible.

This is to meet the changing energy landscape projected by 2050, which calls for greater collaborations amongst industries towards creating efficient solutions for better cost management, heightened customer centricity, value-creation and innovative solutions.

"This is crucial to avoid missing the window of opportunity to navigate the energy transition successfully," she said.