

NEWS CLIPPING – PRESS

CLIENT: UBM MALAYSIA

PUBLICATION: THESTAR.COM.MY **SECTION:** BUSINESS

DATE: WEDNESDAY, 19 JUNE 2019 **PAGE NO.:** 1 OF 1

HEADLINE: POSITIVE OUTLOOK FOR O&G SECTOR WITH CRUDE OIL REBOUND

URL: <https://www.thestar.com.my/business/business-news/2019/06/19/positive-outlook-for-og-sector-with-crude-oil-rebound/>

Positive outlook for O&G sector with crude oil rebound



Lim (right) at the opening ceremony of the 17th Asian Oil, Gas and Petrochemical Engineering (OGA) 2019 exhibition

KUALA LUMPUR: Malaysia is set to benefit from the forecast rebound in global crude oil prices as it is reviving the industry appetite for exploration and development works.

Finance Minister Lim Guan Eng said this is especially so for projects located in deepwater and technologically challenging areas where the costs of investments and operation are high.

He added that with the expectations by experts that Brent crude oil prices would hover from US\$60 to US\$70 per barrel this year, this is sufficient to revive some of the exploration and production activities that may have been deferred or stopped due to lower oil prices.

Brent crude oil prices experienced great volatility last year, rising to US\$86 per barrel in October from US\$67 in January before taking a 30% dip to US\$57 in December due to a glut in the global market.

"For the government, every US\$1 per barrel increase in crude oil price brings the Treasury about RM300mil in revenue annually and vice versa.

"At the same time, the government is no longer reliant on petroleum revenue as it was once. For instance in 2009, 41.3% of government revenue came from petroleum sources while in 2019, it is only an estimated 19.5%, not counting the special dividend from Petronas used to finance GST and income tax refunds," he said at the opening ceremony of the 17th Asian Oil, Gas and Petrochemical Engineering Exhibition yesterday.