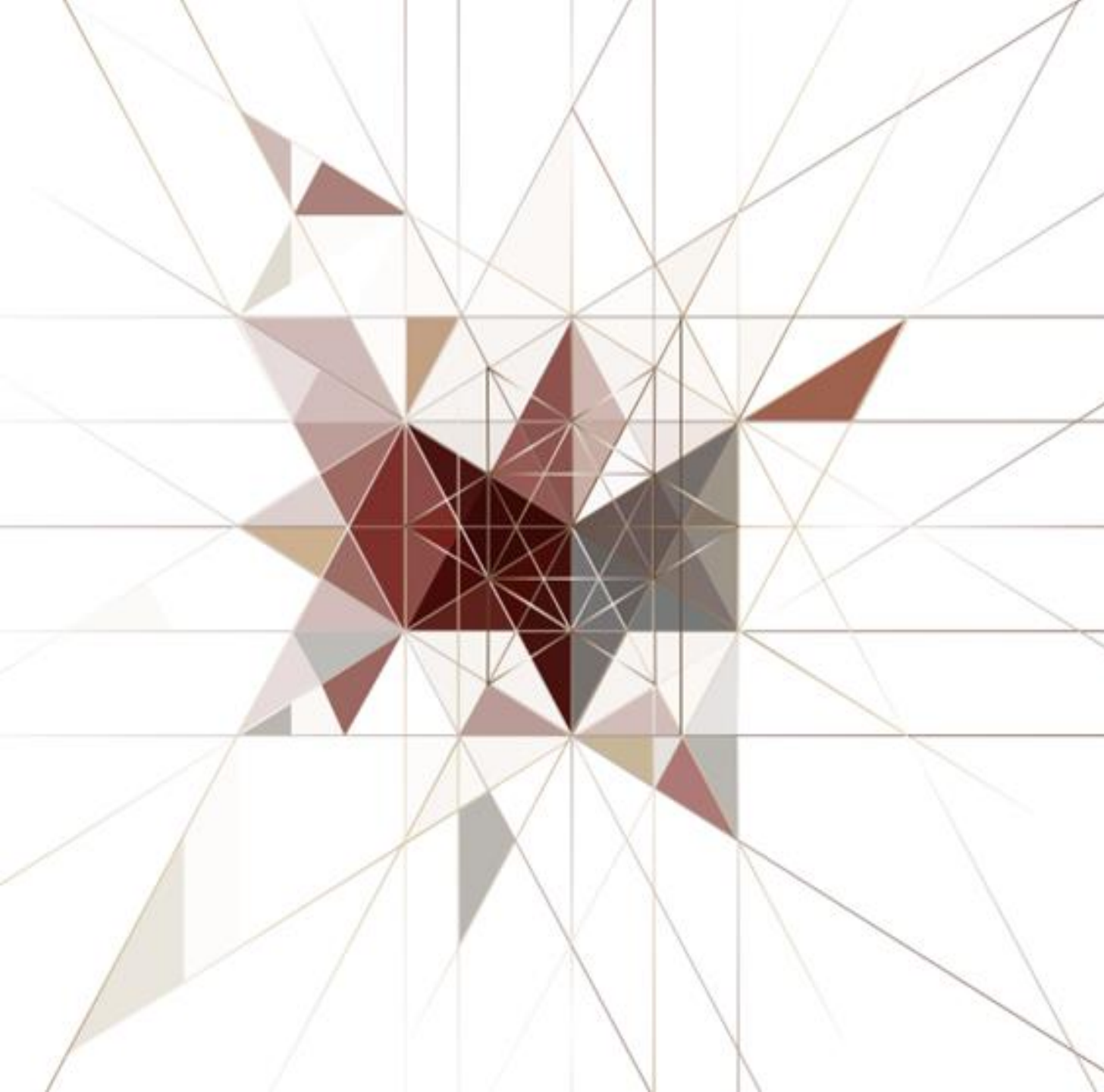




DELEUM



Q2FY2019 Group Analyst Briefing



ABOUT DELEUM

CORE BUSINESS SEGMENTS

CONTRACTS

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CORPORATE DIRECTORY

CONTENTS

OUR PEOPLE OUR SUCCESS



CORPORATE STATEMENT

SHARED VALUES

INTEGRITY

Respect, Honesty & Ethics

PROFESSIONALISM

Accountability, Teamwork & Communication

HEALTH, SAFETY & ENVIRONMENT

*Healthy/Balanced Lifestyle,
Safety & Environment*

EXCELLENCE

Quality, Deliverance & Rewards

MISSION

**To Provide
Sustainable Growth
and Enhance
Stakeholders' Value**

VISION

**To be the Market Leader
in our Operating Segments
domestically and a
regional presence by 2020**

ABOUT DELEUM

Overview

- Established in 1982
- Listed on the Main Market of Bursa Malaysia in 2007
- PETRONAS Licensed Service Provider
- ISO9001:2015 and ISO14001:2015 Certified

Our Business

- Evolved from a Product Oriented business to an **Integrated Solutions** provider.
- Focused on 3 core business segments :
 - *Power and Machinery (P&M)*
 - *Oilfield Services (OS)*
 - *Integrated Corrosion Solution (ICS)*

Our Competencies

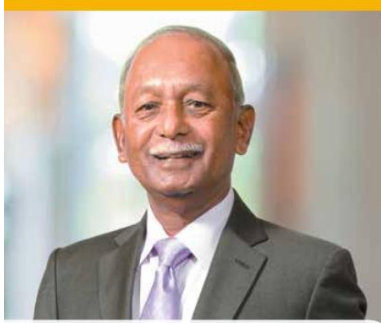
- Recorded 13.95m Free Lost Time Injury (LTI) Man-hours as of 31 July 2019 (since 25 August 2012)
- Staff strength: 1,818 employees as of 31 December 2018
- First Training Well Facility commissioned at Asian Supply Base in Labuan, Malaysia



BOARD OF DIRECTORS



DATO' IZHAM BIN MAHMUD
Non-Independent Non-Executive Chairman



DATUK VIVEKANANTHAN A/L M.V. NATHAN
Non-Independent Non-Executive Deputy Chairman



NAN YUSRI BIN NAN RAHIMY
Group Managing Director



DATUK ISHAK BIN IMAM ABAS
Independent Non-Executive Director



DATUK IR (DR) ABDUL RAHIM BIN HASHIM
Senior Independent Non-Executive Director



DATUK NOOR AZIAN BINTI SHAARI
Independent Non-Executive Director



LEE YOKE KHAI
Independent Non-Executive Director

DELEUM BERHAD PROFILE

Deleum Berhad (Bursa: Deleum) is an investment holding company and through its subsidiaries, provides a diverse range of supporting specialised products and services for the oil and gas industry, particularly the exploration and production of oil and gas.

FINANCIAL YEAR (RM'000)	FY2017 Restated	FY2018
Revenue	534,058	623,685
Gross Profit	139,868	124,450
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	87,119	73,889
Profit before Tax (PBT)	54,025	42,548
Profit after Tax and Non-Controlling Interest (PAT after NCI)	32,277	27,169

MARKET DATA

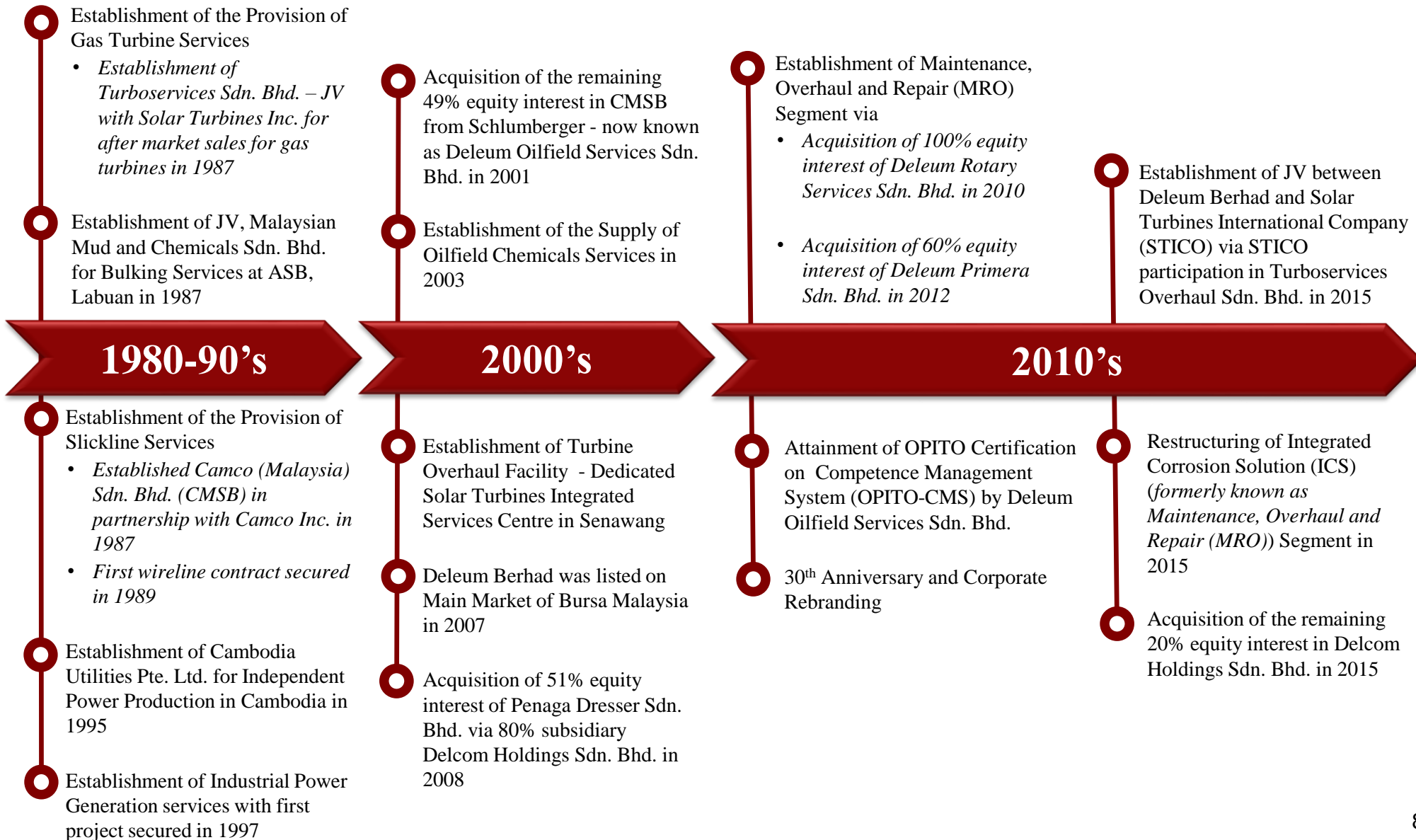
Current Share Price (as at 3/9/19)	RM0.8300
Number of Ordinary Shares	401,125,700
Market Capitalisation (as at 3/9/19)	RM332.9 million
Shareholders' Equity as at 31 December 2018	RM331.6 million

HISTORICAL PRICE / VOLUME CHART

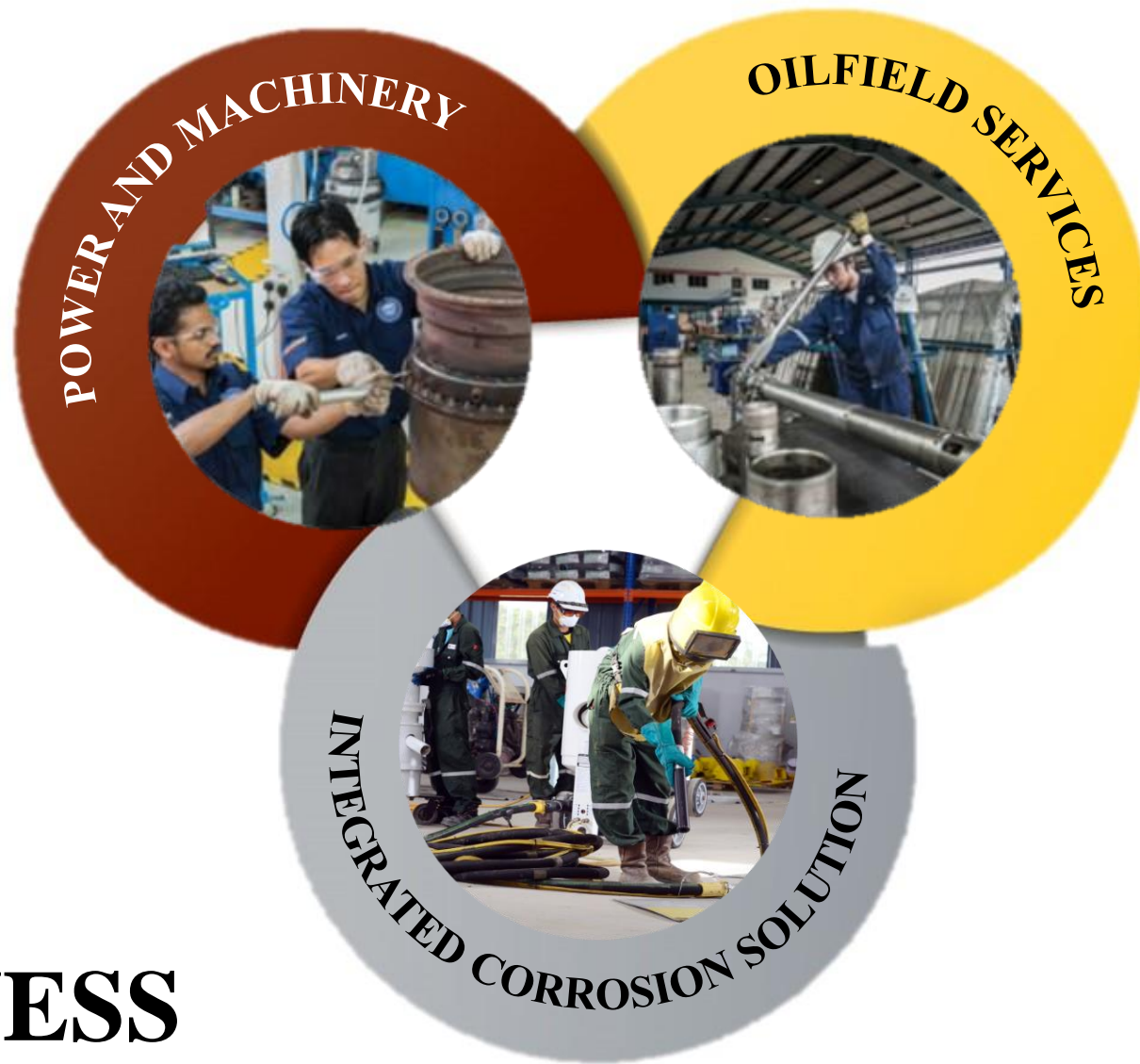
(AS AT 3/9/19)



MILESTONES ACCOMPLISHED



CORE BUSINESS SEGMENTS



BUSINESS SEGMENTS

P&M



Gas turbine packages by Solar Turbines gas for Oil & Gas and Industrial Power generation including after sales support and services.
Heatric printed circuit heat exchange and related services
Gasco process and thermal engineering solutions



Supply, overhaul and maintenance of control, safety, ball valves, regulators and accessories



One stop centre for Maintenance, Repair and Overhaul (MRO) covering the full spectrum of plant operations, assets and maintenance activities

Power and Machinery (P&M)

OS



Slickline & Well Services (SWS)



Asset Integrated Solutions (AIS)



Production Optimization and Flow Assurance (POFAS)

Oilfield Services

DELEUM CORE BUSINESS SEGMENTS

Integrated Corrosion Solution

ICS



Asset Maintenance, Construction and Modification Services



Alternative Blasting Technology and Coating Removal by Induction



Oil Spillage and Response Services
Tank Desanding, Desludging and Cleaning Service

BUSINESS SEGMENTS



Power & Machinery (P&M)



Oilfield Services (OS)



Integrated Corrosion Solution (ICS)

100%

Deleum Services S/B

Provision of gas turbines packages, maintenance and technical services, combined heat and power plants, and production related equipment and services predominantly for the oil and gas industry.

100%

Deleum Rotary Services S/B

Servicing, repair and maintenance of transformers, motor, generators, pumps and valves.

74%

Turboservices S/B^

Provision of gas turbine overhaul and technical services and supply of gas turbine parts.

51%

Penaga Dresser S/B

Supply, repair, maintenance and installation of valves and flow regulators.

100%

Deleum Oilfield Services S/B

Provision of slickline equipment and services, integrated wellhead maintenance services, drilling equipment and services and other oilfield related products and services.

100%

Deleum Chemicals S/B

Development and provision of solid deposit removal solutions for enhancement of crude oil production and the supply of oilfield chemicals and services.

60%

Deleum Primera S/B

Provision of integrated corrosion and inspection services, blasting technology, maintenance, construction and modification ("MCM") maintenance activities, services for tanks, vessels, structures and pipping.

Remarks:

* Dormant subsidiaries, associates and joint venture were excluded from the above business segments.

^ Partnership with STICO.



POWER AND MACHINERY

- **Provision of Gas Turbine Packages**
- **Provision of Printed Circuit Heat Exchangers**
- **Provision of Process and Thermal Engineering Solutions**
- **Provision of Aftersales Support and Services for Gas Turbine Packages**
- **Supply, Installation, Repair and Maintenance of Valves and Flow Regulators**
- **Motors, Generators, Transformers and Electrical System Maintenance Services**
- **Consultancy and Commissioning Management Services**

GAS TURBINE PACKAGES TOTAL LIFE CYCLE SUPPORT

LOCAL INTEGRATED FACILITY

FACTORY PRE-COMMISSIONING (FPC)

Designed to verify scope and functionality of control system equipment prior to installation activities

TECHNICAL TRAINING

Customised technical training to meet customer's needs

NEW PACKAGE SALES

New Solar® gas turbine packages are designed and manufactured under various quality systems ensuring the highest reliability

INSTALLATION TURNKEY

Total turnkey solution to meet customers' need

COMMISSIONING

Package commissioning by highly specialised and multi-skilled Field Service Representative

TECHNICAL SUPPORT

Complete technical assistance for electrical, mechanical, controls and process issues associated with turbo machinery

EQUIPMENT HEALTH MANAGEMENT

Operational and maintenance suite of solutions

PARTS SUPPLY

Genuine and certified Solar parts assure lowest cost of ownership and reliable performance

COMPRESSOR RESTAGING

Gas compressor efficiency improvement and gas turbine output speed optimisation

FLEET ASSESSMENT SERVICES (FAS)

A comprehensive machinery assessment that provides a collaborative data driven analysis

CONTROL RETROFITS

Control system upgrade and enhancement to increase package reliability, operational feasibility and user-friendly interface

SYSTEM UPGRADE

Gas turbine, compressor, mechanical drive and generator sub-system upgrade

PACKAGE REFURBISHMENT

Gas turbine package refurbishment and enhancement to improve performance and efficiency

GENERATOR AND MOTOR OVERHAUL

Output performance improvement

GAS TURBINE OVERHAUL

Local gas turbine overhaul and test programme

GAS TURBINE PACKAGES TOTAL LIFE CYCLE SUPPORT

TOTAL INTEGRATED GAS TURBINE REHABILITATION SERVICES

NEW PACKAGE SUPPLY, INSTALLATION, COMMISSIONING AND
AFTERMARKET SUPPORT SERVICES

LOCAL INTEGRATED FACILITY

LOCATED AT SENAWANG

- Invested plant and equipment > RM 20 million
- Sitting on 3.5 acres site (30k sq. ft. built-up area)
- Equipped with advanced simulators and training skids
- Only Solar Factory Pre-Commissioning tests for package system upgrades outside USA
- Capabilities:
 - Gas Turbine Overhaul
 - Gas Compressor Overhaul
 - Factory Pre-Commissioning Test for Control Systems Upgrade
 - Classroom and Practical Training



PROVISION OF MAINTENANCE, SERVICE AND OVERHAUL

DELEUM ROTARY SERVICES

- Acquired in year 2010
- International Electrotechnical Commission Explosive (IECEX) certified
- Facilities/ Service centres at Kajang, Kemaman and Bintulu which are authorized by Original Equipment Manufacturers (OEMs)
- Supported by highly skilled, experienced and trained personnel to execute workshop activities and field works
- Provides an integrated package solution for Plant Turnaround and Outages on the provision of specialized Services such as Condition Based Monitoring (CBM), Repair and Overhaul for electrical equipment (onsite), machining, inspection and upgrades.
- Provides manpower services for Deleum Services Sdn Bhd's retrofit jobs



VALVES AND FLOW REGULATORS SERVICES

PENAGA DRESSER is the sole agent of Dresser's products on Control Valves, Regulators and Safety Relief Valve for the Malaysian market. It also provides Total Valve Management and supporting activities.

The services offered by **PENAGA DRESSER** include:

- Service support for Control Valves, Regulators and Safety Relief Valves, Actuators and related instruments
- Diagnostic services using Electronic Valve Testing (EVT) methodology
- Control valves modification, upgrading and refurbishment
- Training on control valves servicing, assembly and smart products
(i.e. Positioners and Digital Level Transmitters)





OILFIELD SERVICES

- **Slickline and Well Services (SWS)**
- **Production Optimisation and Flow Assurance (POFAS)**
- **Asset Integrated Solutions (A.I.S.)**
- **R&D Technology Center**
- **Contract and Corporate Resources**

OILFIELD SERVICES

Oilfield Services segment focuses on the provision of:

- Focuses on upstream activities which is, predominantly in the sub-surface sections on upstream
- Provision of slickline equipment and services activities
- Integrated wellhead maintenance services
- Asset integrated solutions (A.I.S.)
- Data processing and interpretation
- Geoscience studies
- Auxiliary cementing and casing accessories
- Production facilities
- Drilling related services
- Integrated chemical solutions

**Deleum has 45-50 units of Slickline with 45%-49% market share in Malaysia.*

**Overseas contribution for OS segment approximately 1.5% in Indonesia*



TRAINING WELL FACILITY

COMPETENCIES MANAGEMENT

DEVELOPMENT OF TRAINING WELL FACILITY

- **DELEUM OILFIELD SERVICES** had successfully commissioned the first Training Well Facility at Asian Supply Base in Labuan, Malaysia.
- Serves as a training platform providing simulated work environment.
- Made available also to external parties for training, testing and etc.
- Group's commitments:
 - To ensure workforce's competency and safety
 - To provide quality service to all customers



PRODUCTION OPTIMIZATION & FLOW ASSURANCE (POFAS)

- Organic deposit treatment
- Naphthenates treatment
- Scale treatment
- Removal of wellbore dirt
- Water shut-off and profile modification
- Pressure pumping and nitrogen lifting
- Sand consolidation, fine migration control
- Zonal isolation
- Well integrity

Production Enhancement Solutions

Flow Assurance

PRODUCTION
OPTIMIZATION
& FLOW
ASSURANCE

Well Stimulation

- Scale squeeze treatment
- Production and performance chemicals for water injectors and oil producers
- Integrated tank cleaning
- On-line/offline cleaning (separators, heat exchangers, boilers)
- Tracer study, cleaning of flowline & pipelines, hazard containment
- Specialty formulation for CEOR schemes
- H₂S monitoring, remediation and integrated management

- N₂ System & Services
- Pumping Services
- Coiled Tubing Unit & Services
- Chemical Injection System

- Low Pressure Production Unit (LoPPU)
- Multiphase Flowmeter
- Annulus Pressure Management

PRODUCTION OPTIMIZATION & FLOW ASSURANCE (POFAS)

Specialty Chemical & Well Stimulation is a research oriented unit which provides solution to challenging and demanding chemical solutions in oil and gas industry. It forms strategic alliances with reputable suppliers and technical partners to package superior solution to customers.

- Entered into **Joint Commercialisation Agreement** with PETRONAS Technology Ventures Sdn. Bhd. to jointly undertake commercialisation activities of SolidClenz™ on 3 November 2011.
- SolidClenz™ has been selected as a finalist in the category of Best Production Chemicals Award in World Oil Awards 2014.
- Highlights:
 - Successfully updated ISO9001:2015 Quality Management Systems certification and ISO14001:2015 Environmental Management Systems certification
 - More than 1.5 million barrels accelerated oil produced with value creation of more than USD 100 million
 - Top 7 finalist for The Institution of Chemical Engineers (IChemE) Awards 2014

SPECIALTY CHEMICALS (TRADEMARKS)

SolidClenz®	Thermo-chemical solution to remove wax deposits
DEL-CLEAN®	Specialty formulation to dissolve and disperse complex inorganic deposits
Antifoulant GP-HX®	Specialty formulation to remove foulant from thermo-siphon equipment
DEL-SOL®	Specialty formulation to dissolve and disperse naphthenate deposits
Flow Surf®	Specialty formulation to separate sludge, rag, muck and emulsion
LIQUID FILTER®	Specialty polymer formulation for water shut-off and profile modification
SCALESTIM®	Squeeze treatment for prevention of scale
SAND-LIFT®	Specialty formulation to remove sand from tubing
SCALE-FREE	Specialty formulation to remove pipeline scale
DEL-PERSE®	Specialty formulation for wax inhibitor / PPD / dissolver
DEL-MUL®	Specialty formulation to break tough emulsion
DEL-MUL® LT	Specialty formulation to break tough emulsion in low temperature environment
DEL-SOL® AD	Specialty formulation to dissolve and disperse asphaltene deposits
DeWIS™	Modular and chemical assisted water treatment and injection system for injector wells

- In 2013, the Research & Development (R&D) facility was set up in Petaling Jaya to further support the Chemical Services unit's R&D efforts. It is currently based at Bangsar Utama.

ASSET INTEGRATED SOLUTIONS (A.I.S.)

A.I.S. was established in 2013 which sets to be a provider of niche product in asset lifecycle which consolidates and integrates the products and services under Oilfield Services segment including Integrated Chemical Solutions.

- A.I.S. helps to bolster the strength of the segment in addressing specific requirement of the customers ranging from a selection of specific services to designing and managing complex projects.
- A.I.S. offers the provision of comprehensive, high quality and cost-effective services that help to customize solutions for all types of assets through smart and viable integration of diversified services.



ASSET INTEGRATED SOLUTIONS

- ❖ **Production optimization**
logging i.e. PLT, MAPS
Production Profiling.
- ❖ **Well integrity evaluation i.e.**
MIT, MTD, ALFA, CBL
- ❖ **Formation evaluation. i.e. C/O**
& Sigma
- ❖ **Log analysis & interpretation**
- ❖ **Downhole Camera**

- ❖ **Auxiliary Cementing**
Accessories Business (ACAB)
- ❖ **Drill bits (Rock/PDC) & hole**
enlargement
- ❖ **Well control services &**
contingency planning
- ❖ **Pressure activated sealant**
- ❖ **Well plug & abandonment**
- ❖ **Integrated drilling services**



- ❖ **Plug & packer**
- ❖ **Slickline perforations**
- ❖ **Tubing punch**
- ❖ **Tubing cut**
- ❖ **Tubing straddle**
- ❖ **Mechanical zone shut-off**
- ❖ **Dump bailer system**

- ❖ **Subsurface study**
- ❖ **Thru Tubing Electrical**
Submersible Pump (TTESP)
- ❖ **Geomechanic & pore**
pressure study
- ❖ **Idle well reactivation**
- ❖ **New technology approach**

DRILLING AND COMPLETION PARTNERS





INTEGRATED CORROSION SOLUTION

- **Provision of low dust, environmentally friendly blasting technology for surface preparation**
- **Coating removal by controlled induction heating**
- **Passive fire protection services**
- **Integrated maintenance, construction and modification services**
- **Slickbar products and combat services for oil spills**

INTEGRATED CORROSION SOLUTION (ICS)

DELEUM PRIMERA is currently providing services in the integrated corrosion, inspection and mitigation for the oil and gas industry. Other services include composite repair integrity for pipeline and structure for the oil and gas industry as well as general industries.

- Core services and solutions provided:
 - a) Surface preparation works
 - b) Corrosion protection and prevention application
 - c) Fire proofing and shielding
 - d) Cold and hot insulation
 - e) Structure, equipment and pipeline integrity maintenance

INTEGRATED CORROSION SOLUTION (ICS)

DELEUM PRIMERA is the sole distributor of Sponge-Jet products for surface preparation works in Malaysia, Indonesia, Singapore, Brunei, Turkmenistan and Iraq.



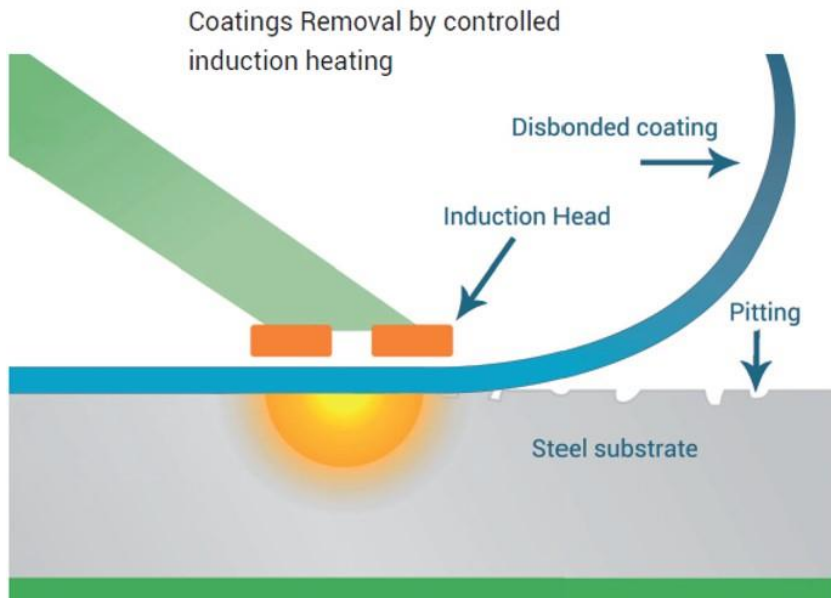
SPONGE-JET Technology

- Low blast-related dust, excellent profiling and cleaning capabilities
- Enhanced surface contaminant removal and retention
- Exponential waste reduction
- High productivity
- Improved work safety
- Dramatically reduced



INTEGRATED CORROSION SOLUTION (ICS)

DELEUM PRIMERA has also ventured into Rust and Paint Removal (RPR) Technology, a paint and coatings removal technology by controlled induction heating.



RPR Technology

- Ideal for removing paint and coatings
- Health and environmental friendly - removed entire coating without disintegrating and completely free from contaminating agents
- Makes disposal and recycling of waste easier and cheaper
- Minimum power consumption



INTEGRATED CORROSION SOLUTION (ICS)

DELEUM PRIMERA has also ventured with Pinovo – ATEX Certified Vacuum Blasting Technology. Pinovo is an international world class-supplier of environmental friendly innovative and patented technology for treatment, maintenance and inspection of industrial surfaces.

Pinovo has been certified by ATEX given the ability to work in any areas including explosive areas.



The company recently introduced a new coating green technology called NRXTM Coating System which utilises rust conversion primer, water borne and surface tolerant. NRXTM coating requires minimum surface preparation and provides excellent corrosion protection whilst reducing the cost of coating application.

NanoRustX_{LLC}



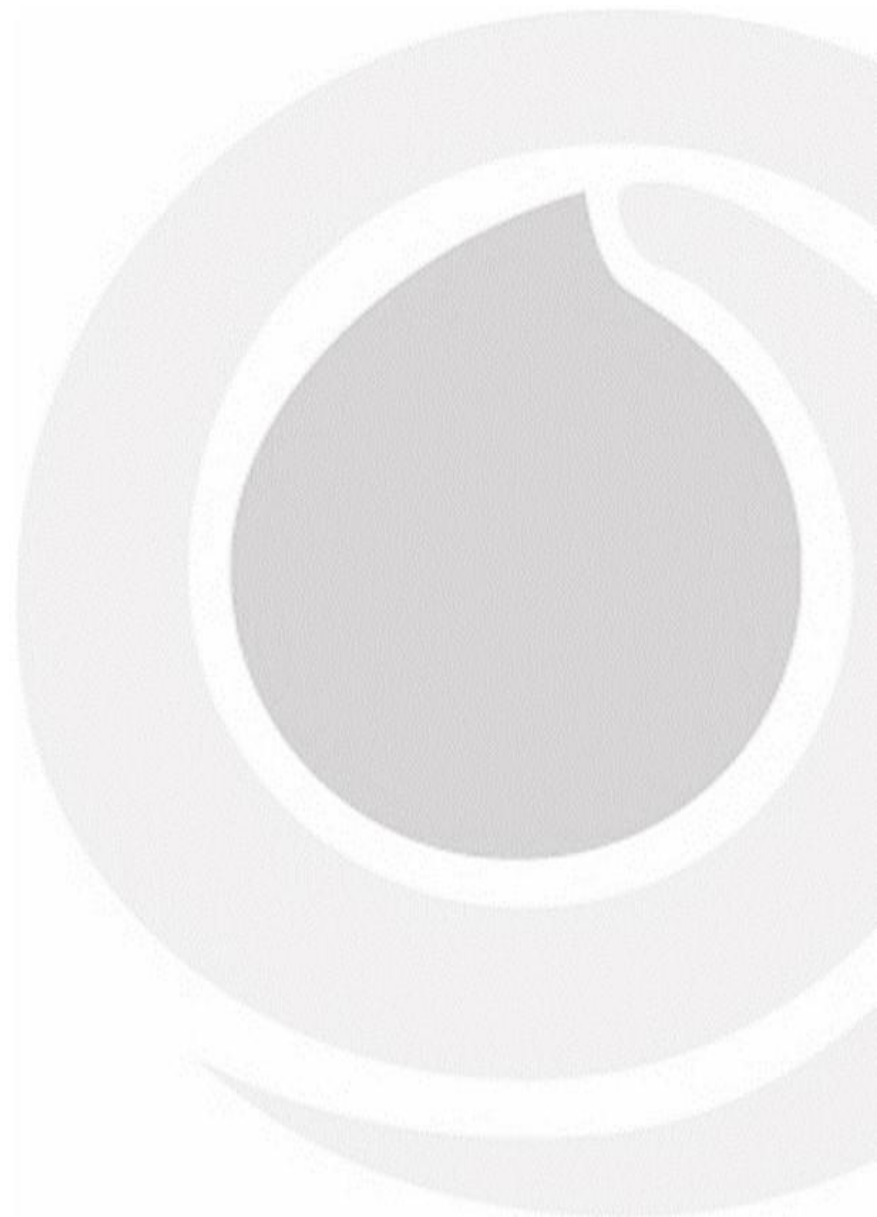
NANO TECH, ECO FRIENDLY, RUST EXTERMINATING COATINGS

Deleum Primera been appointed as a distributor by PT Slickbar who is one of the largest Oil Spill control companies in the world. SLICKBAR™ Indonesia locally manufactures Oil Booms, Oil Skimmers, Oil Absorbents, Oil Spill Monitoring Systems, Oil Dispersants, Dispersant Sprayer Systems, Oil Spill Response Vehicles, Response Vessels and many others.





CONTRACTS



LONG TERM SERVICE AGREEMENT (LTSA)

UPDATES: LONG TERM SERVICE AGREEMENT

- Turboservices Sdn. Bhd. had in FY2013 received a Letter of Award from Petroliaam Nasional Berhad to provide aftermarket turbomachinery maintenance services for Solar Turbines Incorporated's gas turbines in Malaysia.
- The tenure of the LTSA is for 7 years with an extension option of 3 years until 2023.
- The scope of work in regards to the LTSA consists of supply of serviced parts, overhaul and exchange engine services, field service support, training, machinery renewal and upgrade work as well as project management.
- Covering approximately 300 gas turbine packages in the range of 1-18MW with 85% market share.
- Turbine maintenance is required for every 4,000 hours. Major overhaul is needed between 25,000 to 30,000 hours.



- Overhaul indicative numbers for FYE2018 in terms of jobs done and delivered are 36 units, whereas for FYE2017 it was 29 units. As of Q2'2019, 13 units of jobs done and delivered.

OILFIELD SERVICES CONTRACTS

UPDATES FROM UMBRELLA CONTRACTS BY PETRONAS CARIGALI SDN BHD (PCSB)

Date of Award	Years	Umbrella Contract details
28 April 2017	3+1	Provision of Integrated Drilling Services for Package A and B for PCSB
1 November 2017	5	Provision of Rock/ PDC Bits/ Hole Enlargement Equipment and Services for Petroleum Arrangement Contractors (PACs)
15 November 2017	5	Provision of Geomechanics and Pore Pressure Prediction Study for PCSB
15 January 2018	2	Provision of Casing Accessories and Auxiliary Cementing Equipment for PCSB
30 October 2018	3+1	Provision of Drill Bits (Rock/ PDC) and Hole Enlargement Equipment and Services for Petroleum Arrangement Contractors (PACs)
30 October 2018	3+1	Provision of Drill Bits (Rock/ PDC) and Hole Enlargement Equipment and Services for North Malay Basin Drilling Campaign

OILFIELD SERVICES CONTRACTS

Date of Award	Years	Contract details
27 August 2018	3+2	Provision of Slickline Equipment and Services for SHELL (SSB/ SSPC)
20 December 2018	3+1	Provision of Slickline Equipment and Services for PCSB
27 December 2018	3+1	Provision Of Slickline Equipment And Services For ExxonMobil Exploration And Production Malaysia Inc. (EMEPMI)
7 January 2019	3+1	Provision of Gas Lift Valves and Insert Strings Equipment, Accessories and Services for PCSB

OILFIELD SERVICES CONTRACTS

PROVISION OF SLICKLINE EQUIPMENT AND SERVICES FOR PETRONAS CARIGALI SDN BHD (PCSB)

- On 20 December 2018, Deleum Oilfield Services Sdn. Bhd. secured a major contract for the Provision of Slickline Equipment and Services for PCSB.
- The duration of the contract is for three (3) years with an extension period of one (1) year from 20 December 2018 until 19 January 2022 at an agreed fixed schedule of rates.



OILFIELD SERVICES CONTRACTS

PROVISION OF SLICKLINE EQUIPMENT AND SERVICES FOR SARAWAK SHELL BERHAD (SSB)/ SABAH SHELL PETROLEUM COMPANY LIMITED (SSPCL)

- On 27 August 2018, Deleum Oilfield Services Sdn. Bhd. secured a major contract for the Provision of Slickline Equipment and Services for SSB/ SSPCL.
- The duration of the contract is for three (3) years with an extension period of two (2) years from 27 August 2018 until 26 August 2021 at an agreed fixed schedule of rates.

PROVISION OF SLICKLINE EQUIPMENT AND SERVICES FOR EXXONMOBIL EXPLORATION AND PRODUCTION MALAYSIA INC. (EMEPMI)

- On 27 December 2018, Deleum Berhad made an announcement via Bursa with regards to Deleum Oilfield Services Sdn. Bhd. securing a major contract for the Provision of Slickline Equipment and Services for EMEPMI.
- The duration of the contract is for three (3) years with an extension period of one (1) year at an agreed fixed schedule of rates.

ICS CONTRACTS

MAINTENANCE, CONSTRUCTION AND MODIFICATION (MCM) CONTRACT

- On 20 September 2017, Deleum Primera Sdn. Bhd. Secured a major contract for the Provision of Maintenance, Construction and Modification (MCM) services for PETRONAS Carigali Sdn Bhd (PCSB) – Package C (Offshore) – Peninsular Malaysia Gas.
- The duration of the contract is for five (5) years with an extension period of one (1) year from 20 September 2017 until 19 September 2022 at an agreed fixed schedule of rates.
- The MCM contract involves:
 - Top Side Maintenance (TSM)
 - Hook Up and Commissioning (HUC)
 - Facility Improvement Programme (FIP)
 - Provision to supply Marine Spread.
- Total CAPEX requirement is approximately RM10-15million for the MCM contract. Subsequent to the completion of surveying jobs, work orders are on-going starting Q2'2019. Labour facilities are based in Teluk Kalong and MCM yard.



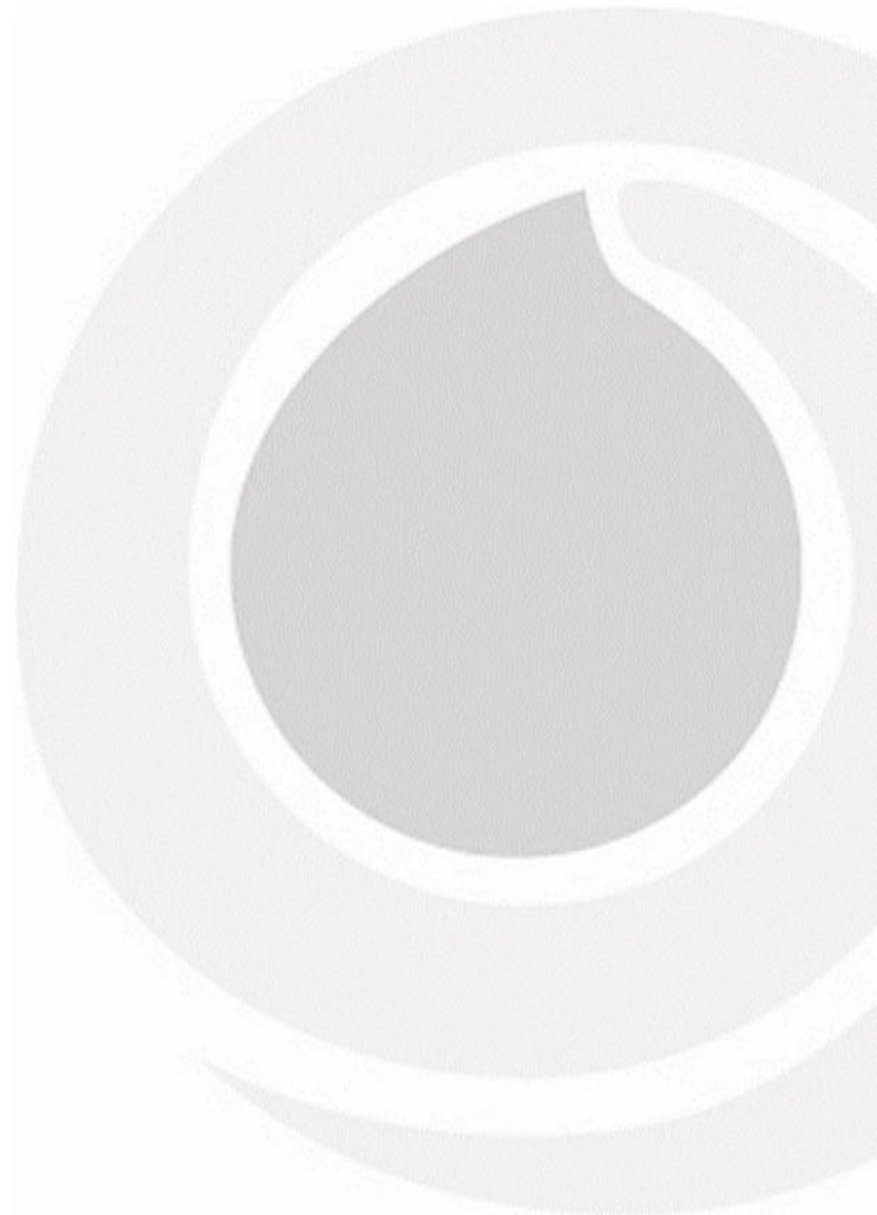
ICS CONTRACTS

UPDATES FROM CONTRACTS BY PETRONAS CARIGALI SDN BHD (PCSB)

Date of Award	Years	Contract details
4 July 2018	3+1	Provision of Riser Corrosion Prevention System and Maintenance (Package B: Sabah Asset and Package C: Peninsular Malaysia Asset)
5 Sept 2018	3+1	Provision of Alternative Blasting & Painting (Package B: Spongejet, Vapour & Other Methods for Sabah Asset and Package C: Peninsular Malaysia Asset)



ACCOLADES



EMEPMI SSHE FORUM & CHAIRMAN SAFETY AWARD (DOSSB)

On 13th February 2019, Deleum Oilfield Services Sdn. Bhd. (DOSSB) was awarded Grand Winner for 2018 Chairman's Safety Award during the annual ExxonMobil Exploration & Production Malaysia Inc. (EMEPMI) Safety, Security, Health and Environment (SSHE) Forum and Chairman's Safety Awards held at the Pullman Hotel in Kuala Lumpur.

The award is in recognition to DOSSB to have constantly demonstrated excellent conduct in the following areas, but not limited to:

- Leadership and Communication;
- Crew Competency Program;
- Worker Empowerment/ Engagement;
- SSHE Program Effectiveness.



RECOGNITION – FTSE4GOOD BURSA MALAYSIA INDEX



FTSE4Good

- Deleum Bhd is a member of the FTSE4Good Bursa Malaysia Index.
- This is a testament to Deleum for demonstrating good Environmental, Social and Governance (ESG practices) against globally recognised standard.
- Deleum demonstrates a leading approach within the Malaysian market to address relevant corporate responsibility risks.

CERTIFICATIONS OBTAINED



ISO 9001:2015 Quality Management System

Deleum Services Sdn. Bhd.
Deleum Oilfield Services Sdn. Bhd.
Deleum Chemicals Sdn. Bhd.
Deleum Rotary Services Sdn. Bhd.
Deleum Primera Sdn. Bhd.
(Valid till 12th March 2022)
Turboservices Sdn. Bhd.
(Valid till 25th July 2020)



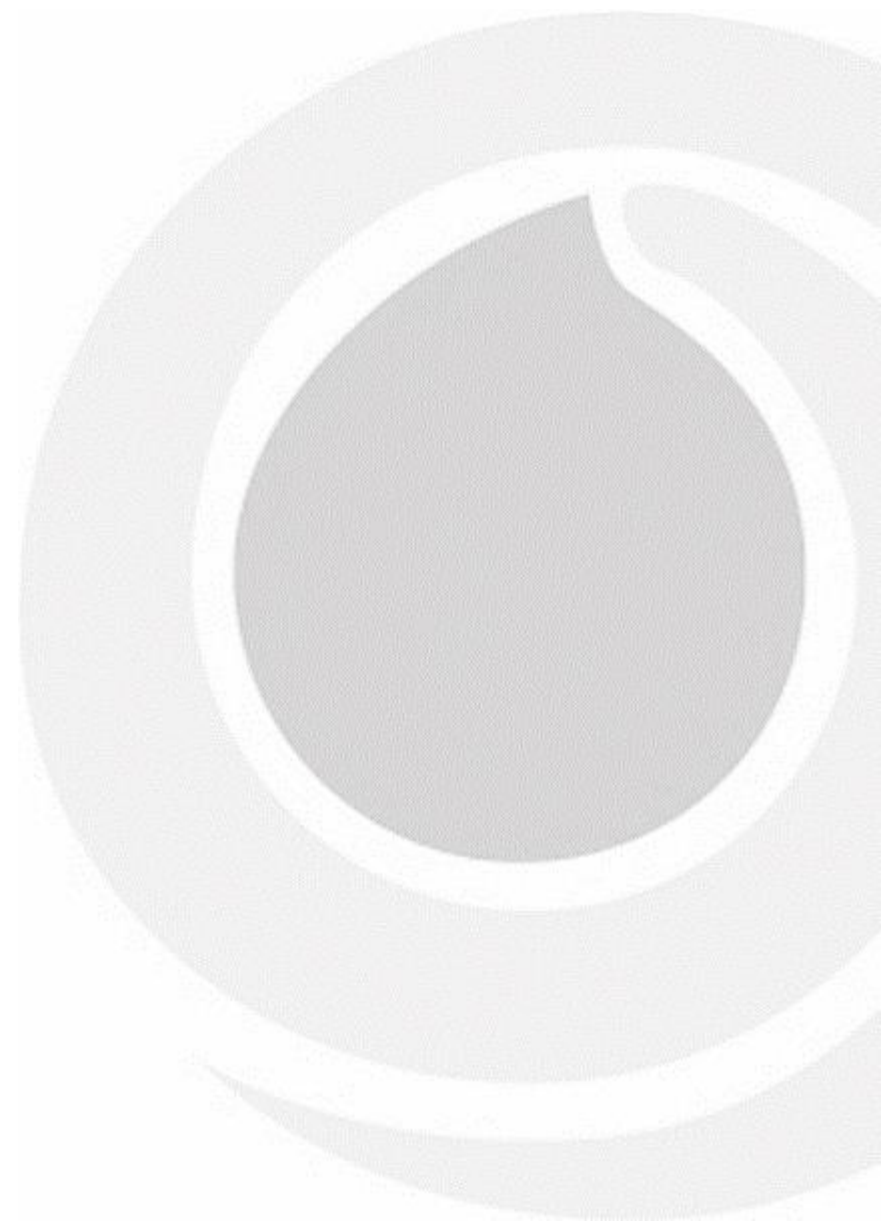
**ISO 14001:2015
Environmental Management System**

Deleum Chemicals Sdn. Bhd.
(Valid till 1st October 2021)



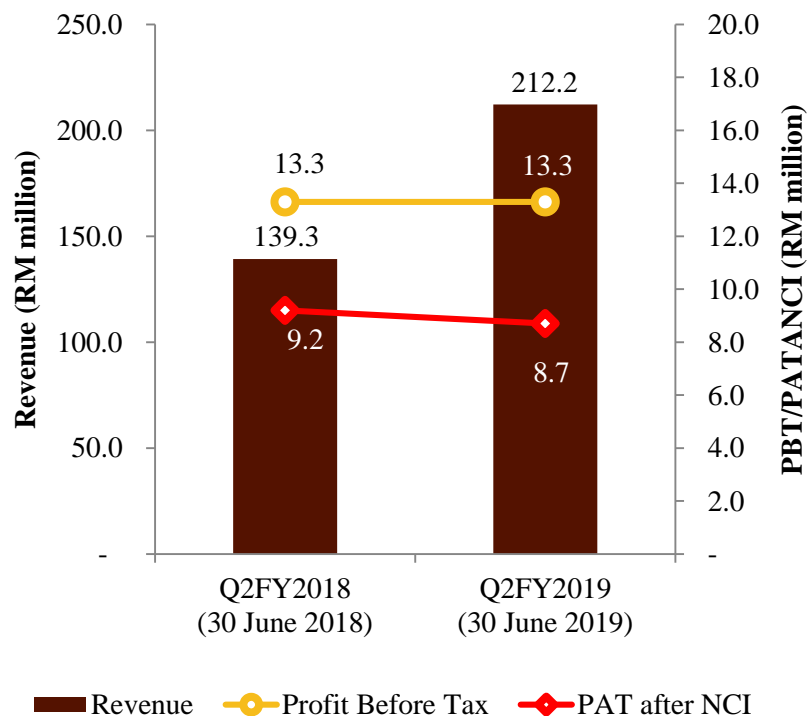
FINANCIAL RESULTS

Q2FY2019



QUARTERLY RESULTS – Q2FY2019

QUARTERLY - REVENUE/PBT/PAT/NCI



TOP LINE ANALYSIS

Q2FY2019 revenue increased by RM72.9 million or 52.3% as compared to Q2FY2018.

P&M:

⬆ RM16.5 mil
(⬆ 20.8%)

Due to higher work orders secured for exchange engines, valves and flow regulator services and retrofit projects driven by higher project hardware deliveries offset by weaker work orders on turbine parts and repair, decrease in commission earned, lower sales from third party and other ancillary services.

OS:

⬆ RM8.6 mil
(⬆ 27.4%)

Due to higher work orders from well intervention and enhancement services and increase in slickline services in East Malaysia offset by lower slickline activities in the West Malaysia region.

ICS:

⬆ RM47.8 mil
(⬆ 168.1%)

Due to robust activity levels with higher sales from the Maintenance, Construction and Modification ("MCM") contract as well as pickup in sales from its Sponge-Jet Blasting business following the renewal of Pan Malaysia Painting and Blasting Contract ("PMPBC") which expired in November 2017.

BOTTOM LINE ANALYSIS

PBT for Q2FY2019 is consistent with Q2FY2018 due to better performance from ICS and an associate company offset by lower results from OS and P&M coupled with adverse movement in FOREX differences.

P&M:

⬇ RM5.0 mil (⬇ 44.6%)

Due to unfavourable sales mix and adverse movement in FOREX differences.

OS:

⬇ RM8.8 mil (⬇ 142.8%)

Due to downward pressure on margins earned, lower slickline activities in West Malaysia and losses in slickline foreign operations.

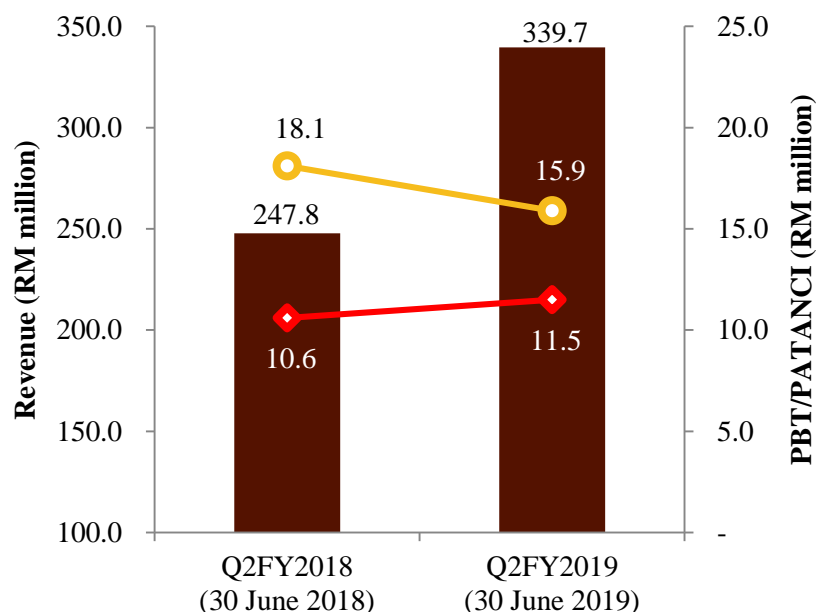
ICS:

⬆ RM11.7 mil (⬆ 396.1%)

Due to higher work order deliveries and better sales mix from the MCM and PMPBC contracts.

CUMULATIVE RESULTS – Q2FY2019

CUMULATIVE - REVENUE/PBT/PATNCI



■ Revenue ● Profit Before Tax ◆ PAT after NCI

TOP LINE ANALYSIS

Cumulative Q2FY2019 revenue strengthened by RM91.9 million or 37.1% as compared to the corresponding period.

P&M:

▲ RM21.4 mil
(▲ 14.8%)

Due to higher work orders secured for exchange engines, valves and flow regulator services and retrofit projects driven by increase in project hardware deliveries offset by weaker work orders on turbine parts and repair, decrease in commission earned, lower sales from third party and other ancillary services.

OS:

▲ RM13.0 mil
(▲ 22.2%)

Due to higher work orders from well intervention and enhancement services and increase in slickline services in East Malaysia offset by lower slickline activities in the West Malaysia region.

ICS:

▲ RM57.5 mil
(▲ 129.2%)

Due to higher activity levels and work order deliveries from its on-going projects.

BOTTOM LINE ANALYSIS

Cumulative PBT for Q2FY2019 was lower by RM2.1 million or 11.8% as compared to the corresponding period due to poorer results by P&M and OS segments affected by compression in margins and adverse movement in FOREX differences mitigated by strong results reported by the ICS segment and higher share of results from an associate company.

P&M:

▼ RM5.2 mil (▼ 31.8%)

Due to tighter operating margins and adverse results in the retranslation of FOREX differences.

OS:

▼ RM9.0 mil (▼ 86.4%)

Due to margin compression with higher operational costs incurred, losses from overseas operations and adverse results in Production Optimisation and Flow Assurance (POFAS) operations.

ICS:

▲ RM7.9 mil
(▲ 121.1%)

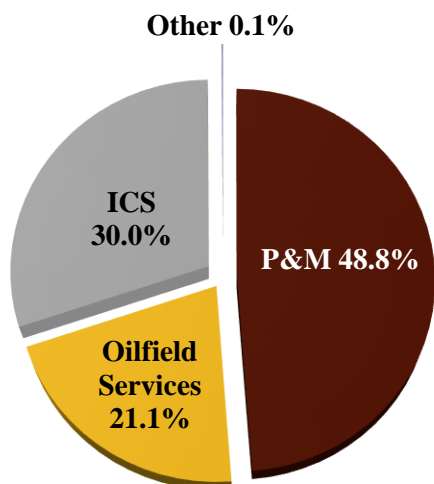
Due to higher revenue reported, higher margin earned on better sales mix.

SEGMENTAL REVENUE – Q2FY2019

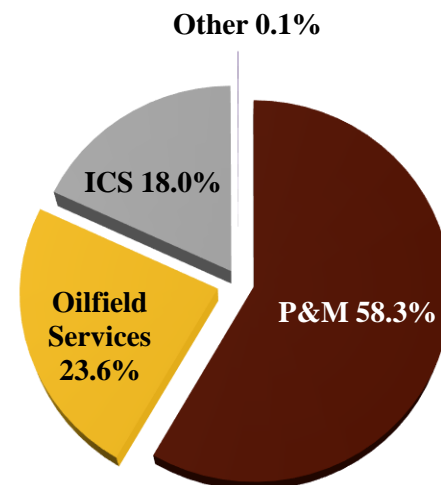
	Quarterly			Cumulative		
	Q2FY2019 RM'000	Q2FY2018 RM'000	Changes %	Q2FY2019 RM'000	Q2FY2018 RM'000	Changes %
Power and Machinery (P&M)	96,036	79,532	20.75%	165,911	144,547	14.78%
Oilfield Services (OS)	39,810	31,253	27.38%	71,577	58,576	22.20%
Integrated Corrosion Solution (ICS)	76,189	28,413	168.15%	101,938	44,483	129.16%
Other Non-reportable Segment*	124	96	29.17%	235	195	20.51%
Total Segment Revenue	212,159	139,294	52.31%	339,661	247,801	37.07%

* Other non-reportable segment comprises provision of management services to TOSB, a joint venture between Deleum Berhad and SOLAR.

**Segment Revenue Composition
Cumulative Q2FY2019**



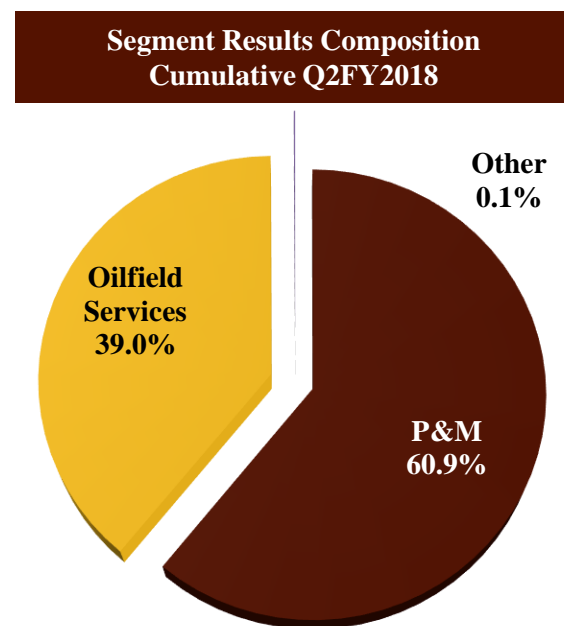
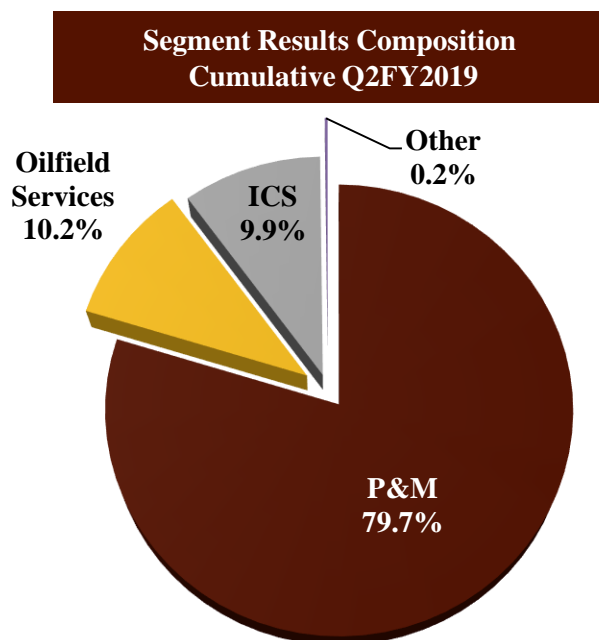
**Segment Revenue Composition
Cumulative Q2FY2018**



SEGMENTAL RESULTS – Q2FY2019

	Quarterly			Cumulative		
	Q2FY2019 RM'000	Q2FY2018 RM'000	Changes %	Q2FY2019 RM'000	Q2FY2018 RM'000	Changes %
Power and Machinery (P&M)	6,168	11,138	(44.62%)	11,079	16,255	(31.84%)
Oilfield Services (OS)	(2,626)	6,136	(142.80%)	1,415	10,407	(86.40%)
Integrated Corrosion Solution (ICS)	8,731	(2,949)	396.07%	1,381	(6,554)	121.07%
Other Non-reportable Segment*	11	9	22.22%	21	18	16.67%
Total Segment Results	12,284	14,334	(14.30%)	13,896	20,126	(30.95%)

* Other non-reportable segment comprises provision of management services to TOSB, a joint venture between Deleum Berhad and SOLAR.



*Excludes ICS segmental losses of RM6.6 million

SUSTAINABILITY OF OUR BUSINESS

BREAKDOWN OF REVENUE

Products and Services by Segment

	Cumulative Q2FY2019		Cumulative Q2FY2018 [^]	
	Percentage (%)		Percentage (%)	
	Products	Services	Products	Services
Power and Machinery (P&M)	40%	60%	38%	62%
Oilfield Services (OS)	4%	96%	5%	95%
Integrated Corrosion Solution (ICS)	0%	100%	0%	100%
Other Non-reportable Segment*	0%	100%	0%	100%
Group Revenue	20%	80%	23%	77%

Recurring and Once-off by Segment

	Cumulative Q2FY2019		Cumulative Q2FY2018 [^]	
	Percentage (%)		Percentage (%)	
	Recurring	Once-off	Recurring	Once-off
Power and Machinery (P&M)	76%	24%	78%	22%
Oilfield Services (OS)	91%	9%	95%	5%
Integrated Corrosion Solution (ICS)	100%	0%	100%	0%
Other Non-reportable Segment*	100%	0%	100%	0%
Group Revenue	86%	14%	86%	14%

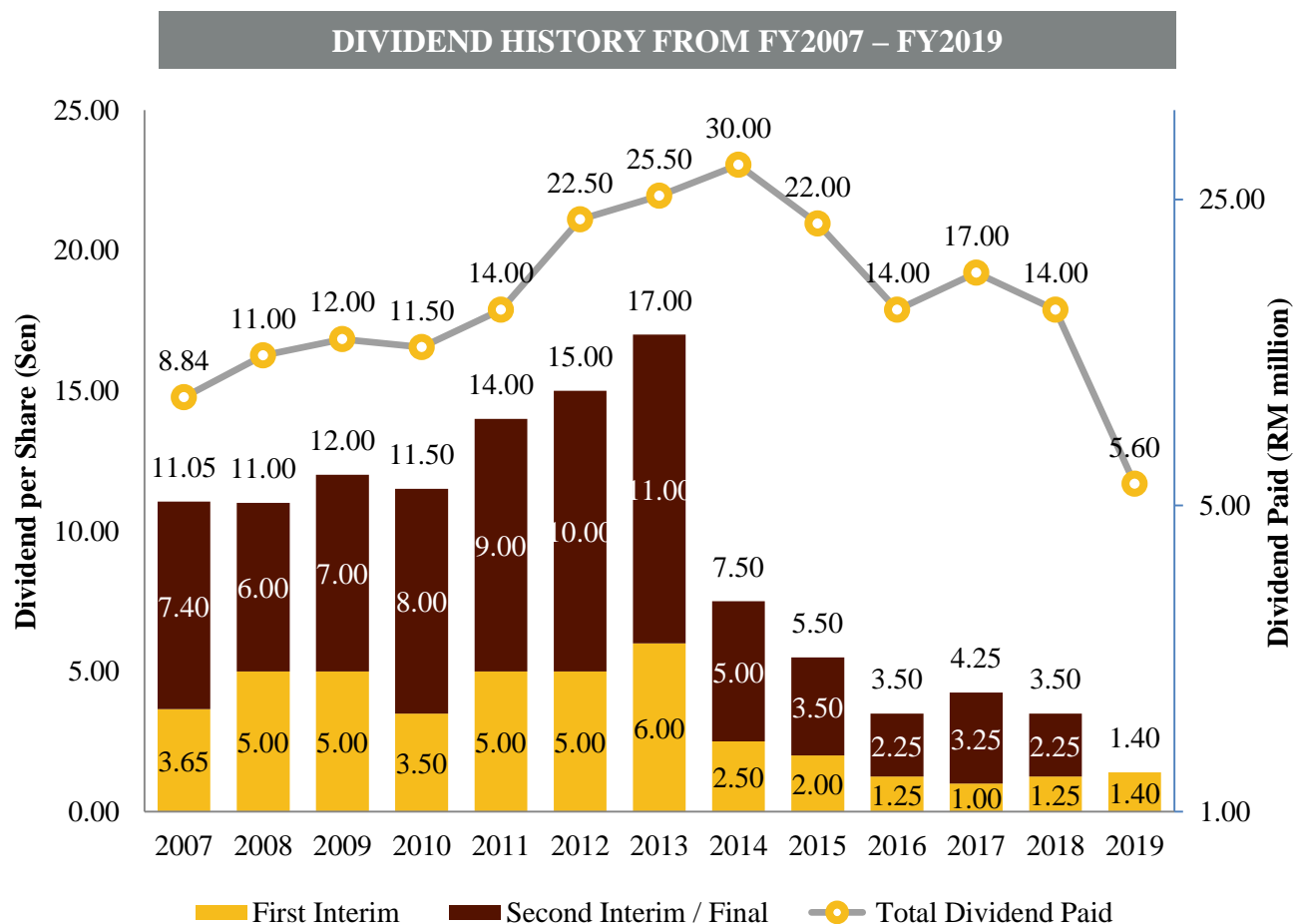
[^] Comparative is restated to conform with current period presentation

* Other non-reportable segment comprises provision of management services to TOSB, a joint venture between Deleum Berhad and SOLAR.

DIVIDEND

DIVIDEND POLICY

Deleum's dividend policy is of distributing gross dividend of 50% of the Group's annual profit attributable to the equity holders of the Company, subject to the availability of adequate distributable reserves, operating cash flow requirements, financial commitments, expansion plans and other relevant factors.



FY2019

**FIRST INTERIM
DIVIDEND**
per share
1.40 sen

Total amount
RM5,621,749
To be paid on
20 September 2019

SHAREHOLDERS' VALUE

TOTAL SHARES ACCUMULATED FOR ONE (1) UNIT OF SHARE INVESTED SINCE IPO

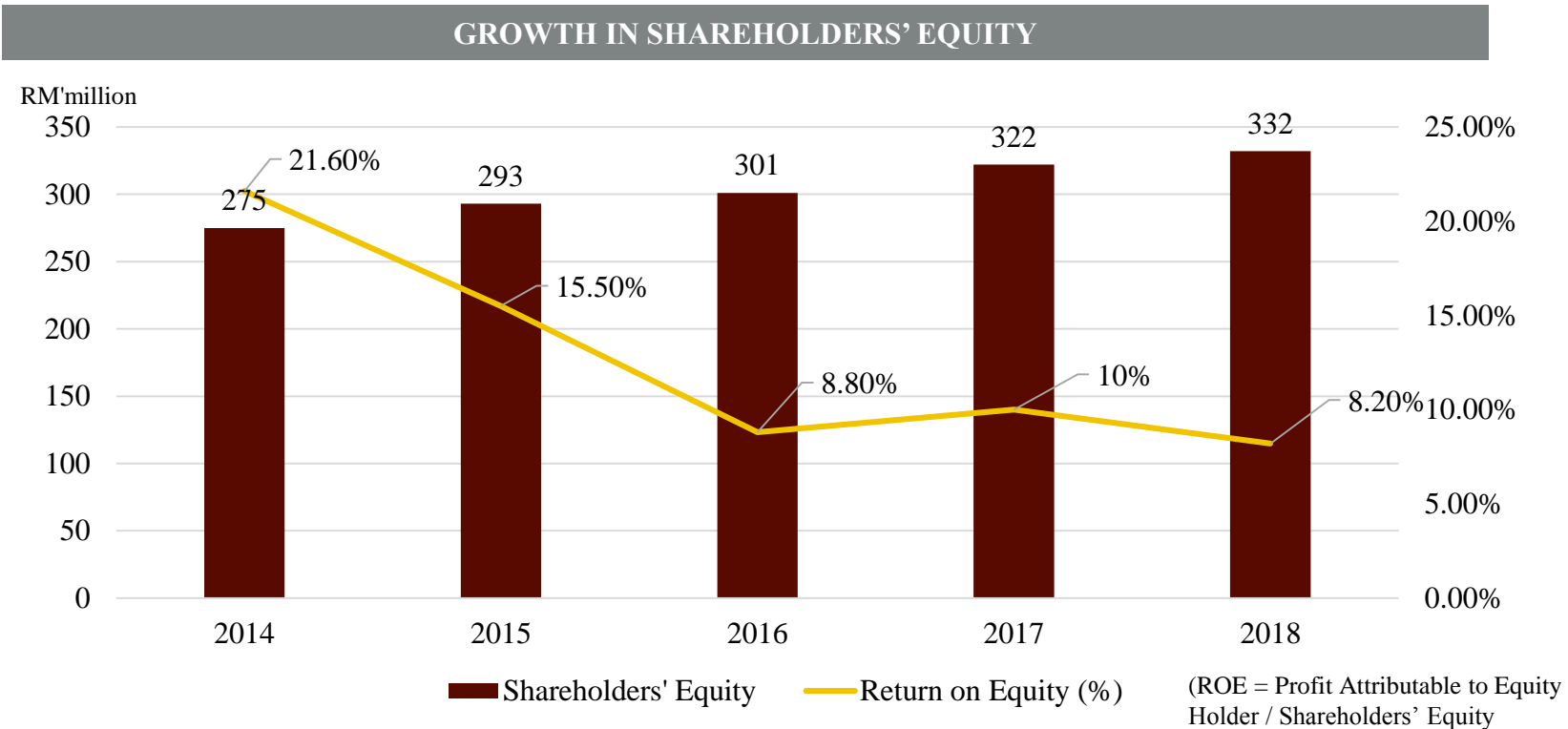
Year	Description	No. of Share(s) Issued	Cumulative No. of Share(s) Per Shareholder	Value (RM)
2007	Initial Public Offering (IPO) at RM2.55 per share	-	1.00	RM2.55
2008	Bonus Issue: 1 for 4	0.25	1.25	
2012	Bonus Issue: 1 for 2	0.63	1.88	
2014	Bonus Issue: 1 for 3	0.63	2.50	
2014	Share Split: 1 into 2	-	5.00	
Total Shares Accumulated for 1 Unit of Share Invested since IPO			5.00	

Return Per Share Since Listing	Formula	
Total market value for one (1) unit of share invested since IPO (5 shares X RM0.830*)	A	RM4.15
Accumulated dividend received	B	RM2.71
Total Return	C=A+B	RM6.86
Cost of Investment on IPO	D	RM2.55
Net Return	E=C-D	RM4.31
% of Return for One (1) Unit of Share Invested since IPO	E/D X 100%	169%

Note:

* Closing price as at 3 September 2019 is RM0.830 per ordinary share.

SHAREHOLDERS' EQUITY & KEY FINANCIAL RATIOS

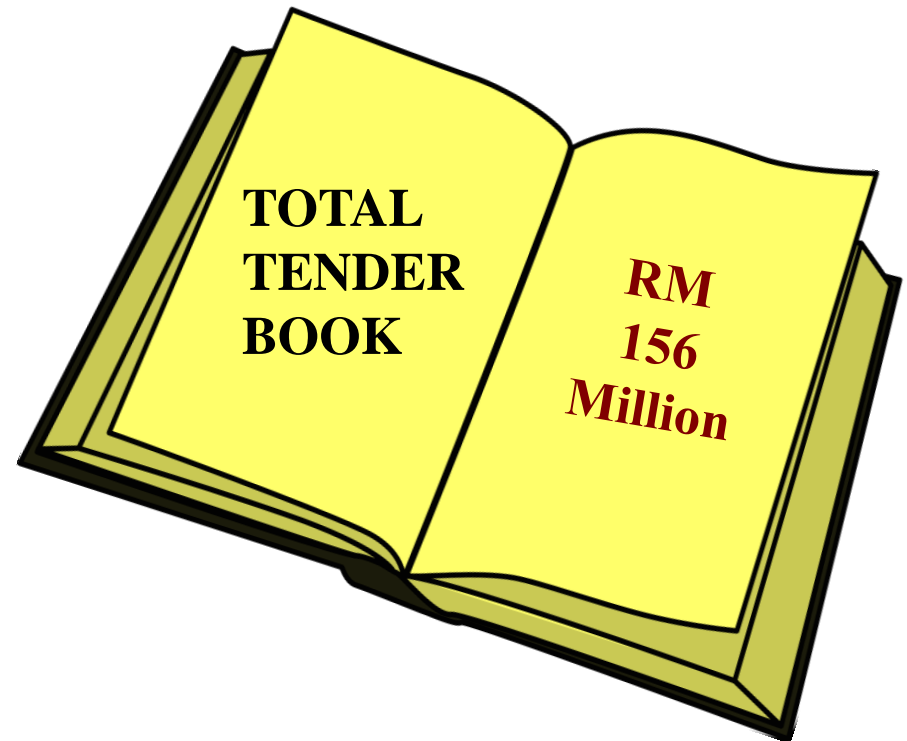
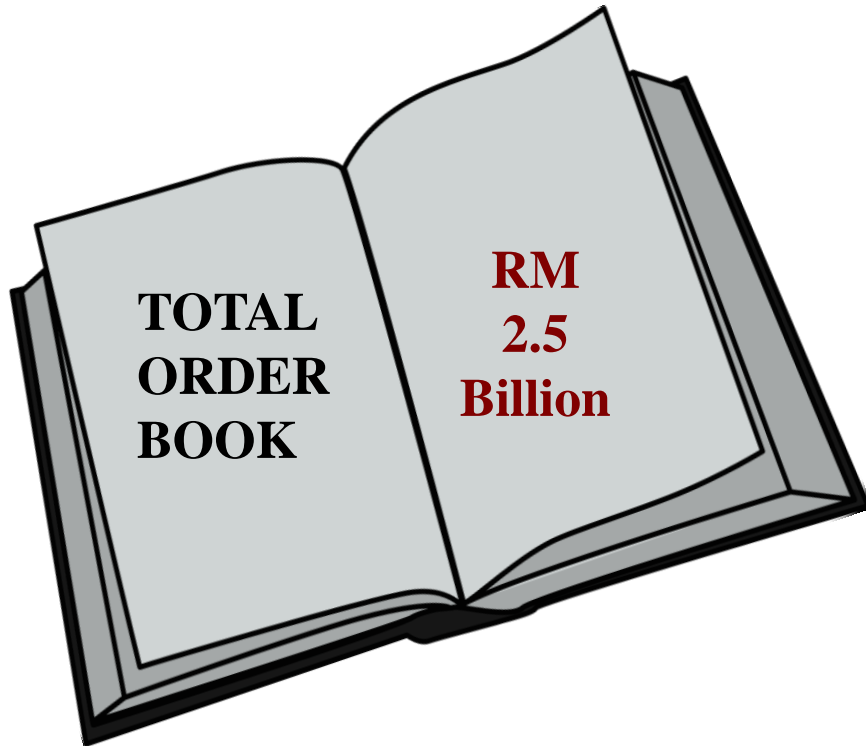


OTHER FINANCIAL RATIOS

Financial Year	2014	2015	2016	2017	2018
Return on Total Assets (%)	8.9	6.7	4.0	5.3	4.1
Gearing Ratio (%)	56.5	46.9	36.4	23.6	19.1
Net Asset Per Share (RM)*	0.69	0.73	0.75	0.80	0.83

* Based on the number of the issued and paid-up shares for the respective financial year.

ORDER BOOK/ TENDER BOOK AS AT 30 JUNE 2019



SUMMARY OF CONTRACTS AS OF JUNE 2019

Contracts	Expiry Year
Supply & Services for Casing Centralizer Equipment (OS)	2019
Provision of Integrated Drilling Services (OS)	2020
Provision of Casing Accessories and Auxiliary Cementing Equipment (OS)	2020
Provision of Risk Transfer Incentive Contract (RTIC) for Idle Well Reactivation (OS)	2020
Provision of Riser Corrosion Prevention System & Maintenance (ICS)	2021
Provision of Slickline Equipment and Services (OS)	2021
Provision of Alternative Painting and Blasting (ICS)	2021
Provision of Consultancy, Lab, Technical Services, Associated Equipment (OS)	2021
Provision of Gas Lift Valve (GLV) and Insert String Equipment (OS)	2021
Provision of Well Control Services (OS)	2022
Provision of Rock/ PDC Bits/ Hole Enlargement Equipment (OS)	2022
Provision of Geomechanics and Pore Pressure Prediction Study (OS)	2022
MCM Contract (ICS)	2022
Long Term Service Agreement for Gas Turbine (P&M)	2023

CORPORATE DIRECTORY

HEAD OFFICE

Deleum Berhad and its Subsidiaries:

Deleum Services Sdn. Bhd.

Deleum Oilfield Services Sdn. Bhd.

Deleum Chemicals Sdn. Bhd.

Turboservices Sdn. Bhd.

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Turboservices Sdn. Bhd.

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Deleum Primera Sdn. Bhd.

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Fax : +603-2161 8312
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Penaga Dresser Sdn. Bhd.

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OPERATIONS AND SUPPLY BASES

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Labuan

Asian Supply Base
Rancha Rancha Industrial Estate
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Penaga Dresser Sdn. Bhd.

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Penaga Dresser Sdn. Bhd.

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Deleum Rotary Services Sdn. Bhd.

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Integrated Service Centre)
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Negeri Sembilan Darul Khusus, Malaysia
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Cambodia Utilities Pte. Ltd.

Power Plant #2, Road #2
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