

## **AOGC 2013: Malaysia setting up to become regional energy hub - Prime Minister**

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Malaysia has set itself a key strategic objective of becoming a regional energy hub, Prime Minister Najib Razak said Monday.

Speaking at the opening ceremony of the 17th Asia Oil and Gas Conference in Kuala Lumpur, Najib said the energy sector plays a pivotal role in the Malaysian economy with oil and gas contributing to more than 40% of the country's national income.

Najib said that Malaysia has halted a decline in its domestic production with 24 new discoveries made in 2012 alone. Malaysia produced 1.69 million b/d of oil equivalent in the first quarter of 2013, up 3% from 1.64 million boe/d in Q1 2012.

Speaking on unconventional energy, Najib said that "unconventional oil and gas have disrupted energy markets and policy, shifting cost, supply and carbon assumptions."

Malaysia's national oil company Petronas has made forays into unconvensionals -- shale gas in Canada and coalbed methane in Australia.

"However, the current shale revolution depends on high prices, and it remains -- for now -- a North American phenomenon," Najib said.

"In the rest of the world it appears to be a medium- to long-term phenomenon. The immediate question is what the US transition from importer to producer means for energy markets and for its foreign policy," he said.

The stage is set for a new relationship between energy and economy, the minister said.

At some stage in the next two decades, it seems likely that the world's biggest energy consumer will become an exporter, and clean energy technologies will change the power market in particular.

"The question, then, is what this shift means for countries like Malaysia, and how the government and the energy industry can work together to ensure that results in greater growth, development and stability," he said.