

Malikai success cements Sabah's deep water hub position

By ERIC BAGANG NST 8-11-2017

KOTA KINABALU: Shell's deployment of Malikai oil platform, Malaysia's first tension leg platform (TLP), has positioned Sabah as Asia's deep sea petroleum hub.

Floating on 500-metre deep water, some 100 km off Sabah's west coast, Malikai is the country's second deep water project after the success of Gumusut-Kakap (GK) platform, also located off Sabah's west coast which started operation in 2014.

Starting production in December 2016, the latest deep water project is now producing some 60,000 barrel of oil per day (bpd) which when combined with the 140,000 bpd produced by GK, contribute some 60 per cent of state's crude oil production.

Sabah is currently producing around 50 per cent of the country's crude oil output.

Sabah Shell Petroleum Company's general manager, Ian Lim said that the company is now ready to take on any production opportunities both shallow and deep water.

But first, he said the company's focus now is to continue to ramp up Malikai's production safely as drilling works are still ongoing.

Malikai is an example of the strength of Shell's global deep water business, applying TLP expertise from decades of operations in the United States' Gulf of Mexico.

The project features a cost-effective platform design and a unique, industry-first set of risers, or pipes that connect the platform to the wells for oil production, which required fewer drilling materials and lower costs.

The Malikai project has allowed Shell to share deep-water expertise with Malaysian energy companies, playing an active role in helping the government develop the nation's deep-water resources and deep-water service industry.

The project employs a tension leg platform (TLP),



a vertically floating structure moored by groups of tethers (tendons) at each corner. The groups of tendons are held upright in tension, giving the platform its name.

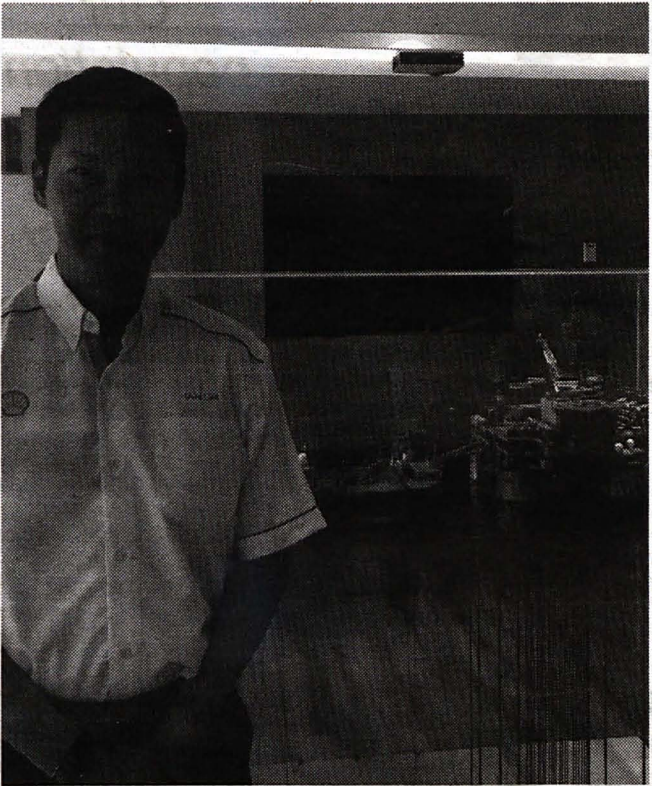
Production wellheads on deck (connected directly to the subsea wells by rigid risers), instead of on the seafloor, allows simpler well completion and gives better control over the production from the reservoir, and easier access for downhole intervention op-

erations.

The extracted oil and gas are piped some 50km away to the Kabambangan Oil Hub for processing before being sent to the Sabah Oil and Gas Terminal (SOGT) in Kimanis.

According to Ian, apart from the oil and gas industry, the education sector is also benefiting from the application of TLP technology in the country.

■ See Page 2



Ian posing with a model of the Malikai TLP.

Instead of contracting the works to foreign companies, Shell chose to engage local companies and local higher learning institute to conduct studies and build the platform.

As the company's first TLP outside of the Gulf of Mexico, the country's tropical climate presented different type of challenges for the technology.

Shell has recruited Universiti Teknologi Malaysia (UTM) into the project, who have come up with a unique U-shape fairings to reduce vibrations on the risers (pipes) which is caused by strong sea currents.

At the same time, UTM has also built expertise in the field and has incorporated it in some of its programmes.

As for Sabah, Ian said that the company is investing in community projects particularly sustainable rural development programmes such as supporting rural entrepreneurs.

He said that the company is also partnering Universiti Malaysia Sabah (UMS) in producing human capital in the oil and gas industry.

"We are advising UMS on what the industry needs, so it can produce graduates who match the industry requirements," he said when met at his office at Plaza Shell here yesterday.

According to him, the fluctuation of oil and gas industry is posing challenges in producing human capital.

When the industry is down, he said, people would not want to study in the oil and gas fields, believing there is no future in it.

But when the industry bounces, he said, oil and gas companies would face difficulties in hiring qualified human capital.