

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2008

THE FIGURES HAVE NOT BEEN AUDITED

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/04/2008 RM'000	Preceding year corresponding quarter 30/04/2007 RM'000	Three months to 30/04/2008 RM'000	Three months to 30/04/2007 RM'000
1. Revenue	684,446	473,719	684,446	473,719
Operating expenses	(616,714)	(427,329)	(616,714)	(427,329)
Other income	2,071	1,610	2,071	1,610
Profit from operations	69,803	48,000	69,803	48,000
Finance cost	(14,876)	(18,690)	(14,876)	(18,690)
Share of loss of associated companies and jointly controlled entities	54,927	29,310	54,927	29,310
	(9,748)	(5,788)	(9,748)	(5,788)
Profit before taxation	45,179	23,522	45,179	23,522
Taxation	(4,404)	(1,922)	(4,404)	(1,922)
Profit for the period	40,775	21,600	40,775	21,600
Attributable to :				
Equity holders of the parent	20,355	10,447	20,355	10,447
Minority interests	20,420	11,153	20,420	11,153
	40,775	21,600	40,775	21,600
2. Earnings per share (sen)				
Basic	1.74	1.13	1.74	1.13
Diluted	1.58	1.12	1.58	1.12

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2008.

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II. CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED	AUDITED
	As at end of current quarter	As at preceding financial year end
	30/04/2008	31/01/2008
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	852,045	876,294
Investment in associated companies	48,214	48,444
Investment in jointly controlled entities	94,122	105,835
Intangible assets	146,552	145,994
Deferred tax assets	2,367	1,358
	1,143,300	1,177,925
Current assets		
Inventories	63,373	57,373
Trade & other receivables	1,415,500	1,388,725
Cash and bank balances	455,747	354,209
	1,934,620	1,800,307
TOTAL ASSETS	3,077,920	2,978,232
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	234,127	233,670
Share premium	449,757	448,104
Other reserves	40,410	27,875
Retained profit	107,179	86,824
	831,473	796,473
Minority interests	304,715	272,165
Total equity	1,136,188	1,068,638
Non-current liabilities		
Borrowings	482,423	516,868
Deferred taxation	9,222	9,368
	491,645	526,236
Current liabilities		
Trade & other payables	903,654	833,936
Borrowings	536,199	540,038
Taxation	10,234	9,384
	1,450,087	1,383,358
TOTAL LIABILITIES	1,941,732	1,909,594
TOTAL EQUITY AND LIABILITIES	3,077,920	2,978,232
 Net assets per share (RM)	 0.71	 0.68

The condensed consolidated balance sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2008.

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III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Three months to 30/04/2008 RM'000	Unaudited Three months to 30/04/2007 RM'000
Profit before taxation	45,179	23,522
Adjustment for non-cash items	38,975	34,754
Operating profit before working capital changes	<u>84,154</u>	<u>58,276</u>
Net change in current assets	17,639	(169,238)
Net change in current liabilities	<u>70,613</u>	<u>139,783</u>
	172,406	28,821
Non-operating items	<u>(25,453)</u>	<u>(22,280)</u>
Net cash generated from operating activities	146,953	6,541
Net cash used in investing activities	(5,541)	(79,142)
Net cash (used in)/generated from financing activities	<u>(40,396)</u>	<u>6,845</u>
Net changes in Cash and Cash Equivalent	101,016	(65,756)
Effect of exchange rate translation	(1,170)	386
Cash and Cash Equivalents at 1 February 2008	<u>354,209</u>	<u>291,794</u>
Cash and Cash Equivalents at 30 April 2008	<u>454,055</u>	<u>226,424</u>

Cash and cash equivalents comprise of the following:

	RM'000	RM'000
Cash and bank balances	455,747	227,568
Bank overdrafts	<u>(1,692)</u>	<u>(1,144)</u>
	<u>454,055</u>	<u>226,424</u>

The condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2008.

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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
Three months to 30 April 2008							
(Unaudited)							
At 1 February 2008	233,670	448,104	27,875	86,824	796,473	272,165	1,068,638
Net profit for the period	-	-	-	20,355	20,355	20,420	40,775
Issue of ordinary share pursuant of ESOS	451	1,336	-	-	1,787	-	1,787
Share options granted under ESOS	-	302	(302)	-	-	-	-
Issue of ordinary share pursuant of exercise of warrants	6	15	-	-	21	-	21
Foreign currency translation	-	-	12,837	-	12,837	12,130	24,967
At 30 April 2008	234,127	449,757	40,410	107,179	831,473	304,715	1,136,188
Three months to 30 April 2007							
(Unaudited)							
At 1 February 2007	177,427	185,867	48,966	24,927	437,187	216,806	653,993
Net profit for the period	-	-	-	10,447	10,447	11,153	21,600
Issue of ordinary share pursuant of ESOS	1,069	3,132	-	-	4,201	-	4,201
Share options granted under ESOS	-	491	1,189	-	1,680	-	1,680
Issue of ordinary share pursuant of CB conversion	7,887	37,381	-	-	45,268	-	45,268
Foreign currency translation	-	-	7,991	-	7,991	8,839	16,830
At 30 April 2007	186,383	226,871	58,146	35,374	506,774	236,798	743,572

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 2008.

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. Seasonality and cyclicity of operations

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

3. Unusual items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

4. Changes in estimates

There were no changes in estimates of amount reported in prior financial year that have material effect in the current quarter under review.

5. Debt and equity securities

During the current quarter under review, the issued and paid up capital of the Company increased from 1,168,349,391 ordinary shares of RM0.20 each to 1,170,633,591 ordinary shares of RM0.20 each by the following:

- i) Issuance of 2,254,200 new ordinary shares of RM0.20 each, pursuant to the exercise of share options under the Company ESOS.
- ii) Issuance of 30,000 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 quarter ended 30 April 2008.

6. Dividends paid

There were no dividends paid during the current quarter.

7. Segmental information

	3 months to 30/04/08	
	Segment Revenue	Segment Result
	RM'000	RM'000
Installation of Pipelines and Facilities	348,576	17,361
Drilling	191,679	39,333
Marine Services	135,940	12,476
Operations and Maintenance	8,251	<u>2,191</u>
		71,361
Share of results in jointly controlled entities (installation of pipelines and facilities)		(9,489)
Others (including investment holding and corporate operations)		
Finance costs of debt securities		(6,753)
Pre-operating expenses - an associated company		(1,181)
Other investment holding and corporate operations		<u>(8,759)</u>
Consolidated revenue / profit before tax	<u>684,446</u>	<u>45,179</u>

8. Subsequent event

In April 2005, the Company completed the acquisition of 80% equity interest in Total Marine Technology Pty Ltd ("TMT"). As part of the terms of the TMT acquisition, the Company had granted put options to Tom Pado and Paul and Geraldine Colley to put their shareholdings in TMT, each at 10% of the same, at a period of 3 years from the completion of the TMT acquisition.

On 14 April 2008, Tom Pado has exercised his put options to dispose his entire 10% shareholdings as disclosed in Note 9.

On 10 June 2008, the Company announced that Paul and Geraldine Colley have exercised their options for the 4% out of their 10% shareholdings in TMT. The agreement granting the put option sets a base valuation of AUD480,000 for the 4% shareholding while the final amount will be determined based on the average of TMT's financial performance over the last three years. The parties have agreed to complete the share acquisition at a base amount of AUD480,000 with any difference to be paid at a later date to be agreed.

Save as disclosed above, there were no other material events subsequent to 30 April 2008 to the date of this announcement.

9. Changes in the composition of the Group

On 14 April 2008, the Company via its wholly owned subsidiary, TL Offshore Sdn Bhd, increased its shareholding in TMT to 90% of its issued and paid up share capital subsequent to the exercise of the put option by Tom Pado, who disposed his entire shareholdings in TMT.

The agreement granting the put option sets a base valuation of AUD1.2 million for Tom Pado's 10% shareholding while the final amount will be determined based on the average of TMT's financial performance over the last three years. Accordingly, the parties have agreed to complete the share acquisition at a base amount of AUD1.2 million with any difference to be paid at a later date to be agreed.

Save as disclosed above, there were no changes in the composition of the Group for the current quarter ended 30 April 2008 including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

10. Contingent liabilities

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

11. Capital commitments

Approved and contracted for:	RM'000
Group	9,312
Share of capital commitment in jointly controlled entities and an associated company	<u>120,409</u>
Total	<u>129,721</u>

12. Taxation

Taxation comprises the following:

	Current quarter ended 30/04/08 RM'000	Preceding year Corresponding quarter ended 30/04/07 RM'000
Malaysian Taxation		
- current taxation	3,168	1,580
- deferred taxation	222	43
Foreign Taxation		
- current taxation	<u>1,014</u>	<u>299</u>
	<u>4,404</u>	<u>1,922</u>

The effective tax rate of 10% for the current quarter was lower than the statutory tax rate of 25% principally due to lower statutory tax rates for offshore subsidiary companies and utilisation of unabsorbed tax losses and capital allowances.

13. Disposal of unquoted investments and/or properties

There were no disposal of unquoted investments and/or properties during the current quarter ended 30 April 2008.

14. Quoted securities

There were no acquisitions and disposals of quoted securities for the current quarter ended 30 April 2008 and there were no investments in quoted securities as at 30 April 2008.

15. (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 – (RM245 million)

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Intended Timeframe for Utilisation
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	47,706	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)	80,000	80,000	-
Total	245,000	202,706	

16. Borrowings

The Group's borrowings as at 30 April 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	25,258	-	25,258	275,588	77,801	353,389
Foreign Bank	212,485	-	212,485	39,958	-	39,958
Debt securities						
- BaIDs	-	-	-	44,796	-	44,796
- Istisna' Bonds	244,680	-	244,680	-	-	-
- Murabahah CPs	-	-	-	98,056	-	98,056
	482,423	-	482,423	458,398	77,801	536,199

17. Off-balance sheet financial instruments

a) Forward foreign exchange contract

As at the date of this announcement, subsisting forward foreign exchange contracts entered into by the Group is, in aggregate, as follows:

Contracted amount	:	USD10 million
Maturity	:	Within 5 months

b) 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.

The credit risk of the above off balance sheet instruments is minimal given that the contracts were entered into with a creditworthy financial institution.

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.

18. Material litigation

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

19. Comparison between the current quarter and the immediate preceding quarter

Revenue for the current quarter increased by 14.3% to RM684.4 million as compared to RM599.1 million in the immediate preceding quarter mainly due to increased activities in installation of pipelines and facilities ("IPF") and marine services division.

Profit before taxation however, decreased by 30.5% to RM45.2 million in the current quarter as compared to RM65.0 million in the immediate preceding quarter. The Group's lower profit was mainly attributable to the lower profits registered by the marine services and drilling divisions.

20. 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 RM684.4 million showed an increase of RM210.7 million or 44.5% compared to RM473.7 million in the corresponding quarter of the preceding year, mainly due to increased activities in the IPF, drilling and marine services divisions.

Correspondingly, the Group registered profit before taxation of RM45.2 million as compared to RM23.5 million in the corresponding quarter of the preceding year representing an increase of 92.1%. The increase was attributable mainly to the IPF, drilling and marine services divisions.

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

Barring any unforeseen circumstances, the Directors expect the Group to achieve favourable 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.

22. Dividend

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

23. Earnings per share

	<u>Individual Quarter</u>	
	<u>3 months to</u>	
i) Basic	30/04/08	30/04/07
Profit attributable to equity holders of the parents (RM'000)	20,355	10,447
Weighted average number of ordinary shares in issue ('000)	1,170,073	920,766
Basic earnings per share (sen)	1.74	1.13

	<u>Individual Quarter</u>	
	<u>3 months to</u>	
ii) Diluted	30/04/08	30/04/07
Profit attributable to equity holders of the parents (RM'000)	20,355	10,447
Adjusted profit (RM'000)	20,355	13,598
Weighted average number of ordinary shares in issue ('000)	1,170,073	920,766
Dilution due to exercise of ESOS and warrants (2007: and CB conversion) ('000)	116,423	294,741
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,286,496	1,215,507
Diluted earnings per share (sen)	1.58	1.12

Selangor
24 June 2008

By Order of the Board

Finton Tuan Kit Ming
Poh Phei Ling
Company Secretaries