

## MEDIA RELEASE

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## SAPURA ENERGY NARROWS NET LOSS ON IMPROVING REVENUE IN Q2 FY20

Summary of financial performance:

- **Revenue grew by 87 per cent quarter-on-quarter** to RM1.9 billion, with **net loss narrowing** to RM116.3 million
- **Engineering & Construction segment** recorded more than 100 per cent increase in profit-before-tax of RM27.2 million
- **Drilling segment** posted a 39 per cent improvement on a loss-before-tax to RM35.7 million
- **First gas is on track for SK408 phase 1**, providing an additional income stream from Q4 FY20
- **Secured new contract wins** totalling RM774 million
- Value of **cumulative new contract wins year-to-date** amounts to approximately RM3.1 billion, bringing the **order book value** to RM16.3 billion

Sapura Energy Berhad today announced its financial results for the period ended 31 July 2019 (Q2 FY20), registering an 87 per cent improvement in revenue at RM1.9 billion, compared to RM1.0 billion in the previous corresponding quarter (Q2 FY19). As a result, the Group narrowed its net loss to RM116.3 million during the quarter, compared with a net loss of RM199.2 million in Q2 FY19.

“Our top line growth has been encouraging and we are ramping up our operations to execute new contracts and serve new markets as well as new customers. This growth momentum is expected to improve our bottom line as we gradually progress the projects to the next stages,” said Tan Sri Shahril Shamsuddin, President and Group Chief Executive Officer, Sapura Energy.

The Group’s Engineering & Construction (E&C) segment continued to show a recovery. Its revenue increased to RM1.7 billion, which more than doubled from Q2 FY19 given the higher activities during the quarter. The improved revenue enabled the segment to record a profit-before-tax of RM27.2 million for the quarter under review, from a loss-before-tax of RM20.5 million in Q2 FY19.

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The Drilling segment registered a revenue of RM272.0 million for the quarter or 7.3 per cent higher quarter-on-quarter mainly due to an increase in rig utilisation. Consequently, the segment's loss-before-tax reduced by 39 per cent to RM35.7 million, from a loss-before-tax of RM58.3 million in the corresponding quarter. Rig utilisation is expected to increase during the second half of FY20 in line with the improving outlook for this segment.

The Group's order book remained healthy for the quarter at RM16.3 billion, with the value of cumulative contract wins year-to-date at approximately RM3.1 billion. Recent wins include an Engineering, Procurement, Construction and Installation contract for the Salman Development Project for Brunei Shell Petroleum; Procurement, Construction, Hook-up and Commissioning works for Bardegg-2 and Baronia Enhanced Oil Recovery Development Project for PETRONAS Carigali; a drilling contract in Thailand from PTT Exploration and Production for *Sapura T-17* and drilling contract extensions in Malaysia for PETRONAS and Brunei for Brunei Shell Petroleum, for *Sapura Berani* and *Sapura Pelaut*, respectively.

The Group foresees the oil and gas industry's operating environment to remain challenging and competitive. However, the Group remains upbeat, backed by a robust bid book funnel as an outcome of its expanded global footprint, strategic assets and in-house capabilities.

Earlier this month, SapuraOMV Upstream, through its wholly-owned subsidiary, SapuraOMV Upstream (Sarawak) Inc. and its partners, PETRONAS Carigali Sdn Bhd and Sarawak Shell Berhad, signed a full-term Upstream Gas Sales Agreement (UGSA) with PETRONAS for the Gorek, Larak and Bakong fields under the first development phase of the SK408 Production Sharing Contract (PSC).

Under the UGSA, gas produced from the Gorek, Larak and Bakong fields will be supplied to the PETRONAS Liquefied Natural Gas (LNG) Complex in Bintulu. The SK408 development project is expected to deliver first gas by year-end.

"As an integrated oil and gas services and solutions provider for the entire upstream value chain, we are excited to see the fruits of our diversified portfolio as an additional income stream through our SK408 gas fields. This marks the beginning of a 20-year cashflow visibility in view of the rich gas reserves in our PSC concessions," said Tan Sri Shahril.

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### **About Sapura Energy Berhad**

Sapura Energy Berhad is a global integrated oil and gas services and solutions provider operating across the entire upstream value chain. The Group's spectrum of capabilities covers exploration, development, production, rejuvenation, as well as decommissioning and abandonment. With a highly skilled and technically capable workforce, strategic world-class assets, and strong project management capabilities, the Group today delivers its integrated solutions and expertise in over 20 countries. In 2019, Sapura Energy was named APAC Company of the Year for the Energy Services, Offshore and Marine category by the Energy Council.

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