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Oilcorp unit sees new RM1b contracts

By YVONNE TAN

PETALING JAYA: Oilcorp Bhd subsidiary Oilfab Sdn Bhd expects to clinch RM1bil in new projects by 2009, given the industry's bright prospects, its chief executive officer and managing director Mohamed Hazali Abu Hassan said.

"In the current environment, we are convinced of being able to continue reaping more profits and opportunities as more offshore developments emerge," he told *StarBiz*.

Oilfab, in which Oilcorp owns a 51% stake, is a service provider in the fabrication of major oil and gas (O&G) offshore structures.

"Currently, the company has submitted bids worth more than RM400mil to obtain jobs from clients such as Shell, Murphy Oil and Petronas Carigali Sdn Bhd," Hazali said.

He said Oilfab expected to obtain jobs worth more than RM150mil this year alone.

In line with this, the company was targeting a double-digit growth in revenue and profits this year, he added.

Hazali said more than RM20bil worth of jobs intended for offshore rigs development alone would be available in the next three to five years, given the robust local O&G industry.

"And this is only under Petronas Carigali and the Malaysian production sharing contractors," he added.

For the year ended Dec 31, 2006, Oilcorp made a net profit of RM14.5mil on revenue of RM170.7mil, mainly contributed by its O&G and engineering segment.

Hazali said Oilfab would focus on its core expertise for the next three years.

He said the company was on track towards completing its first offshore fabrication project, Chermingat-A, which was awarded last year by Newfield Peninsular Malaysia Inc.

Hazali said the project, which involved the provision of engineering, procurement, construction and commissioning of jackets and topsides for the Chermingat-A platform, was carried out at Oilfab's yard.

The project was expected to be completed "within a few weeks", he said.

"Since last year, Oilfab has spent about RM20mil to upgrade our 60-acre Pulau Indah yard.

“As part of our Phase 2 Yard Development Action Plan, we intend to spend another RM15mil to RM20mil,” he said.

Hazali added that the company was planning to build another bulkhead soon.

“This facility will cater to the upcoming larger-scale projects,” he said