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## New prospects for OSV players in Southeast Asia

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### SHIFT IN OIL INVESTMENT FLOWS

# New prospects for OSV players in Southeast Asia

**KUALA LUMPUR:** A shift in global oil investment flows could open up opportunities for Malaysian offshore support vessel (OSV) players in Southeast Asia.

Energy markets remain on edge as supply risks in the Middle East continue to influence price movements, reports Bernama.

Against this backdrop, offshore marine service providers supporting upstream oil and gas (O&G) activities, including Perdana Petroleum Bhd, may benefit from a potential pickup in regional exploration.

Perdana Petroleum managing director Jamalludin Obeng said the conflict in the Middle East is causing countries to seek more stable and diversified energy sources.

"While oil majors and national oil companies have yet to signal any changes in capital or operational spending, these developments could lead producing regions like Southeast Asia to raise output to meet global demand. This could in turn drive higher upstream activity and stronger demand for OSVs," he told Bernama.

He said persistently high crude prices could improve the economics of upstream projects, encouraging exploration, development and production activities by oil majors and national oil companies.

"As offshore projects expand, demand for vessel chartering, offshore logistics and marine support services typically rises, which is positive for OSV operators."

Jamalludin said Southeast Asia continues to be an active offshore hub, with the company also bidding for projects beyond Malaysia.

Domestically, he said Petronas' focus on sustaining production and investing in new fields is creating opportunities for OSV players involved in drilling, development and offshore maintenance.

He expects the sector's fundamentals to remain stable in 2026 but cautioned that operators will need to remain vigilant as macroeconomic headwinds and geopolitical uncertainties continue to shape the operating environment.

"Concerns persist over ageing fleets and the slow pace of new vessel deliveries, which could tighten supply



*Jamalludin Obeng*

over the medium term and support firmer charter rates."

Economists said it is too early to say whether the conflict would trigger a shift in global energy investment strategies.

Nazmi Idrus, chief economist at CGS International Securities Malaysia, said investors are unlikely to make immediate changes without clearer signs of a prolonged conflict.

"We need to see whether this evolves into a longer-term situation before any meaningful realignment in investment takes place," he said.

Separately, Bank Muamalat Malaysia Bhd chief economist Mohd Afzanizam Abdul Rashid said geopolitical tensions will heighten concerns over global oil supply, even as the industry undergoes structural changes in the shift to renewable energy and electric vehicles.

He said global rig activity has yet to recover to pre-2014 levels following the oil price downturn, which was partly triggered by increased supply, including from United States' shale production.

"The transition to sustainable energy is ongoing, but O&G remains important, particularly for petrochemical and industrial applications."

Afzanizam added that despite current supply risks, oil companies may not ramp up capital spending as investment decisions are anchored on commercial viability and long-term demand trends.

Overall, while geopolitical tensions may lend short-term support to oil prices and offshore activity, the longer-term trajectory of upstream investments will continue to be shaped by demand and supply dynamics and the shift to cleaner energy.



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