

**Welcoming Speech By Dr Grahaeme Henderson, Managing Director,  
Brunei Shell Petroleum at the**

**Signing Ceremony for the Memorandum of Understanding and  
Sponsorship Agreement between Brunei Shell Petroleum and Shell EP,  
and the Universiti Brunei Darussalam on 14th November 2007**

Our Guest of Honour, Yang Berhormat Pehin Orang Kaya Seri Lela Dato Seri Setia Haji Awang Abdul Rahman bin Dato Setia Haji Mohamed Taib, Minister of Education

Yang Mulia Dato Paduka Dr Hj Ismail Bin Hj Duraman, Vice Chancellor Universiti Brunei Darussalam

Yang Mulia Awang Haji Zolkiflee bin Haji Abdul Karim, Acting Director of Petroleum Unit at the Prime Minister's Office

Mr Greg Hill, Executive Vice President Asia Pacific, Shell EP International

Distinguished Guests, Colleagues, Ladies and Gentlemen.

I am very pleased indeed to welcome you to the Signing Ceremony for the Memorandum of Understanding and Sponsorship Agreement between Brunei Shell Petroleum, Shell Exploration and Production International and Universiti Brunei Darussalam.

I wish to especially thank Yang Berhormat Pehin Abdul Rahman, the Minister of Education, our Guest of Honour, for his presence and support at this ceremony.

The signing of this MOU and Sponsorship Agreement is important to Brunei Shell Petroleum for three reasons. Firstly, in demonstrating our strong support for the Universiti of Brunei Darussalam's efforts to expand and strengthen its engineering capability. Secondly, in harnessing our people's capabilities to create and apply innovative technological solutions. Finally, it is an important part of our continuing contribution to community development in Brunei Darussalam.

I would like to discuss these three areas in a little more detail.

Firstly, we would like to demonstrate Brunei Shell Petroleum's strong support for Universiti Brunei Darussalam's efforts to expand and strengthen its engineering capability, in concrete terms by firm commitment for funding, as well as sharing of expertise and resources which follows from this MOU and Sponsorship agreement. Our commitment will also be through our contributions to the Steering Committee that will drive this joint initiative.

Specifically, we envisage this collaboration to help stimulate research and development activities in engineering, including the application of new and advanced technologies. At the same time, we also see that it will encourage the nurturing of engineering talent, amongst both the teaching faculty and the students in the university.

Looking beyond the campus gates, a close linkage between industry and academia is critical to the development of society in general, and will particularly contribute to efforts to further enhance engineering and technical capabilities.

Harnessing our people's capabilities to apply and create innovative technological solutions is the second reason why this event is important to us.

The oil and gas industry is no different from many others in being constantly in a state of change, and being impacted by the continuous flow of new and innovative technologies. We in Brunei Shell Petroleum are very much a part of these immense changes, and we also lead the rest of the world in a number of key areas.

At the Energy Week organised by the Minister of Energy at the Prime Minister's Office recently, we referred to the need to maximise the recovery factor from our fields to ensure sustainability of production into the future. The recovery factor is the proportion of the oil that is produced during a field's life. Maximising the recovery factor is a key aspect of our work and we are proud of the progress we have made in applying the technology in this area.

Smart wells is one of Brunei Shell Petroleum's key technologies to increase the recovery factor, ranging from snake wells, to fishhook wells, and now our recent breakthrough of conductor-connector wells. It is amazing to think that the Champion West platform, located some 70 km offshore, has no permanent staff and that, from our Head Office in Seria, we are taking real-time measurements and operating valves located in the wellbore several kilometres below the seabed. That is truly a mind-boggling achievement.

Using our smart field technological capability will enable us to further increase the recovery factor with waterflooding. Waves of new technology will continue, with Enhanced Oil Recovery, in the form of adding specialised chemicals to the waterflood, which will further increase recovery factors.

These types of new technologies have enabled us to scale new heights in our performance. Further advances will continue to power our future business growth and, at the same time, continue to make a vital contribution to the Nation's economy.

There is a third and equally important reason why this MOU and Sponsorship Agreement with Universiti Brunei Darussalam mean a great deal to us. It is part of our continuing contribution to community development.

Giving back to the community here in which we conduct our business and making a positive difference to the lives of the people is important to Brunei Shell Petroleum. We contribute significantly to a broad spectrum of community development programmes. A sizeable amount of our social investment is channeled towards supporting the Government's education and training development activities.

At the technical and vocational school level, for example, we have sponsored students at the Jefri Bolkihah College of Engineering in Kuala Belait. We have also sponsored the purchasing of training equipment for the college.

Currently some 40 Government students from various technical colleges are with us on attachments designed to broaden their exposure to oil and gas engineering disciplines.

At the tertiary level, our association with Universiti Brunei Darussalam goes back a long way. Just to give one example of our long-standing relationship, in 1989, Brunei Shell Petroleum initiated the sponsorship of a Chair in Earth Sciences at the University. The resulting Department of Petroleum Geoscience has since become a successful provider of teaching and research in the geosciences.

I am confident that the MOU and Sponsorship Agreement will take our partnership yet another significant step forward. It is especially important in enabling us to successfully exploit the technological challenges that are essential to fuel Brunei Shell Petroleum's business success and the prosperity of Brunei Darussalam.

I would like to conclude by once again thanking Yang Berhormat Pehin Abdul Rahman for his presence and support this morning.

I would also like to take this opportunity to offer my sincere appreciation to members of the organising committee from Universiti Brunei Darussalam and Brunei Shell Petroleum for working so tirelessly towards the success of this event. Congratulations and well done!

*Terima kasih.*