



Abstract No : 3C7/2001
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STATUS OF DEEPWATER EXPLORATION IN MALAYSIA

Deepwater exploration started in Malaysia in 1994. Taking into consideration the high geological/geophysical risk and very high economic investments required in deepwater and ultra-deepwater exploration, PETRONAS designed and formulated two distinct sets of deepwater fiscal terms in Malaysia. One for the standard deepwater i.e., water depth from 200 m to 1000 m and one for ultra-deepwater which is beyond 1000 m.

Some 60,000sq km of deepwater areas were demarcated and a total of 10 deepwater blocks were configured for further exploration work. All 10 deepwater blocks have been awarded and the operators are ExxonMobil, Shell, Murphy and Amerada Hess. To date, some 40,000 line kms of 2D and 3D seismic data have been acquired and five exploration wells have been drilled.

Deepwater exploration in Sabah has been more successful than in Sarawak. Recent gas and oil discoveries like Keababangan, Kamunsu East, Kamunsu East Uplifted in Sabah deepwater have triggered a more aggressive exploration programme in order to firm up more hydrocarbon resources for further deepwater development projects in the near future.

On the contrary, in the deepwater of Sarawak, we have yet to understand and analyse the well results to reduce the geological risk and at the same time understand the hydrocarbon systems.

Shell's deepwater exploration in Malaysia has been growing steadily and is almost at the development stage with their recent encouraging discoveries. Shell has drawn expertise from their worldwide Shell Deepwater Services (SDS) to provide support to their deepwater blocks in Malaysia. Large 3D seismic survey data has been acquired before the drill bit. Fast track drilling by Shell has led to a very efficient deepwater well drilled offshore Sabah.

In Malaysia the challenge still lies ahead whereby seven (7) deepwater wells have been committed and will be drilled in the next four (4) years. In general, deepwater exploration has been growing steadily in South East Asia. We hope to have more successful discoveries in Malaysia and that worldwide deepwater exploration will focus more towards Asia and South East Asia.