MALAYSIA DEEP WATER MANUFACTURING FACILITIES (GUMUSUT)

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Gumusut oil field was found by Atwood Falcon in 2003. The exploration was tabulated as ultra deep water field which is located at Block J, North East of Sabah Malaysia. The Gumusut is considered as second ultra deepwater facilities which installed offshore of Malaysia and the field alone is expected to produce 150,000 bpd of crude oil. Earlier, Kikeh Truss Spar Hull was installed end of 2006. In terms of manufacturing facilities fabrication, MMHE (Malaysia Marine and Heavy Engineering) right arm of MISC was awarded Gumusut Kakap Hull and Top Side Fabrication at Pasir Gudang, Johor site. During Gumusut contract launching, world oil price was at around USD132/barrel. In relation to the encouraging price of oil many parties were interested to develop and operate the well. Unfortunately, due to the drastic slump back in 2008 and on, current world oil price suddenly drop to USD32/barrel (August, 2008). At that moment, the overall progress of Gumusut was at 22% and was considered as behind schedule.

In relation to the uncertain world economic environment and other circumstances, Gumusut fabrication was at its very unproductive condition. Investment researcher (Lin Say, 2007) highlighted that production cost of ultra deepwater is between USD 52 to USD 54 / barrel basis and this is highly above the world current oil price which is USD32/barrel. On the other hand, Gumusut field is still attractive due to its high quality crude oil which is specifically suitable for jet oil and etc. As such, Gumusut Fabrication in MMHE still remains favorable to the needs of world high quality sweet oil demand.

On the contrary, another trade off need to be rectified by the Malaysia Government on the duration investors willing to wait and absorb losses due to the not so favorable condition in Gumusut fabrication time frame. An **overweight** indication to local and international oil company has faded away due to drastic slum in world economic crisis generally and due to world oil price specifically. The burden of very high cost on drilling and exploration activities also worsen current epidemic. In conclusion, extensive research on having the deep water facilities on right world business environment will cherish both local and international needs which mimicry true to be implemented by Industrial Engineering Tool. EPL1:5789(21st July 2009 1507hrs)

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