



DELEUM



Q2FY2020 Group Analyst Briefing



Upholding Balance
for Sustainability

ABOUT DELEUM

CORE BUSINESS SEGMENTS

CONTRACTS

ACCOLADES

FINANCIAL RESULTS

INDUSTRY UPDATE

MOVING FORWARD/ OUTLOOK

CORPORATE DIRECTORY

CONTENTS

OUR PEOPLE OUR SUCCESS



CORPORATE STATEMENT

OUR CORE VALUES

INTEGRITY

Respect, Honesty & Ethics

PROFESSIONALISM

Accountability, Competency & Teamwork

SUSTAINABILITY

*Healthy/Balanced Lifestyle,
Social Responsibility, Environmental
Sustainability*

EXCELLENCE

Quality, Deliverance & Reward

MISSION

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

VISION

**To be the Market
Leader in our
Operating Segments
Domestically and to
Expand Geographical
Presence in Selected
Areas**

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

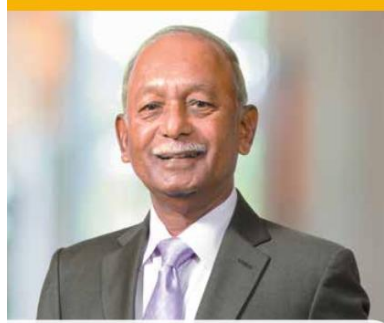
- Recorded 2.11m Free Lost Time Injury (LTI) Man-hours as of 31 July 2020 with Total LTI Free Days of 253 days.
- Staff strength: 2,194 employees as of 31 December 2019.
- First Training Well Facility commissioned at Asian Supply Base in Labuan, Malaysia



BOARD OF DIRECTORS



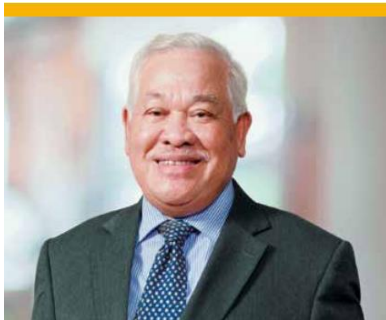
DATO' IZHAM BIN MAHMUD
Non-Independent Non-Executive Chairman



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)	FY2018	FY2019
Revenue	623,685	868,299
Gross Profit	124,451	143,616
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	73,889	89,970
Profit before Tax (PBT)	42,548	55,073
Profit after Tax and Non-Controlling Interest (PAT after NCI)	27,169	33,147

MARKET DATA

Current Share Price (as at 11/9/20)	RM0.555
Number of Ordinary Shares	401,554,000
Market Capitalisation (as at 11/9/20)	RM222.9 million
Shareholders' Equity as at 31 December 2019	RM350.0 million

HISTORICAL PRICE / VOLUME CHART (AS AT 11/9/20)



MILESTONES ACCOMPLISHED

Establishment of the Provision of Gas Turbine Services

- *Establishment of Turboservices Sdn. Bhd. – JV with Solar Turbines Inc. for after market sales for gas turbines in 1987*

Establishment of JV, Malaysian Mud and Chemicals Sdn. Bhd. for Bulking Services at ASB, Labuan in 1987

1980-90's

Establishment of the Provision of Slickline Services

- *Established Camco (Malaysia) Sdn. Bhd. (CMSB) in partnership with Camco Inc. in 1987*
- *First wireline contract secured in 1989*

Establishment of Cambodia Utilities Pte. Ltd. for Independent Power Production in Cambodia in 1995

Establishment of Industrial Power Generation services with first project secured in 1997

Acquisition of the remaining 49% equity interest in CMSB from Schlumberger - now known as Deleum Oilfield Services Sdn. Bhd. in 2001

Establishment of the Supply of Oilfield Chemicals Services in 2003

2000's

Deleum Berhad was listed on Main Market of Bursa Malaysia in 2007

Establishment of Turbine Overhaul Facility in 2008 - Dedicated Solar Turbines Integrated Services Centre in Senawang

Acquisition of 51% equity interest of Penaga Dresser Sdn. Bhd. via 80% subsidiary Delcom Holdings Sdn. Bhd. in 2008

Establishment of Maintenance, Overhaul and Repair (MRO) Segment via

- *Acquisition of 100% equity interest of Deleum Rotary Services Sdn. Bhd. in 2010*
- *Acquisition of 60% equity interest of Deleum Primera Sdn. Bhd. in 2012*

2010's

Attainment of OPITO Certification on Competence Management System (OPITO-CMS) by Deleum Oilfield Services Sdn. Bhd.

30th Anniversary and Corporate Rebranding

Establishment of JV between Deleum Berhad and Solar Turbines International Company (STICO) via STICO participation in Turboservices Overhaul Sdn. Bhd. in 2015

Restructuring of Integrated Corrosion Solution (ICS) (formerly known as Maintenance, Overhaul and Repair (MRO)) Segment in 2015

Acquisition of the remaining 20% equity interest in Delcom Holdings Sdn. Bhd. in 2015

CORE BUSINESS SEGMENTS

P&M



Gas turbine packages by Solar Turbines 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

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

POWER AND MACHINERY



OILFIELD SERVICES



INTEGRATED CORROSION SOLUTION



OS



Slickline & Well Services (SWS)



Asset Integrated Solutions (AIS)



Specialty Chemical and Well Solutions (SCWS)

BUSINESS SEGMENTS (SUBSIDIARIES)



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 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.

60%

Deleum Primera S/B

Provision of integrated corrosion and inspection services, blasting technology and services for tanks, vessels, structures and piping.

100%

Deleum Rotary Services S/B

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

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.

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.

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

TOTAL INTEGRATED GAS TURBINE REHABILITATION SERVICES

NEW PACKAGE SUPPLY, INSTALLATION, COMMISSIONING AND
AFTERMARKET SUPPORT SERVICES

**GAS
TURBINE
PACKAGES**
**TOTAL LIFE
CYCLE SUPPORT**

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 Equipment and Services
- Integrated Wellhead Maintenance
- Gas Lift Valve Supply and Maintenance
- Training Well Facilities
- Cased Hole Logging & Interpretation
- Well Intervention Engineering
- Subsurface Engineering
- Drilling & Completion Services
- Production Enhancement Solutions
- Flow Assurance
- Well Stimulation

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 46 units of Slickline with 44.7% market share in Malaysia for FY2019.*

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



SLICKLINE & WELL SERVICES (SWS)

- Tubing Clearance Check (TCC)
- Tag HUD, Fluid Level & Total Depth (TD)
- Routine Valve Change (RVC) & Exercise SCSSV
- Gas Lift Valve Change Out (GLVCO)
- Zone Change (Open/ Close SSD)
- Tubing Integrity Test (TIT)
- Sand & Debris Bailing
- Downhole Sampling
- Scale/ Wax Removal (Mechanical)
- Heavy Duty Fishing

SLICKLINE EQUIPMENT & SERVICES

WELLHEAD MAINTENANCE & GAS LIFT VALVE

- Total Wellhead Maintenance Management
- Corrective Maintenance
- Preventive Maintenance
- Data and Well History Management
- Extended maintenance services
- Critical Spare Parts Management
- Gas Lift Valve and Insert String supplied
- Gas Lift Valve Calibration & Pressure Test

TRAINING WELL FACILITY & OTHERS

- Training Well Facility
- Complete Slickline Package with Manpower
- Slickline Hydraulic Wireline Mast
- Diesel Driven Generator (Zone 2)
- Air Compressor (Zone 2)
- Wireline Mast (40, 70, 90 FT)
- Downhole memory gauges
- Sub-surface safety valve maintenance

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



SAUDI ARAMCO WELL TRIALS

- **DELEUM OILFIELD SERVICES** has partnered with Midad Holding, the energy arm of Al-Fozan Group based in Alkhobar, Saudi Arabia.
- Through the collaboration, three (3) well trial program were successfully completed between February – May 2019 for Saudi Aramco, which received good commendation.
- Moving forward, Deleum will be able to participate in the tenders issued by Saudi Aramco, thus expanding its operations geographically in the Middle East region



DRILLING AND COMPLETION PARTNERS



ASSET INTEGRATED SOLUTIONS (AIS)

- ❖ 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

CASED HOLE
LOGGING &
INTERPRETATION

WELL
INTERVENTION
ENGINEERING

ASSET
INTEGRATED
SOLUTIONS
(AIS)

DRILLING &
COMPLETIONS

SUB-SURFACE
ENGINEERING

- ❖ 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

R&D AND TECHNOLOGY CENTRE

R&D and Technology Center is a research-oriented chemical services unit within the oilfield services segment which focuses on developing chemical solutions for production enhancement, flow assurance and well integrity.

Solutions developed for specific issues and customised to specific needs:

SC-DWAX	• Specialty formulation & Technique for dewaxing
SC-DSCALE	• Specialty formulation to dissolve and disperse complex inorganic scales
SC-DSOLVE	• Specialty formulation to dissolve and disperse Napthenate deposits.
SC-DASPHALT	• Specialty formulation to dissolve and disperse asphaltene deposits
FLOW SURF®	• Specialty formulation to separate sludge rag, muck and emulsion
ANTIFOULANT GP-HX®	• for inorganic deposits in heat exchangers



SPECIALTY CHEMICAL & WELL STIMULATION (SCWS)

- 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

- 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

Well Stimulation

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

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



INTEGRATED CORROSION SOLUTION

- Dustless and Recycle-able Blasting Technology
- ATEX-Certified Close Loop Blasting Technology
- Coating Removal by Induction Heating Technology
- Alternative Rust Conversion Paint Technology
- Oil Spill Response Technology and Services
- Passive Fire Protection Services
- Integrated Construction and Maintenance Services
- Hot and Cold Insulation Work Services
- Conventional Blasting and Painting Services
- Vessel and Tank Cleaning Services
- Composite Repair Services
- Thermal Spray Coating
- Field Joint Coating and Riser Maintenance

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.

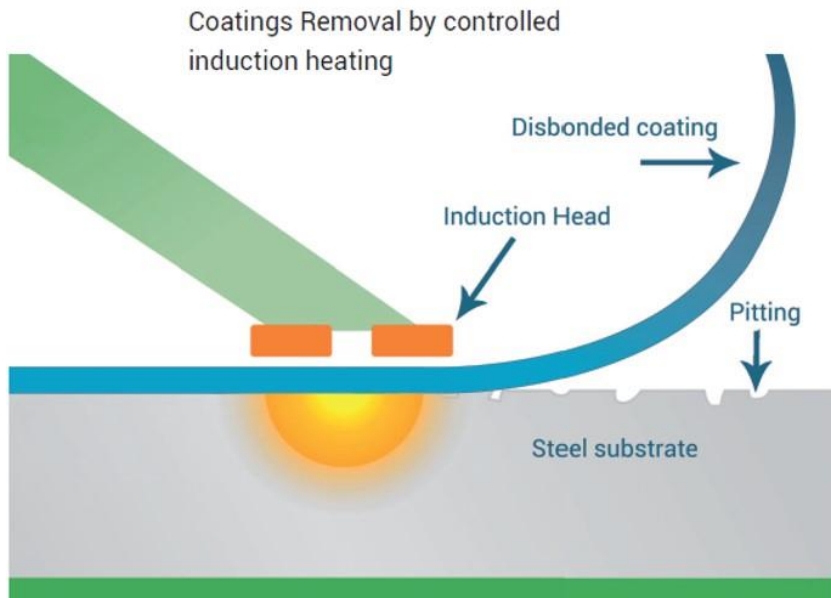


SPONGE-JET Technology

- 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}



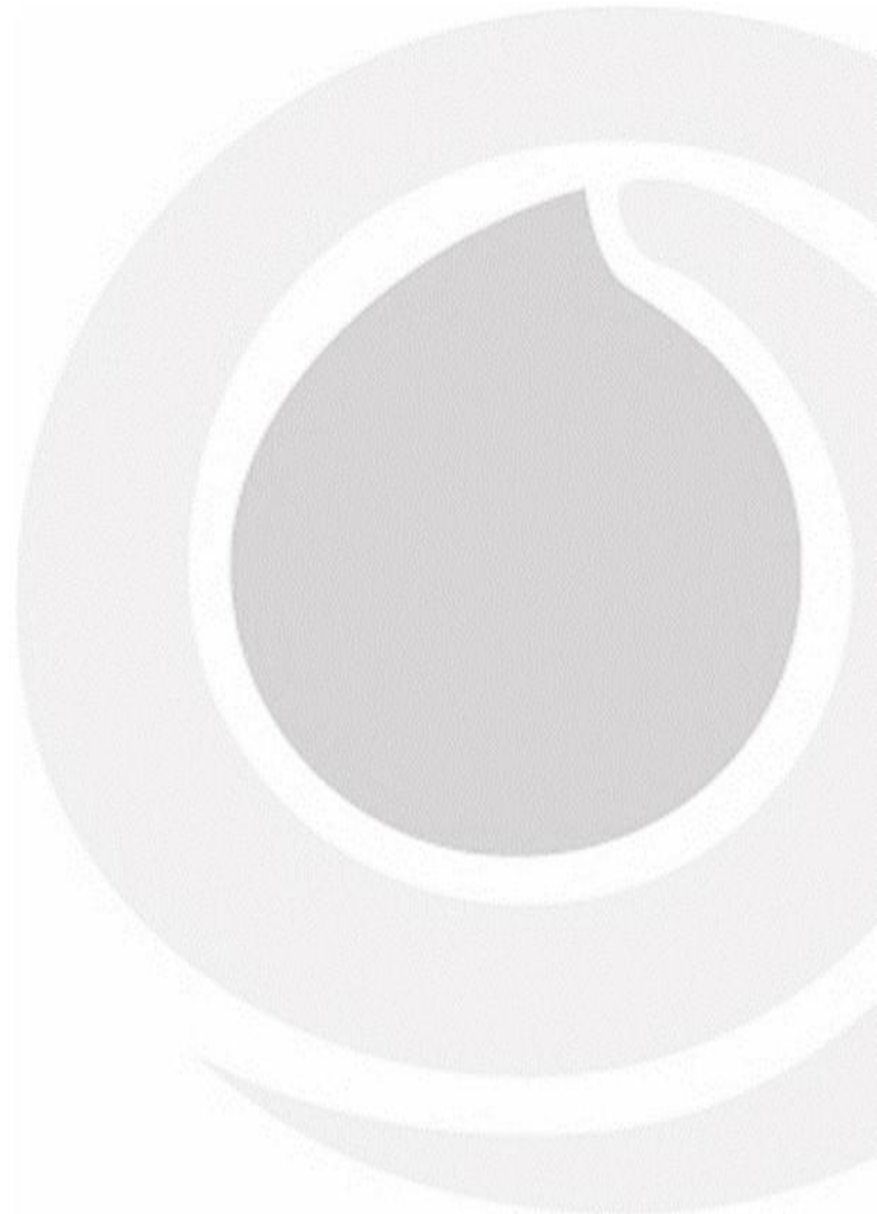
NANO TECH, ECO FRIENDLY, RUST EXTERMINATING COATINGS

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.





MAJOR CONTRACTS



LONG TERM SERVICE AGREEMENT (LTSA)

UPDATES:

LONG TERM SERVICE AGREEMENT

- Turboservices Sdn. Bhd. had in FY2013 received a Letter of Award from Petroliam 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 since 2013 which ended in September 2020 whereby an extension of one more year till September 2021 has been secured.
- 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:

FY2017	-	29 units
FY2018	-	36 units
FY2019	-	42 units
Q2'FY2020	-	18 units

OILFIELD SERVICES CONTRACTS

UPDATES FROM CONTRACTS BY PETRONAS CARIGALI SDN BHD (PCSB)

Date of Award	Duration	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
20 December 2018	3+1	Provision of Slickline Equipment and Services for PCSB
29 May 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)
 - Facility Improvement Programme (FIP)
 - Provision to supply Marine Spread.
- Total CAPEX requirement is approximately RM10-15million for the MCM contract.
Labour facilities are based in Teluk Kalong and MCM yard.



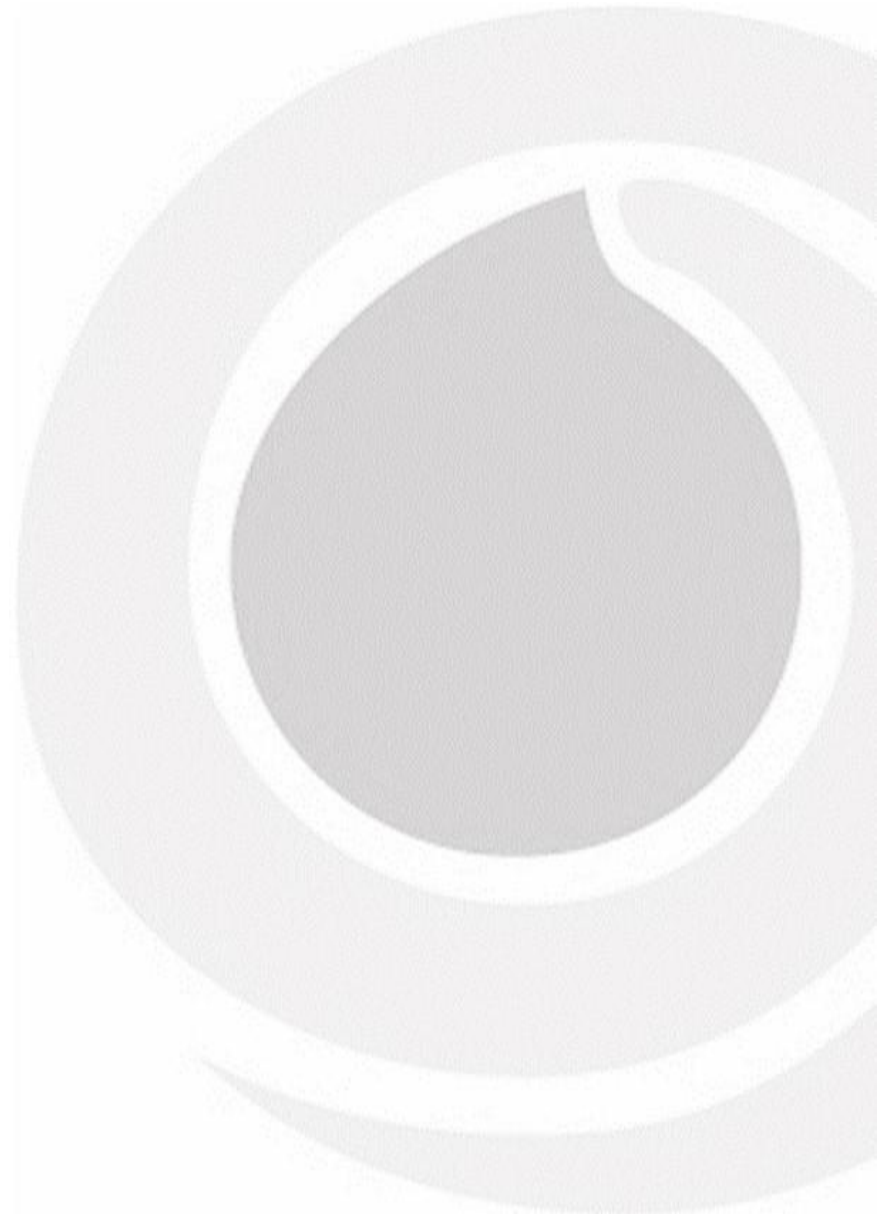
ICS CONTRACTS

CONTRACTS BY PETRONAS CARIGALI SDN BHD (PCSB)

Date of Award	Duration	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: Sponge-Jet, Vapour & Other Methods for Sabah Asset and Package C: Peninsular Malaysia Asset)



ACCOLADES



RECOGNITION – FTSE4GOOD BURSA MALAYSIA INDEX (FY2020)



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.
Turboservices Sdn. Bhd.

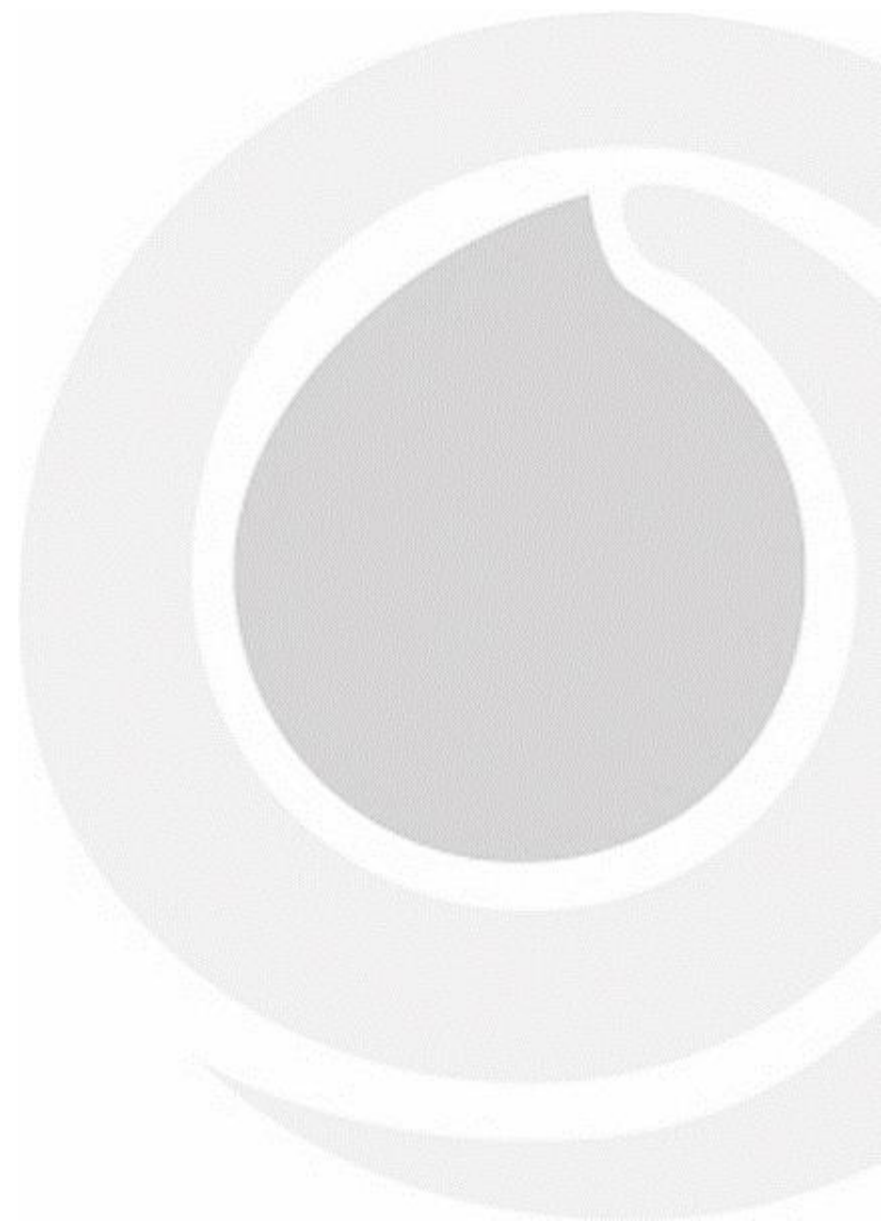


ISO 14001:2015 Environmental Management System Deleum Chemicals Sdn. Bhd.



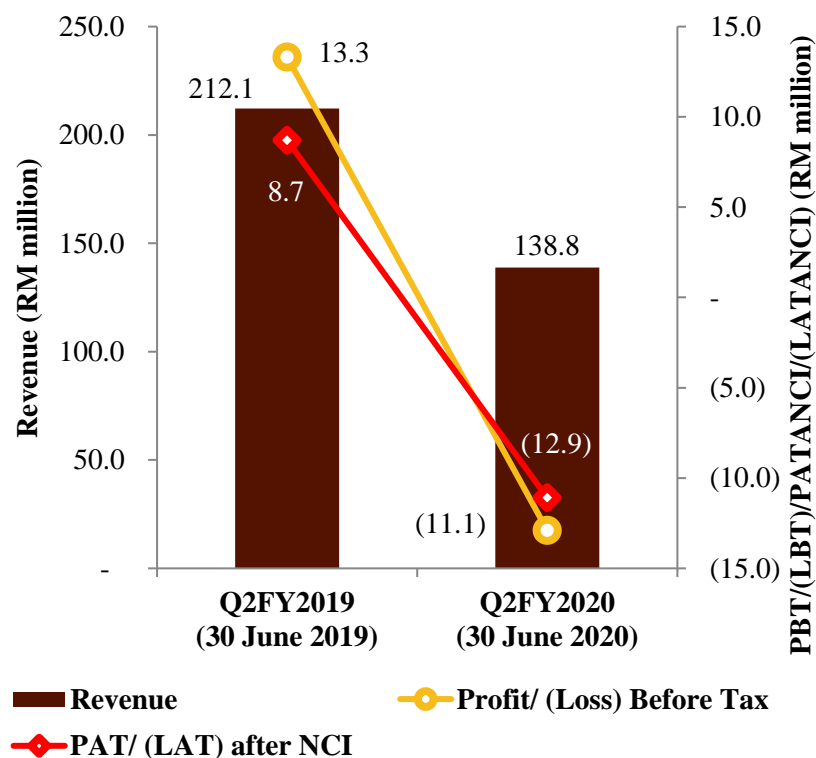
FINANCIAL RESULTS

Q2FY2020



QUARTERLY RESULTS – Q2FY2020

QUARTERLY RESULTS



TOP LINE ANALYSIS

Q2FY2020 revenue decreased by RM73.4 million or 34.6% as compared to Q2FY2019.

P&M:

↓ RM9.0 mil
(↓ 9.4%)

Due to lower revenue contribution from exchange engines sales, retrofit projects, absence of commission income, lower supply of local field service representative, decline in third party services mitigated by stronger sales recorded for turbine parts, valves and flow regulators services.

OS:

↓ RM16.1 mil
(↓ 40.3%)

Due to decline in activity level for well intervention and enhancement services, slickline activities and lower chemical sales mitigated by higher sales from gas lift valve services.

ICS:

↓ RM48.4 mil
(↓ 63.5%)

Due to slowdown in activity levels for the Maintenance, Construction and Modification (“MCM”) contract as well as Sponge-Jet Blasting project.

BOTTOM LINE ANALYSIS

The Group reported a loss before tax of RM12.9 million as opposed to corresponding quarter profit before tax of RM13.3 million due to non-recurring one-off impairment charges made on long-term other receivable and slickline operating assets, write-offs on inventory and other receivable.

P&M:

↑ RM5.3 mil
(↑ 85.6%)

Due to better sales mix with higher margins earned, lower overhead expenses coupled with lower losses arising from FOREX difference.

OS:

↓ RM16.4 mil
(↓ 624.3%)

Due to downward pressure on margins across all core activities in addition to non-recurring one-off impairment charge on its slickline operating assets, write-offs on inventory and other receivables.

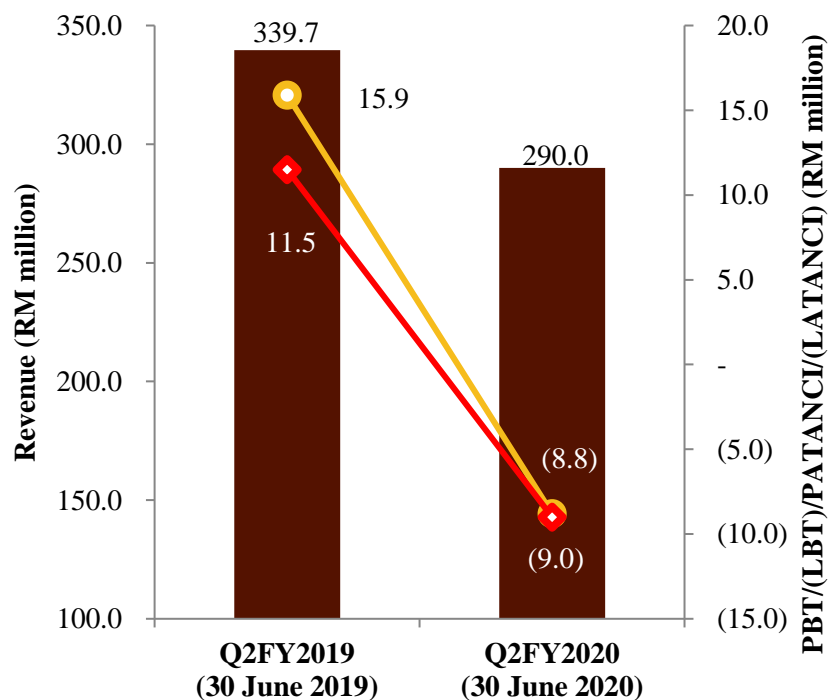
ICS:

↓ RM12.9 mil
(↓ 148.2%)

Due to adverse results from both its MCM and Sponge-Jet Blasting businesses.

CUMULATIVE RESULTS – Q2FY2020

CUMULATIVE RESULTS



■ Revenue
—○— Profit/ (Loss) Before Tax
—◇— PAT/ (LAT) after NCI

TOP LINE ANALYSIS

Cumulative Q2FY2020 revenue decreased by RM49.7 million or 14.6% as compared to the corresponding period.

P&M:

▲ RM18.4 mil
▲ 11.1%

Due to higher contribution from turbine parts, valves and flow regulator services and machinery management systems.

OS:

▼ RM20.1 mil
▼ 28.1%

Due to decline in activity levels for well intervention and enhancement services, slickline activities and chemical sales.

ICS:

▼ RM48.0 mil
▼ 47.1%

Due to lower service maintenance activity level performed for both of its MCM and Sponge-Jet Blasting contracts.

BOTTOM LINE ANALYSIS

Cumulative results before tax for Q2FY2020 fell to a loss of RM8.8 million against profit of RM15.9 million in the corresponding period due to non-recurring one-off impairment charge made on slickline operating assets, provision for doubtful debts on trade receivables, write-offs on inventory and other receivable coupled with one-off impairment on long-term other receivable.

P&M:

▲ RM6.7 mil
▲ 60.7%

Due to lower operating expenses incurred backed by cost saving initiatives undertaken in addition to stronger revenue with higher margin earned on better sales mix.

OS:

▼ RM21.7 mil
▼ 1,532.9%

Due to non-recurring one-off impairment charge on its slickline operating assets, provision for doubtful debts on trade receivables and write-offs on inventory and other receivable in addition to weaker operating performance.

ICS:

▼ RM7.0 mil
▼ 504.3%

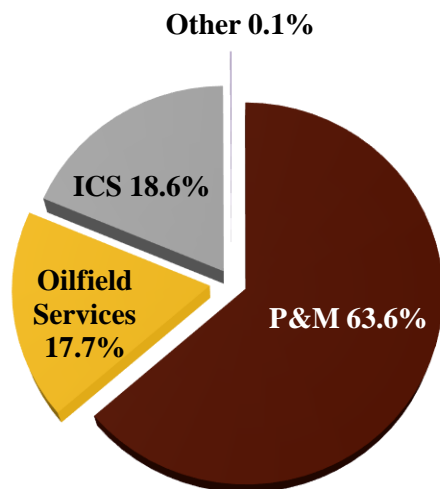
In tandem with lower revenue reported.

SEGMENTAL REVENUE – Q2FY2020

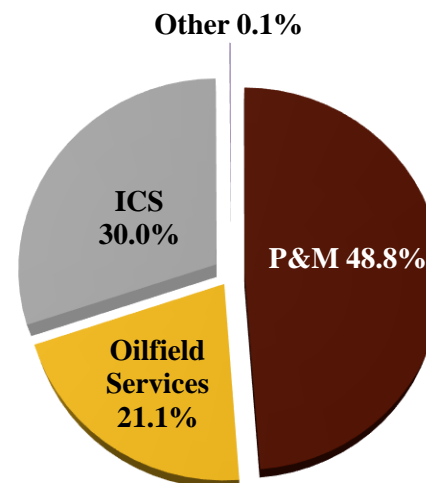
	Quarterly			Cumulative		
	Q2FY2020 RM'000	Q2FY2019 RM'000	Changes %	Q2FY2020 RM'000	Q2FY2019 RM'000	Changes %
Power and Machinery (P&M)	87,053	96,036	(9.35%)	184,338	165,911	11.11%
Oilfield Services (OS)	23,748	39,810	(40.35%)	51,438	71,577	(28.14%)
Integrated Corrosion Solution (ICS)	27,824	76,189	(63.48%)	53,926	101,938	(47.10%)
Other Non-reportable Segment*	135	124	8.87%	260	235	10.64%
Total Segment Revenue	138,760	212,159	(34.60%)	289,962	339,661	(14.63%)

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

**Segment Revenue Composition
Cumulative Q2FY2020**



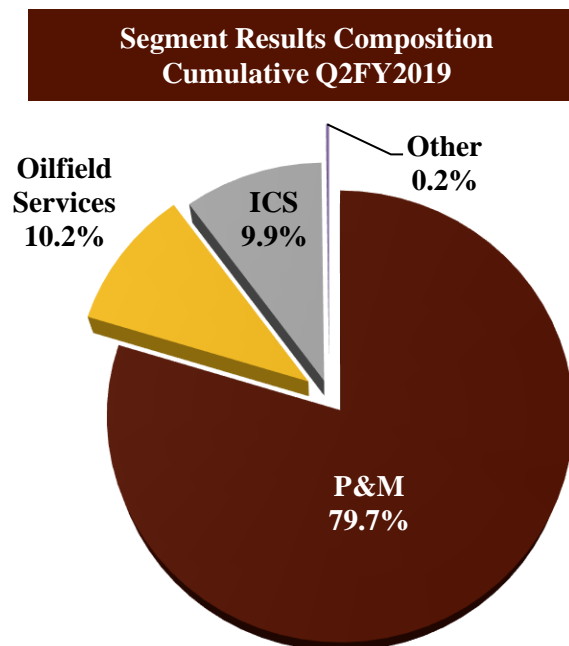
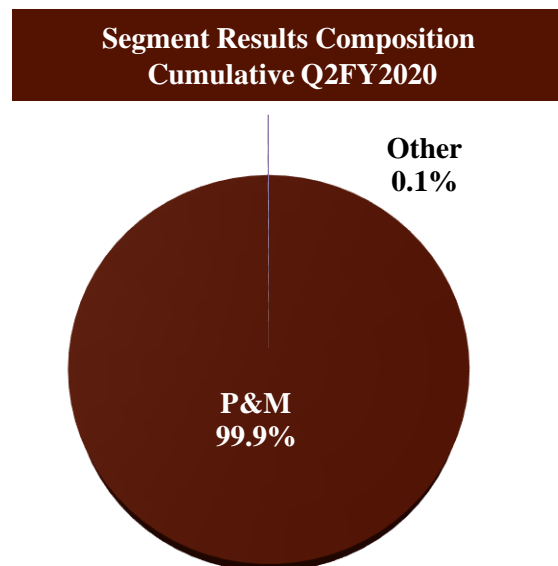
**Segment Revenue Composition
Cumulative Q2FY2019**



SEGMENTAL RESULTS – Q2FY2020

	Quarterly			Cumulative		
	Q2FY2020 RM'000	Q2FY2019 RM'000	Changes %	Q2FY2020 RM'000	Q2FY2019 RM'000	Changes %
Power and Machinery (P&M)	11,448	6,168	85.60%	17,808	11,079	60.74%
Oilfield Services (OS)	(19,019)	(2,626)	(624.26%)	(20,276)	1,415	(1,532.93%)
Integrated Corrosion Solution (ICS)	(4,211)	8,731	(148.23%)	(5,584)	1,381	(504.34%)
Other Non-reportable Segment*	13	11	18.18%	24	21	14.29%
Total Segment Results	(11,769)	12,284	(195.81%)	(8,028)	13,896	(157.77%)

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



* Excludes both ICS and OS segmental losses of RM4.2 million and RM19.0 million respectively.

SUSTAINABILITY OF OUR BUSINESS

BREAKDOWN OF REVENUE

Products and Services by Segment

	Cumulative Q2FY2020		Cumulative Q2FY2019^	
	Percentage (%)		Percentage (%)	
	Products	Services	Products	Services
Power and Machinery (P&M)	48%	52%	40%	60%
Oilfield Services (OS)	7%	93%	4%	96%
Integrated Corrosion Solution (ICS)	0%	100%	0%	100%
Other Non-reportable Segment*	0%	100%	0%	100%
Group Revenue	32%	68%	20%	80%

Recurring and Once-off by Segment

	Cumulative Q2FY2020		Cumulative Q2FY2019^	
	Percentage (%)		Percentage (%)	
	Recurring	Once-off	Recurring	Once-off
Power and Machinery (P&M)	80%	20%	76%	24%
Oilfield Services (OS)	95%	5%	91%	9%
Integrated Corrosion Solution (ICS)	100%	0%	100%	0%
Other Non-reportable Segment*	100%	0%	100%	0%
Group Revenue	87%	13%	86%	14%

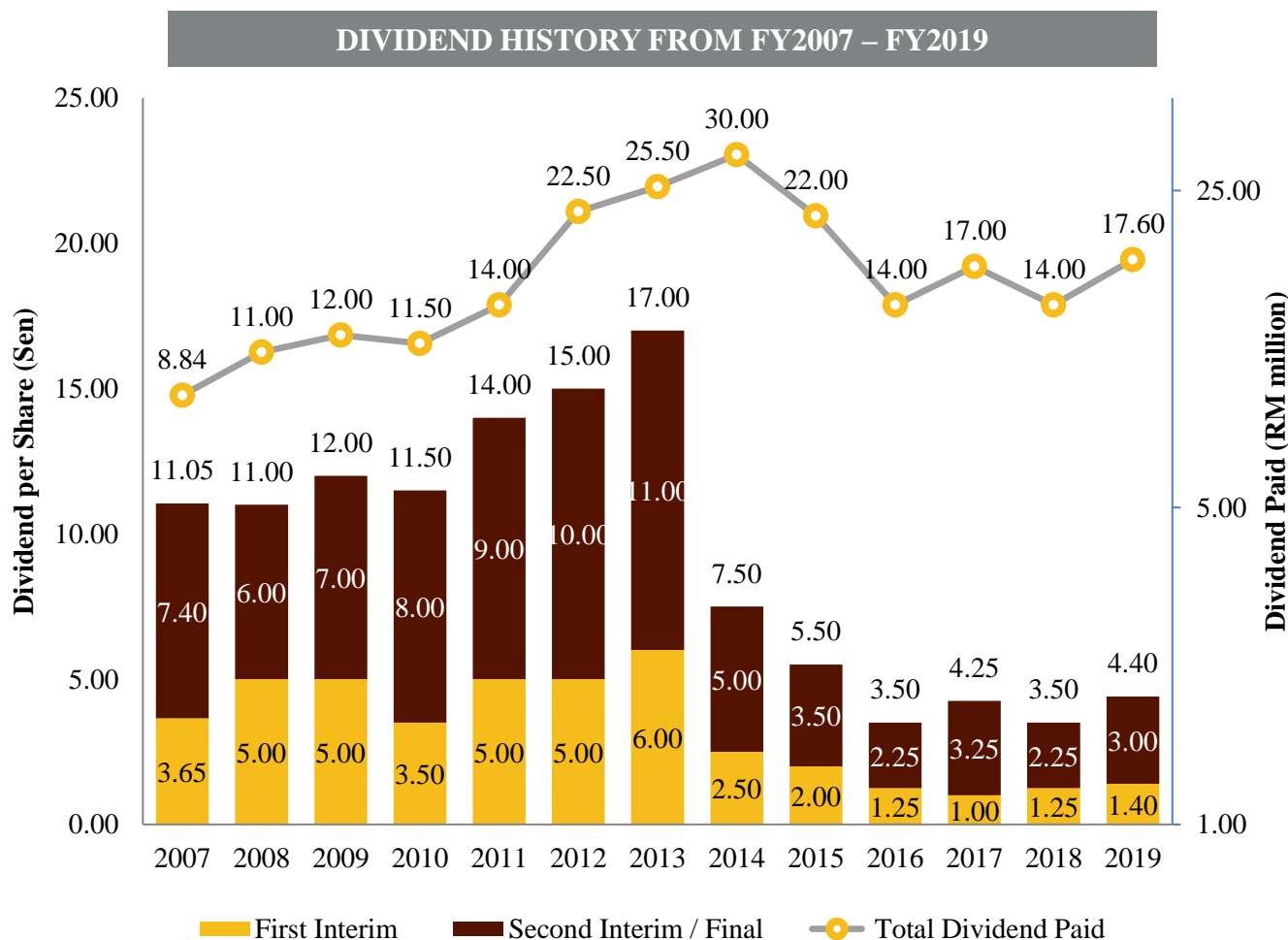
^ Comparative is restated to conform with current period presentation

* 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 DIVIDEND
per share

4.40 sen

Total Dividend Paid
since listing

RM223.1 mil

Dividend Payout
ratio of

53.4%

of earnings attributable to
equity holders of the
Company for FY2019

SHAREHOLDERS' VALUE

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

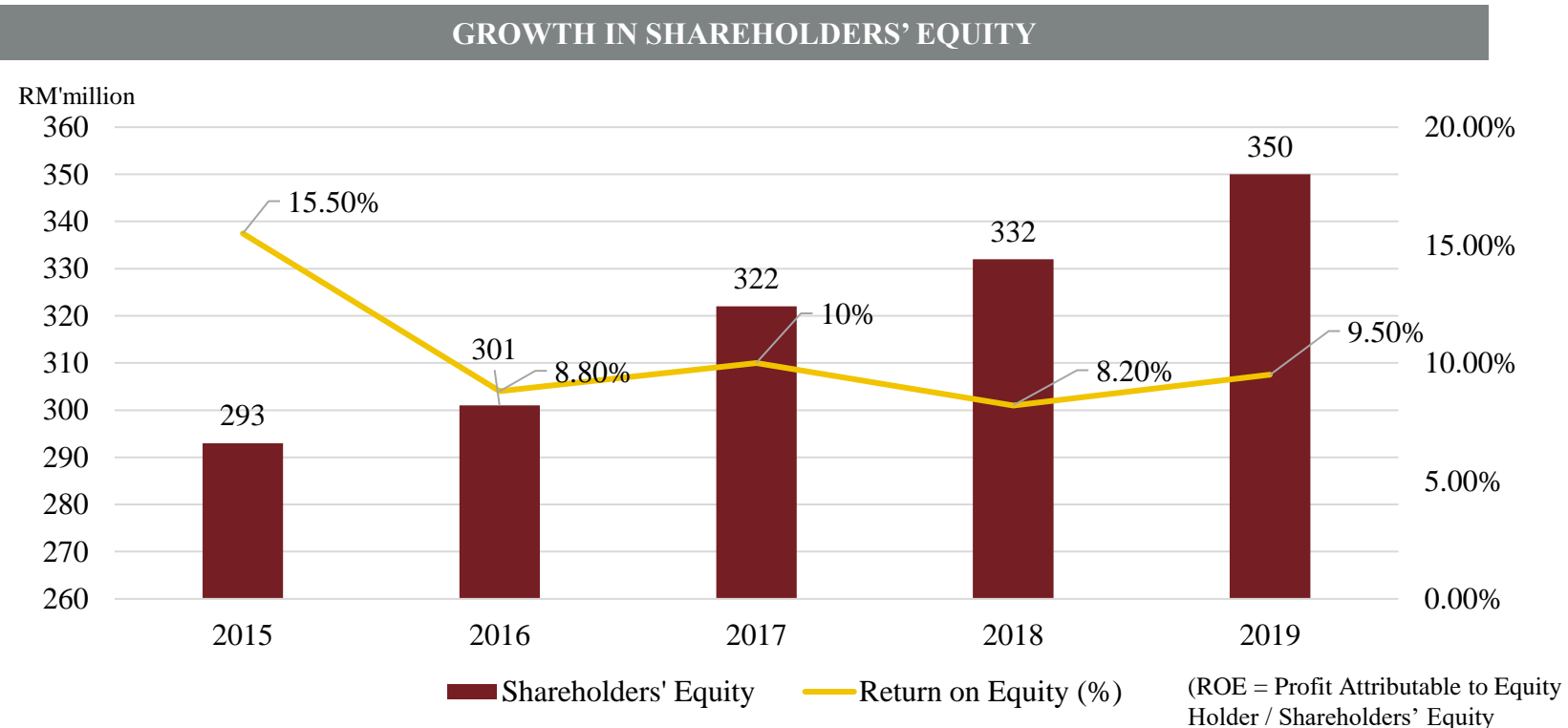
Year	Description	No. of Share(s) Issued	Cumulative No. of Share(s) Per Shareholder	Value (RM)
2007	Initial Public Offering (IPO) at RM2.55 per share	-	1.00	RM2.55
2008	Bonus Issue: 1 for 4	0.25	1.25	
2012	Bonus Issue: 1 for 2	0.63	1.88	
2014	Bonus Issue: 1 for 3	0.63	2.50	
2014	Share Split: 1 into 2	-	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 RM0.555*)	A	RM2.78
Accumulated dividend received	B	RM2.93
Total Return	C=A+B	RM5.71
Cost of Investment on IPO	D	RM2.55
Net Return	E=C-D	RM3.16
% of Return for One (1) Unit of Share Invested since IPO	E/D X 100%	124%

Note:

* Closing price as at 11 September 2020 is RM0.555 per ordinary share.

SHAREHOLDERS' EQUITY & KEY FINANCIAL RATIOS

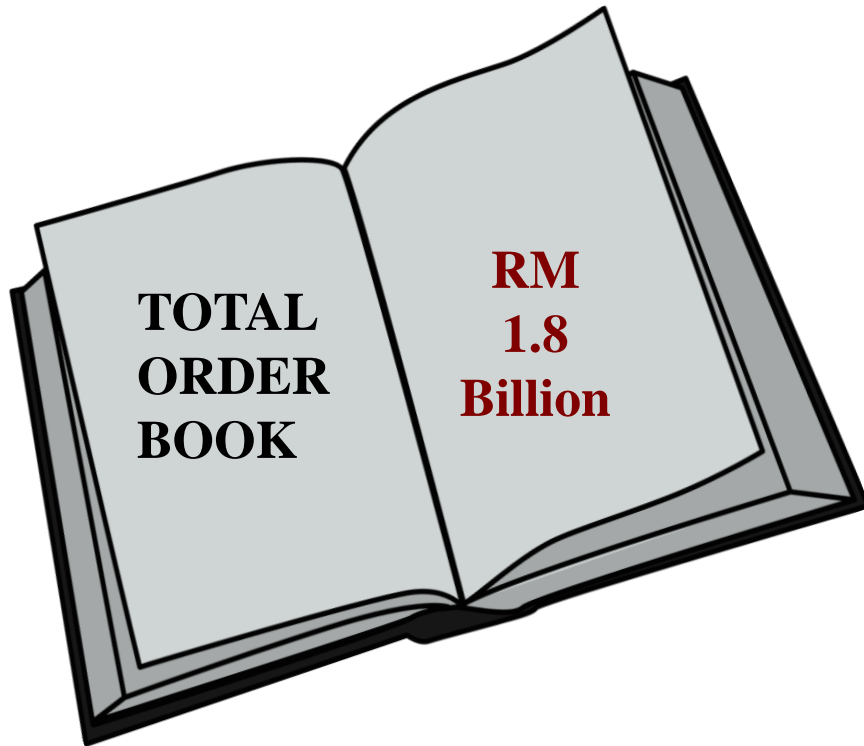


OTHER FINANCIAL RATIOS

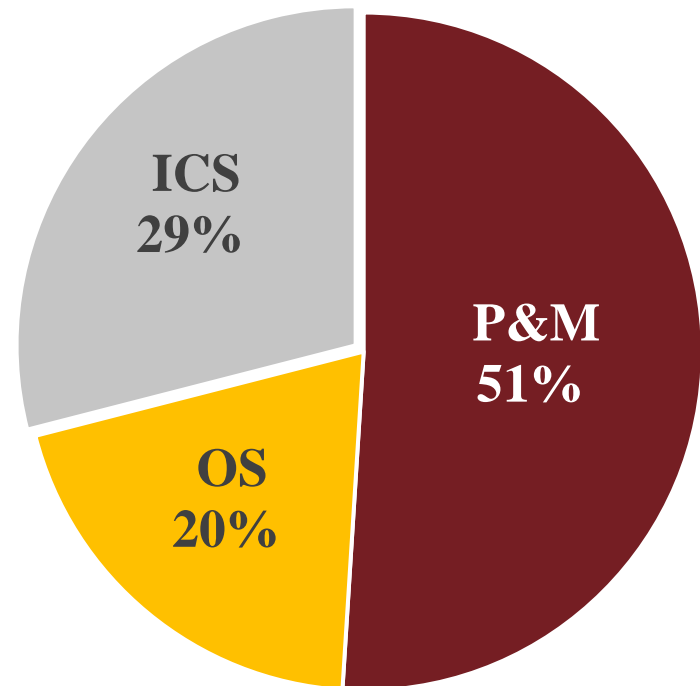
Financial Year	2015	2016	2017	2018	2019
Return on Total Assets (%)	6.7	4.0	5.3	4.1	4.4
Gearing Ratio (%)	46.9	36.4	23.6	19.1	25.4
Net Asset Per Share (RM)*	0.73	0.75	0.80	0.83	0.87

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

ORDER BOOK AS AT 30 JUNE 2020

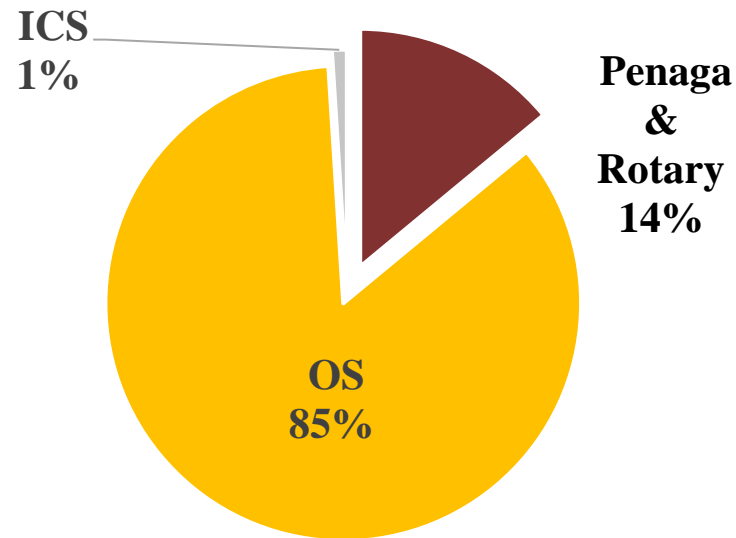


ORDER BOOK

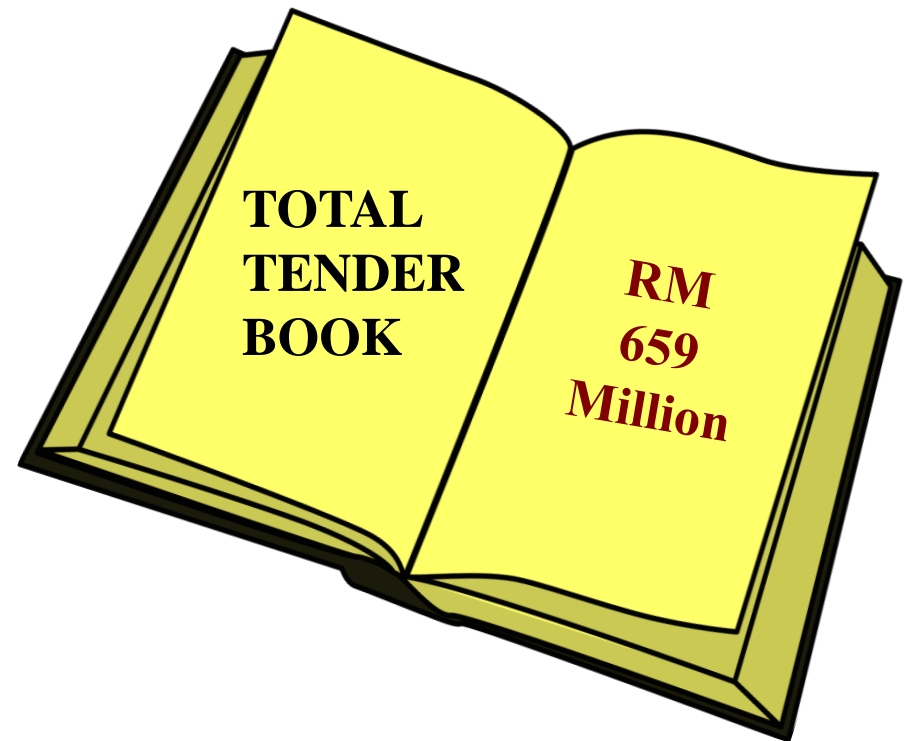


TENDER BOOK AS AT 30 JUNE 2020

TENDER BOOK



- *TSSB is excluded as all the tenders are pertaining to LTSA which were already captured under order book.*
- *MCM is excluded as it is captured under order book.*

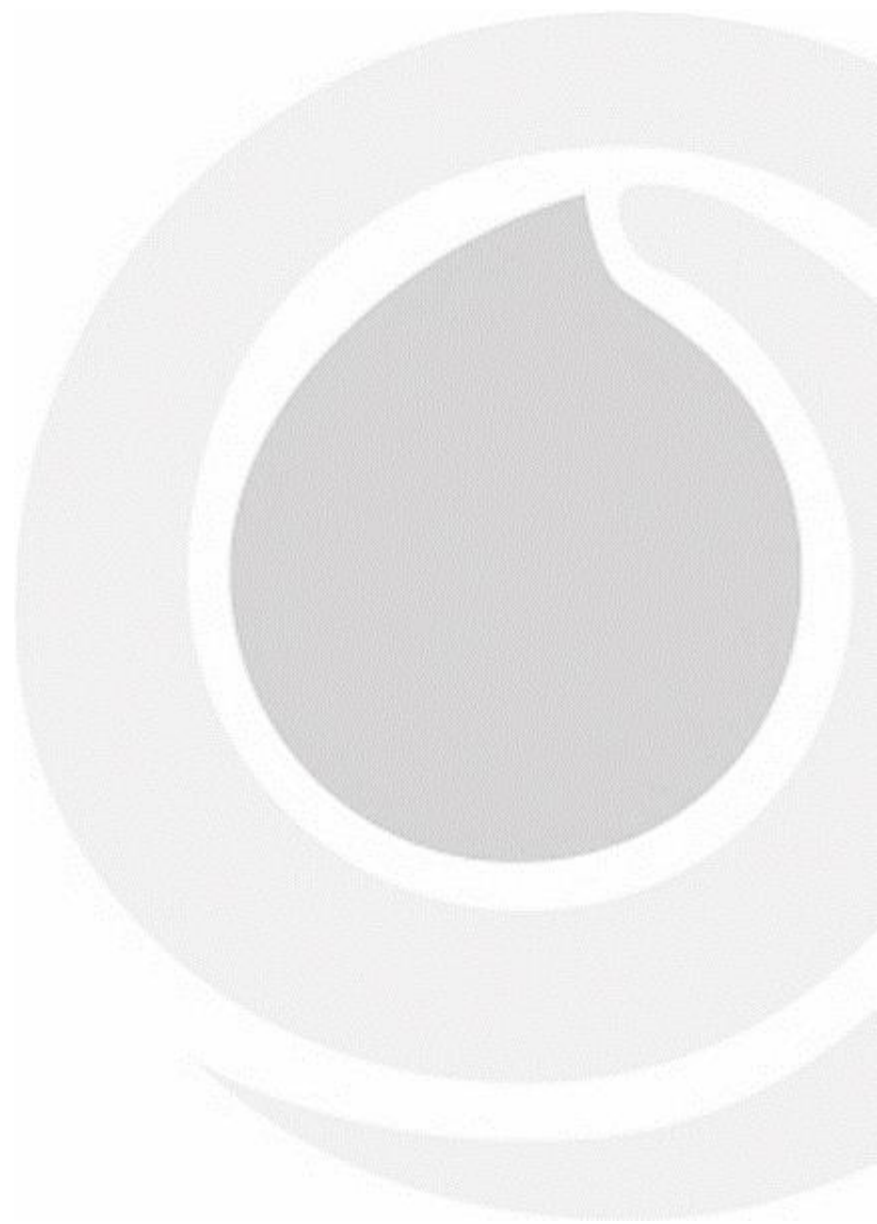


SUMMARY OF CONTRACTS AS OF SEPTEMBER 2020

Contracts	Expiry Year
Provision of Integrated Drilling Services (OS)	2020
Provision of Riser Corrosion Prevention System & Maintenance (ICS)	2021
Long Term Service Agreement (LTSA) for Gas Turbine (P&M)	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 Thru Tubing Gravel Pack Equipment and Services (OS)	2022
MCM Contract (ICS)	2022
Provision of Slickline Equipment and Services (OS)	2022



INDUSTRY UPDATE



THE GLOBAL OIL & GAS SECTOR IS FILLED WITH UNCERTAINTIES AND BLEAK OUTLOOK

Oil majors slash 2020 spending by 20% after prices slump

ENERGY

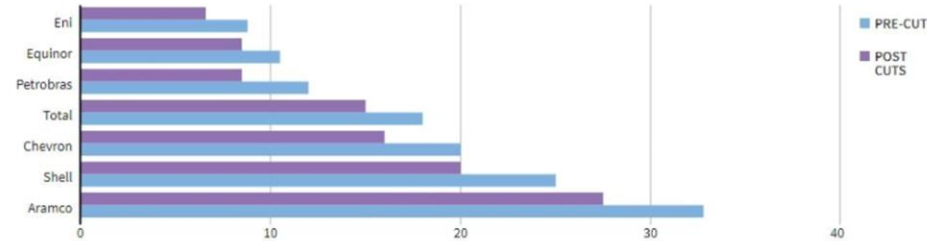
Wednesday, 01 Apr 2020

6:15 PM MYT



Oil Majors' 2020 capex cuts

The world's top oil and gas companies have slashed spending plans following the oil price crash



my-provided figures (Aramco compares 2019 capex, Eni converted from euro)

Halliburton Faces Another Set of Layoffs

by Bertie Melinda Taylor | Rigzone Staff | Friday, May 01, 2020

BREAKING CITY NEWS APRIL 2, 2020 / 8:55 PM / 5 MONTHS AGO

Petrofac seeks redundancies, considers salary cuts - email



Exxon weighs global job cuts after unveiling Australian lay-off plan

Wednesday, 2 September 2020

MELBOURNE (Sept 2): Exxon Mobil Corp is assessing possible worldwide job cuts, a spokesman said on Wednesday, after the company announced a voluntary lay-off programme in Australia. Exxon is the latest oil major to embark on axing jobs spurred by a ...

...AND MALAYSIA IS NOT SPARED FROM IT

Shocks hammer oil & gas industry's financial performance

Syarikat minyak dan gas dunia dijangka kerugian besar tahun ini

Astro Awani
September 1, 2020 05:18 MYT

The Sun (Malaysia)
1 Sep 2020

KUALA LUMPUR: The oil and gas industry is experiencing its third price collapse in 12 years but after the first two shocks, the industry rebounded and business continued as usual.

Petronas' capex cut another shock to local O&G companies

Lai Ying Yi / theedgemarkets.com
May 27, 2020 18:48 pm +08

SAPURA ENERGY ANNOUNCES AUSTERITY DRIVE WITH SENIOR MANAGEMENT TAKING 50% PAY CUT

Date: 27.04.2020.

Sapura Energy Berhad announced internal austerity measures to mitigate the impact of the COVID-19 pandemic and the resulting low oil prices.

CAPEX CUTS HAS BECOME A CENTRAL THEME FOR THE INDUSTRY

Petronas capex cuts will affect O&G players



By Ayisy Yusof - September 3, 2020 @ 1:32pm

More pressure on O&G players

By Zarina Zakariah - September 5, 2016 @ 1:13pm

O&G firms expected to continue cutting capex

ENERGY

Wednesday, 15 Jul 2020



Contracts awarded to Malaysian oil and gas players



KUALA LUMPUR: MALAYSIA'S oil and gas (O&G) firms are expected to face fiercer competition in the long term even as they improve on cost efficiency to remain resilient, said analysts.

Kenanga Investment Bank Bhd said O&G service players were facing limited tenders while having to deal with tighter cash flows, unutilised vessels and ballooning debt obligations.

"While we believe the industry is undergoing restructuring, which allows the fittest to survive, we observe that some players have collaborated to tender for jobs far beyond their core competence.

"Thus, we expect more bidders for the very same job, with some quoting significant lower prices in order to bag the contract. Oil majors are also more inclined to dish out contracts on a lump sum basis instead of on a per vessel basis, pushing the cost management obligation towards services players," it said in a research note recently.

MOVING FORWARD/ OUTLOOK

- Strategies in places:
 - a) Orderbook replenishment;
 - b) Manpower optimisation;
 - c) On-going digitalisation efforts to strengthen the Group's overall infrastructure, operations and processes.
- Moving forward into 2021:
 - a) COVID-19 pandemic coupled with low oil environment due to uncertain demand expected to remain in 2nd half of 2020;
 - b) Focus is on building resilience, sustainability and consolidation of businesses within the Group;
 - c) Continue to operate conservatively on cost and cash management.

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.

No. 2, Jalan Bangsar Utama 9
Bangsar Utama
59000 Kuala Lumpur, Malaysia
Tel : +603-2295 7788
Fax : +603-2295 7777
Email : info@deleum.com

BRANCH OFFICES

Miri

Lot 1315, Miri Waterfront
Commercial Centre
98008 Miri, Sarawak, Malaysia
Tel : +6085-413 528/417 020
Fax : +6085-418 037
Email : info@deleum.com

Kota Kinabalu

Unit No. J-55-3A, 4th Floor
Block J, KK Times Square
Off Coastal Highway
88100 Kota Kinabalu, Sabah, Malaysia
Tel : +6088-485 189
Email : info@deleum.com

SUBSIDIARIES

Deleum Rotary Services Sdn. Bhd.

No. 3, Jalan P4/8, Seksyen 4
Bandar Teknologi Kajang, 43500 Kajang
Selangor Darul Ehsan, Malaysia
Tel : +606-8723 7070
Fax : +606-8723 3070
Email : info@deleum.com

Turboservices Sdn. Bhd.

Unit No. B-23-1, Level 23, Tower B
Menara UOA Bangsar
No.5, Jalan Bangsar Utama 1
59000 Kuala Lumpur, Malaysia
Tel : +603-2280 2200
Fax : +603-2280 2249/2250
Email : info@deleum.com

Deleum Primera Sdn. Bhd.

E-09-01 Menara Suezcap 2
KL Gateway, No.2, Jalan Kerinchi,
Gerbang Kerinchi Lestari,
59200, Kuala Lumpur
Tel : +603-7773 7777
Fax : +603-7773 7778
Email : info@deleum.com

Penaga Dresser Sdn. Bhd.

Business Suite, 19A-9-1
Level 9 UOA Centre
No. 19, Jalan Pinang
50450 Kuala Lumpur, Malaysia
Tel : +603-2163 2322
Fax : +603-2161 8312
Email : sales@penagadresser.com

OPERATIONS AND SUPPLY BASES

Kemaman

Kemaman Supply Base
Warehouse 28, 24007 Kemaman
Terengganu Darul Iman, Malaysia
Tel : +609-863 1407/1408
Fax : +609-863 1379
Email : info@deleum.com

Labuan

Asian Supply Base
Rancha Rancha Industrial Estate
87017 Labuan, Malaysia
Tel : +6087-413 935/583 205
Fax : +6087-425 694
Email : info@deleum.com

SERVICES FACILITIES

Deleum Oilfield Services Sdn. Bhd.

(Miri Services Facility)
Sublot 3017, Permy Jaya Teknologi Park
Bandar Baru Permy Jaya
98000 Miri, Sarawak, Malaysia
Tel : +6085-413 528/417 020
Fax : +6085-418 037
Email : info@deleum.com

Deleum Rotary Services Sdn. Bhd.

(Bintulu Services Facility)
Lot 2698, Block 2545
Kidurong Gateway Industrial Park,
Jalan Tanjung Kidurong,
97000 Bintulu, Sarawak, Malaysia
Tel : +6086-252 240
Fax : +6086-352 250
Email : info@deleum.com

Deleum Primera Sdn. Bhd.

(Bintulu Services Facility)
Lot 2699 - 2670, Block 2545
Kidurong Gateway Industrial Park,
Jalan Tanjung Kidurong,
97000 Bintulu, Sarawak, Malaysia
Tel : +6086-253 222
Fax : +6086-252 333
Email : info@deleum.com

Deleum Primera Sdn. Bhd.

(Telok Kalong Facility)
Lot PT 8777
Telok Kalong Industrial Area
24000 Kemaman,
Terengganu Darul Iman, Malaysia
Tel : +609-862 6666
Fax : +609-862 6667
Email : info@deleum.com

Penaga Dresser Sdn. Bhd.

(Johor Engineering Centre)
Lot no. A15-A16, PTD 1485
Mukim Pantai Timur
81600 Pengerang
Johor Darul Takzim, Malaysia
Email : sales@penagadresser.com

Penaga Dresser Sdn. Bhd.

(Terengganu Engineering Centre)
Lot A1-A2, Kawasan Miel
Jakar Phase III, 24000 Kemaman
Terengganu Darul Iman, Malaysia
Tel : +609-868 6799
Fax : +609-868 3453
Email : sales@penagadresser.com

Penaga Dresser Sdn. Bhd.

(Sabah-Sarawak Engineering Centre)
Lot 3326 & 3327,
Piasau Industrial Shophouse,
Off Jalan Piasau Utara
98000 Miri, Sarawak, Malaysia
Tel : +6085-419 126
Fax : +6085-412 127
Email : sales@penagadresser.com

Penaga Dresser Sdn. Bhd.

(Labuan Engineering Centre)
Asian Supply Base
Rancha Rancha Industrial Estate
87017 Labuan, Malaysia
Email : sales@penagadresser.com

Deleum Chemicals Sdn. Bhd.

(Research & Development Facility)
No. 4-3, Jalan Bangsar Utama 9
Bangsar Utama
59000 Kuala Lumpur, Malaysia
Tel : +603-2295 7788
Fax : +603-2295 7777
Email : info@deleum.com

Deleum Primera Sdn. Bhd. Deleum Chemicals Sdn. Bhd.

(Integrated Workshop Facility)
Lot 4019
Kawasan Industri Telok Kalong
24000 Kemaman,
Terengganu Darul Iman, Malaysia
Tel : +609-863 4588
Fax : +609-863 2588
Email : info@deleum.com

JOINT VENTURE

Turboservices Overhaul Sdn. Bhd.

*(Turboservices: Solar Turbines
Integrated Service Centre)*
Lot 26197, Kawasan Perindustrian
Tuanku Jaafar, 71450 Seremban
Negeri Sembilan Darul Khusus,
Malaysia
Tel : +606-6798 270/207
Fax : +606-6798 267
Email : info@deleum.com

ASSOCIATE

Malaysian Mud And Chemicals Sdn. Bhd.

Asian Supply Base
Rancha Rancha Industrial Estate
87017 Labuan, Malaysia
Tel : +6087-415 922
Fax : +6087-415 921
Email : mc2@tm.net.my

DISCLAIMER

- The content of this presentation is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the Company. We take no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information contained herein.
- This presentation includes materials which may be capable of being interpreted as forward-looking statements. Such statements are merely predictions, based on circumstances and reasonable assumptions which apply only at the date of such statements. Accordingly, no reliance should be placed on any forward-looking statement, express or implied, contained in this presentation.
- Forward-looking statements involve assumptions concerning various risks and uncertainties including, but not limited to, the Company's development activities, the existence of competent management, the Company's financial activities, the domestic and global economy, changes in applicable laws and regulations, the obtaining of approvals and stock market activity. Actual results, performance and levels of activity may differ significantly from those expressed or implied in any forward-looking statements. As such, the Company gives no assurances that any of the events anticipated by any forward-looking statements will actually occur, or what the actual outcome or results of such events will be. In addition, the Company gives no undertaking that it will update or alter any forward-looking statements, irrespective of what may transpire after such statement is made.
- This presentation is strictly not to be distributed without the explicit consent of Company's management under any circumstances.

For more information, please visit us at www.deleum.com