

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER ENDED 31 JANUARY 2009

THE FIGURES HAVE NOT BEEN AUDITED

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current year quarter 31/01/2009 RM'000	Preceding year corresponding quarter 31/01/2008 RM'000	Twelve months to 31/01/2009 RM'000	Twelve months to 31/01/2008 RM'000
1. Revenue	849,817	599,098	3,483,823	2,261,905
Operating expenses	(748,310)	(511,970)	(3,113,634)	(2,008,994)
Other income	3,182	3,188	12,791	11,551
Profit from operations	104,689	90,316	382,980	264,462
Finance cost	(15,018)	(22,805)	(57,839)	(77,615)
Share of results of associated companies and jointly controlled entities	89,671	67,511	325,141	186,847
	(18,036)	(2,498)	(44,135)	(15,454)
Profit before taxation	71,635	65,013	281,006	171,393
Taxation	(7,128)	(8,552)	(31,089)	(20,365)
Profit for the period/year	64,507	56,461	249,917	151,028
Attributable to :				
Equity holders of the parent	26,335	33,277	115,716	78,264
Minority interests	38,172	23,184	134,201	72,764
	64,507	56,461	249,917	151,028
2. Earnings per share (sen)				
Basic	2.24	3.18	9.83	7.48
Diluted	2.08	2.80	9.12	6.59

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
	31/01/2009	31/01/2008
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	903,559	876,294
Investment in jointly controlled entities and associated companies	106,468	154,279
Intangible assets	149,515	145,994
Deferred tax assets	11,720	1,358
	<u>1,171,262</u>	<u>1,177,925</u>
Current assets		
Inventories	50,023	57,373
Trade & other receivables	1,760,213	1,388,725
Cash and bank balances	594,064	354,209
	<u>2,404,300</u>	<u>1,800,307</u>
TOTAL ASSETS	<u>3,575,562</u>	<u>2,978,232</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	238,767	233,670
Share premium	461,632	448,104
Other reserves	60,890	27,875
Retained profit	185,045	86,824
	<u>946,334</u>	<u>796,473</u>
Minority interests	<u>400,985</u>	<u>272,165</u>
Total equity	<u>1,347,319</u>	<u>1,068,638</u>
Non-current liabilities		
Borrowings	454,307	516,868
Deferred taxation	8,650	9,368
	<u>462,957</u>	<u>526,236</u>
Current liabilities		
Trade & other payables	1,270,142	833,936
Borrowings	477,725	540,038
Taxation	17,419	9,384
	<u>1,765,286</u>	<u>1,383,358</u>
TOTAL LIABILITIES	<u>2,228,243</u>	<u>1,909,594</u>
TOTAL EQUITY AND LIABILITIES	<u>3,575,562</u>	<u>2,978,232</u>
 Net assets per share (RM)	 <u>0.79</u>	 <u>0.68</u>

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	Audited
	Twelve months	Twelve months
	to	to
	31/01/2009	31/01/2008
	RM'000	RM'000
Profit before taxation	281,006	171,393
Adjustment for non-cash items	201,305	176,176
Operating profit before working capital changes	<u>482,311</u>	<u>347,569</u>
Net change in current assets	(228,576)	(258,087)
Net change in current liabilities	<u>409,114</u>	<u>131,630</u>
	662,849	221,112
Non-operating items	<u>(96,805)</u>	<u>(89,918)</u>
Net cash generated from operating activities	566,044	131,194
Net cash used in investing activities	(143,271)	(285,618)
Net cash (used in)/generated from financing activities	<u>(191,230)</u>	<u>214,811</u>
Net changes in Cash and Cash Equivalent	231,543	60,387
Effect of exchange rate translation	5,158	6,923
Cash and Cash Equivalents at beginning of year	<u>354,209</u>	<u>286,899</u>
Cash and Cash Equivalents at end of year	<u><u>590,910</u></u>	<u><u>354,209</u></u>

Cash and cash equivalents comprise of the following:

	RM'000	RM'000
Cash and bank balances	594,064	354,209
Bank overdrafts	<u>(3,154)</u>	<u>-</u>
	<u><u>590,910</u></u>	<u><u>354,209</u></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
Twelve months to 31 January 2009							
(Unaudited)							
At 1 February 2008	233,670	448,104	27,875	86,824	796,473	272,165	1,068,638
Net profit for the year	-	-	-	115,716	115,716	134,201	249,917
Issue of ordinary share pursuant of ESOS	495	1,460	-	-	1,955	-	1,955
Share options granted under ESOS	-	332	(332)	-	-	-	-
Issue of ordinary share pursuant of exercise of warrants	4,602	11,736	-	-	16,338	-	16,338
Foreign currency translation	-	-	33,347	-	33,347	(5,381)	27,966
First and final dividend for financial year ended 31 January 2008	-	-	-	(17,495)	(17,495)	-	(17,495)
At 31 January 2009	238,767	461,632	60,890	185,045	946,334	400,985	1,347,319
Twelve months to 31 January 2008							
(Audited)							
At 1 February 2007	177,427	185,867	48,966	24,927	437,187	216,806	653,993
Net profit for the year	-	-	-	78,264	78,264	72,764	151,028
Issue of ordinary share pursuant of ESOS	2,999	9,857	-	-	12,856	-	12,856
Share options granted under ESOS	-	1,226	457	-	1,683	-	1,683
Issue of ordinary share pursuant of CB conversion	52,364	248,911	-	-	301,275	-	301,275
Issue of ordinary share pursuant of exercise of warrants	880	2,243	-	-	3,123	-	3,123
Foreign currency translation	-	-	(21,548)	-	(21,548)	(17,405)	(38,953)
First and final dividend for financial year ended 31 January 2007	-	-	-	(16,367)	(16,367)	-	(16,367)
At 31 January 2008	233,670	448,104	27,875	86,824	796,473	272,165	1,068,638

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

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 and financial year 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 and financial year under review.

5. Debt and equity securities

(a) Debt securities

On 17 December 2008, Sapura Energy Sdn Bhd ("SESB"), a wholly owned subsidiary of the Company, made a final repayment of RM45 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 1,168,349,391 ordinary shares of RM0.20 each to 1,193,833,841 ordinary shares of RM0.20 each by the following:

- i) Issuance of 2,472,660 new ordinary shares of RM0.20 each, pursuant to the exercise of share options under the Company ESOS.
- ii) Issuance of 23,011,790 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 2009.

6. Dividends paid

A first and final dividend of 2 sen per ordinary share less 26% tax, totalling net RM17.49 million in respect of the financial year ended 31 January 2008 was paid on 15 August 2008.

7. Segmental information

	12 months to 31/01/09	
	Segment Revenue	Segment Results
	RM'000	RM'000
Installation of Pipelines and Facilities	1,892,510	78,557
Drilling	905,561	253,800
Marine Services	648,043	40,412
Operations and Maintenance	37,709	11,247
		<u>384,016</u>
Share of results in jointly controlled entities (Installation of pipelines and facilities)		(41,900)
Others (including investment holding and corporate operations)		
Finance costs of debt securities		(27,405)
Pre-operating expenses - an associate/JV company		(2,851)
Other investment holding and corporate operations		(30,854)
Consolidated revenue / profit before tax	<u>3,483,823</u>	<u>281,006</u>

8. Subsequent event

There were no material events subsequent to 31 January 2009 to the date of this announcement except for the issuance of 75,128,983 new ordinary shares of RM0.20 each pursuant to the exercise of Warrants. The expiry and final exercise date of the Warrants was on 18 February 2009.

9. Changes in the composition of the Group

- (i) On 14 April 2008, the Company via its wholly owned subsidiary, TL Offshore Sdn Bhd, increased its shareholding in Total Marine Technology Pty Ltd ("TMT") to 90% of its issued and paid up share capital subsequent to the exercise of the put option by Tom Pado, who disposed of his entire 10% shareholding in TMT.

Subsequently, on 10 June 2008, the Company via its wholly owned subsidiary, TL Offshore Sdn Bhd, increased its shareholding in TMT to 94% of its issued and paid up share capital subsequent to the exercise of the put option by Paul and Geraldine Colley for the 4% out of their 10% shareholding in TMT.

- (ii) On 18 July 2008, the Company acquired the entire issued shares of Aurabayu Sdn Bhd ("Aurabayu") and Geomark Sdn Bhd ("Geomark") at a total cash consideration of RM4.00. The authorised share capital of Aurabayu and Geomark is RM100,000 each comprising of 100,000 shares of RM1.00 each while its issued share capital consists of 2 shares each of which RM2.00 have been fully paid.

Save as disclosed above, there were no changes in the composition of the Group for the current quarter and financial year ended 31 January 2009 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	106,258
Share of capital commitment in jointly controlled entities and associated companies	<u>69,792</u>
Total	<u>176,050</u>

12. Taxation

Taxation comprises the following:

	Current quarter ended 31/01/09 RM'000	Preceding year Corresponding quarter ended 31/01/08 RM'000	Current 12 months to 31/01/09 RM'000	Preceding year Corresponding 12 months to 31/01/08 RM'000
Malaysian Taxation				
- current taxation	26,084	8,954	41,914	18,660
- under/(over) provision in respect of prior year	(12,905)	(1,343)	(12,348)	(497)
- deferred taxation	(9,297)	539	(8,632)	667
Foreign Taxation				
- current taxation	3,246	402	10,179	1,535
- under/(over) provision in respect of prior year	-	-	(24)	-
	<u>7,128</u>	<u>8,552</u>	<u>31,089</u>	<u>20,365</u>

The effective tax rate of 10% for the current quarter and 11% for the current financial year were lower than the statutory tax rate of 25% principally due to lower statutory tax rates for offshore subsidiary companies, lower tax rates in other tax jurisdiction 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 and financial year ended 31 January 2009.

14. Quoted securities

There were no acquisitions and disposals of quoted securities for the current quarter and financial year ended 31 January 2009 and there were no investments in quoted securities as at 31 January 2009.

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

On 1 August 2008, the Company had via its wholly owned subsidiary, Geomark Sdn Bhd ("Geomark"), entered into a shareholders agreement with AP Prakash Shipping Company Pte Ltd ("APPPL") to participate in the construction and financing of a new vessel held by Quippo Prakash Pte Ltd ("QP") (the "JV Agreement"). Subsequently on 10 February 2009, the Company announced that the said parties have agreed to extend the time period for the fulfillment of conditions precedent as contained in the JV Agreement to 13 March 2009.

Save as disclosed above, 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	54,891	By Dec 2009
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	209,891	

16. Borrowings

The Group's borrowings as at 31 January 2009 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	991	-	991	303,482	30,498	333,980
Foreign Bank	207,873	-	207,873	44,110	563	44,673
Debt securities						
- BaIDs	-	-	-	-	-	-
- Istisna' Bonds	245,443	-	245,443	-	-	-
- Murabahah CPs	-	-	-	99,072	-	99,072
	454,307	-	454,307	446,664	31,061	477,725

The above includes borrowings in US Dollars equivalent to RM347.1 million and Australian Dollars equivalent to RM1.9 million.

17. 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.

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 decreased by 18.8% to RM849.8 million as compared to RM1.05 billion in the immediate preceding quarter mainly due to decreased activities in the installation of pipelines and facilities ("IPF") division.

Profit before taxation for the current quarter decreased by 19.9% to RM71.6 million as compared to RM89.5 million in the immediate preceding quarter mainly attributable to the lower profits registered by the IPF 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

Revenue for the current quarter of RM849.8 million represented an increase of RM250.7 million or 41.8% as compared to RM599.1 million in the corresponding quarter of the preceding year, mainly due to increased activities in all the divisions of the Group.

Profit before taxation of RM71.6 million showed an increase of RM6.6 million or 10.2% as compared to RM65.0 million in the corresponding quarter of the preceding year and the increase was attributable mainly to the IPF and drilling divisions.

Current financial year compared to twelve months of the preceding year

For the 12 months under review, the Group's revenue increased by RM1.22 billion or 54.0% to RM3.48 billion compared to RM2.26 billion in the preceding year, mainly due to increased activities in the IPF, drilling and marine services divisions.

Correspondingly, the Group's profit before taxation increased by RM109.6 million or 64.0% to RM281.0 million as compared to RM171.4 million in the 12 months of the preceding year principally due to the IPF and drilling divisions.

21. (a) Prospects for the financial year ending 31 January 2010

Barring any unforeseen circumstances, the Directors expect the Group to achieve satisfactory results for the financial year ending 31 January 2010.

(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. 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.

23. Proposed dividend

The Board recommends a single tier final dividend of 3 sen per share for the financial year ended 31 January 2009 for shareholders' approval at the forthcoming Annual General Meeting of the Company, which will be paid on a date to be determined.

A single tier interim dividend of 2 sen per share had been paid on 16 February 2009. Therefore, the total dividend for the current financial year ended 31 January 2009 would be 5 sen per share.

24. Earnings per share

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months to		12 months to	
i) Basic	31/01/09	31/01/08	31/01/09	31/01/08
Profit attributable to equity holders of the parent (RM'000)	26,335	33,277	115,716	78,264
Weighted average number of ordinary shares in issue ('000)	1,177,721	1,045,779	1,177,721	1,045,779
Basic earnings per share (sen)	2.24	3.18	9.83	7.48

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	3 months to		12 months to	
ii) Diluted	31/01/09	31/01/08	31/01/09	31/01/08
Profit attributable to equity holders of the parent (RM'000)	26,335	33,277	115,716	78,264
Weighted average number of ordinary shares in issue ('000)	1,177,721	1,045,779	1,177,721	1,045,779
Dilution due to exercise of ESOS and warrants ('000)	90,847	141,003	90,847	141,003
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,268,568	1,186,782	1,268,568	1,186,782
Diluted earnings per share (sen)	2.08	2.80	9.12	6.59

By Order of the Board

Selangor
12 March 2009

Finton Tuan Kit Ming
Poh Phei Ling
Company Secretaries