



## DIRECTIVE 2:

### LOCAL BUSINESS DEVELOPMENT FRAMEWORK FOR THE OIL & GAS INDUSTRY

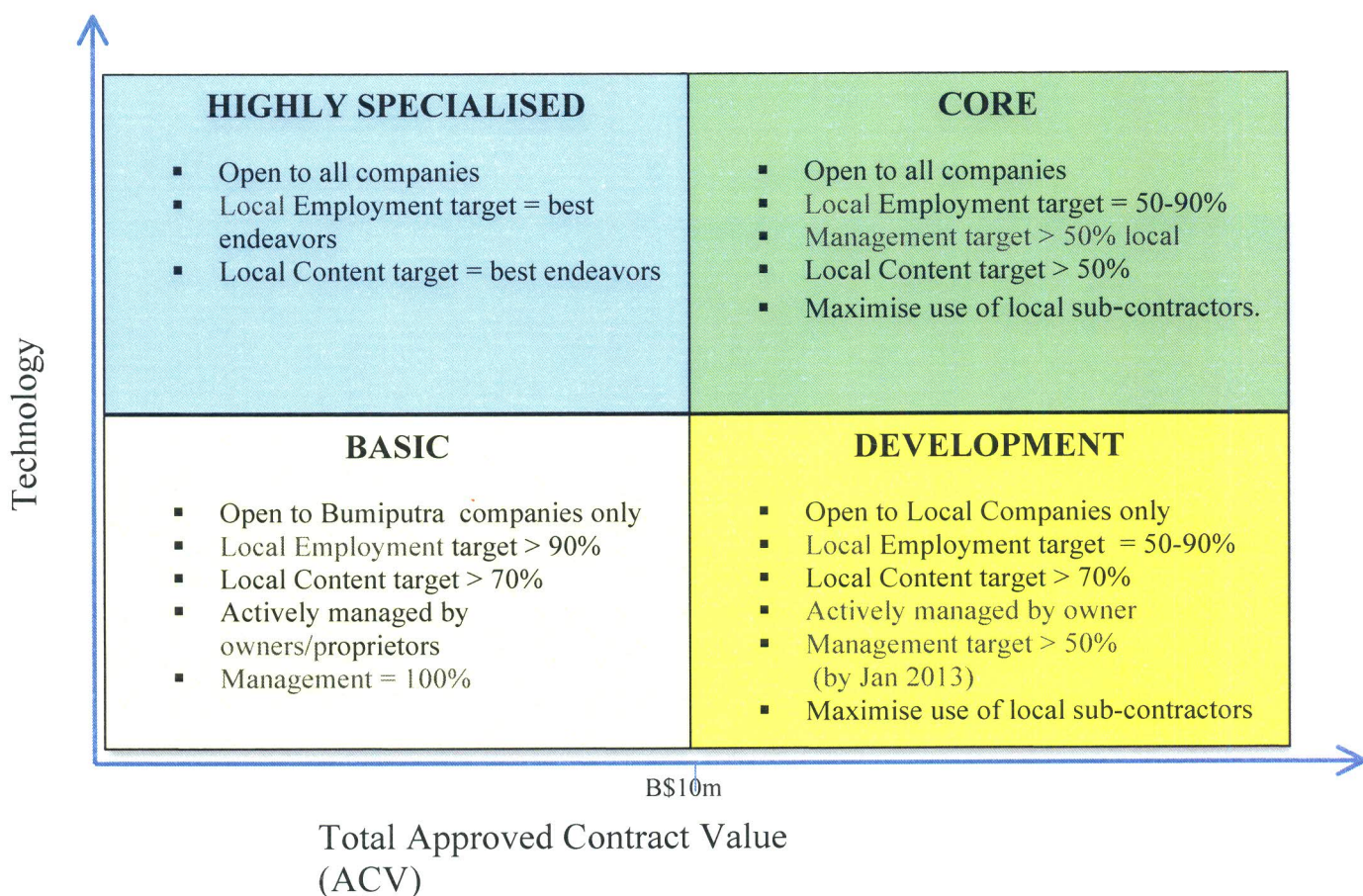
1. As part of the efforts of the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam to facilitate the sustainable development of capacities, capabilities, competencies and competitiveness of local contractors / suppliers in supporting the oil and gas industry within Brunei Darussalam and provide a sound foundation for pursuit of opportunities outside Brunei Darussalam, oil & gas, midstream and downstream operators, their contractors, sub-contractors and suppliers operating within the oil and gas industry in Brunei Darussalam shall hereby adopt and undertake the following:

- i. The prioritization of the use of local goods and services.
- ii. The formulation of a **Local Business Development (LBD) Management System** which includes, but not limited to, the following:
  - Objective
  - Long term strategies
  - Annual plan of action
  - Key performance indicators (KPI) & Targets
  - Local Training & Development Program
- iii. The formulation of a **Local Content Opportunity Framing** report for major projects / contracts / agreements. This document shall identify opportunities to increase local content and local employment opportunities.
- iv. The carrying out of certain activities in Brunei Darussalam as set and directed by the Energy Department, Prime Minister's Office (EDPMO) from time to time.
- v. The prioritization of the use of local financial institutions and local investors in the funding of projects and purchase of assets.
- vi. To produce an **LBD Performance Report** which includes the number of local employment and the amount of local content.
- vii. To provide a conducive environment for the employment of locals by implementing measures as set and issued by the EDPMO from time to time such as, but not exclusive to, minimum wage, career development plan and employment security.



- viii. To provide a **report** to the EDPMO on any difficulties or failures to fulfill the LBD requirements set out in this LBD Framework.
- ix. Oil and gas, midstream and downstream operators working in the oil and gas industry in Brunei Darussalam shall adopt the **LBD Allocation of Contract** (as described in the diagram below and in the attached Appendix I-III) for their allocation of contracting activities for goods and service

### LBD Allocation of Contract



Note: Bumiputra companies registered or active in other quadrants are excluded from "Basic" Quadrant



2. All oil and gas, midstream and downstream operators, contractors, sub-contractors and suppliers operating in the oil and gas industry in Brunei Darussalam shall be required to send the reports as described in paragraph 1 above to the EDPMO. These reports must be received by the EDPMO on or before the **30<sup>th</sup> of April, 31<sup>st</sup> of August and 31<sup>st</sup> of December of every year** commencing this year, 2012 and be sent to the following address:

**Permanent Secretary (Energy)  
Prime Minister's Office  
5<sup>th</sup> Floor, Bahirah Building,  
Jalan Menteri Besar,  
Bandar Seri Begawan BB3910  
Brunei Darussalam**

Issued by :

A handwritten signature in black ink, appearing to read 'H. Umar'.

(Yang Berhormat Pehin Datu Singamanteri Kolonel (B) Dato Seri Setia  
(Dr.) Awang Haji Mohammad Yasmin bin Haji Umar)

**Office of the Minister of Energy,  
Prime Minister's Office  
Bandar Seri Begawan  
BRUNEI DARUSSALAM**

Issued on : 01 February 2012