

UNCTAD

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Extractive Industries and Sustainable Job Creation

**Building Institutional Capabilities:
PETRONAS' journey in Human Capital Development**

By

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The views expressed are those of the author and do not necessarily reflect
the views of UNCTAD.



PETRONAS

Building Institutional Capabilities: PETRONAS' journey in Human Capital Development

Presented by Mr. M Yusof Shahid
Chairman, PETRONAS Sudan Operations

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AGENDA



PETRONAS

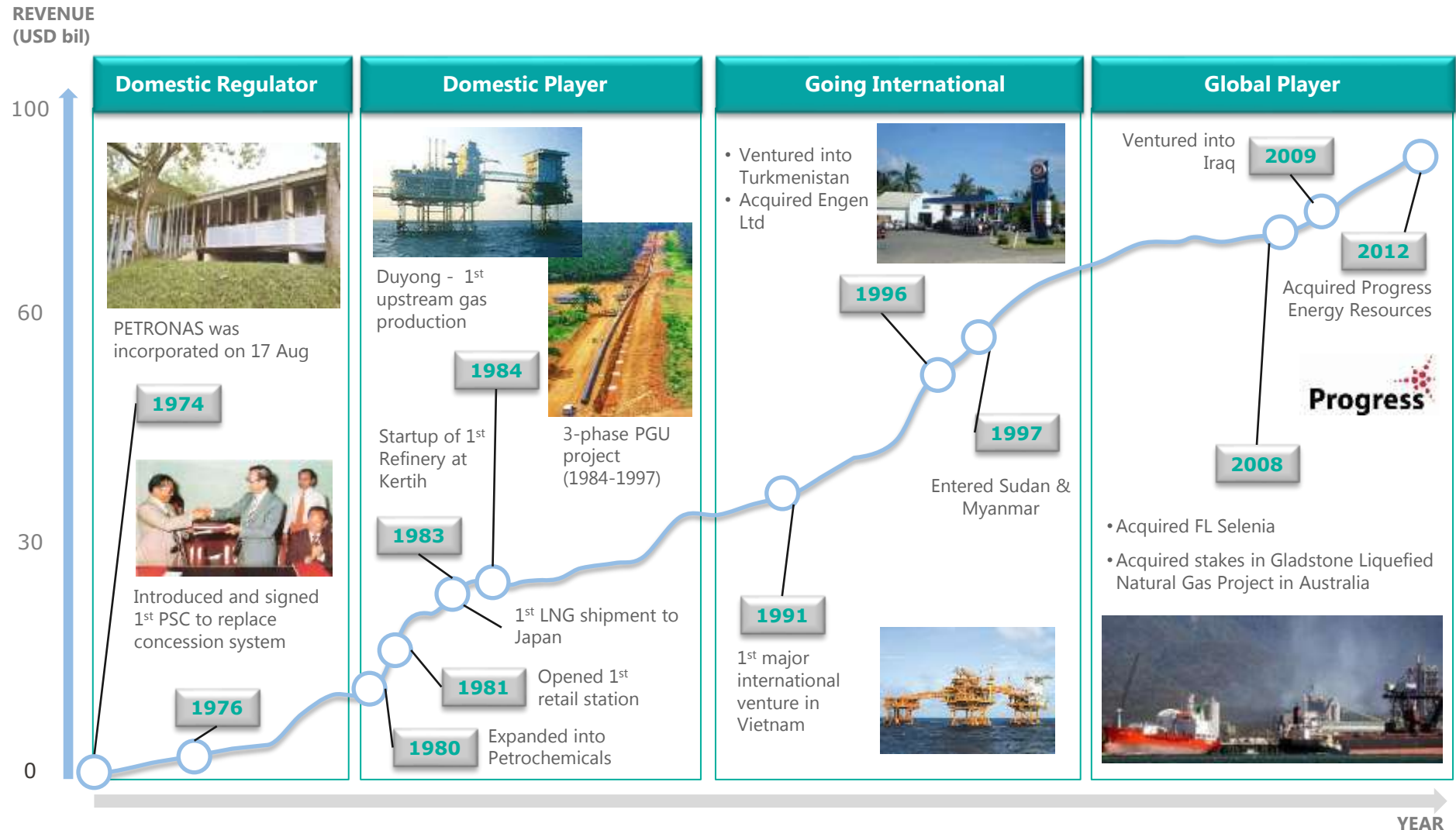
PETRONAS is a Major Multinational Oil and Gas Company

- 01 PETRONAS: Structured Approach for Human Resources Development
- 02 PETRONAS in Sudan
- 04 The Future



Agile Development & Growth

Transformation of an NOC into a global energy champion



What Makes Us Unique

Commitment to sustainable development and human rights



Incorporated as a company

Commercially oriented

Maximize value and wealth creation for shareholders

Professionally managed

Autonomous decision-making by Executive Management

Oversight by Board of Directors

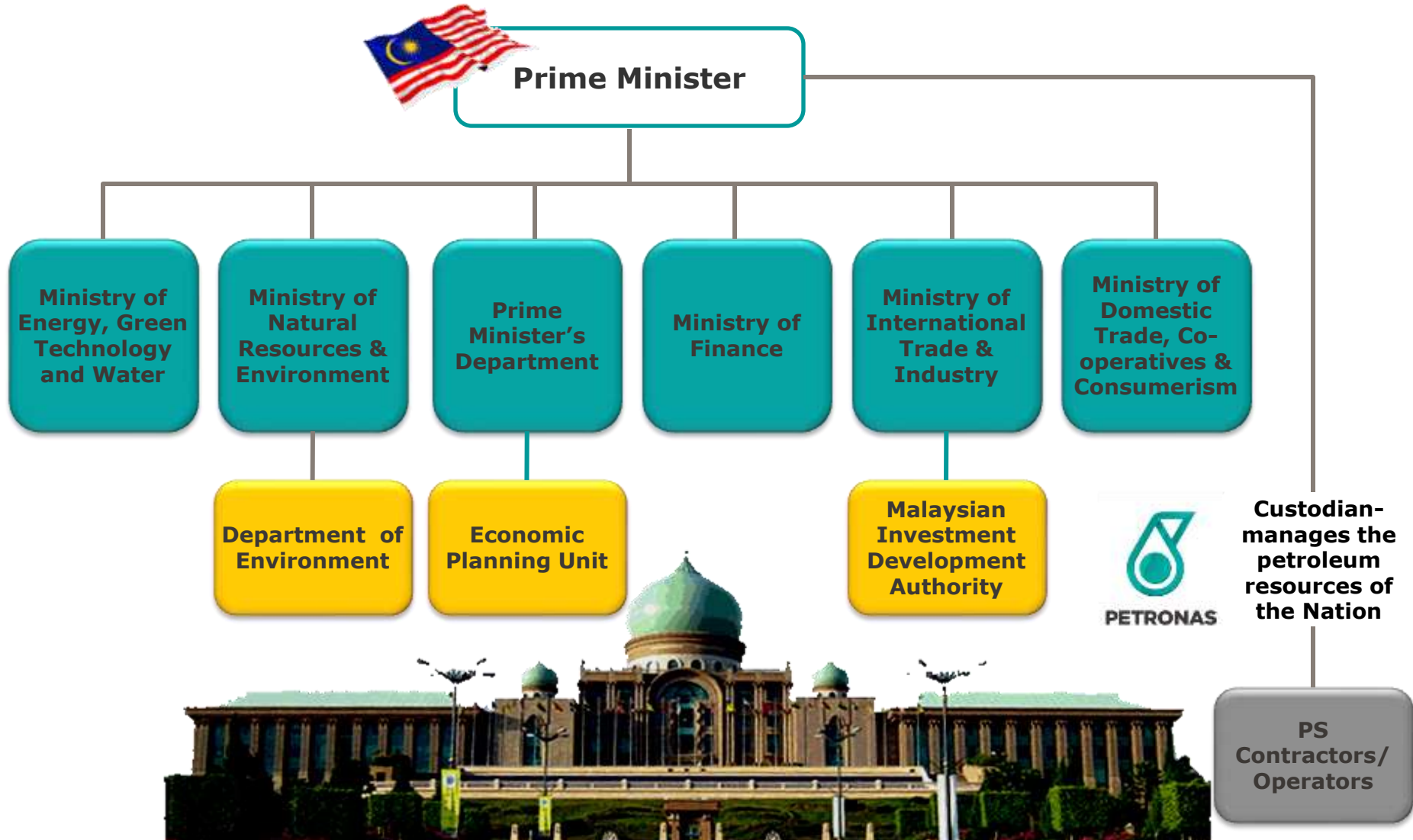
Good corporate citizenship

Global standards of governance, transparency and ethical conduct

Commitment to sustainable development and human rights.

Custodian of National Resources

Working closely with ministries to develop the national petroleum sector



Our DNA

Vision, mission and values driving strong performance

Vision: To Be A Leading Oil and Gas Multinational of Choice

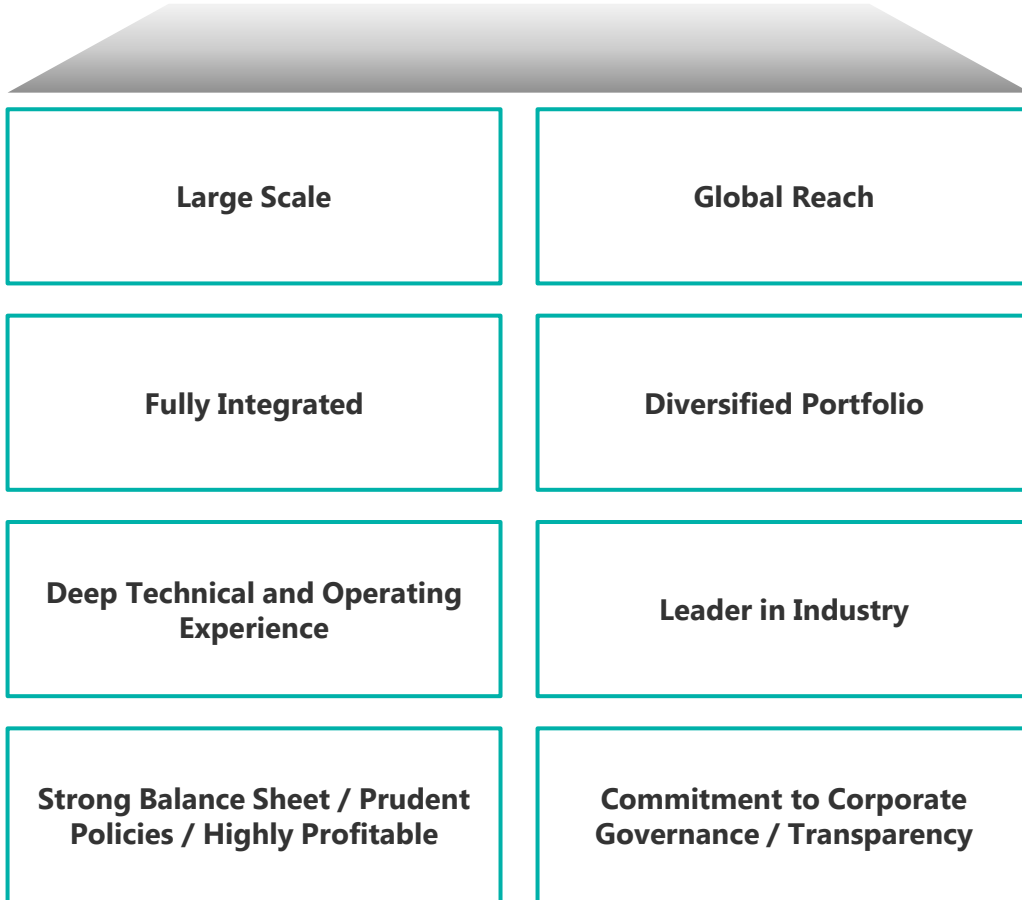
Mission

- We are a business entity
- Petroleum is our core business
- Our primary responsibility is to develop and add value to this national resource
- Our objective is to contribute to the well-being of the people and the nation

Shared Values

- Loyalty
- Integrity
- Professionalism
- Cohesiveness

PETRONAS is a Major Multinational Oil and Gas Company



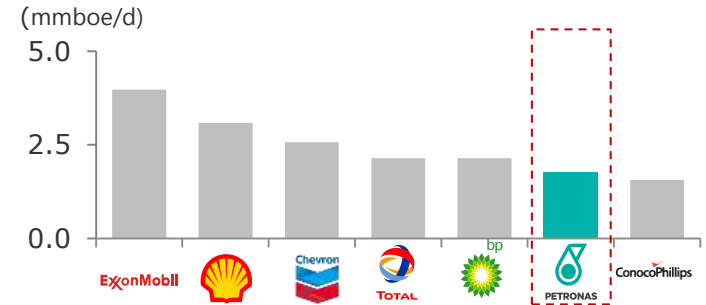
A Fortune Global 500 Company⁽¹⁾

#69
by revenue

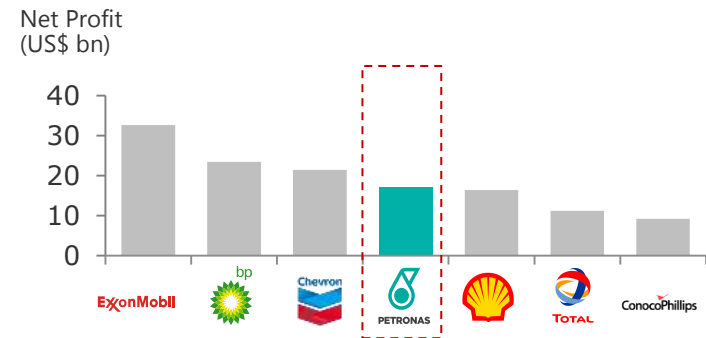
#22
by profit

#6
most profitable oil
and gas company

World-class Scale in Oil and Gas Production⁽²⁾



One of the Most Profitable Oil and Gas Companies in the World⁽¹⁾

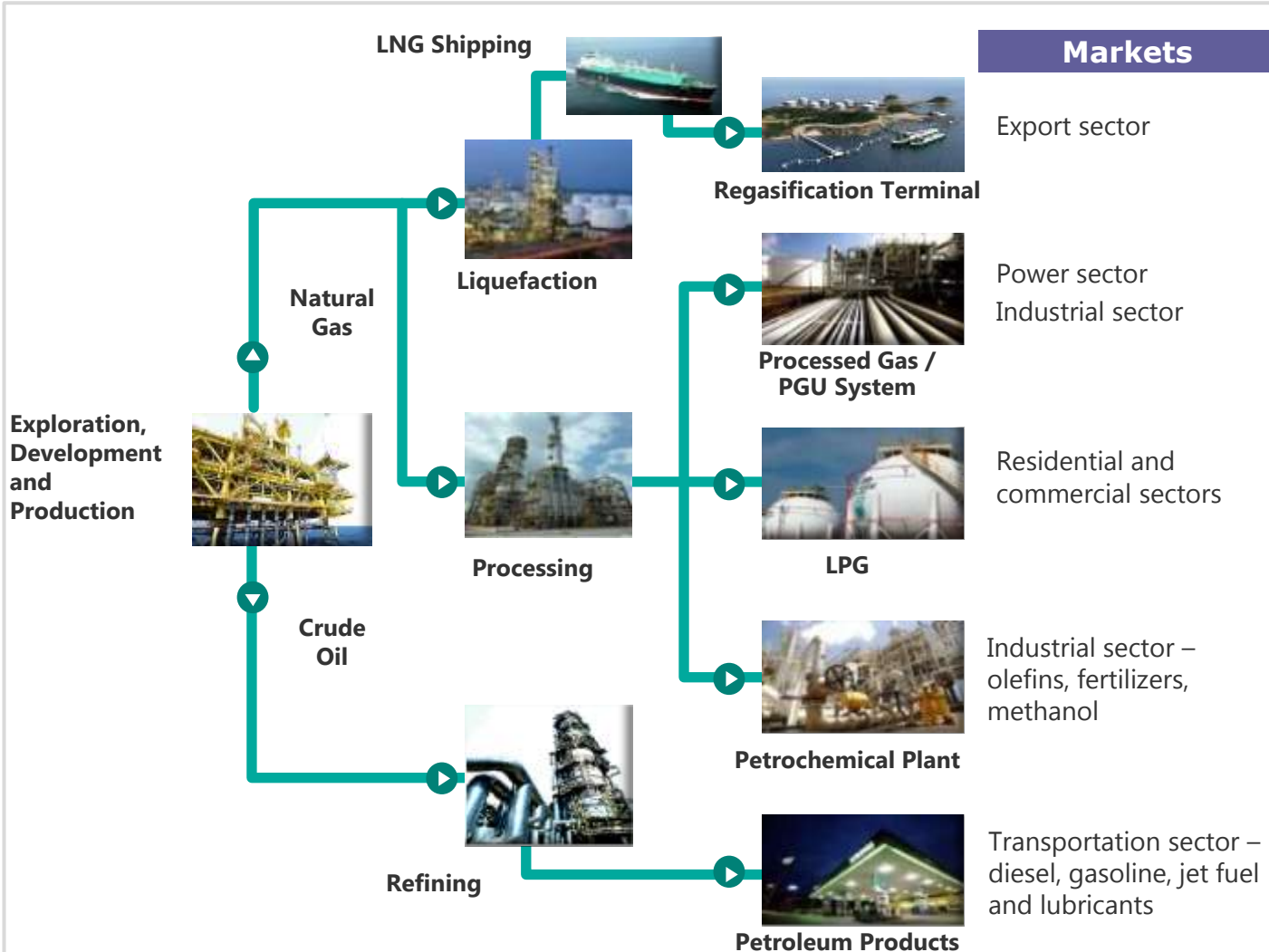


(1) Fortune Global 500 (2014)

(2) FY2014 production; Source: company disclosures

Full Integration Across the Entire Value Chain

Integration improves margins, diversifies the revenue base and mitigates cashflow volatility



PETRONAS is a Prudent, Safe and Efficient Operator

- 40+ years operating experience in Malaysia
- Commitment to high HSE standards
- High reliability rates
- Deploying technology to enhance value

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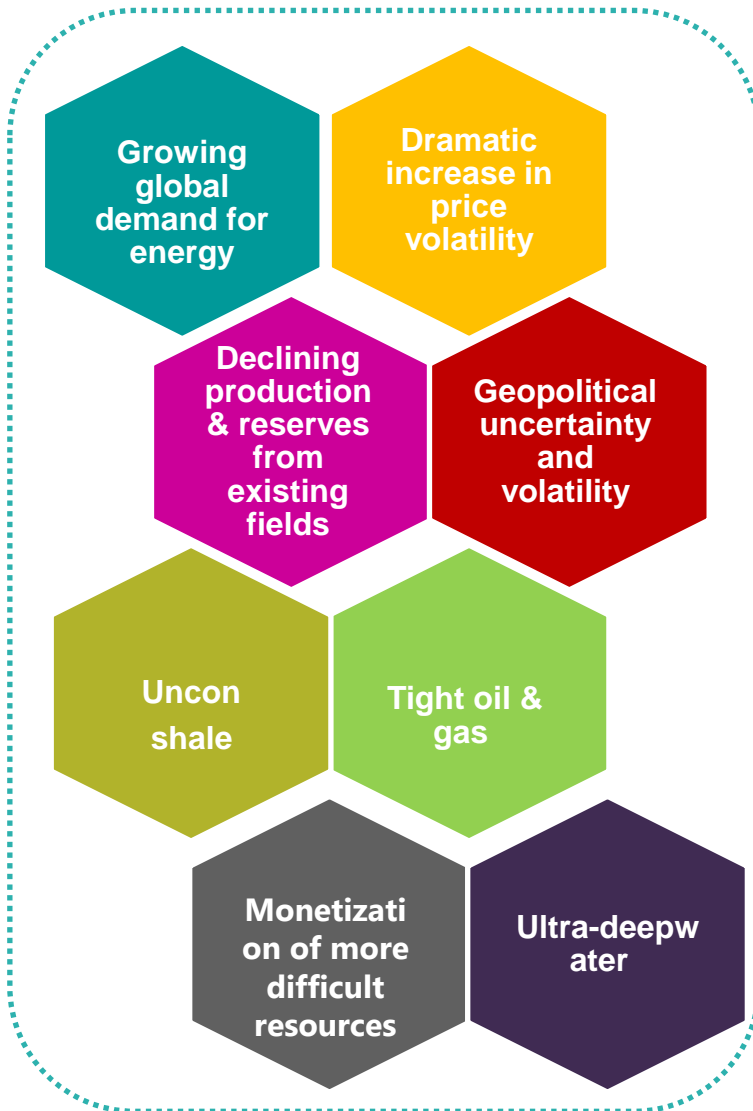
01 PETRONAS: Structured Approach for Human Resources Development

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Overcoming Industry Current Challenges through an Integrated Approach to Develop Competent Human Capital



Organizational Key Levers of Performance

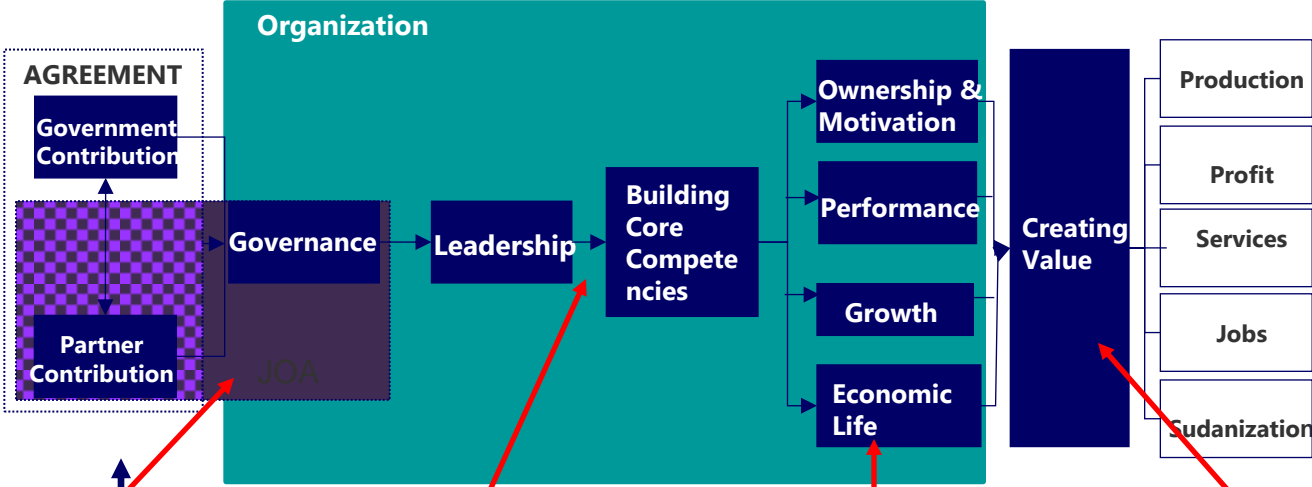
Interlinked Staffing Strategic Frameworks

Young Professional Sudanese Development Framework

ORGANISATION – Key Levers of Performance

JOB enrichment and Core Function Specialisation in certain departments to ensure clear focus and accountability to support the key levers

Priorities – Strategically inter-related



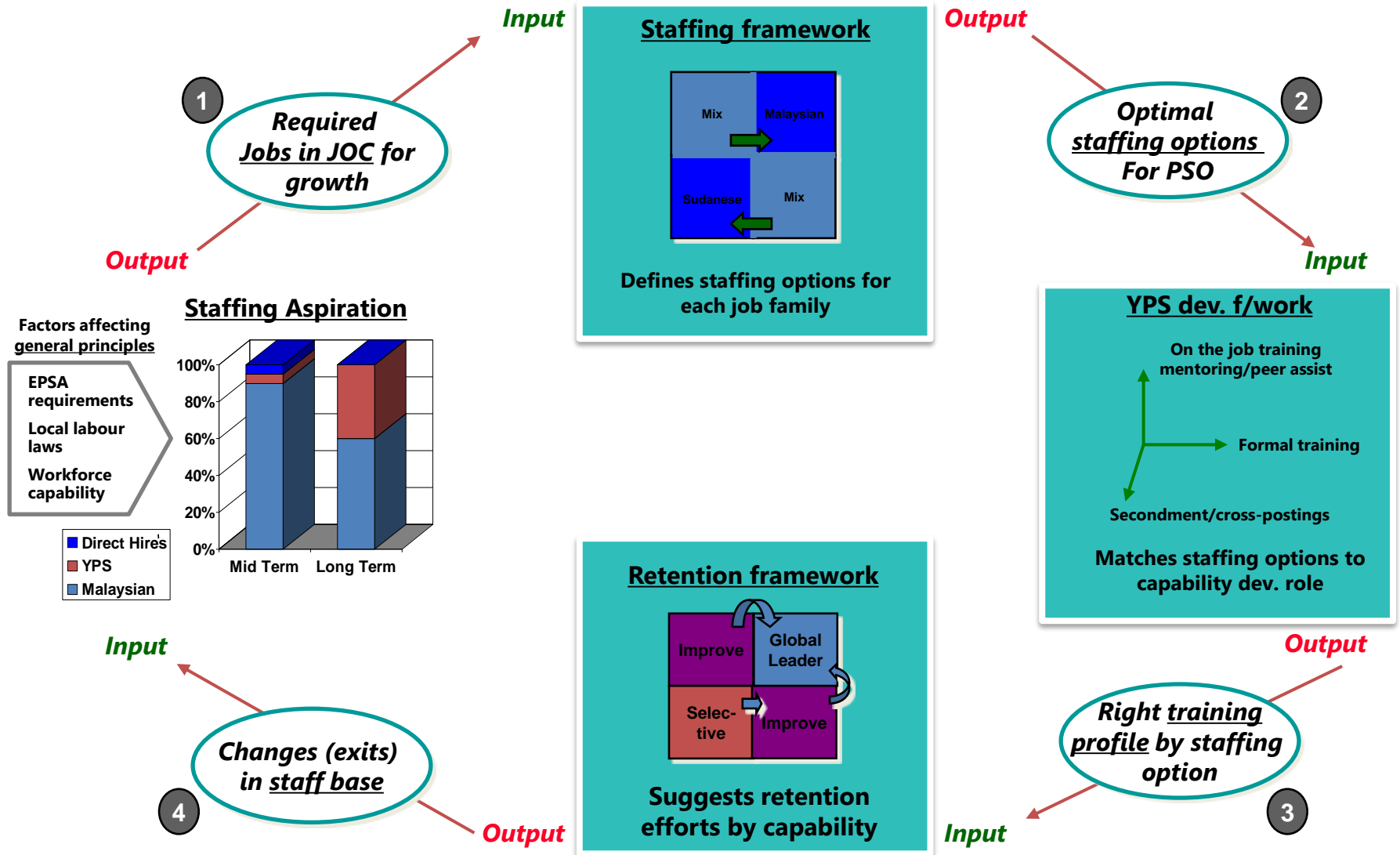
Lever 1 : Partners rights and position

Lever 2 : MC to shape the organisation

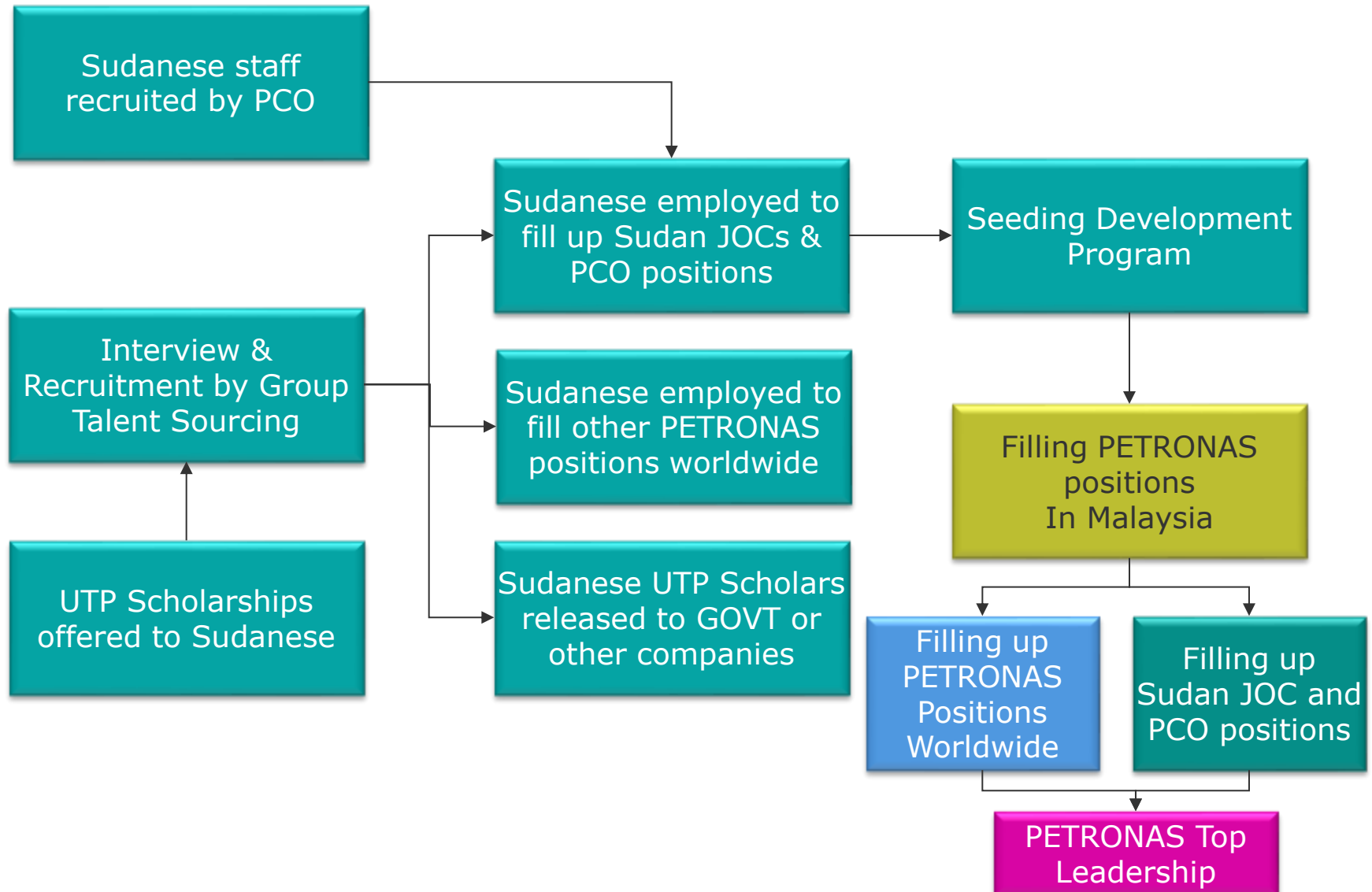
Lever 3 : Blending Partners position with local to all stakeholders

Lever 4 : Creating Values for all

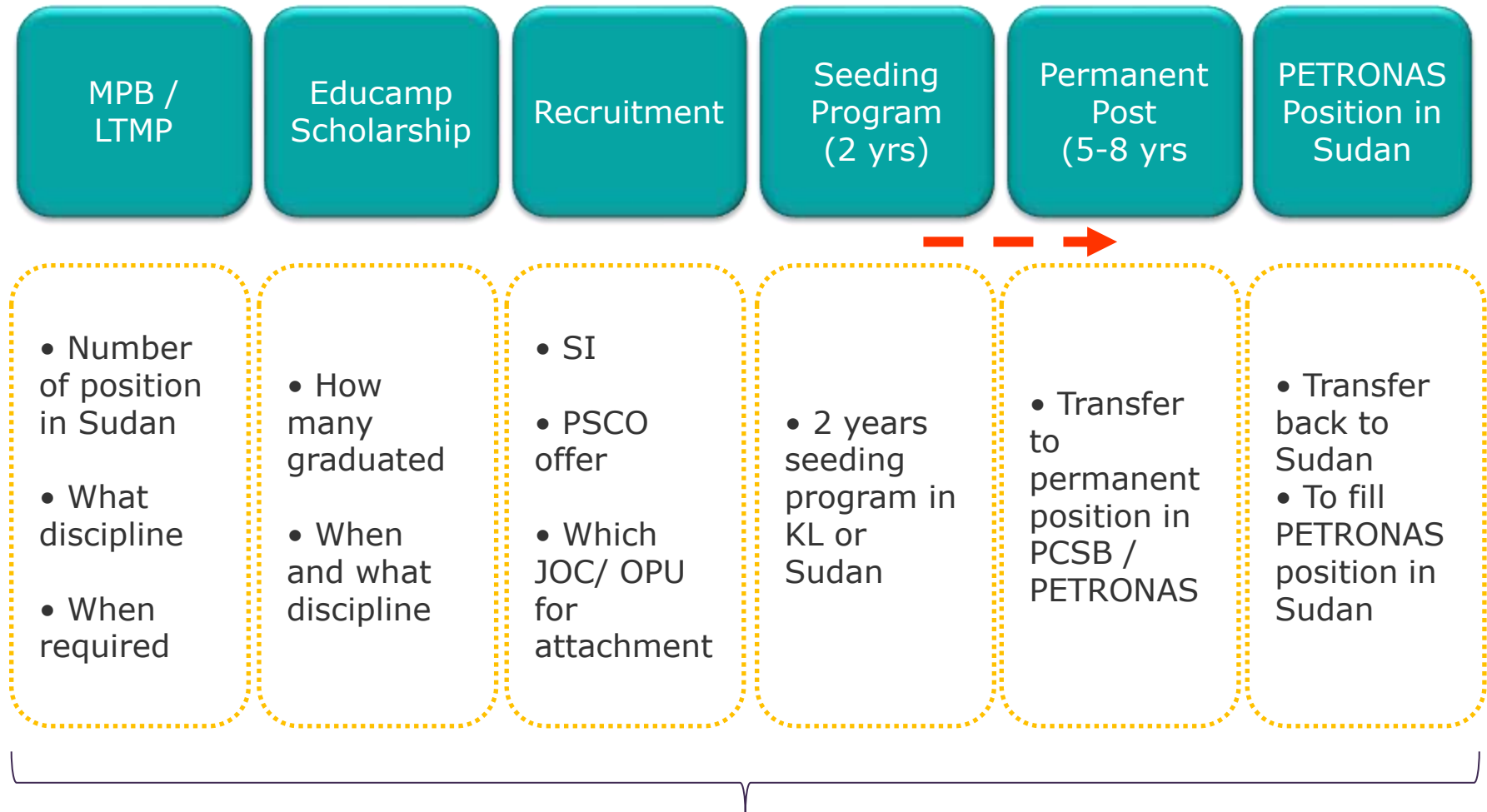
Sudanisation Philosophy Is Based on Staffing Aspiration and Interlinked Strategic Frameworks



Young Professional Sudanese Development Framework Fulfills PSO Aspiration of Growing Own Timber



Young Professionals (YPS) Development Framework Implementation Has Many Challenges and Issues



CONSIDERATIONS

Overcoming challenges by developing capabilities

PETRONAS capability development programmes

Universiti Teknologi PETRONAS (UTP)

One of Malaysia's leading science and technology institutions of higher learning, providing students with opportunities for the pursuit of knowledge, expertise and advancement in the fields of engineering, science and technology.



PETRONAS Leadership Centre (PLC),

PLC provides a wide range of learning consultancy and advisory services; and innovative solutions for transformational learning experiences covering all critical junctures of the leadership continuum, from leading self to leading enterprise.



Institut Teknologi Petroleum PETRONAS (INSTEP)

Technical training service provider owned by PETRONAS Technical Training Sdn. Bhd. Established in 1981, primarily set-up to train skilled technicians and operators in the oil and gas services.



PETRONAS Research Sdn Bhd

Provides a wide range of learning consultancy and advisory services; and innovative solutions for transformational learning experiences covering all critical junctures of the leadership continuum, from leading self to leading enterprise.

INSTEP Integrated Oil and Gas Training Centre (IOTC)

INSTEP IOGTC is an integrated facility to create a real workplace experience in a safe environment. The complex consists of 2 units of an offshore platform live replica, a live replica of common process plant and a Drilling Academy (a collaboration with UMW Oil & Gas) complete with drilling rig and a drilling simulator.



PETRONAS strives to provide world-class educational and training services through the various institutions we have established

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We have interest in two Exploration & Production Sharing Agreements (EPSAs) in Sudan

Block 2A, 2B & 4

 GNPOC	30%	 PETRONAS	 CNPC	40%	 ONGC	25%	 SINODEC	5%
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Block 3 & 7

 PDO PETRODAR OPERATING CO. PETRODAR	40%	 PETRONAS	 CNPC	41%	 Tri-Ocean Energy	5%	 SINODEC	6%	 SINODEC	8%
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PDO PETRODAR OPERATING CO. PDO	60%	 PETRONAS	16%	 CNPC	16.4%	 Tri-Ocean Energy	2%	 SINODEC	2.4%	 SINODEC	3.2%
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Highlights of 20 years of Successful Mutual Cooperation in Sudan

- **PETRONAS entered Block 1,2&4 in spite of technical challenges, paving the way for Sudan to be an oil exporting country.**
- **Brownfield Process optimization – optimum operating parameter, eliminate system bottleneck, liquid handlings.**
- **Integrated Operations practices– Using modelling simulators to solve system back pressure, optimise well production and uptime, maximise RF, optimise power consumption**
- **Introducing Flow assurance – handling of complex issues i.e. heavy/ waxy crude, foam, condensate**
- **People development – providing training, coaching and mentoring: technical training, Scholarships to UTP and vocational training in KVTC.**

Direction For Growth

Adopting a Holistic approach to balance our business objectives with the need to contribute to the human capital development in our host country

Optimization of Growth

- **Look for Opportunities for Knowledge transfer**
- **Increase Performance**

Build Up Competitiveness and Capability

- **Competency & Capability**
- **Stakeholder Engagements**



- **Assessments of Business Performance and Competitive Advantage**
- **Technical Interventions**
- **Education & Training**
- **Change Initiatives**

PETRONAS Training Involvement in Sudan

Nurturing Early Birds

PETRONAS Mobile Library (2005 -2011)

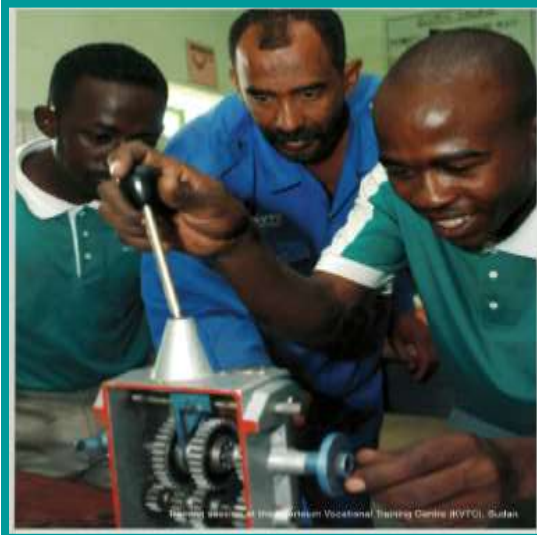


PETRONAS Training Involvement in Sudan

Competency Training: Khartoum Vocational Training Centre

Established in 2005 in cooperation with the Ministry of Education, Khartoum State, Institute Technology Petroleum Petronas (INSTEP) and GIATMARA, Malaysia

- Training Fields:
 1. Automotive Maintenance Technology.
 2. Electrical Maintenance Technology
 3. Air conditioning & Refrigeration Maintenance
 4. Plumbing Technology
 5. Building Technology
 6. Training of Trainers program
- Handed over to Ministry of Education, Khartoum State in 2012.



Undergraduate and Postgraduate Scholarship to Study in Universiti Teknologi PETRONAS (UTP)

170 Undergraduate and Postgraduate Scholarships



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The Future

Our people are our greatest assets in sustaining PETRONAS' competitive edge

- **Competent Resources**
- **Training and Educational Institutions “Build Own Timbers”**
- **Maximising value from our global capability development activities: Training with Partners and Specialist Company**
- **Global Talent Strategy focusing on pursuing the right talents, providing them with the right environment and ultimately developing the right leaders.**

THE NEXT GENERATION LEADERS



Q & A



PETRONAS

Thank you