

13 JUL 2000

PETRONAS-SUDAN

PETRONAS CONTRIBUTING TOWARDS WELL-BEING OF SUDAN

By: Mohd Fisol Jaafar

KHARTOUM, July 13 (Bernama) -- Petronas is certainly living up to its promise of extending a helping hand to the people of Sudan, a nation that it operates in, without prejudice to colour or creed.

Omar Suhaimi Abu Hassan, Petronas' country manager for Sudan, said, "Wherever we go, eventhough the focus will be to get benefits from our investments in the country we operate in, we cannot run away from our obligation as a corporate citizen to contribute to the well-being of that nation and its people."

Contributing to the well-being of the people and nation that it operates in is the fourth mission statement of Petronas, Malaysia's national oil corporation.

In recent years, Petronas has stamped its mark as a player to be reckoned with in the international oil and gas industry as evidenced by its numerous successful overseas ventures.

Speaking in the Sudanese capital to Malaysian journalists on a familiarisation visit to Petronas' facilities in the African nation recently, Omar Suhaimi said the statement fit very well with Malaysia's policy of "Prosper Thy Neighbour".

"(Prime Minister) Datuk Seri Dr Mahathir Mohamad raised this point when he visited Sudan last year, saying that he would like see this country prosper because in the end, it would be mutually beneficial," he said.

Contributions by Malaysia in general and Petronas in particular to the largest nation in Africa and its 30 million people have been effected in many ways, said Omar Suhaimi.

"The most obvious impact on the Sudanese economy has been through oil exploration and production (E&P) activities," he said.

Petronas' involvement in E&P activities in Sudan is via Petronas Carigali Nile Ltd, a subsidiary of Petronas Carigali Overseas Sdn Bhd (PCOSB).

Petronas Carigali Nile holds a 30 percent equity interest in a consortium called Greater Nile Petroleum Operating Company (GNPOC). The other partners in GNPOC are China National Petroleum Corporation (CNPC), holding a 40 percent stake, Talisman (Greater Nile) B.V. of Canada (25 percent) and Sudan's national oil company, Sudapet (5.0 percent).

The consortium was awarded a 30-year exploration and production sharing agreement (PSA) and a crude oil pipeline agreement (COPA) for upstream and downstream activities in Sudan.

Upstream, the activities include the exploration and development of existing and new fields in Blocks 1,2 and 4 covering some 48,900 sq km in the Muglad Basin, south of Khartoum. These fields are estimated to contain total reserves of 2.8 billion barrels of oil-in-place.

Current production in six fields -- Heglig, Unity, Toma South, El Nar, El Toor and El Har -- in these blocks is 180,000 barrels per day (bpd) and is expected to reach 200,000 bpd by 2002.

Downstream activities include the laying of a 1,504 km of export pipeline from Heglig to Port Sudan, building six pump stations at strategic locations along the pipeline and constructing a marine export terminal at Port Sudan. Sudan's first export oil consignment of 4.5 million tonnes was lifted at the terminal on Aug 30 last year.

"We have a big operation in Blocks 1, 2 and 4. In a way, we will reap direct benefits from these activities, and the Sudanese government, being a

partner in the consortium, will also gain a lot from it.

"This directly contributes to the well-being of this nation. Of course, it is up to the Sudanese government to decide how this contribution can be translated for the benefit of its people," said Omar Suhaimi.

Petronas also provides technical support by developing the expertise and capability of local Sudanese involved in the oil and gas industry. This is part of a strategy called "Sudanisation Programme", which is also spelt out in the PSA with GNPOC.

"Sudanisation is modelled after our Malaysianisation Programme. We want to share our success with Sudan," Omar Suhaimi explained.

Training is part of the Sudanisation Programme. Petronas Research and Scientific Services (PRSS), a subsidiary of Petronas, has been instrumental in establishing the Sudanese Ministry of Energy and Mines' (MEM) own central petroleum laboratory in Khartoum.

Petronas helped MEM to identify the requirements in designing the lab facilities and the equipment required. It even helped to evaluate tenders, suppliers and contractors besides training 15 of their analysts and chemists at PRSS.

Why was Petronas chosen as the agent of change for Sudan's manpower development programme?

"Personally, I think they could have gone to the other two parties (in the consortium) but we have shown what we are capable of doing after with our experience of 25 years," said Omar Suhaimi.

Petronas also offers scholarships to Sudanese students to study at Universiti Teknologi Petronas in Perak so that they can serve their people upon their return to Sudan.

"The benefit is not for us, it's for them. They will develop themselves. This is a long-term development, not a short-term gain or benefit on our part," explained Omar Suhaimi.

Another benefit for Sudan is the adoption of the work cultures of the three foreign oil partners -- Petronas, Talisman and CNPC. But, Omar Suhaimi pointed out that most of the work procedures were developed based on Petronas' procedures.

He said GNPOC's procedures were tailored or designed along those established in Petronas' own operations.

"The tendering process, evaluation and award procedures follow exactly what we have implemented," he said.

Petronas is also involved in joint studies with the Sudanese government on potential oil fields in areas bordering Egypt and offshore in the Red Sea, a first by any foreign oil company operating in that country.

It compiles findings and data for MEM. "It is up to them (Sudanese government) to decide whether those studies will result in the blocks being developed, irrespective of who is going to be operator.

"Even if Petronas is not the operator, it is in a way, still a contribution to the well-being of the nation," Omar Suhaimi said.

He said a key element in Petronas' globalisation plan was having a long-term, mutually beneficial relationship.

Petronas, he emphasised, was not a "fly by night operator."

"We want to stay long (-term). We want to grow together, not like some independent companies who come here, make some money then sell their interests later.

"We won't do that here or anywhere else. We would like to expand our business," Omar Suhaimi added.

Petronas' and its Canadian and Chinese partners' presence in Sudan had also benefited the local business community here.

Omar Suhaimi said local house owners benefit from rentals of their properties and so have traders in Khartoum.

There is now increased demand for a lot things, for example food and other provisions, which he said, were never seen here previously.

He dismissed some perception that the consortium partners were rather unhappy with the way Petronas was doing things in Sudan.

"Basically, each individual partner has mutual respect of the other because we feel that what we do is entirely ours.

"Somehow, we have managed to blend all these differing ideologies or ideas we may have in reaching a common goal.

"Anyway, before we enter into this "marriage", we have done our homework. Even in a forced marriage, we must to accept it and to know how our partners work."

Omar Suhaimi said Petronas' work ethics had gained recognition in Sudan.

Petronas has been widely accepted now compared with the time when its engineers and technicians first set foot here in the mid-90s.

"When we came here we faced some difficulties because our name is not as big as some petroleum giants. When we first came, nobody had ever heard of Petronas and some always mispronounced our name, to mean something else.

"But, because of the strong relationship developed between our two governments, three years down the road, they (the Sudanese) know who we are and where we stand," said Omar Suhaimi proudly. -- BERNAMA

MFJ SHY