

**SAPURACREST PETROLEUM BERHAD**  
**(Company No : 45631-D)**  
**Incorporated in Malaysia**

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 JANUARY 2008**

**THE FIGURES HAVE NOT BEEN AUDITED**

**I. CONDENSED CONSOLIDATED INCOME STATEMENT**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current year quarter <b>31/01/2008</b> RM'000	Preceding year corresponding quarter <b>31/01/2007</b> RM'000	Twelve months to <b>31/01/2008</b> RM'000	Twelve months to <b>31/01/2007</b> RM'000
<b>1. Revenue</b>	<b>599,138</b>	<b>443,262</b>	<b>2,261,945</b>	<b>1,766,118</b>
Operating expenses	(512,055)	(391,615)	(2,009,079)	(1,644,137)
Other income	3,188	6,851	11,551	19,355
Profit from operations	90,271	58,498	264,417	141,336
Finance cost	(22,805)	(34,861)	(77,615)	(94,138)
	67,466	23,637	186,802	47,198
Share of loss of associated companies and jointly controlled entities	(2,498)	(3,800)	(15,454)	(6,023)
<b>Profit before taxation</b>	<b>64,968</b>	<b>19,837</b>	<b>171,348</b>	<b>41,175</b>
Taxation	(8,408)	1,010	(20,221)	(8,054)
<b>Profit for the period/year</b>	<b>56,560</b>	<b>20,847</b>	<b>151,127</b>	<b>33,121</b>
Attributable to :				
Equity holders of the parent	33,376	7,378	78,363	(17,691)
Minority interests	23,184	13,469	72,764	50,812
	<b>56,560</b>	<b>20,847</b>	<b>151,127</b>	<b>33,121</b>
<b>2. Earnings/(loss) per share (sen)</b>				
Basic	<b>3.19</b>	<b>0.83</b>	<b>7.49</b>	<b>(2.00)</b>
Diluted	<b>2.81</b>	<b>0.83</b>	<b>6.60</b>	<b>(2.00)</b>

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2007.

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**II. CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	As at end of current quarter	As at preceding financial year end
	<b>31/01/2008</b>	<b>31/01/2007</b>
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	873,419	784,645
Investment in associated companies	48,444	9,140
Investment in jointly controlled entities	105,835	91,374
Intangible assets	145,994	146,202
Deferred tax assets	1,358	1,287
	<u>1,175,050</u>	<u>1,032,648</u>
<b>Current assets</b>		
Inventories	57,373	43,173
Amount due from related companies	6,640	6,059
Trade & other receivables	1,397,159	1,178,187
Cash and bank balances	350,572	291,794
	<u>1,811,744</u>	<u>1,519,213</u>
Non-current assets classified as held for sale	-	2,101
<b>TOTAL ASSETS</b>	<b><u>2,986,794</u></b>	<b><u>2,553,962</u></b>
 <b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	233,670	177,427
Share premium	448,104	185,867
Other reserves	27,875	48,966
Retained profit	86,923	24,927
	<u>796,572</u>	<u>437,187</u>
<b>Minority interests</b>	<u>272,451</u>	<u>216,806</u>
<b>Total equity</b>	<u>1,069,023</u>	<u>653,993</u>
<b>Non-current liabilities</b>		
Borrowings	516,837	894,050
Deferred taxation	10,022	8,153
	<u>526,859</u>	<u>902,203</u>
<b>Current liabilities</b>		
Amount due to related companies	8,829	4,702
Trade & other payables	831,600	713,954
Borrowings	540,071	268,803
Taxation	10,412	10,307
	<u>1,390,912</u>	<u>997,766</u>
<b>TOTAL LIABILITIES</b>	<u>1,917,771</u>	<u>1,899,969</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>2,986,794</u></b>	<b><u>2,553,962</u></b>
 <b>Net assets per share (RM)</b>	 <b><u>0.68</u></b>	 <b><u>0.49</u></b>

The condensed consolidated balance sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2007.

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**III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

	<b>Unaudited</b>	<b>Audited</b>
	<b>Twelve months</b>	<b>Twelve months</b>
	<b>to</b>	<b>to</b>
	<b>31/01/2008</b>	<b>31/01/2007</b>
	RM'000	RM'000
Profit before taxation	171,348	41,175
Adjustment for non-cash items	179,204	118,898
Operating profit before working capital changes	<u>350,552</u>	<u>160,073</u>
Net change in current assets	(270,314)	(270,449)
Net change in current liabilities	<u>165,051</u>	<u>186,410</u>
	245,289	76,034
Non-operating items	<u>(87,306)</u>	<u>(86,573)</u>
Net cash generated from/(used in) operating activities	157,983	(10,539)
Net cash (used in)/generated from investing activities	(306,835)	45,374
Net cash generated from/(used in) financing activities	<u>212,055</u>	<u>(113,047)</u>
Net changes in Cash and Cash Equivalent	63,203	(78,212)
Effect of exchange rate translation	468	(2,092)
Cash and Cash Equivalents at 1 February 2007	<u>286,899</u>	<u>367,203</u>
Cash and Cash Equivalents at 31 January 2008	<u>350,570</u>	<u>286,899</u>

Cash and cash equivalents comprise of the following:

	RM'000	RM'000
Cash and bank balances	350,572	291,794
Bank overdrafts	<u>(2)</u>	<u>(4,895)</u>
	<u>350,570</u>	<u>286,899</u>

The condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2007.

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**IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to Equity Holders of the Parent					Minority interest	Total Equity
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained profit RM'000	Total RM'000	RM'000	RM'000
<b>Twelve months to 31 January 2008 (Unaudited)</b>							
At 1 February 2007	177,427	185,867	48,966	24,927	437,187	216,806	653,993
Net profit for the year	-	-	-	78,363	78,363	72,764	151,127
Issue of ordinary share pursuant of ESOS	2,999	9,857	-	-	12,856	-	12,856
Share options granted under ESOS	-	1,226	456	-	1,682	-	1,682
Issue of ordinary share pursuant of CB conversion	52,365	248,911	-	-	301,276	-	301,276
Issue of ordinary share pursuant of exercise of warrants	879	2,243	-	-	3,122	-	3,122
Foreign currency translation	-	-	(21,547)	-	(21,547)	(17,119)	(38,666)
First and final dividend for the financial year ended 31 January 2007	-	-	-	(16,367)	(16,367)	-	(16,367)
At 31 January 2008	233,670	448,104	27,875	86,923	796,572	272,451	1,069,023
<b>Twelve months to 31 January 2007 (Audited)</b>							
At 1 February 2006	177,333	183,465	64,294	50,378	475,470	179,760	655,230
Net (loss)/profit for the year	-	-	-	(17,691)	(17,691)	50,812	33,121
Issue of ordinary share pursuant of ESOS	1,395	2,372	-	-	3,767	-	3,767
Share options granted under ESOS	-	30	222	-	252	-	252
Foreign currency translation	-	-	(15,550)	-	(15,550)	(13,766)	(29,316)
Final dividend for the financial year ended 31 January 2006	-	-	-	(9,567)	(9,567)	-	(9,567)
Redemption of RCCPS:							
Reclassification of equity portion	(1,807)	-	-	1,807	-	-	-
Reclassification of deferred taxation	506	-	-	-	506	-	506
At 31 January 2007	177,427	185,867	48,966	24,927	437,187	216,806	653,993

The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2007.

## **NOTES TO THE FINANCIAL STATEMENTS**

The notes to the condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2007.

### **1. Accounting policies and methods of computation**

The unaudited condensed consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

### **2. Audit report of preceding annual financial statements**

The audit report of the Group's financial statements for the financial year ended 31 January 2007 was not qualified.

### **3. Seasonality and cyclical nature of operations**

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

### **4. Unusual items**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter and financial year ended 31 January 2008.

### **5. Changes in estimates**

There were no changes in estimates of amount reported in prior financial year that have material effect in the current quarter and financial year ended 31 January 2008.

### **6. Debt and equity securities**

#### **(a) Debt securities**

On 5 October 2007 and 9 October 2007, Bayu Padu Sdn Bhd ("Bayu Padu"), a wholly owned subsidiary of the Company, issued a total of RM100 million nominal value Murabahah Commercial Papers ("Murabahah CPs") under the Murabahah CPs and/or Murabahah Medium Term Notes Programme announced on 8 July 2005.

On 18 December 2007, Sapura Energy Sdn Bhd ("SESB"), a wholly owned subsidiary of the Company, made a repayment of RM25 million for the Al-Bai Bithaman Ajil Islamic Debt Securities ("BaIDs").

(b) Equity securities

During the current financial year under review, the issued and paid up capital of the Company increased from 887,136,675 ordinary shares of RM0.20 each to 1,168,349,391 ordinary shares of RM0.20 each by the following:

- i) Issuance of 14,994,849 new ordinary shares of RM0.20 each, pursuant to the exercise of share options under the Company ESOS.
- ii) Issuance of 261,820,667 new ordinary shares of RM0.20 each, pursuant to the conversion of the entire USD80 million Convertible Bonds.
- iii) Issuance of 4,397,200 new ordinary shares of RM0.20 each, pursuant to the exercise of warrants.

Save as disclosed above, there were no other issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the current financial year ended 31 January 2008.

**7. Dividends paid**

A first and final dividend of 2.0 sen per ordinary share less 27% tax, totalling RM16.37 million in respect of the financial year ended 31 January 2007 was paid on 15 August 2007.

**8. Segmental information**

	<b>12 months to 31/01/08</b>	
	<b>Segment Revenue</b>	<b>Segment Result</b>
	RM'000	RM'000
Installation of Pipelines and Facilities	1,024,778	42,969
Drilling	706,606	139,731
Marine Services	483,891	55,090
Operations and Maintenance	46,670	8,719
		<u>246,509</u>
Others (including investment holding and corporate operations)		
Finance costs of debt securities		(39,515)
Pre-operating expenses in relation to Sapura 3000		(17,677)
Other investment holding and corporate operations		(23,819)
Foreign exchange differences relating to USD convertible bonds		5,850
<b>Consolidated revenue / profit before tax</b>	<b><u>2,261,945</u></b>	<b><u>171,348</u></b>

**9. Carrying amount of revalued assets**

The valuations of property, plant and equipment have been brought forward without amendment from previous audited financial statements.

**10. Subsequent event**

On 11 February 2008, the Company announced that its 50% jointly controlled entity, Nautical Vessels Pte Ltd (“NVPL”), has completed all legal documentation and requirements in taking delivery of the Sapura 3000, a self-propelled DP2 heavy lift derrick pipelay combination vessel.

The delivery is effective as of 2 February 2008. The vessel has since been mobilized for offshore contract work.

Save as disclosed, there were no material events subsequent to 31 January 2008 to the date of this announcement.

**11. Changes in the composition of the Group**

On 23 September 2007, Petro-Plus Sdn Bhd, a wholly owned subsidiary of the Company subscribed to 100 shares representing 40% of the issued shares of the joint venture company with Larsen & Toubro Limited, known as Offshore International FZC.

Save as disclosed above, there were no changes in the composition of the Group for the current quarter and financial year ended 31 January 2008 including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

**12. Contingent liabilities**

There were no contingent liabilities as at the date of this announcement.

**13. Capital commitments**

Approved and contracted for:	RM'000
Group	29,408
Share of capital commitment in jointly controlled entities	<u>21,279</u>
Total	<u>50,687</u>

#### 14. Taxation

Taxation comprises the following:

	Current quarter ended <b>31/01/08</b> RM'000	Corresponding quarter ended <b>31/01/07</b> RM'000	Current 12 months to <b>31/01/08</b> RM'000	Corresponding 12 months to <b>31/01/07</b> RM'000
Malaysian Taxation				
- current taxation	7,289	5,560	16,995	10,186
- over provision in respect of prior years	(1,129)	(9,603)	(283)	(9,603)
- deferred taxation	1,193	1,066	1,321	5,060
Foreign Taxation				
- current taxation	1,402	1,967	2,535	2,411
- over provision in respect of prior years	(347)	-	(347)	-
	<u>8,408</u>	<u>(1,010)</u>	<u>20,221</u>	<u>8,054</u>

The effective tax rates of 13% and 12% for the current quarter and current financial year respectively were lower than the statutory tax rate of 26% principally due to lower statutory tax rates for offshore subsidiary companies and utilisation of unabsorbed tax losses and capital allowances.

#### 15. Disposal of unquoted investments and/or properties

There were no disposal of unquoted investments and/or properties during the current quarter and financial year ended 31 January 2008.

#### 16. Quoted securities

There were no acquisitions and disposals of quoted securities for the current quarter and financial year ended 31 January 2008 and there were no investments in quoted securities as at 31 January 2008.

#### 17. (a) Status of corporate proposal announced but not completed

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



**(b) Status of utilisation of proceeds**

***(i) Istisna' Bonds Proceeds – (RM490 million)***

<u>Purpose</u>	<u>Proposed Utilisation RM'000</u>	<u>Actual Utilisation RM'000</u>	<u>Intended Timeframe for Utilisation</u>
i) 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	50,376	By Dec 2008
ii) For group working capital and/or capital expenditure purposes, which will be Syariah Compliant	30,000	30,000	-
iii) To reimburse the SapuraCrest group for the acquisition of Sarku Clementine	45,000	45,000	-
iv) To buy back Istisna' bonds and MMTNs (Islamic PDS)	325,000	325,000	-
<b>Total</b>	<b>490,000</b>	<b>450,376</b>	

***(ii) Murabahah Commercial Papers – (RM95 million)***

<u>Purpose</u>	<u>Proposed Utilisation RM'000</u>	<u>Actual Utilisation RM'000</u>	<u>Intended Timeframe for Utilisation</u>
i) For working capital	95,000	95,000	-

## 18. Borrowings

The Group's borrowings as at 31 January 2008 are as follows:

	<u>Long term borrowings</u>			<u>Short term borrowings</u>		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
Domestic Banks	47,252	-	47,252	274,530	81,480	356,010
Foreign Bank	225,152	-	225,152	41,989	407	42,396
Debt securities						
- BalDs	-	-	-	44,714	-	44,714
- Istisna' Bonds	244,433	-	244,433	-	-	-
- Murabahah CPs	-	-	-	96,951	-	96,951
	516,837	-	516,837	458,184	81,887	540,071

## 19. Off-balance sheet financial instruments

### ***Cross Currency Interest Rate Swap ("CCIRS")***

As at the date of this announcement, the Company has an outstanding CCIRS on a notional amount of RM250 million with staggered maturities (at varying semi-annual amounts) up to the year 2015.

### ***Credit and Market Risk***

The hedging instruments were entered into with a reputable financial institution to limit the credit risk exposure of the Group.

### ***Hedging Instrument Accounting Policy***

The hedging instruments are not recognized in the financial statements on inception. The underlying foreign currency liabilities or assets are translated at their respective hedged exchange rates and all exchange gains and losses are recognized as income or expense in the income statement in the same period as the exchange differences on the underlying hedged items. Exchange gains or losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transactions, at which time they are included in the measurement of such transactions.

Net differentials in interest receipts and payments arising from interest rate hedging instrument are recognized as income or expense over the period of the contract.

## 20. Material litigation

There was no material litigation as at the date of this announcement.

**21. Comparison between the current quarter and the immediate preceding quarter**

Revenue for the current quarter decreased by 3.2% to RM599.1 million as compared to RM618.6 million in the immediate preceding quarter mainly due to decreased activities in installation of pipelines and facilities ("IPF").

The Group's profit before taxation however, increased by 30.8% to RM65.0 million in the current quarter as compared to RM49.7 million in the immediate preceding quarter. The higher profit was mainly attributable to the marine services and drilling divisions.

**22. Review of performance for the current quarter and current year to date**

*Current quarter compared to the corresponding quarter of the preceding year (3 months)*

Revenue for the current quarter of RM599.1 million showed an increase of RM155.9 million or 35.2% compared to RM443.3 million in the corresponding quarter of the preceding year, mainly due to increased activities in the IPF and drilling divisions.

Correspondingly, the Group registered profit before taxation of RM65.0 million as compared to RM19.8 million in the corresponding quarter of the preceding year. The increase was attributable mainly due to the IPF, drilling and operation and maintenance divisions.

*Current financial year compared to twelve months of the preceding year*

For the 12 months under review, the Group's revenue increased by RM495.8 million or 28.1% to RM2.26 billion compared to RM1.77 billion in the preceding year, mainly due to an increase in the activities of IPF, drilling and marine services divisions.

The Group's profit before taxation increased by 316.2% to RM171.3 million compared to RM41.2 million in the 12 months of the preceding year attributed mainly to the IPF, drilling and operations and maintenance divisions.

**23. (a) Prospects for the financial year ending 31 January 2009**

Barring any unforeseen circumstances, the Directors expect the Group to achieve satisfactory results for the financial year ending 31 January 2009.

**(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.

**24. Variance of actual profit and forecast /shortfall in profit guarantee**

The Company has not provided any forecast or profit guarantee in any previous announcement or public document.

## 25. Proposed Dividend

The Board recommends a First and Final gross dividend of 2.0 sen (10%) per share less tax at 26% for the financial year ended 31 January 2008 for shareholders' approval at the forthcoming Annual General Meeting of the Company, which will be paid on a date to be determined.

## 26. Earnings per share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months to</u>		<u>12 months to</u>	
<b>i) Basic</b>	<b>31/01/08</b>	<b>31/01/07</b>	<b>31/01/08</b>	<b>31/01/07</b>
Profit/(loss) attributable to equity holders of the parents (RM'000)	33,376	7,378	78,363	(17,691)
Weighted average number of ordinary shares in issue ('000)	1,045,779	884,591	1,045,779	884,591
Basic earnings/(loss) per share (sen)	<u>3.19</u>	<u>0.83</u>	<u>7.49</u>	<u>(2.00)</u>
<b>ii) Diluted</b>	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>3 months to</u>		<u>12 months to</u>	
	<b>31/01/08</b>	<b>31/01/07</b>	<b>31/01/08</b>	<b>31/01/07</b>
Profit/(loss) attributable to equity holders of the parents (RM'000)	33,376	7,378	78,363	(17,691)
Adjusted profit/(loss) (RM'000)	33,376	7,378	78,363	(17,691)
Weighted average number of ordinary shares in issue ('000)	1,045,779	884,591	1,045,779	884,591
Dilution due to exercise of ESOS and warrants ('000)	<u>141,003</u>	<u>1,413</u>	<u>141,003</u>	<u>1,413</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,186,782	886,004	1,186,782	886,004
Diluted earnings/(loss) per share (sen)	<u>2.81</u>	<u>0.83</u>	<u>6.60</u>	<u>(2.00)</u>

## 27. Comparatives

The following comparatives amounts as at 31 January 2007 have been reclassified to conform with the current year's presentation.

<b>Balance Sheet</b>	As previously stated RM'000	Reclassification RM'000	As restated RM'000
<b>Non current assets</b>			
Investment in jointly controlled entities	41,582	49,792	91,374
Other receivables	56,584	(56,584)	-
<b>Current assets</b>			
Trade & other receivables	1,171,395	6,792	1,178,187

Selangor  
26 March 2008

### By Order of the Board

Finton Tuan Kit Ming  
Poh Phei Ling  
Company Secretaries