

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2013

THE FIGURES HAVE NOT BEEN AUDITED

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/04/2013 RM'000	Preceding year corresponding quarter 30/04/2012 RM'000	Three months to 30/04/2013 RM'000	Three months to 30/04/2012 RM'000
1. Revenue	1,622,522	681,827	1,622,522	681,827
Operating expenses	(1,297,793)	(542,068)	(1,297,793)	(542,068)
Other operating income	4,159	3,021	4,159	3,021
Profit from operations	328,888	142,780	328,888	142,780
Interest income	4,114	1,727	4,114	1,727
Interest expenses	(77,100)	(15,662)	(77,100)	(15,662)
Net fair value gain on derivatives	381	256	381	256
Depreciation and amortisation	(94,269)	(31,390)	(94,269)	(31,390)
Net foreign exchange (loss)/gain	(49,374)	534	(49,374)	534
Share of results of associated and joint venture companies	46,851	(13,671)	46,851	(13,671)
Profit before taxation	159,491	84,574	159,491	84,574
Taxation	(30,849)	(24,124)	(30,849)	(24,124)
Profit for the period	128,642	60,450	128,642	60,450
Attributable to:				
Owners of the parent	93,668	41,657	93,668	41,657
Non-controlling interests	34,974	18,793	34,974	18,793
	128,642	60,450	128,642	60,450
2. Earnings per share (sen)				
Basic	1.56	N/A	1.56	N/A

The condensed consolidated income statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2013

THE FIGURES HAVE NOT BEEN AUDITED

II. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/04/2013 RM'000	Preceding year corresponding quarter 30/04/2012 RM'000	Three months to 30/04/2013 RM'000	Three months to to 30/04/2012 RM'000
Profit for the period	128,642	60,450	128,642	60,450
Other comprehensive income:				
Foreign currency translation differences	(73,383)	53,607	(73,383)	53,607
Share of other comprehensive income of joint venture companies	785	-	785	-
Total comprehensive income	<u>56,044</u>	<u>114,057</u>	<u>56,044</u>	<u>114,057</u>
Attributable to:				
Owners of the parent	59,236	66,668	59,236	66,668
Non-controlling interests	(3,192)	47,389	(3,192)	47,389
Total comprehensive income	<u>56,044</u>	<u>114,057</u>	<u>56,044</u>	<u>114,057</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

III. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED As at end of current financial period 30/04/2013 RM'000	AUDITED As at end of preceding financial year 30/01/2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,453,853	4,222,486
Investment in associated and joint venture companies	634,605	594,718
Expenditures on oil and gas properties	691,987	780,063
Goodwill on consolidation	6,430,053	4,985,439
Other intangible assets	292,420	49,223
Deferred tax assets	47,900	43,802
	<u>17,550,818</u>	<u>10,675,731</u>
Current assets		
Inventories	386,268	244,253
Trade and other receivables	3,446,446	3,250,935
Cash and bank balances	1,324,060	1,025,772
	<u>5,156,774</u>	<u>4,520,960</u>
TOTAL ASSETS	<u>22,707,592</u>	<u>15,196,691</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	5,992,155	5,004,366
Share premium	2,101,197	242,886
Other reserves	(91,787)	(19,190)
Retained profits	1,202,740	1,109,072
	<u>9,204,305</u>	<u>6,337,134</u>
Non-controlling interests	5,628	405,775
Total equity	<u>9,209,933</u>	<u>6,742,909</u>
Non-current liabilities		
Borrowings	3,693,767	3,805,776
Derivative financial liabilities	546	1,284
Other non current payables	5,479	-
Deferred tax liabilities	86,617	91,203
	<u>3,786,409</u>	<u>3,898,263</u>
Current liabilities		
Trade and other payables	2,450,887	2,325,111
Borrowings	7,154,751	2,135,196
Derivative financial liabilities	2,817	2,206
Taxation	102,795	93,006
	<u>9,711,250</u>	<u>4,555,519</u>
TOTAL LIABILITIES	<u>13,497,659</u>	<u>8,453,782</u>
TOTAL EQUITY AND LIABILITIES	<u>22,707,592</u>	<u>15,196,691</u>
Net assets per share (RM)	<u>1.54</u>	<u>1.27</u>

The condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

IV. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months to 30/04/2013 RM'000	Unaudited Three months to 30/04/2012 RM'000
Profit before tax	159,491	84,574
Adjustments	173,180	58,994
Operating profit before working capital changes	332,671	143,568
Changes in working capital	(109,126)	(443,123)
Cash generated from/(used in) operations	223,545	(299,555)
Interest paid	(70,988)	(15,082)
Taxation paid	(72,369)	(22,152)
Net cash generated from/(used in) operating activities	80,188	(336,788)
Cash flows from investing activities		
Purchase of property, plant and equipment	(246,658)	(37,341)
Net cash outflow on acquisition of subsidiaries	(5,931,746)	-
Expenditure on oil and gas properties	(26,058)	-
Dividend to non-controlling interest of subsidiary	(44,475)	(22,359)
Other items	2,344	3,905
Net cash used in investing activities	(6,246,593)	(55,795)
Cash flows from financing activities		
Issuance of shares, net	1,606,179	-
Redemption of Murabahah Commercial Paper (MCPs)	-	(5,000)
Partial redemption of Istisna Bonds	(30,000)	(30,000)
Net drawdown of revolving credit	360,618	172,068
Net drawdown of term loans	4,563,698	120,199
Net repayment of hire purchase and lease financing	(620)	(320)
Net cash generated from financing activities	6,499,875	256,947
Net increase/(decrease) in cash and cash equivalents	333,470	(135,636)
Cash and cash equivalents at beginning of year	1,025,772	704,911
Effect of exchange rate translation	(35,182)	5,442
Cash and cash equivalents at end of the period	1,324,060	574,717

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

V. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Parent					Non-Controlling Interests	Total Equity
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained profits RM'000	Total RM'000	RM'000	RM'000
Three months to 30 April 2013 (Unaudited)							
At 1 February 2013	5,004,366	242,886	(19,190)	1,109,072	6,337,134	405,775	6,742,909
Total comprehensive income	-	-	(34,432)	93,668	59,236	(3,192)	56,044
Transaction with owners:							
Issuance of ordinary shares, net	587,000	1,019,179	-	-	1,606,179	-	1,606,179
Shares issued pursuant to the acquisition of subsidiaries	400,789	839,132	-	-	1,239,921	-	1,239,921
Dividend to non-controlling interest of a subsidiary	-	-	-	-	-	(44,475)	(44,475)
Acquisition of non-controlling interests	-	-	(38,165)	-	(38,165)	(352,480)	(390,645)
Total transaction with owners	<u>987,789</u>	<u>1,858,311</u>	<u>(38,165)</u>	<u>-</u>	<u>2,807,935</u>	<u>(396,955)</u>	<u>2,410,980</u>
At 30 April 2013	<u>5,992,155</u>	<u>2,101,197</u>	<u>(91,787)</u>	<u>1,202,740</u>	<u>9,204,305</u>	<u>5,628</u>	<u>9,209,933</u>
Three months to 30 April 2012 (Unaudited)							
At 1 February 2012	- *	-	708,748	584,476	1,293,224	332,120	1,625,344
Total comprehensive income	-	-	25,011	41,657	66,668	47,389	114,057
Transaction with owners:							
Dividend to non-controlling interest of a subsidiary	-	-	-	-	-	(22,359)	(22,359)
Total transaction with owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,359)</u>	<u>(22,359)</u>
At 30 April 2012	<u>-</u>	<u>-</u>	<u>733,759</u>	<u>626,133</u>	<u>1,359,892</u>	<u>357,150</u>	<u>1,717,042</u>

* Represents a balance of RM2.00

The condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited condensed consolidated interim financial statements for the period ended 30 April 2013 have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The accounting policies and methods of computation adopted by the Group in these quarterly financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 January 2013. The audited financial statements of the Group for the year ended 31 January 2013 were prepared in accordance with MFRS.

As of 1 February 2013, the Group has adopted revised MFRS and Amendments to MFRS that have been issued by the MASB as listed below:

Description	Effective for annual periods beginning on or after
MFRS 101 Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)	1 July 2012
Amendments to MFRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
MFRS 3 Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investment in Associates and Joint Ventures	1 January 2013
MFRS 127 Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013

1. Basis of preparation (cont'd.)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards – (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132: Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS134: Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11: Joint Arrangements: Transition Guidance	1 January 2013

The adoption of the above revised MFRS and Amendments to MFRS does not have material impact on the financial statements of the Group.

2. Seasonality and cyclicity of operations

The Group's operations are not materially affected by any seasonal or cyclical factors except for severe weather conditions.

3. Unusual items due to their nature, size and incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows for the current financial period.

4. Changes in estimates

There were no changes in estimates that have a material effect in the current financial period.

5. Debts and equity securities

The Company had on 30 April 2013, issued an additional 987,788,889 number of ordinary share capital of RM1 each as part of the consideration for the acquisition of the tender rig business of Seadrill Limited ("Seadrill"). With this new issuance, the Company's issued share capital increased to RM5,992,155,087 from RM5,004,366,198 as at 31 January 2013.

6. Segment information

The Group operates five key segments namely:

- (i) Offshore Construction & Subsea Services (“OCSS”);
- (ii) Fabrication, Hook Up & Commissioning (“FAB & HUC”);
- (iii) Energy & Joint Ventures (“EJV”);
- (iv) Drilling, Geotech & Maintenance Services (“DGMS”) and;
- (v) Corporate

	3 months to 30/04/2013	
	Segment Revenue RM'000	Segment Results RM'000
OCSS	745,592	62,283
FAB & HUC	548,390	90,620
EJV	225,059	70,413
DGMS	103,481	126
Corporate	147,498	49,574
	<u>1,770,020</u>	<u>273,016</u>
Others:		
Finance costs of debt securities	-	(11,862)
Management fees	(59,048)	-
Consolidation adjustment	(88,450)	(101,663)
Consolidated revenue / profit before tax	<u>1,622,522</u>	<u>159,491</u>

Corporate revenue and results are derived from dividend income and management fees charged to entities within operating segments by the holding company at normal commercial terms. The terms have been mutually agreed upon or take the form of apportioned fees which are based on an equitable basis of allocation.

7. Subsequent event

There was no material event subsequent to 30 April 2013 which has not been reflected in the interim financial statements.

8. Changes in the composition of the Group

On 30 April 2013, the Company, through its wholly-owned subsidiary, SapuraKencana Drilling Pte Ltd, completed the integration and combination of tender rig business via acquisition of the entire issued share capital of Seadrill Tender Rig Ltd, a wholly-owned subsidiary of Seadrill for a purchase consideration of RM7.7 billion (USD2.5 billion).

The provisional fair value of the identifiable assets and liabilities of Seadrill's business as at the date of acquisition was:

	Fair value recognised on acquisition RM'000
Assets	
Property, plant and equipment	5,072,817
Intangible assets	242,520
Deferred tax assets	1,136
Other investments	187
Inventories	132,151
Trade and other receivables	546,891
Cash and cash equivalents	105,427
	<u>6,101,129</u>
Liabilities	
Trade and other payables	(144,532)
Provision for tax	(36,311)
Deferred tax liabilities	(32)
Other long term payables	(5,479)
	<u>(186,354)</u>
Fair value of identifiable net assets	5,914,775
Goodwill arising on acquisition	1,449,406
Total cost of business combination	<u>7,364,181</u>
Acquisition of non-controlling interests	352,480
Total	<u>7,716,661</u>
Purchase consideration consist of:	
Issuance of new ordinary shares	1,239,920
Deferred consideration	439,568
Cash	6,037,173
	<u>7,716,661</u>
Analysis of cash flows on acquisition:	
Total cash paid	6,037,173
Less: Cash and cash equivalents of subsidiaries acquired	(105,427)
Net cash flow on acquisition	<u>5,931,746</u>

8. Changes in the composition of the Group (cont'd.)

The fair value adjustments were provisional and the final allocation of the purchase price will be determined after the completion of a final analysis (to be completed within one year from acquisition date) to determine the fair values of acquired tangible assets and liabilities and identifiable intangible assets.

The condensed consolidated interim financial statements do not include the results of Seadrill's business as the business combination completed on 30 April 2013.

There was no other change in the composition of the Group during the current financial period, except as disclosed in above.

9. Contingent liabilities

The Group has provided corporate guarantees to financial institutions for credit facilities granted to joint venture companies as at 30 April 2013 for a sum of RM407.0 million (as compared to 30 April 2012 for a sum of RM515.3 million).

10. Capital commitments

Capital expenditure for property, plant and equipment approved and not provided for in the unaudited condensed consolidated interim financial statement as at 30 April 2013 are as follows:

Approved and contracted for:

	RM'000
Group	2,511,672
Share of capital commitment in joint venture companies	97,776
Total	<u>2,609,448</u>

11. Taxation

Taxation comprises the following:

	Current quarter 30/04/2013 RM'000	Preceding corresponding quarter 30/04/2012 RM'000	Current financial year 30/04/2013 RM'000	Preceding corresponding financial year 30/04/2012 RM'000
Current taxation:				
Malaysian taxation	25,208	23,677	25,208	23,677
Foreign taxation	1,209	360	1,209	360
Deferred taxation	4,432	87	4,432	87
	30,849	24,124	30,849	24,124

The effective tax rate for the current quarter and current financial period were lower than the statutory tax rate of 25% principally due to lower tax rates for offshore subsidiary companies.

12. (a) Status of corporate proposals announced but not completed

There were no other corporate proposals announced but not completed as at the date of this announcement.

(b) Status of utilization of proceeds

(i) Istisna' Bonds ("IB") Proceeds

On 25 August 2006, Bayu Padu Sdn Bhd, a wholly-owned subsidiary of the Company, issued RM250 million nominal value of IB being the second tranche of the total of RM500 million. The proposed and actual utilization are as follows:

12. (b) Status of utilization of proceeds (cont'd.)

Purpose	Proposed Utilization RM'000	Actual Utilization RM'000
To finance and/or refinance the cost of investment and/or acquisition of any oil and gas related businesses and/or any oil and gas related assets	90,000	79,342
For group working capital and/or capital expenditure purposes, which will be Syariah Compliant	30,000	30,000
To reimburse the SapuraCrest group for the acquisition of Sarku Clementine	45,000	45,000
To buy back Istisna' bonds and Murabahah Medium Term Notes (Islamic Private Debt Securities)	80,000	80,000
Total	245,000	234,342

(ii) Private placement

On 29 April 2013, the Company has raised the Private Placement of RM1.6 billion for acquisition of the tender rig business of Seadrill. As at 30 April 2013, the Private Placement has been utilized in line with the intended utilization.

13. Borrowings

The Group's borrowings as at 30 April 2013 are as follows:

	<u>Long term borrowings</u>			<u>Short term borrowings</u>			<u>Total</u>
	<u>Secured RM'000</u>	<u>Unsecured RM'000</u>	<u>Total RM'000</u>	<u>Secured RM'000</u>	<u>Unsecured RM'000</u>	<u>Total RM'000</u>	<u>RM'000</u>
Domestic Banks	2,671,758	-	2,671,758	6,320,125	239,675	6,559,800	9,231,558
Foreign Banks	220,706	-	220,706	565,071	-	565,071	785,777
Debt securities:							
- Istisna' Bonds	129,482	-	129,482	29,880	-	29,880	159,362
- Sukuk Mudharabah Program	671,821	-	671,821	-	-	-	671,821
	<u>3,693,767</u>	<u>-</u>	<u>3,693,767</u>	<u>6,915,076</u>	<u>239,675</u>	<u>7,154,751</u>	<u>10,848,518</u>

The above includes borrowings in US Dollars equivalent to RM7.1 billion and Australian Dollars equivalent to RM7.3 million.

The borrowings of RM10.8 billion include the merger loan and bridging facility for the acquisition of tender rigs business. The Group has planned to undertake longer term financing in the near future to achieve an optimal capital structure.

14. Derivative financial instruments

Details of the Group's derivative financial instruments outstanding as at 30 April 2013 are as follows:

	Contract/Notional Amount At 30 April 2013 RM mil	Liability Fair Value RM'000
Cross Currency Interest Rate Swap (CCIRS)	245	
- Less than 1 year	-	584
- 1 year to 3 years	-	546
Interest Rate Swap	140	
- Less than 1 year	-	2,234
	<u>385</u>	<u>3,364</u>

There is no change in respect of the following since the last financial year ended 31 January 2013:

- i. the credit risk, market risk and liquidity risk associated with the derivatives;
- ii. the cash requirements of the derivatives; and
- iii. the policy in place for mitigating or controlling the risks associated with these financial derivatives.

The gain arising from fair value changes of financial liabilities is as follows:

Type of financial liability	Current quarter RM'000	Basis of fair value measurement	Reasons for gain
CCIRS/ Interest rate swap	381	The fair value is computed using a valuation technique which utilizes data from recognized financial information sources including rates from relevant yield curves.	The USD/MYR foreign exchange rate has moved in favor of the Group since the last measurement date.

15. Realised and unrealised profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits is as follows:

	Company and subsidiaries RM'000	Joint ventures RM'000	Consolidation adjustments RM'000	Retained profits RM'000
As at 30 April 2013				
Realised profits/(losses)	1,409,665	194,659	(326,342)	1,277,982
Unrealised profits/(losses)	(71,275)	(5,301)	1,334	(75,242)
	<u>1,338,390</u>	<u>189,358</u>	<u>(325,008)</u>	<u>1,202,740</u>

16. Material litigation

On 20 February 2006, Sarku Engineering Services Sdn Bhd ("SESSB"), a wholly-owned subsidiary of the Company entered into a contract with Oil and Natural Gas Corporation Limited ("ONGC") for the performance of works by SESSB to revamp 26 well platforms located in Mumbai High South field offshore site ("Contract").

On 21 September 2012, SESSB commenced arbitration proceedings by filing a statement of claim against ONGC in relation to disputes pursuant to the Contract for a sum of Indian Rupee ("INR") 1,063,759,201.45 and USD123,819,632.10 (including interest, costs, losses and damages).

On 17 December 2012, ONGC has filed their reply to the Statement of Claim. No counter claims have been filed by ONGC. Documents are being filed by the parties and witness statements are likely to be filed in the month of August 2013.

SESSB has been advised by its solicitors, that SESSB has a reasonable basis for its claims against ONGC.

There was no other material litigation that may, upon materialisation, have a material effect on the Group's financial results or position, except as disclosed above.

17. Review of performance as compared to the immediate preceding quarter

Profit before taxation for current quarter decreased by RM48.4 million or 23.2% as compared to immediate preceding quarter due to unfavorable foreign exchange loss.

18. Review of performance

Current quarter vs. corresponding quarter of the preceding year

RM'000	Revenue		Profit before taxation	
	3 months to 30/04/2013	3 months to 30/04/2012	3 months to 30/04/2013	3 months to 30/04/2012
Consolidated Total	1,622,522	681,827	159,491	84,574
Business Segments:				
OCSS	745,592	409,350	62,283	52,822
FAB & HUC	548,390	61,056	90,620	(212)
EJV	225,059	148,286	70,413	34,539
DGMS	103,481	63,135	126	(2,955)
Corporate	147,498	51,000	37,712	30,208
Less: Management fees	(59,048)	(51,000)	-	-
Less: Consolidation adjustment	(88,450)	-	(101,663)	(29,828)
	1,622,522	681,827	159,491	84,574

Consolidated total

Group revenue for the current quarter increased by RM940.7 million or 138.0% compared to corresponding quarter of the preceding year, primarily contributed by FAB & HUC and OCSS business segments.

Higher revenue recorded in FAB & HUC segment mainly due to higher fabrication and hook-up commissioning activities from several contracts, while in OCSS segment the contribution was from higher scope of works for Pan Malaysia contracts.

Profit before taxation for current quarter increased by RM74.9 million or 88.6% as compared to corresponding quarter of the preceding year, in line with the revenue increase as outlined above.

Business Segments:

OCSS

The segment revenue for current quarter increased by RM336.2 million or 82.1% compared to corresponding quarter in the preceding year, mainly due to higher scope of works for Pan Malaysia contracts, in line with client planned activities and contributions from several new contracts executed during the current quarter by SapuraClough. Additionally, revenue for the segment improved as a result of contribution from Kencana's business subsequent to merger of SapuraCrest and Kencana.

18. Review of performance (cont'd.)

Current quarter vs. corresponding quarter of the preceding year (cont'd.)

Business Segments (cont'd.):

OCSS (cont'd.)

Profit before taxation recorded an increase of RM9.5 million or 17.9% compared to corresponding quarter in the preceding year, consistent with the increase in the segment revenue and favorable results recorded in joint venture companies.

FAB & HUC

The segment revenue for current quarter increased by RM487.3 million or 798.2% compared to corresponding quarter in the preceding year. The significant increase in the segment's revenue was primarily due to higher fabrication and hook-up commissioning activities from several contracts.

The segment recorded a profit before taxation RM90.6 million in the current quarter compared to the loss of RM0.2 million in corresponding quarter in the preceding year.

Both improvement in revenue and profit before taxation are mainly due to the inclusion of Kencana's businesses results subsequent to merger of SapuraCrest and Kencana.

EJV

The segment revenue for current quarter increased by 51.8% or RM76.8 million mainly due to revenue on opex and capex reimbursement on Berantai field following commencement of gas production on 20 October 2012.

Profit before taxation for current quarter increased by 103.9% or RM35.9 million mainly due to inclusion of Kencana's business results subsequent to merger of SapuraCrest and Kencana as well as higher drilling works in line with client planned activities.

18. Review of performance (cont'd.)

Current quarter vs. corresponding quarter of the preceding year (cont'd.)

Business Segments (cont'd.):

DGMS

The segment revenue for current quarter increased by RM40.3 million or 63.9% compared to corresponding quarter in the preceding year and the loss of RM3.0 million in corresponding quarter in the preceding year which has improved to RM0.1 million in the current quarter, mainly due to the inclusion of Kencana's businesses results subsequent to merger of SapuraCrest and Kencana.

Corporate

Corporate revenue consists of dividend income and management fees charged to entities within the operating segments increased by RM96.5 million or 189.2% as compared to corresponding quarter in the preceding year.

Corporate profit before taxation for current quarter increased by RM7.5 million or 24.8% as compared to corresponding quarter in the preceding year, in line with the revenue increase as outlined above.

19. (a) Commentary on prospects

Going forward, the capital spending in the upstream oil and gas sector is expected to remain bullish, notwithstanding the observed short-term volatility in global oil prices. As a leading integrated upstream service provider, SKPB is well positioned to benefit from the spending.

With the completion of the Group's acquisition of Seadrill's tender rigs business on 30 April 2013, the Group will have an improved portfolio of assets and a stronger order book.

Given these circumstances, the Board of Directors continues to remain confident that the prospects of the Group remain positive.

(b) Revenue or profit estimate, forecast, projection or internal targets

The Company has not provided any revenue or profit estimate, forecast, projection or internal targets in any previous announcement or public document.

20. Dividend

The Board of Directors does not recommend any payment of interim dividend for the current quarter under review.

21. Earnings per share

	Individual Quarter		Cumulative Quarter	
	3 months to 30/04/2013	3 months to 30/04/2012	3 months to 30/04/2013	3 months to 30/04/2012
Basic				
Profit attributable to owners of the Parent (RM'000)	93,668	41,657	93,668	41,657
Number of ordinary shares in issue ('000)	5,992,155	- *	5,992,155	- *
Basic earnings per share (sen)	1.56	N/A	1.56	N/A

* Represent 2 ordinary shares in issue

By Order of the Board

Kuala Lumpur
28 June 2013

Mohamad Affendi bin Yusoff
MACS 01596

Ng Heng Hooi
MAICSA 7048492

Company Secretaries