TABLE OF CONTENTS

		Page	
Dec	elaration	i	
Acknowledgement		ii	
Abstract			
Tab	iii		
List	v x		
		xi xi	
List of Tables Abbreviations		xii	
		All	
Ch	apter 1		
C	apter 1		
1.0	Introduction	1	
1.1	Introduction to PETRONAS	2	
1.2	Objective of the Study	3	
1.3	Significance of the Study	3	
1.4	Scope of the study		
1.5	Research Methodology		
1.6	A Brief Introduction of Malaysia	5	
	1.6.1 Geography	6	
	1.6.2 Economy and Industry	7	
	1.6.3 Natural Gas	9	
	1.6.4 Crude Oil	10	
1.7	What is Petroleum?	11	
1.8	Differences between oil and gas	12	
1.9	Organization of Thesis	1.2	

Chapter 2

2.0	Introduction	17	
2.1	Technology	18	
2.2	Technological Capability Accumulation	23	
2.3	Economic Theory and Technological Capability	27	
2.4	Competences and Capabilities	32	
2.5	Technological Embodiment	44	
2.6	Dimensions of technological capability	45	
2.7	Key dimensions of technological capabilities.	48	
2.8	Technology capability development mechanisms	50	
2.9	Chapter Summary	51	
	pter 3		
3.0	Introduction	53	
3.1	Research strategy	53	
3.2	Design of the study	54	
3.3	Methodology (Data Collection)	55	
	3.3.1 Case Study Approach	55	
	3.3.2 Interview	56	
	3.3.3 Documentation	57	
	3.3.4 Informal Sources	58	
3.3	Research Limitations 5		
3.4	Chapter Summary 58		

Chapter 4

Other Activities

Introduction		60	
Mala	aysian Petroleum Policies		60
Oil Discovery in Malaysia		63	
4.2.1	The Pre-V	Vorld War II Era	63
4.2.2	Pre-Petro	nas Formation (The Concession Era)	64
Comp	Company Profile		66
Histo	History of Petronas		67
Upstream Activities		73	
4.5.1	PETRON/	AS Carigali's History	73
4.5.2	2 Domestic Upstream Activities		78
	4.5.2.1	Terengganu	78
	4.5.2.2	Sarawak	79
	4.5.2.3	Sabah	81
4.5.3	4.5.3 Overseas Upstream Activities.		84
	4.5.3.1	Malaysia-Thailand Joint Development Area	86
	4.5.3.2	Vietnam	87
	4.5.3.3	Sudan	88
	4.5.3.4	India	90
	4.5.3.5	Mozambique	91
Downs	stream Activ	vities	92
	Mala Oil D 4.2.1 4.2.2 Comp Histo Upstr 4.5.1 4.5.2	Malaysian Petrol Oil Discovery in 4.2.1 The Pre-V 4.2.2 Pre-Petro Company Profile History of Petron Upstream Activit 4.5.1 PETRON, 4.5.2 Domestic 4.5.2.1 4.5.2.2 4.5.2.3 4.5.3.1 4.5.3.2 4.5.3.3 4.5.3.4 4.5.3.5	Malaysian Petroleum Policies Oil Discovery in Malaysia 4.2.1 The Pre-World War II Era 4.2.2 Pre-Petronas Formation (The Concession Era) Company Profile History of Petronas Upstream Activities 4.5.1 PETRONAS Carigali's History 4.5.2 Domestic Upstream Activities 4.5.2.1 Terengganu 4.5.2.2 Sarawak 4.5.2.3 Sabah 4.5.3 Overseas Upstream Activities. 4.5.3.1 Malaysia-Thailand Joint Development Area 4.5.3.2 Vietnam 4.5.3.3 Sudan 4.5.3.4 India

96

4.8	The Evolution of The Malaysian Production Sharing Contract	98
	4.8.1 Background	98
	4.8.2 1976 PSCs	99
	4.8.3 1985 PSCs	100
	4.8.4 Deepwater PSCs	101
	4.8.5 Revenue Over Cost PSCs	102
	4.8.6 Non-Traditional PSCs	104
	4.8.7 Government Incentives	105
4.9	Chapter Summary	106
Cha	pter 5	
5.0	Introduction	108
5.1	Case Study 1 - MITCO (Japan) Smart Partnership	
5.2	Case Study 2 – ENGEN Ltd	
	5.2.1 About ENGEN	115
	5.2.2 ENGEN's History	116
	5.2.3 Black Economic Empowerment(BEE)	118
	5.2.4 PETRONAS-ENGEN Integration Initiatives	119
	5.2.5 The BIP Organizational Structure	122
	5.2.6 Staff Exchange	122
5.3	Case Study 3 – Interview Report	124
5.4	Case Study 4 - Ruby Discovered	
5.5	Chapter Summary	133
Chap	pter 6	
6.0	Introduction	136
6.1	Analysis	136
6.2	Chapter Summary . 1	

Chapter 7

Summary

7.0

7.1	Further Recommendation	154
Appo	endix	155
Refei	rences	168

151

LIST OF ILLUSTRATIONS

Figure		Page
1.1	Map of Malaysia to show the location of the various basins	7
2.1	Neoclassical and Contemporary Views of the Innovating Firm	28
2.2	Evolutionary Model of a Firm	32
2.3	An Extended View of Core Competencies	34
2.4	Approaches to Technology Capability	37
2.5	Key Elements of Technological Capability	40
2.6	Technological Change Cycle	46
1.1	Organization Chart of PETRONAS	72
1.2	Relationship between Government, PETRONAS and PS Contractors	101
1.3	Deepwater Production Sharing Contract Situation Map	103
.4	Evolution of Malaysia's PSC	105
5.1	The Process of Starting a Production Well	139

LIST OF TABLES

<u>1 abie</u>		Page
1.1	Major Economic Indicators	8
4.1	PETRONAS' Projects World wide	85

ABBREVIATIONS

ASEAN Association of Southeast Asian Nations

BEE Black Economic Empowerment

BP British Petroleum

bpd

LNG

MNC

barrels per day CEO Chief Executive Officer

CUF Centralised Utility Facilities

EPMI Esso Production Malaysia Incorporation

E&P Exploration and Production

GDP Gross Domestic Product

Integrated Petrochemical Complexes IPC

ISO International Standards Organization

Liquefied Natural Gas

IT Information and Technology

Ltd. Limited

LPG Liquefied Petroleum Gas

Multinational Corporation

MLNG Malaysia liquefied natural gas

MNOC Multinational Oil Companies

MTBE Methyl Tertiary Butyl Ether mmhtu million British Thermal Unit

mmscfd million standard cubic feet per day

mtpa million tonnes per annum

NEP New Economic Policy

NGV Natural Gas for Vehicles

NIC Newly Industrialize Countries

Newly Industrializing Economics NIE

NOC National Oil Corporation

OECD Organization for Economic Cooperation and Development

OPEC Organization of Petroleum Exporting Countries

PETRONAS Petroliam Naisonal (The National Petroleum Corporation)

PGU Peninsular Gas Utilisation

PRSS Petronas Research and Scientific Services Sdn Bhd

PSC Production Sharing Contracts.

Research and Development

S & T Science and Technology

UNCTAD United Nations Conference on Trade and Development

World-wide web www

R & D