

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2010

THE FIGURES HAVE NOT BEEN AUDITED

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/04/2010 RM'000	Preceding year corresponding quarter 30/04/2009 RM'000	Three months to 30/04/2010 RM'000	Three months to 30/04/2009 RM'000
1. Revenue	670,356	716,183	670,356	716,183
Operating expenses	(579,688)	(640,519)	(579,688)	(640,519)
Other income	5,203	1,030	5,203	1,030
Profit from operations	95,871	76,694	95,871	76,694
Finance cost	(8,502)	(11,309)	(8,502)	(11,309)
Share of results of associated companies and jointly controlled entities	87,369	65,385	87,369	65,385
	11,288	2,736	11,288	2,736
Profit before taxation	98,657	68,121	98,657	68,121
Taxation	(11,446)	(7,585)	(11,446)	(7,585)
Profit for the period	87,211	60,536	87,211	60,536
Attributable to :				
Equity holders of the parent	50,690	25,660	50,690	25,660
Minority interests	36,521	34,876	36,521	34,876
	87,211	60,536	87,211	60,536
2. Earnings per share (sen)				
Basic	3.97	2.03	3.97	2.03
Diluted	N/A	2.03	N/A	2.03

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010.

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2010

THE FIGURES HAVE NOT BEEN AUDITED

II. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/04/2010 RM'000	Preceding year corresponding quarter 30/04/2009 RM'000	Three months to 30/04/2010 RM'000	Three months to 30/04/2009 RM'000
Profit for the period	87,211	60,536	87,211	60,536
Foreign currency translation differences	(29,704)	23,463	(29,704)	23,463
Total comprehensive income	<u>57,507</u>	<u>83,999</u>	<u>57,507</u>	<u>83,999</u>
Attributable to :				
Equity holders of the parent	29,012	37,096	29,012	37,096
Minority interests	28,495	46,903	28,495	46,903
	<u>57,507</u>	<u>83,999</u>	<u>57,507</u>	<u>83,999</u>

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010.

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

III. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	As at end of current quarter	As at preceding financial year end
	30/04/2010	31/01/2010
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	904,656	900,456
Investment in jointly controlled entities and associated companies	188,837	192,107
Intangible assets	149,263	149,314
Deferred tax assets	14,196	14,675
	<u>1,256,952</u>	<u>1,256,552</u>
Current assets		
Inventories	60,783	54,276
Trade & other receivables	1,400,418	1,163,182
Cash and bank balances	627,476	875,251
	<u>2,088,677</u>	<u>2,092,709</u>
TOTAL ASSETS	<u>3,345,629</u>	<u>3,349,261</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	255,344	255,344
Share premium	505,337	505,337
Other reserves	23,882	45,560
Retained profit	264,712	256,976
	<u>1,049,275</u>	<u>1,063,217</u>
Minority interests	<u>352,098</u>	<u>397,103</u>
Total equity	<u>1,401,373</u>	<u>1,460,320</u>
Non-current liabilities		
Borrowings	389,546	405,311
Derivative financial liabilities	4,672	-
Deferred taxation	7,131	10,509
	<u>401,349</u>	<u>415,820</u>
Current liabilities		
Trade & other payables	1,318,825	1,170,240
Borrowings	215,803	297,597
Derivative financial liabilities	1,540	-
Taxation	6,739	5,284
	<u>1,542,907</u>	<u>1,473,121</u>
TOTAL LIABILITIES	<u>1,944,256</u>	<u>1,888,941</u>
TOTAL EQUITY AND LIABILITIES	<u>3,345,629</u>	<u>3,349,261</u>
Net assets per share (RM)	<u>0.82</u>	<u>0.83</u>

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010.

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

IV. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited	Audited
	Three months	Three months
	to	to
	30/04/2010	30/04/2009
	RM'000	RM'000
Profit before taxation	98,657	68,121
Adjustment for non-cash items	22,730	39,041
Operating profit before working capital changes	<u>121,387</u>	<u>107,162</u>
Net change in current assets	(184,779)	(70,260)
Net change in current liabilities	<u>89,622</u>	<u>52,955</u>
	26,230	89,857
Non-operating items	<u>(27,110)</u>	<u>(31,296)</u>
Net cash (used in)/generated from operating activities	(880)	58,561
Net cash used in investing activities	(143,615)	(30,651)
Net cash used in financing activities	<u>(92,736)</u>	<u>(18,978)</u>
Net changes in Cash and Cash Equivalent	(237,231)	8,932
Effect of exchange rate translation	(10,544)	(3,798)
Cash and Cash Equivalents at beginning of year	<u>875,251</u>	<u>590,384</u>
Cash and Cash Equivalents at end of period	627,476	595,518
Bank overdrafts	-	2,457
Cash and bank balances	<u><u>627,476</u></u>	<u><u>597,975</u></u>

The condensed consolidated statement of cash flows should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010.

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

V. 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
Three months to 30 April 2010 (Unaudited)						
At 1 February 2010	255,344	505,337	45,560	256,976	1,063,217	1,460,320
Effects of adopting FRS139	-	-	-	(42,954)	(42,954)	(42,954)
	255,344	505,337	45,560	214,022	1,020,263	1,417,366
Total comprehensive income for the period	-	-	(21,678)	50,690	29,012	57,507
Final dividend - minority interest	-	-	-	-	(73,500)	(73,500)
At 30 April 2010	255,344	505,337	23,882	264,712	1,049,275	352,098
Three months to 30 April 2009 (Unaudited)						
At 1 February 2009	238,767	461,632	60,658	161,333	922,390	1,323,587
Total comprehensive income for the period	-	-	11,436	25,660	37,096	83,999
Issue of ordinary share pursuant to exercise of warrants	15,026	38,316	-	-	53,342	53,342
Interim dividend - minority interest	-	-	-	-	(24,500)	(24,500)
At 30 April 2009	253,793	499,948	72,094	186,993	1,012,828	423,600

The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with FRS134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements for the financial year ended 31 January 2010.

The accounting policies and methods of computation adopted for the unaudited condensed consolidated financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 January 2010, other than for the compliance with the new/revised Financial Reporting Standards (FRS) that came into effect during the financial year under review.

2. Changes in accounting policies

Other than for the application of FRS101 (revised) and FRS139 as described below, the application of the new/revised FRS that came into effect during the financial year under review did not result in any significant changes in the accounting policies and presentation of the financial statements of the Group.

(a) FRS101: Presentation of Financial Statements (revised)

The revised FRS101 separates owner and non-owner changes in equity. The consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented in the statement of comprehensive income and as a single line in the statement of changes in equity. This standard does not have any impact on the financial position and results of the Group.

(b) FRS139: Financial Instruments – Recognition and Measurement

FRS139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 February 2010.

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments (HTM) and available-for-sale (AFS) financial assets.

The Group's financial assets include cash and short term deposits, loans and receivables and there are no HTM and AFS financial assets. Prior to 1 February 2010, loans or receivables were stated at gross receivables less provision for doubtful debts. Under FRS139, loans and receivables are initially measured at fair value and subsequently at amortised costs using the effective interest rate method (EIR). Gain or losses arising from the derecognition of the loans and receivables, EIR amortization and impairment losses are recognized in the income statement.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group's financial liabilities include trade and other payables are carried at amortised costs.

Impact on opening balances

In accordance with the transitional provisions of FRS139, the above changes are applied prospectively and the comparatives as at 31 January 2010 are not restated. Instead, the changes have been accounted for by restating the opening balances, the effects of which are as follows:

	As at 1/2/2010 RM'000
Decrease in Investment in jointly controlled entities	(38,431)
Decrease in Trade & other payables	7,289
Increase in Derivative financial liabilities	(11,812)

Decrease in Retained earnings	(42,954)

In addition, the changes in the accounting policies have the effect of increasing the profit before tax for the current quarter by RM120,352.

3. Seasonality and cyclicity of operations

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

4. 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.

5. Changes in estimates

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

6. Debts and equity securities

There was no issuance, repurchase and repayment of debt and equity securities during the current financial period.

7. Segment information

	3 months to 30/04/10	
	Segment Revenue	Segment Results
	RM'000	RM'000
Installation of Pipelines and Facilities	355,624	46,002
Drilling	194,838	76,291
Marine Services	111,852	(8,138)
Operations and Maintenance	8,042	958
		<u>115,113</u>
Others		
Finance costs of debt securities		(6,386)
Investment holding and others		(10,070)
Consolidated revenue / profit before tax	<u>670,356</u>	<u>98,657</u>

8. Subsequent event

There were no material events subsequent to the end of the current financial period.

9. Changes in the composition of the Group

There was no change in the composition of the Group during the current financial period.

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	83,411
Share of capital commitment in jointly controlled entities	<u>18,120</u>
Total	<u>101,531</u>

12. Taxation

Taxation comprises the following:

	Current quarter ended 30/04/10 RM'000	Preceding year Corresponding quarter ended 30/04/09 RM'000
Malaysian Taxation		
- current taxation	10,659	6,325
- deferred taxation	272	166
Foreign Taxation		
- current taxation	515	1,094
	<u>11,446</u>	<u>7,585</u>

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

13. Disposal of unquoted investments and/or properties

There was no disposal of unquoted investments and/or properties during the current financial period.

14. Quoted securities

There was no acquisition and disposal of quoted securities.

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

On 1 June 2010, the Company had via its wholly owned subsidiary, SapuraCrest Venture Sdn Bhd (formerly known as Petro-Plus Sdn Bhd) entered into a Joint Venture Agreement with Al Rayan Investment LLC to set up a joint venture company in Qatar to identify, pursue and undertake opportunities in the oil and gas industry in the State of Qatar.

Save as disclosed above, there were no corporate proposals announced but not completed as at the date of this announcement.

15. (b) Status of utilisation of proceeds

Istisna' Bonds Proceeds

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	79,342	By Jan 2011
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	234,342	

16. Borrowings

The Group's borrowings as at 30 April 2010 are as follows:

	<u>Long term borrowings</u>			<u>Short term borrowings</u>			<u>Total</u>
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000	RM'000
Domestic Banks	2,665	-	2,665	42,815	33,118	75,933	78,598
Foreign Banks	140,183	-	140,183	41,136	107	41,243	181,426
Debt securities							
- Istisna' Bonds	246,698	-	246,698	-	-	-	246,698
- Murabahah CPs	-	-	-	98,627	-	98,627	98,627
	389,546	-	389,546	182,578	33,225	215,803	605,349

The above includes borrowings in US Dollars equivalent to RM180.7 million and Australian Dollars equivalent to RM693,579.

17. Derivative financial instrument

	<u>Notional Amount at 30 April 2010</u> RM'mil	<u>Liability Fair Value</u> RM'mil
Cross Currency Interest Rate Swap	<u>245.0</u>	<u>6.2</u>

18. Material litigation

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

19. Review of performance compared to the immediate preceding quarter

Revenue increased by 38.4% from RM484.5 million in the preceding quarter to RM670.4 million mainly due to higher revenue from the Installation of Pipeline and Facilities ("IPF"), drilling and marine services divisions.

Profit before tax increased by 36.2% from RM72.5 million in the previous quarter to RM98.7 million in the current quarter mainly due to a lower loss in the marine services division.

20. Review of performance for the current quarter to date

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

Revenue for the current quarter of RM670.4 million was 6.4% lower compared to last year's corresponding first quarter of RM716.2 million mainly due to lower activities in the drilling and marine services divisions, partially off-set by the IPF division's higher revenue.

Profit before tax of RM98.7 million was an increase of 44.8% compared to RM68.1 million in the preceding year's corresponding quarter mainly due to higher contribution from IPF activities and the drilling division.

21. (a) Prospects for the financial year ending 31 January 2011

Barring any unforeseen circumstances, the Directors expect the Group to achieve satisfactory results for the financial year ending 31 January 2011.

(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

	Individual Quarter		
	30/04/10	30/04/09	
i) Basic			
Profit attributable to equity holders of the parent (RM'000)	50,690	25,660	
Weighted average number of ordinary shares in issue ('000)	1,276,722	1,262,702	
Basic earnings per share (sen)	<u>3.97</u>	<u>2.03</u>	
		Individual Quarter	
		3 months to	
		30/04/10	30/04/09
ii) Diluted			
Profit attributable to equity holders of the parent (RM'000)	50,690	25,660	
Weighted average number of ordinary shares in issue ('000)	1,276,722	1,262,702	
Dilution due to exercise of ESOS ('000)	<u>-</u>	<u>948</u>	
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,276,722	1,263,650	
Diluted earnings per share (sen)	<u>3.97</u>	<u>2.03</u>	

Note : There are no dilutive ordinary shares in the current financial period.

Selangor
24 June 2010

By Order of the Board

Finton Tuan Kit Ming
Poh Phei Ling

Company Secretaries