

Malaysia's Maritime Industries Report (October 2024)

No.	Outline																					
1.	Project updates a) On-going project <table><tr><th>Project</th><th>Status (Updated as of Oct 24)</th></tr><tr><td>Marine Police Force Multi-purpose PTV (6 nos)</td><td> - Sabah (1nos): Awarded to LSE. Currently, this project under details design stage. Slated delivery by Q2 2027. - Sarawak (1nos): LSE secured another 1 PTV contract. This vessel slated delivery by Q4 2027. - Peninsular (4nos): Expected local peninsular based shipyards (MSET, Muhibbah) to secure remaining vessels. LSE decided to pulled out. </td></tr><tr><td>MMEA 63m SAR vessel</td><td> - According to Radimax, MMEA still considering for new-build or retrofit options. MMEA didn't make any decision yet. 1) Newbuild option: The tender for newbuild for <u>SAR vessel might be postpone next year since MMEA may have limited budget this year.</u> → The government has instructed MMEA to deliver the remaining OPV (2nos) first before proceeding for another new-build project. Thus, the discussion for newbuild SAR proposal with MMEA was put on hold for time-being. 2) Retrofit option: As an option to MMEA, Radimax is considering to acquire 2nd hand vessel and modify it according to SAR vessel requirement. The, <u>Radimax plan to charter the vessel to MMEA for short-term basis until the newbuild SAR vessel is ready.</u> MMEA may able to utilise the operational expenditure (OPEX) budget. </td></tr></table> b) Future project <table><tr><th>Project</th><th>Status (Updated as of Oct 24)</th><th>Action plan</th></tr><tr><td>Petronas OSV Safina (Phase 2)</td><td> - Petronas emphasized OSV owners to embark into <u>fuel efficient technologies including diesel electric with battery (hybrid) vessels.</u> - Currently, Petronas still in the midst of finalizing the technical requirement, the tender for Safina Phase 2 expected to be issue by end of Q4 2024. </td><td>- To schedule engagement session with MOSVA (13th Nov) and check tender requirement.</td></tr><tr><td>Eco-friendly harbour tug</td><td> - <u>TLPT and EPIC didn't owned tug directly, normally is contracted by short term charter basis</u> from other local tug operators. </td><td>- To make the list of tug operators.</td></tr><tr><td>Modern fishing boat</td><td> - There will be potential demand of modern fishing vessel for deep sea application. </td><td>- To engage Dept of Fishery (DOF)</td></tr><tr><td>High speed boat</td><td> - Due to South China sea conflict, we foresee there will be continuous demand for high-speed boat from enforcement agencies (RMN, MMEA, Police Marine). </td><td>- To engage with enforcement agencies.</td></tr></table>	Project	Status (Updated as of Oct 24)	Marine Police Force Multi-purpose PTV (6 nos)	- Sabah (1nos): Awarded to LSE. Currently, this project under details design stage. Slated delivery by Q2 2027. - Sarawak (1nos): LSE secured another 1 PTV contract. This vessel slated delivery by Q4 2027. - Peninsular (4nos): Expected local peninsular based shipyards (MSET, Muhibbah) to secure remaining vessels. LSE decided to pulled out.	MMEA 63m SAR vessel	- According to Radimax, MMEA still considering for new-build or retrofit options. MMEA didn't make any decision yet. 1) Newbuild option: The tender for newbuild for <u>SAR vessel might be postpone next year since MMEA may have limited budget this year.</u> → The government has instructed MMEA to deliver the remaining OPV (2nos) first before proceeding for another new-build project. Thus, the discussion for newbuild SAR proposal with MMEA was put on hold for time-being. 2) Retrofit option: As an option to MMEA, Radimax is considering to acquire 2nd hand vessel and modify it according to SAR vessel requirement. The, <u>Radimax plan to charter the vessel to MMEA for short-term basis until the newbuild SAR vessel is ready.</u> MMEA may able to utilise the operational expenditure (OPEX) budget.	Project	Status (Updated as of Oct 24)	Action plan	Petronas OSV Safina (Phase 2)	- Petronas emphasized OSV owners to embark into <u>fuel efficient technologies including diesel electric with battery (hybrid) vessels.</u> - Currently, Petronas still in the midst of finalizing the technical requirement, the tender for Safina Phase 2 expected to be issue by end of Q4 2024.	- To schedule engagement session with MOSVA (13th Nov) and check tender requirement.	Eco-friendly harbour tug	- <u>TLPT and EPIC didn't owned tug directly, normally is contracted by short term charter basis</u> from other local tug operators.	- To make the list of tug operators.	Modern fishing boat	- There will be potential demand of modern fishing vessel for deep sea application.	- To engage Dept of Fishery (DOF)	High speed boat	- Due to South China sea conflict, we foresee there will be continuous demand for high-speed boat from enforcement agencies (RMN, MMEA, Police Marine).	- To engage with enforcement agencies.
Project	Status (Updated as of Oct 24)																					
Marine Police Force Multi-purpose PTV (6 nos)	- Sabah (1nos): Awarded to LSE. Currently, this project under details design stage. Slated delivery by Q2 2027. - Sarawak (1nos): LSE secured another 1 PTV contract. This vessel slated delivery by Q4 2027. - Peninsular (4nos): Expected local peninsular based shipyards (MSET, Muhibbah) to secure remaining vessels. LSE decided to pulled out.																					
MMEA 63m SAR vessel	- According to Radimax, MMEA still considering for new-build or retrofit options. MMEA didn't make any decision yet. 1) Newbuild option: The tender for newbuild for <u>SAR vessel might be postpone next year since MMEA may have limited budget this year.</u> → The government has instructed MMEA to deliver the remaining OPV (2nos) first before proceeding for another new-build project. Thus, the discussion for newbuild SAR proposal with MMEA was put on hold for time-being. 2) Retrofit option: As an option to MMEA, Radimax is considering to acquire 2nd hand vessel and modify it according to SAR vessel requirement. The, <u>Radimax plan to charter the vessel to MMEA for short-term basis until the newbuild SAR vessel is ready.</u> MMEA may able to utilise the operational expenditure (OPEX) budget.																					
Project	Status (Updated as of Oct 24)	Action plan																				
Petronas OSV Safina (Phase 2)	- Petronas emphasized OSV owners to embark into <u>fuel efficient technologies including diesel electric with battery (hybrid) vessels.</u> - Currently, Petronas still in the midst of finalizing the technical requirement, the tender for Safina Phase 2 expected to be issue by end of Q4 2024.	- To schedule engagement session with MOSVA (13th Nov) and check tender requirement.																				
Eco-friendly harbour tug	- <u>TLPT and EPIC didn't owned tug directly, normally is contracted by short term charter basis</u> from other local tug operators.	- To make the list of tug operators.																				
Modern fishing boat	- There will be potential demand of modern fishing vessel for deep sea application.	- To engage Dept of Fishery (DOF)																				
High speed boat	- Due to South China sea conflict, we foresee there will be continuous demand for high-speed boat from enforcement agencies (RMN, MMEA, Police Marine).	- To engage with enforcement agencies.																				

2. Maritime market information

a) Type of Offshore Support Vessel (OSV)

Type of Vessel			
	Anchor Handling Tug Supply (AHTS)	Platform Supply Vessel (PSV)/ Straight Supply Vessel (SSV)	Fast Crew Boat (FCB)
Activity Phase	• Exploration • Development	• Production • Abandonment	• Development • Production • Abandonment
Application	Used to assist in anchor handling operation, towing and transport supplies to and from offshore platforms/drilling rigs	Transport equipment and supplies to offshore platforms/drilling rigs	High speed vessel for the transportation of crew to offshore facilities and inter rigs
Associated Services	Vessel inspection services, bunkering services, port services and tank cleaning services.		

Type of Vessel				
	Workboat/ Work Barge	General Purpose Vessel (GPV)/ Standby Vessel (SBV)	Utility Vessel (UV)	Landing Craft Tank (LCT)
Activity Phase	• Development • Production • Abandonment	• Development • Production		• Production
Application	Accommodation for personnel.	Standby, support, rescue and emergency duties.		Transport equipment and supplies to offshore platforms/drilling rigs.
Associated Services	Vessel inspection services, bunkering services, port services and tank cleaning services.			

b) Market outlook for OSV (3 years)

Type of OSV	2024	2025	2026
AHTS	29	29	31
AWB	5	5	2
PSV / SSV	14	11	11
FCB	51	48	46
GPV	27	27	26
LCT	15	17	16
UV	7	9	10
Total	148	146	142

Remarks:

- Outlook for the next three years depicts slightly decreasing demand for vessels supporting production operations from year-to-year due to possible revision in production operations.

*Source: Petronas Activity Outlook 2024-2026.

c) Major OSV owners' fleet list										
No.	OSV owners	AHTS	AWB	PSV / SSV	FCB	GPV	LCT	Pipe-laying	Tugs	Tanker
1	Icon Offshore	15	10	5						
2	Perdana Petroleum	8	7							
3	SKOSV	16	6	5	1	4	1			
4	Jasa Merin	19		2						6
5	Alam Maritim	3	1	4	1			1		
6	Sealink	6	2	17	1		1		5	
7	Dinasti Jati	5	5		7					
8	Keyfield Offshore	2	10	1						
9	Sapura Energy	2	4					6		
10	Regulus offshore	3		1						
11	E.A. Technique				3				21	2
12	Centus Marine				5	3				
13	Marine Creation				5					
Remarks:- 1) Perdana Petroleum CEO, Mr. Jamaluddin is current MOSVA President schedule to attend upcoming engagement session with KOSIC on 13th Nov. 2) One of major OSV operator, Icon Offshore's order book for its OSV segment stood at RM322 million, with long-term contracts accounting for 87% of the orders.										
3.	<u>Related maritime news articles</u> 1) <u>Financing, ESG: OSV owners' biggest challenges</u> ▪ <u>Financing remains the biggest challenge facing the offshore support vessel sector, with owners seeking funds for newbuild orders, upgrades and fleet renewal.</u> ▪ <u>Owners are being challenged by the growing requirements for better governance, sustainability and environmental (ESG) performance, and securing finance for fleet renewal.</u> ▪ <u>Malaysia OSV Owners' Association president Jamalludin Obeng will provide a perspective on adopting new approaches to contracting in an evolving market, with increasing requirements for ESG compliance.</u> 2) <u>Icon Offshore announces RM437.5m acquisitions to more than double fleet size</u> ▪ <u>Icon Offshore Bhd announced a slew of acquisitions totaling RM437.5 million, to be paid in shares, that would more than double its fleet size.</u> ▪ <u>The proposed purchases include Yinson Holdings Bhd's offshore marine business for RM160 million, Icon Offshore said in an exchange filing. If all of the transactions are successful, Icon Offshore will immediately expand its fleet by an additional 40 maritime assets.</u> ▪ <u>Icon Offshore is acquiring the entire stake in Liannex Fleet Pte Ltd, a Singaporean company mainly involved in the provision of ship brokering services and ship management services, from Liannex Corporation (S) Pte Ltd for RM182 million.</u> ▪ <u>The company plans to buy a 51% stake in Yinson Power Marine Sdn Bhd for RM18 million and a 70% stake in Regulus Offshore Sdn Bhd for RM136 million.</u> Yinson Power Marine provides marine transport services and leases out tug boats and barges, while Regulus Offshore offers leasing, operations and maintenance of offshore support vessels.									

3) Dayang bags Petronas Carigali OSV deal

- Yinson Malaysia's Dayang Enterprise has been appointed by Petronas Carigali as one of its panel of contractors for offshore support vessel (OSV) services for petroleum arrangement contractors.
- The contract will last for three years, the parent company said in a stock exchange filing.
- Potential value was not disclosed, but higher charter rates and increased vessel utilisation are expected to positively impact Dayang's earnings.
- The company operates seven OSV vessels, including five maintenance work vessels and two supply units, some of which had previously been on contract with the Malaysian energy group.

4) Innovative hybrid fast crew boat set to revolutionise Malaysia's maritime industry

- Strategic Marine and Centus Marine have made waves in Malaysia's maritime industry by introducing the country's pioneering hybrid Fast Crew Boat (FCB). This cutting-edge vessel showcases the latest hybrid technology and gyro-stabilisation, representing a significant leap forward for the region's maritime sector.
- The vessel has been specifically designed to improve efficiency and sustainability in offshore operations, offering significant advantages in crew transfer to oil platforms. Its hybrid propulsion system reduces fuel consumption, resulting in lower emissions and a smaller carbon footprint.

5) Westports development to strengthen malaysia as global maritime hub

- The development of Westports Holdings Bhd's phase two container terminal expansion from terminals 10 to 17 is a significant step to strengthen Malaysia's position as a global maritime and logistics hub.
- Westports executive chairman and group managing director Datuk Ruben Emir Gnanalingam Abdullah said the construction of eight new container terminals will double Westports' container handling capacity from 14 million TEUs to 28 million TEUs.
- The port showed positive growth in container handling, with a 10.5% increase in import and export trade versus a year ago. In 2023, Port Klang handled a total of 14.06 million TEUs, representing a 6.3% increase from 13.22 million TEUs in 2022.

6) Malaysia a crucial maritime nation

- Malaysia stands as a crucial maritime nation as it is strategically positioned in a network of key ports and terminals.
- International Conference on Maritime Logistics and Ports (ICMLP) 2024 conference aims to discuss the latest advancements, best practices, and challenges in maritime logistics, port management, supply chain management, and transportation.