



## Coastal Contracts delivers maiden jack-up rig in 3Q15

- *3Q15 revenue surges 296% to RM921.2 million on proceeds from rig sale*
- *Substantial orderbook of RM2.9 billion allows Group to effectively weather ongoing O&G market downturn*

Sandakan, Sabah, Malaysia, 25 November 2015 - Leading offshore support vessels (OSV) fabricator Coastal Contracts Bhd (Coastal Contracts, the Group, 沿海工程, Bloomberg COCO:MK, Reuters: CTAL.KL) delivered its maiden high-specification jack-up rig - *Coastal Driller 4001* - to a major oil and gas (O&G) player in the third quarter ended 30 September 2015 (3Q15), receiving a total consideration of approximately RM841 million.

“The year thus far saw Coastal Contracts charting a new milestone with the successful delivery of *Coastal Driller 4001*, our first jack-up rig, to a leading international O&G player.

This represents a big boost to the profile of our O&G division, as it proves our capabilities to deliver larger value O&G assets, and marks our successful expansion beyond the existing business of fabricating and delivering OSVs.”

**Ng Chin Heng (黄振兴)**  
*Executive Chairman, Coastal Contracts Bhd*

*Coastal Driller 4001* is capable of operating in harsh environments, and is based on the Friede & Goldman JU-2000E design with a 400 feet water depth rating.

Meanwhile, Coastal Contracts’ order book stood at RM2.9 billion as at 30 September 2015.

Of the total orderbook, OSV and other vessels, amounting to RM1.3 billion, will be due for delivery until 2017.

The Group’s O&G division made up the remaining order of RM1.6 billion, comprising the fabrication and long term charter of a Jack Up Gas Compression Service Unit (JUGCSU) to Mexico’s national oil company Petróleos Mexicanos.

The JUGCSU, whose fabrication been completed earlier, is en route to Mexican waters and remains on track for charter commencement in the first half of 2016.



**Results for the nine months and quarter ended 30 September 2015 (3Q15 / 9M15)**

The Group recorded 17.9% lower net profit in 9M15 of RM124.5 million compared to RM151.7 million last year, primarily due to slower deliveries of new OSVs. This was despite 9M15 revenue doubling to RM1.4 billion from RM699.5 million previously, mainly attributed to proceeds from the sale of *Coastal Driller 4001*.

Group 3Q15 net profit dipped 56.3% to RM23.7 million, from RM54.3 million a year ago, due to inventory written-down. 3Q15 revenue increased 296.4% to RM921.2 million compared to RM232.4 million previously, from the sale of *Coastal Driller 4001*.

Commenting on future prospects, Ng said that the overall sector currently witnessed slower orders for newbuild OSVs as O&G majors delayed plans for large capital expenditure due to the substantial decline in crude oil prices.

“That said, our sizeable orderbook allows us to effectively weather the challenging environment. At the same time, we strive to increase our marketing efforts to secure more new OSV sales in existing and new markets.”

“Additionally, the recurring income stream from the long term charter of our JUGCSU, which is targeted to commence in 2016, would also contribute towards enhancing our financial performance going forward,” concluded Ng.

Financial Summary (Unaudited Consolidated Results)						
	3Q15	3Q14		9M15	9M14	
RM'000	30.09.15	30.09.14	Change	30.09.15	30.09.14	Change
Revenue	921,223	232,415	296.4%	1,436,189	699,481	105.3%
Pre-tax Profit	24,063	54,511	(55.9%)	124,896	153,469	(18.6%)
Net profit to shareholders	23,748	54,293	(56.3%)	124,485	151,678	(17.9%)
Basic EPS (sen)	4.47	10.22	(56.2%)	23.44	29.35	(20.1%)



### About Coastal Contracts Bhd

Established in 1982 and listed on the Main Market of Bursa Malaysia Securities Berhad since August 2003, Coastal Group has two main business units namely Shipbuilding Division and Oil & Gas Division. Shipbuilding Division specialises in fabrication and sale of Offshore Support Vessels (“OSV”) and marine transportation vessels whereas Oil & Gas Division focus on the development, ownership and chartering of strategic offshore assets for oil & gas upstream sector.

In addition, the Group’s combined yard space of about 100 acres is equipped with engineering facilities offering vessel and offshore structure fabrication, as well as repair and maintenance services.

Coastal Group has globe-straddling business networks and diversified customer base spanning across many geographical locations, from Malaysia, Indonesia and Singapore to as far away as the Middle East, Europe, Africa and the American continents. Coupled with proven track records and a visionary management team that has close to 30 years of extensive experience in the maritime industry, Coastal Group is primed to benefit from the global growth in offshore oil and gas exploration, development and production activities as well as in regional commodities shipping.

Coastal has the prestigious honour of being featured in Forbes Asia’s list of **200 Best Under a Billion** for six years running (2006 to 2011). The annual list picked 200 top-performing publicly traded corporations in Asia Pacific (with annual revenue between USD5 million and USD1 billion) based on earnings growth, sales growth and return on equity in the past twelve months and over three years. On top of that, Coastal was also a winner of the **KPMG Shareholder Value Award** for five straight years (in respect of financial performance for 2005 to 2010). KPMG’s awards applauded the top public listed companies in Malaysia that have focused on using their capital efficiency towards the creation of improved economic profits for shareholders. In addition to the commendations mentioned above, Coastal was also presented with “The Most Profitable Company Award” for the Industrial Products Sector at **TheEdge Billion Ringgit Club 2011 Corporate Awards** held in July 2011. Coastal won this distinctive award for achieving the highest return on equity over the last three financial years.

Issued for and on behalf of Coastal Contracts Bhd by Aquilas Advisory (Malaysia) Sdn. Bhd. For media enquiries, please contact:

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