

## Sabah Oil and Gas Exploration - New Opportunities



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Malaysia is a major oil producer; the largest natural gas and the 3rd largest oil exporter in South East Asia, and globally, the 2nd-largest LNG exporter after Qatar.

The domestic oil consumption has risen, while production has been falling that led efforts to encourage increase in the reserves replacement ratio. Recent government incentives and new oil and natural gas discoveries in deep water offshore areas of Sabah basins considered “mature” basins has encouraged companies to seek new production sources such as complex stratigraphic and deeper reservoir targets, fractured reservoirs, tight sands, coal bed methane, shale gas, enhanced oil recovery, and exploration in frontier areas.

Basins in Sabah are amongst the most prolific basins in Malaysia with over 50 years of exploration history, and discovered resource of 3.7 BOEB (1.5 BBO, 13 TCF) in mainly clastic reservoirs, the 4th largest oil reserves in Asia-Pacific (after China, India & Vietnam).

Large and easy to find fields are difficult, thus improved understanding of the basins history is crucial

to identify remaining undiscovered potential in plays that have not been fully tested. It is more important for the industry to come together to share solutions and expertise on how to innovate – not only for survival, but for growth. Industry has to promote new ideas, be creative and challenge existing dogma.

Predicted future resource potential was primarily in traditional clastic plays as shown by an almost flat creaming curve trend of the discovered resource until the anticlinal thrust structure play of Tertiary deep-water sandstones at Kikeh in 2002. Malaysia’s deepwater acreage remains relatively underexplored. At present, only 3 Billion barrels of oil equivalent (BOEB) of deepwater resources have been proven, but at least 7 BOEB could be waiting to be discovered (Malaysia’s Business Times, 2016).

This remaining potential over half the total discovered resource will provide the industry with opportunities in areas previously thought to be mature and risky.