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Daya set to be full-fledged exploration & production company

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PETALING JAYA: [Daya Materials Bhd](#) is close to putting the final touches to becoming a full-fledged exploration and production (E&P) oil and gas player for the purpose of bidding for risk service contracts (RSC) and brownfields in Malaysia, Myanmar, Indonesia and Sri Lanka.

Its seriousness is seen on two fronts first, it has formed [Daya Petroleum Ventures Sdn Bhd](#) and second, it has hired an E&P bigwig, Shahul Hamid Mohd Ismail, who is former managing director of [Shell Refining Co Bhd](#) and has held managerial roles in Shell E&P, as executive director of the new company, along with a number of key expatriates and local experts.

“We are not only targeting the risk service contracts here but are also in talks to enter into production sharing contracts with foreign partners for onshore and offshore blocks in Indonesia and Myanmar, and shallow water blocks in Sri Lanka,” said Shahul.

He added that the Malaysian scene alone was very active, with [Petroleum Nasional Bhd](#) having more than 200 marginal oil and gas fields to consider for development.

“There are many small and highly effective E&P companies in Australia which are formed by small groups of experienced oilmen'. In Malaysia, we should nurture more such companies, especially since we have our own reserves to find and develop and the sector is a hive of activities,” said Shahul.

Currently, in Malaysia, there are no independent E&P players apart from [Hibiscus Petroleum Bhd](#). Companies like [Dialog Group Bhd](#), [SapuraKencana Petroleum Bhd](#) and [Perdana Petroleum Bhd](#) are oil and gas service support companies.

“We are quite confident of getting something in the E&P arena within the next six months,” said Shahul.

Shahul has more than 30 years of experience in the oil and gas industry, working in various senior roles in Esso and Shell in Malaysia and overseas.

Executive vice-chairman and group [chief executive officer Datuk Mazlin Junid](#) said as Daya Materials was already a well-established services company in the oil and gas industry, its position as an E&P player would be a natural move to further strengthen its presence in the sector.

Presently, Daya Materials is involved in oil and gas downstream chemicals and heavy-lifting services. It is also active in several upstream segments, such as offshore pipe-laying, automated welding, offshore chemicals and the desludging of floating production storage offloading vessels.

Mazlin said funding for Daya Petroleum's ventures was not an issue. “Should we win a brownfield or an RSC, we will raise funding progressively. We are already in talks with foreign banks,” he said.