

International Standards Workshop for Oil & Gas Industry  
23<sup>rd</sup> & 24<sup>th</sup> February 2009, Kuala Lumpur, Malaysia

*Opening Address by*

*Datuk Abdullah Karim*

*Vice-President, PETRONAS and MD/CEO PETRONAS Carigali Sdn Bhd*

Yang Berbahagia Dato' Ir Dr Johari bin Basri  
Director General, Department of Occupational Safety and Health

Yang Berusaha Encik Mohd Radzuan Yusof  
Chairman, Workshop Organising Committee

Yang Berusaha Puan Rafaiq Bakri Zakaria  
Director, Department of Standards Malaysia

Yang Berusaha Puan Khalidah Mustafa  
Senior General Manager, SIRIM Berhad

Mr Neil Reeve  
OGP Standards Committee cum ISO/TC67 Chairperson

Mr Pramod Kumar Karunakaran  
Chairman, Industry Standards Committee on Petroleum & Gas Malaysia

Distinguished Guests,

Ladies and Gentlemen,

Assalamualaikum and a very good morning.

On behalf of the organizing committee, we bid you a warm welcome to the first ever International Standards Workshop for the Oil & Gas Industry in Malaysia organised by the International Association of Oil and Gas Producers (OGP) and PETRONAS in collaboration with Standards Malaysia and SIRIM Berhad. Yang Berusaha Puan Fadilah Baharin Director General, Department of Standards Malaysia

On behalf of PETRONAS, I welcome all of you to today's International Standards workshop for the oil and gas industry. Among us today are the legislators, government and industry authorities, engineers and designers, fabricators and installers, and of course users.

A very warm 'selamat datang' to all Standards Committee members from the International Association of Oil and Gas Producers, OGP and other foreign delegates, both to this workshop and to our beautiful Malaysia. Apart from attending this conference, may I suggest that you take time off to visit the many interesting places we have in this country and sample traditional Malaysian hospitality.

A special welcome also to representatives from Department of Standards Malaysia, SIRIM, Department of Occupational Safety and Health and the Department of the Environment. As the custodian and enforcer of the various technical standards used by the many industries in Malaysia, your presence here today not only gives prestige to this meeting but also reflects

your commitment towards the development and growth of technical standards in this country.

Ladies & Gentlemen

PETRONAS is proud of its association with OGP. Over the years, we have participated in its many activities, and have benefited tremendously from this association. We will continue with this symbiotic relationship as part of our desire to be a major oil and gas player as well as our belief in all the good work done by OGP. Thus, when the OGP Standards Committee offered to have its workshop here in Kuala Lumpur, we felt honored to host it, especially as this is the first time such a workshop is being held here. For this reason, I am hopeful that all the arrangements made with regards to this workshop and your stay in Malaysia meet your expectations.

Ladies & Gentlemen

Technical standards are crucial to industries such as the oil and gas industry. They are now well imbedded in almost everything we do; from designing plants to their abandonment. These technical standards have helped us in designing better and more reliable facilities. They help to improve our efficiency and eliminate wastefulness and poor quality work. They have helped most of us to realise better returns for our stakeholders and more importantly, they ensure that our operations are safe. Perhaps it is not an overstatement to say that the industries depend on these technical standards to sustain their profitability and growth.

Looking back at the development of technical standards, it is not difficult to understand why we are now blessed with a myriad of these standards. As industries grow, so do their commercial values and competitiveness. Hence, the need for standards to regulate and ensure some form of uniformity in the operations of a particular industry.

Ladies & Gentlemen

In managing PETRONAS operations, we have developed the PETRONAS Technical Standards (PTS). Numerous revisions have been made and they are now accepted as the guiding standards for the oil and gas industry in Malaysia. They cover every aspect of the operations, from design through abandonment.

In PETRONAS' experience of having operations in over 25 countries involving upstream and downstream activities, the various regulations, standards and procedures that need to be complied are sometimes very challenging. Standards and procedures, including regulations differ from country to country. The challenge is to interpret and comply with the requirements without compromising on cost, schedule and safety.

While there are the legislations to be complied with, the standards and procedures need to be met. There are various standards applicable to the industry such as BS, EN, API, ASTM, ANZ, ANSI, ASME, MS; and not to forget ISO and those that govern the design, manufacturing, testing, installation and maintenance of every item used in the Oil and Gas industry.

It would be better for everyone to use the same standards, say, in designing an offshore platform. The same standard will allow a more level playing field. It would be easier for all to choose an operating partner or a contractor if all of them subscribe to the same standard. There would be no costly adaptation and testing on reliability of the standards required.

Of course, there are still differences and diversified standards. There is no one standard that can satisfy all, given the differences we are faced with. In operations in the third world,

where expertise and resources are in short supply or non-existent, it may not be possible to adopt first-world standards without modifications. At least not until better resources and expertise are available in these countries. I am sure that those of you who are in the oil and gas industry, are familiar with this dilemma when operating in some of the remote areas of the world. A good example is the standards applicable in the management of certain health, safety and environment issues.

I hope this workshop would consider how best to tackle this issue of necessary disparity in the application of technical standards. Development of unified technical standards for all to use may be the way forward that we should all strive for. However, is the imposition of such standards on all justified or even practical?

The other aspect of technical standards that I would like to touch on is the adoption and adaptation of these standards. Specifically, the use of technical standards developed in the west in a country such as Malaysia, where the anthropometric measurement (scientific measurement and proportion of the human body) is of pivotal importance. We have standards adapted to western population measurements applied here that may be less suitable due to the physical built of Asians. It may not be a surprise then that we are seeing increasing complaints of ergonomic mismatch among Asian workers. Perhaps the custodian and watchdog for technical standards in this country would give consideration on these demographic differences that I am referring to.

Ladies & Gentlemen

This workshop is organized to showcase the development and application of technical standards in the oil and gas industries to the various stakeholders of the oil and gas industries. It is organized to serve as a platform for participants to share experience, knowledge, exchange ideas and to learn from one another on how best to resolve the various issues we all faced with in developing and applying technical standards. This meeting is another small step for all of us in our long journey towards better standards while ensuring the health, safety and environment for the sustainable development of the industry.

Beyond that, I hope this workshop will serve as the melting pot for all of us in the oil and gas industry and our partners and stakeholders, both in the Government and the private sectors, to meet, develop networks and lasting friendship. I am hopeful that we can achieve all these while enjoying ourselves at the same time.

Lastly, I wish all of you a fruitful workshop and to our friends and colleagues from overseas, a very pleasant stay in Malaysia. With that and by the grace of Allah, the most Benevolent and the most Merciful, I declare open this workshop.

Thank you.