

**FINANCIAL RESULTS
FOR THE QUARTER ENDED
31 March 2022**
26 May 2022



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EXECUTIVE SUMMARY

□ Industry Update

- The oil and gas outlook remains strong due to supply and demand imbalance facing energy commodities

□ Company Update

- Company continues its safe operation in 1Q 2022
- Naga 5 and Naga 6 are currently in the shipyard in Singapore for Offline capability upgrade
- Company has recently secured additional works for its Rigs as well as HWU

□ Financial Update

- 1Q 2022 financial results are better than 1Q 2021 results but lower than 4Q 2021

Brent and WTI Crude Oil Price (USD per barrel)



INDUSTRY UPDATE

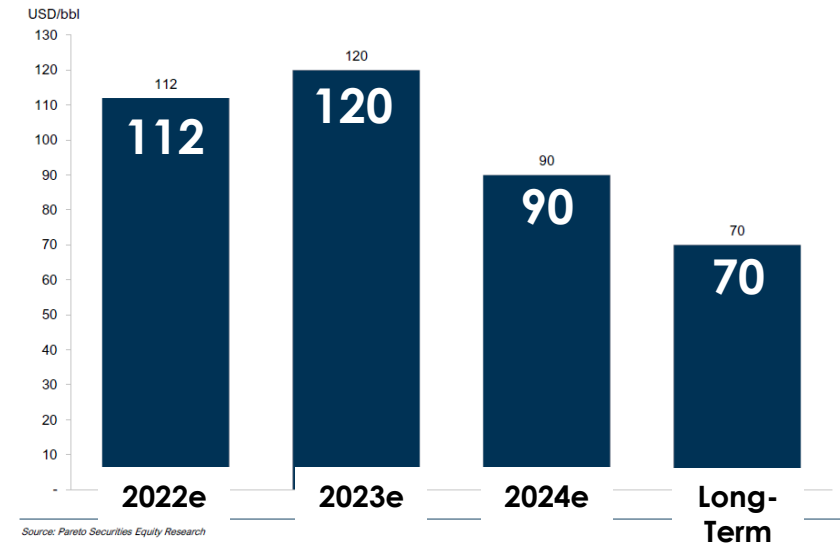
VELESTO
energy



INDUSTRY UPDATE

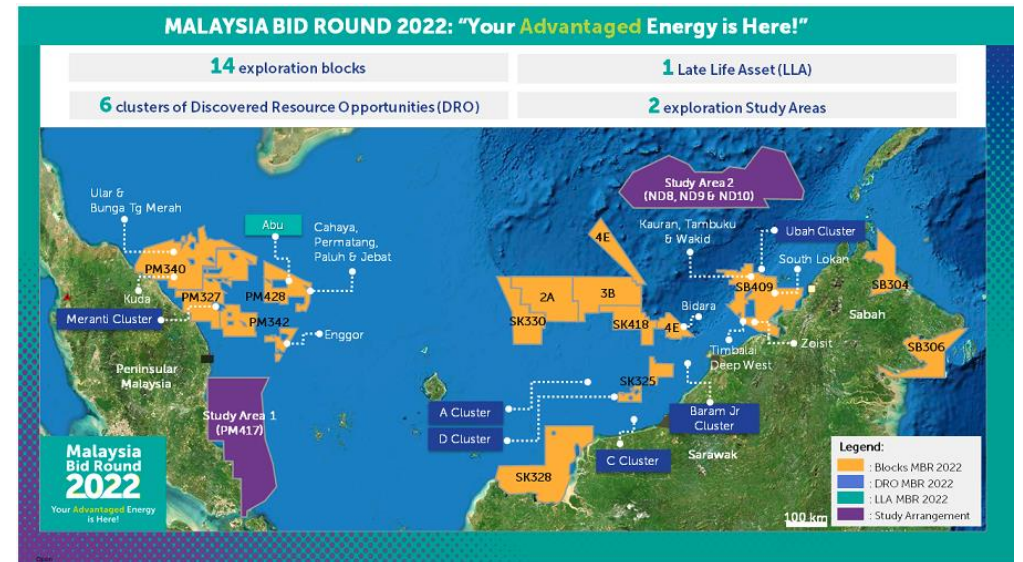
- The war in Ukraine continues to put pressure on energy supply and demand globally
- Global and regional upstream activities, including in Southeast Asia are increasing
- The high oil prices have spurred a sudden increase in activities in the oil and gas industry
- In Malaysia, our estimates reveals between 100 to 115 wells annually in 2022 and 2023 to be drilled that will require jack-up rigs
- Production enhancement, well intervention, and well abandonment activities are set to increase in 2022 and 2023
- The end of the pandemic globally has helped operational recovery

Oil price outlook for 2022/23/24/LT



Source: Pareto Securities Equity Research

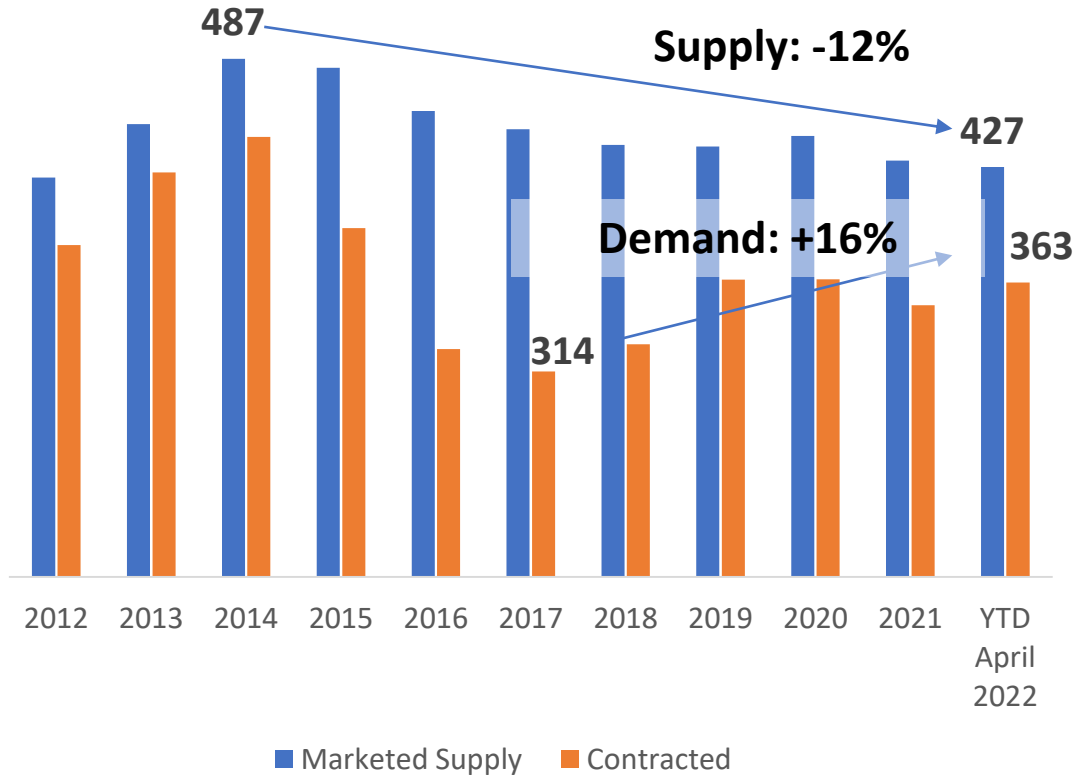
Source: Pareto Securities, 24 May 2022



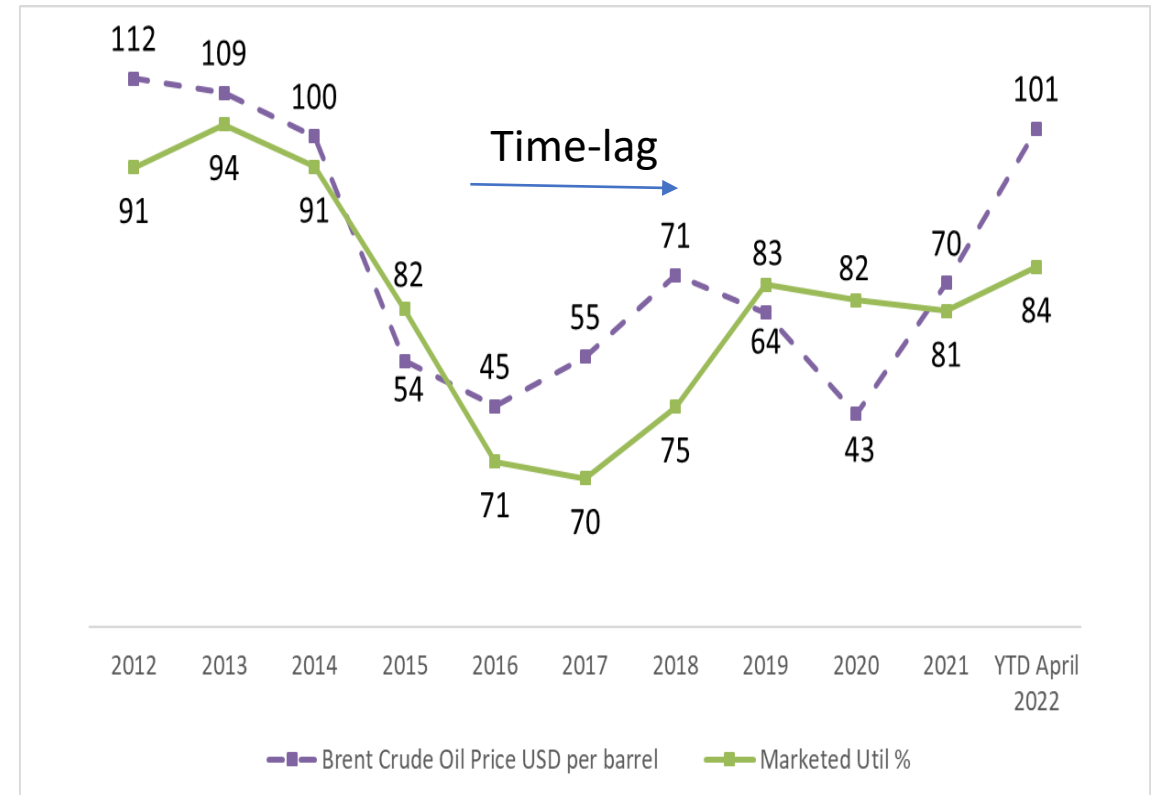
Source: PETRONAS Press Release, 27 January 2022

GLOBAL JACK-UP DRILLING RIGS OUTLOOK

Jackup Rig Supply and Demand



Brent Oil Price vs Marketed Utilisation

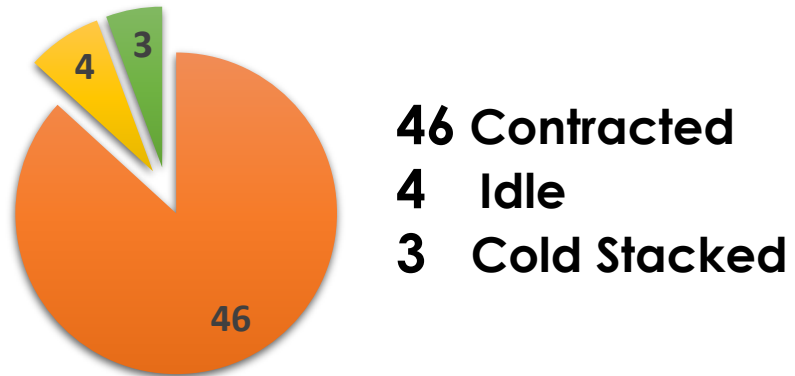


Source: IHS Petrodata April 2022

RIG MARKET CONDITIONS ARE TIGHTENING, BUT IT WILL TAKE TIME FOR INCREASING OIL PRICES TO BE REFLECTED IN DRILLING AND JACK-UP RIG MARKET

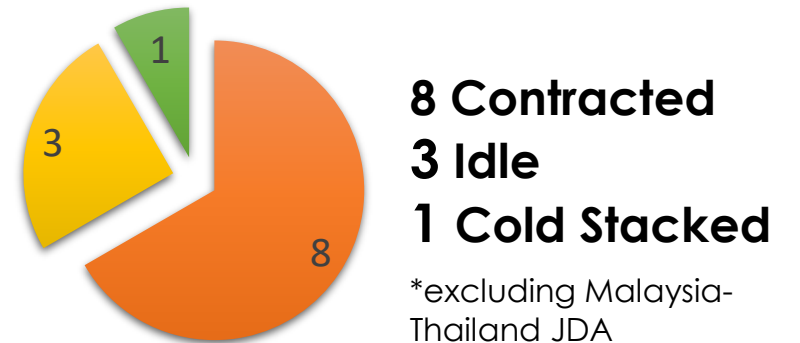
REGIONAL OUTLOOK

SOUTHEAST ASIA



92% Marketed Utilisation

MALAYSIA*



*excluding Malaysia-Thailand JDA

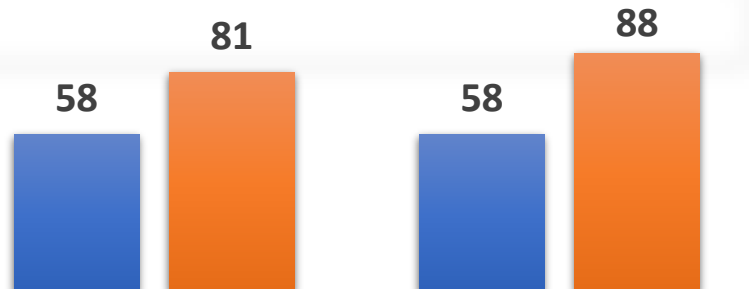
73% Marketed Utilisation



**DRILLING RIG
COUNT**

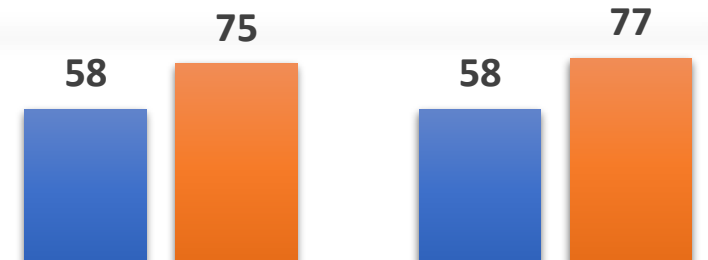


**AVERAGE
DAILY
CHARTER
RATE**



4Q21 Current

USD'000



4Q21 Current

USD'000

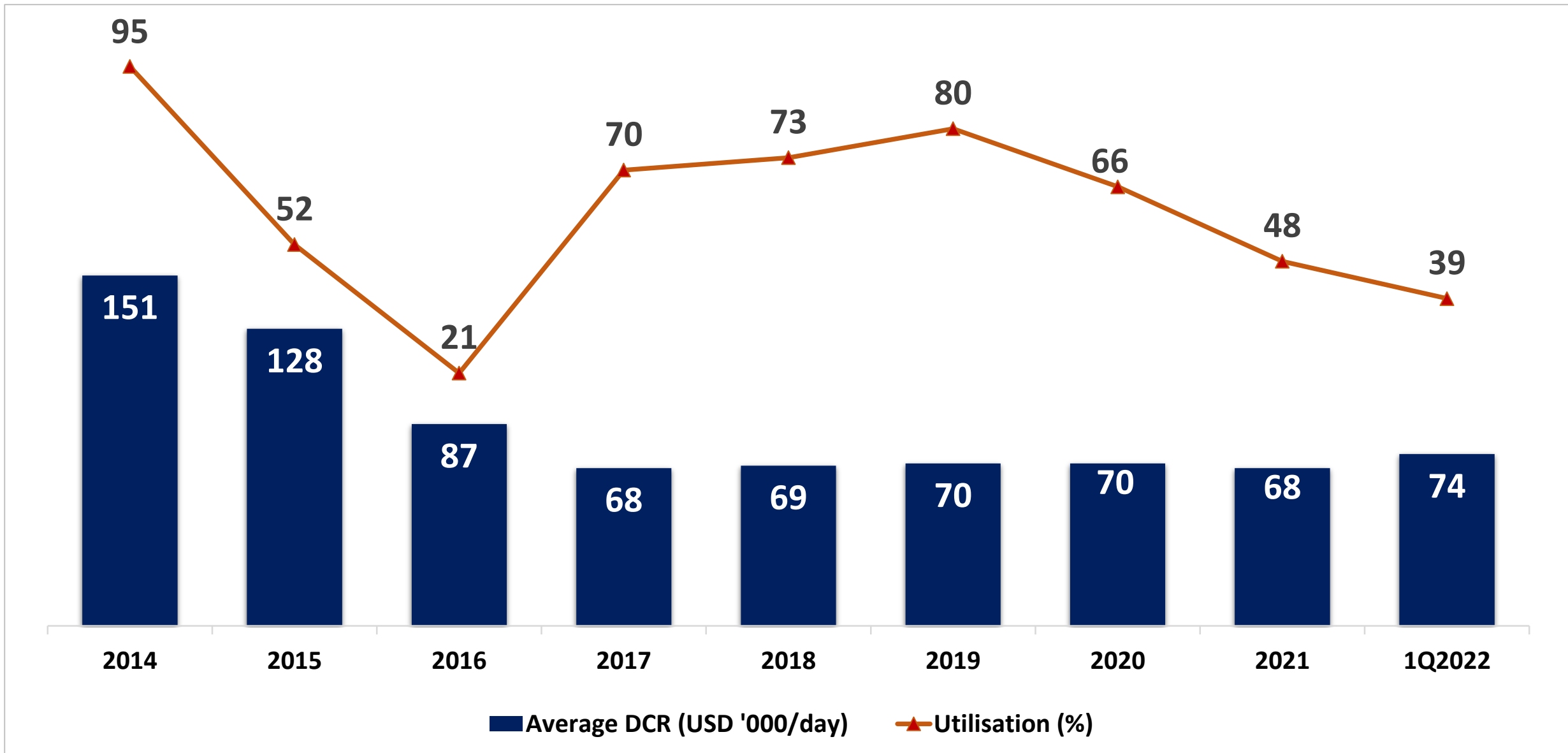
Source : IHS RigPoint April 2022, Velesto Analysis

COMPANY UPDATE



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RIG UTILISATION AND AVERAGE DAILY CHARTER RATE



OPERATIONAL HIGHLIGHTS

- Continued safe operations with Zero LTI and Zero TRCF
- Rig Operating efficiency stood at 99%
- 1Q 2022 Utilization at 39% based on:
 - NAGA 8 continuous operations
 - NAGA 2 / NAGA 5 / NAGA 6 / NAGA 4 carried over activities from 4Q
- New projects and contract wins have been secured by the company that will ensure improved utilization and financial results moving forward
 - NAGA 4 with SHELL beginning in 2Q
 - NAGA 2 with PETRONAS Carigali in 2Q
 - NAGA 3 with HLJOC in 3Q
- Three GAITs have secured contracts for 2022
- NAGA 5 and NAGA 6 are currently in Singapore for Offline capability upgrade.

AVERAGE
UTILISATION

39%

OPERATIONAL
EFFICIENCY

99%

HSE PERFORMANCE



251
DAYS

LTI FREE since 22/08/21



MANHOURS
621,994

*As of April 2022



0

FATALITY



0

LTI



0

RWC

0

0

MTC



LATEST ORDER BOOK STATUS

Remaining Order Book (RM mil)			
	Drilling	Workover	Total
Firm	420	51	471
Optional	222	-	222
TOTAL	642	51	693

As at April 2022

EXISTING CLIENTS



Carigali-HESS

HLJOC

PCSB

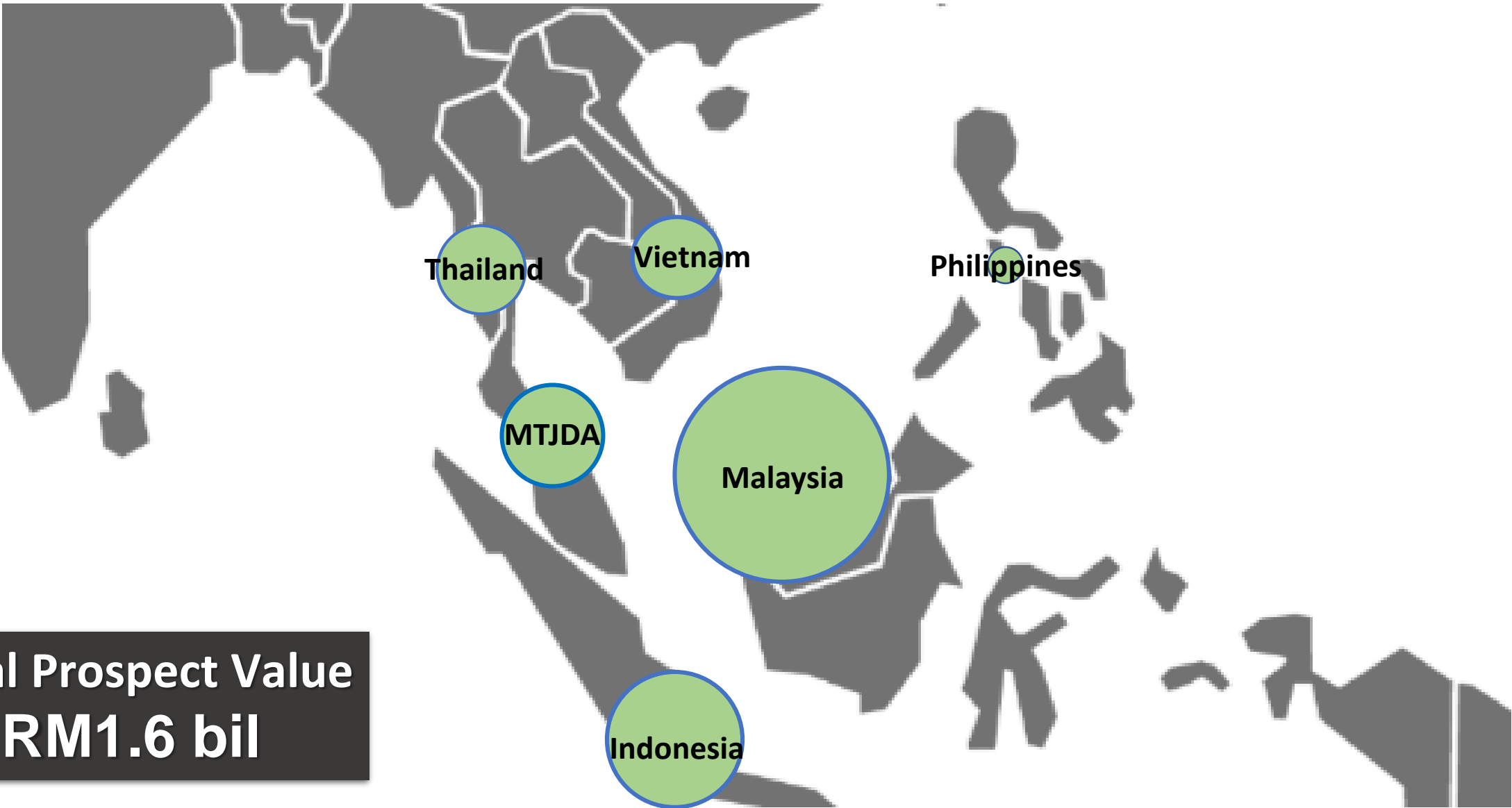
SHELL



EXXONMOBIL

PCSB

CURRENT TENDER ACTIVITIES



**Total Prospect Value
RM1.6 bil**

FINANCIAL UPDATE

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1 Q 2022 KEY FINANCIAL HIGHLIGHTS

AVERAGE
UTILISATION

39%

4Q21 : 78% / 1Q21 : 28%

AVERAGE
DAY RATE

USD74k

4Q21 : 74k/ 1Q21 : 53k

OPERATIONAL
EFFICIENCY

99%

4Q21 : 98% / 1Q21 : 99%

REVENUE

RM77m

4Q21 : 159m / 1Q21 : 44m

EBITDA

(RM3m)

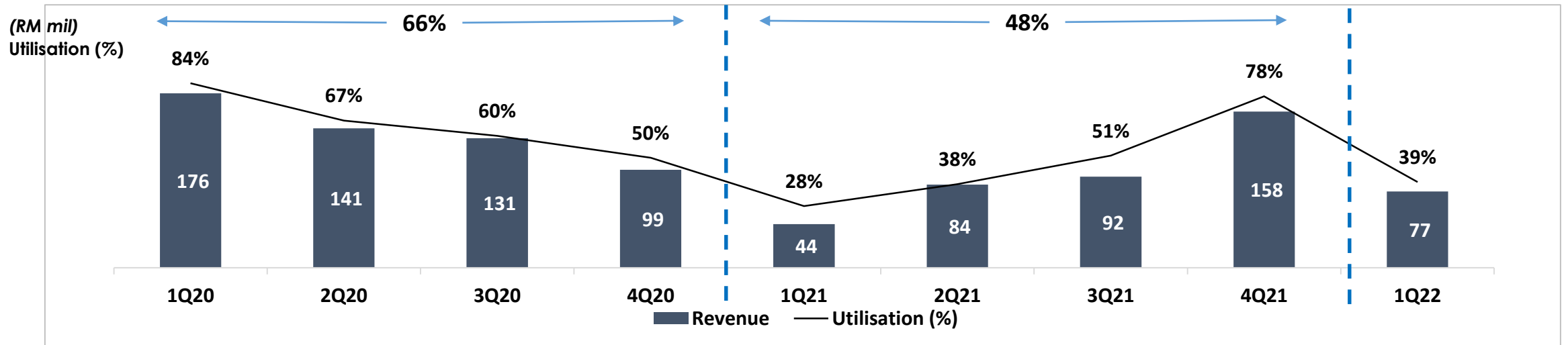
4Q21 : 51m / 1Q21 : (7m)

LAT

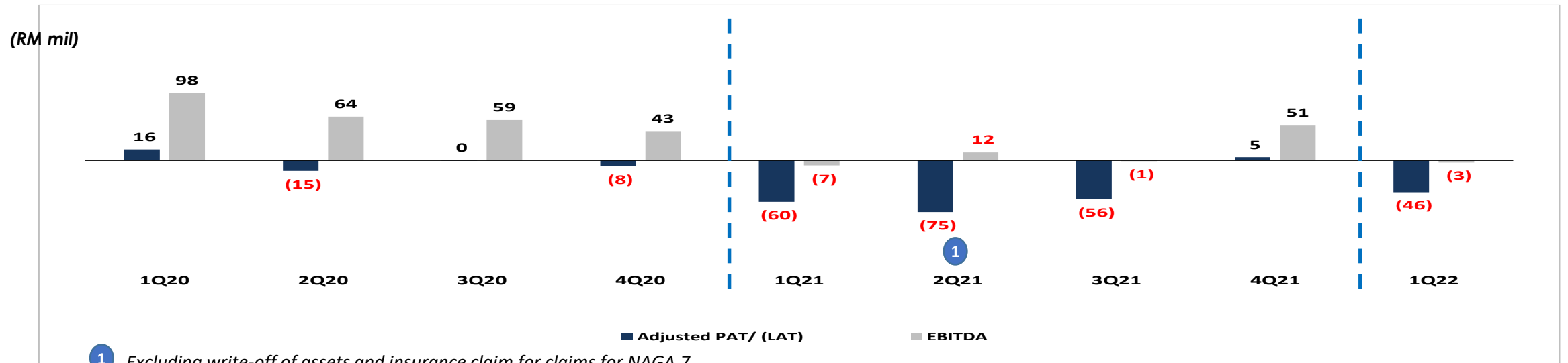
(RM46m)

4Q21 : 5m / 1Q21 : (60m)

EVOLUTION OF PERFORMANCE - QUARTERLY



DCR (USD 'k)	71	72	72	66	53	76	74	74	74
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¹ Excluding write-off of assets and insurance claim for claims for NAGA 7

SUMMARY

- **Robust industry outlook due to supply demand imbalance**
- **Drilling activities in Southeast Asia and Malaysia are increasing towards second half of 2022**
- **Three rigs are currently working, with solid prospects for remaining rigs in near term**
- **Currently upgrading two rigs with Offline capabilities**
- **Secured work for three GAITs so far and the 4th GAIT with a high potential prospect**
- **1Q 2022 financial performance better than corresponding quarter in 2021**
- **Higher utilization will lead to improved financial results**



Q & A

