

MEDIA RELEASE

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SAPURA ENERGY CONTINUES TO TRIM NET LOSSES ON STRONG REVENUE IN FIRST NINE MONTHS OF FY20

Summary of first nine months (9M FY20) financial results:

- **Revenue grew by 73 per cent** year-on-year to RM5.3 billion
- **Net loss narrowed by 33 per cent** to RM326 million
- Engineering & Construction segment **recorded 93 per cent year-on-year growth** to RM4.7 billion, with **64 per cent increase in profit-before-tax** to RM91 million
- Drilling segment posted a **marginal increase in revenue** at RM688 million and a **narrower loss-before-tax** of RM135 million
- **SK408 phase 1 development** on track, with **first gas from Larak field by end of year**
- **New contract wins** of RM3.7 billion year-to-date
- **Order book value** stood at RM15.1 billion

For the first nine months ended 31 October 2019 (9M FY20), Sapura Energy Berhad registered a 73 per cent growth in revenue at RM5.3 billion, compared to RM3.1 billion in the previous corresponding period (9M FY19). The improved revenue enabled the Group to further trim its net losses by 33 per cent to RM326 million in the nine-month period from RM483 million previously.

For the quarter (Q3 FY20), revenue improved by 47 per cent year-on-year to RM1.8 billion from RM1.2 billion previously, while net loss remained at RM101 million. The results reflect the large volume of projects or activities that are in their early execution phases, involving mainly engineering and procurement, with lower project margins. Depreciation and amortisation as well as finance costs have reduced as an outcome of impairments undertaken in the previous financial year and repayment of borrowings earlier this financial year, respectively.

“Our performance in the first nine months reflected our resilience to sustain our businesses amidst prevailing market conditions. We will continue to focus on turning the corner as we further enhance operational performance, and identify and pursue opportunities globally,” said Tan Sri Shahril Shamsuddin, President and Group Chief Executive Officer, Sapura Energy.

On a segmental basis, the Engineering & Construction (E&C) business registered 93 per cent higher year-on-year in revenue for 9M FY20, from RM2.4 billion to RM4.7 billion, owing to higher activities during the period. Consequently, the segment recorded a profit-before-tax of RM91 million, which was higher by 64 per cent compared to RM56 million in the corresponding period.

The Drilling segment recorded a revenue of RM688 million for the period, a marginal increase from the corresponding period of RM683 million. The segment posted a slightly lower loss-before-tax of RM135 million, compared to RM139 million in the corresponding period. Rig utilisation is expected to increase in Q4 FY20 in line with the improving outlook for this segment.

The Group's order book remains healthy at RM15.1 billion, with recent notable contract wins from Hess Exploration and Production for the provision of Engineering, Procurement, Construction, Commissioning and Installation for the Full Field Development Phase 3, North Malay Basin under the PETRONAS Frame Agreement; from Mozambique Rovuma Venture for the provision of subsea installation vessel to undertake offshore deep water Christmas Tree transportation and installation in Area 4 Rovuma Basin, offshore Mozambique; from Petrobras for a contract extension of *Sapura Topazio*; and from Shell Malaysia for the extension of *Sapura Esperanza* for Malikai phase 2 drilling campaign, offshore Sabah.

Under the full-term Upstream Gas Sales Agreement with PETRONAS for SK408 phase 1 development, the Group, SapuraOMV Upstream (Sarawak) Inc. and its partners, PETRONAS Carigali Sdn Bhd and Sarawak Shell Berhad, will be supplying gas produced from the Gorek, Larak and Bakong fields to the PETRONAS Liquefied Natural Gas (LNG) Complex in Bintulu. First gas from the Larak field is expected by end of the year.

The Group expects the industry outlook to remain challenging. Sapura Energy remains resolute in its strategy to continue to pursue more global opportunities by leveraging on its capabilities, track record and strong asset base.

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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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