

**O&G Sector To See RM30 Billion In M&A, Capital Projects - Deloitte
Bernama
12 March, 2014**

KUALA LUMPUR, March 12 (Bernama) -- Malaysia's oil & gas (O&G) sector expects to see between RM26 billion and RM30 billion in merger and acquisitions (M&A) and capital projects this year.

Deloitte Southeast Asia Mergers & Acquisitions Tax Leader and the Energy & Resources (E&R) Leader Steven Yap said more O&G players would seek growth in a challenging environment with continuing pressure to improve productivity from substantial investments in major capital projects that were yet to come on stream.

"Containing costs and applying improved technologies are two foremost issues in the minds of many O&G players," he said in a statement.

Yap, who was speaking at the Deloitte Southeast Asia Oil & Gas Summit, said many companies were expected to be compelled to reorganise to right size through mergers and acquisitions especially to scale up and build capacity to be able to effectively deliver their services from exploration and production to major capital projects.

Meanwhile, Deloitte Malaysia E&R Leader and Corporate Finance Executive Director Nizar Najib was quoted as saying that Malaysia's O&G sector was poised for massive growth in the next few years.

This is based on Petronas' planned capital expenditure of RM300 billion between 2011 and 2016 and investments in key areas such as enhanced oil recovery, marginal fields and deepwater exploration.

"In the near-term, we expect to see an increase in oil production due to various initiatives such enhanced oil recovery, marginal fields and deepwater exploration.

"Meanwhile, long-term upsides can be expected from gas and therefore Malaysia is positioning itself to be a regional hub for liquefied natural gas and petrochemicals through the Refinery and Petrochemical Integrated Development project, floating liquefied natural gas and overseas acquisition in Canada," he added.

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