

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2011

THE FIGURES HAVE NOT BEEN AUDITED

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/04/2011 RM'000	Preceding year corresponding quarter 30/04/2010 RM'000	Three months to 30/04/2011 RM'000	Three months to 30/04/2010 RM'000
1. Revenue	550,816	670,356	550,816	670,356
Operating expenses	(430,570)	(579,688)	(430,570)	(579,688)
Other income	6,613	5,203	6,613	5,203
Profit from operations	126,859	95,871	126,859	95,871
Finance cost	(12,562)	(8,502)	(12,562)	(8,502)
Share of results of associated companies and jointly controlled entities	114,297	87,369	114,297	87,369
	11,085	11,288	11,085	11,288
Profit before taxation	125,382	98,657	125,382	98,657
Taxation	(15,075)	(11,446)	(15,075)	(11,446)
Profit for the period	110,307	87,211	110,307	87,211
Attributable to :				
Owners of the Parent	72,345	50,690	72,345	50,690
Non controlling interests	37,962	36,521	37,962	36,521
	110,307	87,211	110,307	87,211
2. Earnings per share (sen)				
Basic/Diluted	5.67	3.97	5.67	3.97

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2011.

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II. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/04/2011 RM'000	Preceding year corresponding quarter 30/04/2010 RM'000	Three months to 30/04/2011 RM'000	Three months to 30/04/2010 RM'000
Profit for the period	110,307	87,211	110,307	87,211
Other comprehensive income:				
Foreign currency translation differences	(21,678)	(29,704)	(21,678)	(29,704)
Share of other comprehensive income of jointly controlled entities	7,840	-	7,840	-
Total comprehensive income	<u>96,469</u>	<u>57,507</u>	<u>96,469</u>	<u>57,507</u>
Attributable to :				
Owners of the Parent	64,748	29,012	64,748	29,012
Non controlling interests	<u>31,721</u>	<u>28,495</u>	<u>31,721</u>	<u>28,495</u>
	<u>96,469</u>	<u>57,507</u>	<u>96,469</u>	<u>57,507</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2011.

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III. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	UNAUDITED	AUDITED
	As at end of current quarter	As at preceding financial year end
	30/04/2011	31/01/2011
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,011,613	1,019,148
Investment in jointly controlled entities and associated companies	240,473	229,493
Intangible assets	154,205	154,688
Deferred tax assets	6,095	9,093
	<u>1,412,386</u>	<u>1,412,422</u>
Current assets		
Inventories	59,578	54,787
Trade & other receivables	1,368,536	1,403,017
Derivative financial assets	2,275	985
Cash and bank balances	751,701	768,381
	<u>2,182,090</u>	<u>2,227,170</u>
TOTAL ASSETS	<u>3,594,476</u>	<u>3,639,592</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Parent		
Share capital	255,344	255,344
Share premium	505,337	505,337
Other reserves	(45,455)	(37,858)
Retained profit	445,314	372,969
	<u>1,160,540</u>	<u>1,095,792</u>
Non controlling interests	<u>357,339</u>	<u>325,618</u>
Total equity	<u>1,517,879</u>	<u>1,421,410</u>
Non-current liabilities		
Borrowings	514,908	402,252
Derivative financial liabilities	1,194	2,322
Deferred taxation	13,458	6,758
	<u>529,560</u>	<u>411,332</u>
Current liabilities		
Trade & other payables	1,319,047	1,385,952
Borrowings	217,539	414,419
Derivative financial liabilities	635	1,235
Taxation	9,816	5,244
	<u>1,547,037</u>	<u>1,806,850</u>
TOTAL LIABILITIES	<u>2,076,597</u>	<u>2,218,182</u>
TOTAL EQUITY AND LIABILITIES	<u>3,594,476</u>	<u>3,639,592</u>
Net assets per share (RM)	<u>0.91</u>	<u>0.86</u>

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2011.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited Three months to 30/04/2011 RM'000	Unaudited Three months to 30/04/2010 RM'000
Profit before taxation	125,382	98,657
Adjustment for non-cash items	17,333	22,730
Operating profit before working capital changes	<u>142,715</u>	<u>121,387</u>
Net change in current assets	79,386	(184,779)
Net change in current liabilities	<u>(94,092)</u>	<u>89,622</u>
	128,009	26,230
Non-operating items	<u>(20,523)</u>	<u>(27,110)</u>
Net cash generated from/(used in) operating activities	107,486	(880)
Net cash used in investing activities	(17,160)	(143,615)
Net cash used in financing activities	<u>(95,024)</u>	<u>(92,736)</u>
Net changes in Cash and Cash Equivalents	(4,698)	(237,231)
Effect of exchange rate translation	(11,982)	(10,544)
Cash and Cash Equivalents at beginning of year	<u>768,381</u>	<u>875,251</u>
Cash and Cash Equivalents at end of period	<u><u>751,701</u></u>	<u><u>627,476</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 2011.

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V. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Owners of the Parent				Total	Non	Total Equity
	Share Capital	Share Premium	Other Reserves	Retained profit		Controlling	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three months to 30 April 2011 (Unaudited)							
At 1 February 2011	255,344	505,337	(37,858)	372,969	1,095,792	325,618	1,421,410
Total comprehensive income	-	-	(7,597)	72,345	64,748	31,721	96,469
At 30 April 2011	<u>255,344</u>	<u>505,337</u>	<u>(45,455)</u>	<u>445,314</u>	<u>1,160,540</u>	<u>357,339</u>	<u>1,517,879</u>
Three months to 30 April 2010 (Unaudited)							
At 1 February 2010	255,344	505,337	45,560	214,022	1,020,263	397,103	1,417,366
Total comprehensive income	-	-	(21,678)	50,690	29,012	28,495	57,507
Dividend to non controlling interest of a subsidiary	-	-	-	-	-	(73,500)	(73,500)
At 30 April 2010	<u>255,344</u>	<u>505,337</u>	<u>23,882</u>	<u>264,712</u>	<u>1,049,275</u>	<u>352,098</u>	<u>1,401,373</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2011.

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 2011.

2. Seasonality and cyclicity of operations

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

3. 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.

4. Changes in estimates

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

5. Debts and equity securities

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

6. Segment information

	<u>3 months to 30/04/11</u>	
	Segment Revenue	Segment Results
	RM'000	RM'000
Installation of Pipelines and Facilities	272,796	64,766
Drilling	178,725	79,214
Marine Services	89,521	(1,247)
Operations and Maintenance	9,774	550
		<hr/>
		143,283
Others		
Finance costs of debt securities		(5,834)
Investment holding and others		(12,067)
Consolidated revenue / profit before tax	<hr/> 550,816	<hr/> 125,382

7. Subsequent event

There were no material events subsequent to 30 April 2011 to the date of this announcement.

8. Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial period including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

9. Contingent liabilities

There were no contingent liabilities as at the date of this announcement.

10. Capital commitments

Approved and contracted for:	RM'000
Group	59,768
Share of capital commitment in jointly controlled entities	<u>9,010</u>
Total	<u>68,778</u>

11. Taxation

Taxation comprises the following:

	Current quarter ended 30/04/11 RM'000	Preceding year Corresponding quarter ended 30/04/10 RM'000
Malaysian Taxation		
- Current taxation	14,952	10,659
- Deferred taxation	123	272
Foreign Taxation		
- Current taxation	-	515
	<u>15,075</u>	<u>11,446</u>

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

12. Disposal of unquoted investments and/or properties

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

13. Quoted securities

There was no acquisition and disposal of quoted securities.

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

There were no corporate proposals announced but not completed as at the date of this announcement.

(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 2012
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	

15. Borrowings

The Group's borrowings as at 30 April 2011 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	162,524	-	162,524	44,605	31,958	76,563	239,087
Foreign Banks	104,674	-	104,674	42,354		42,354	147,028
Debt securities							
- Istisna' Bonds	247,710	-	247,710	-	-	-	247,710
- Murabahah CPs	-	-	-	98,622	-	98,622	98,622
	514,908	-	514,908	185,581	31,958	217,539	732,447

The above includes borrowings in US Dollars equivalent to RM200.3 million and Australian Dollars equivalent to RM20.6 million.

16. Derivative financial instrument

Details of the Group's derivative financial instruments outstanding as at 30 April 2011 are as follows:

	Contract /Notional Amount at 30 April 2011 RM'mil	Asset/ (Liability) Fair Value RM'mil
Cross Currency Interest Rate Swap (CCIRS)	245.0	
- Less than 1 year		(0.6)
- 1 year to 3 years		(0.9)
- More than 3 years		(0.3)
	<u>245.0</u>	<u>(1.8)</u>
Forward foreign currency contracts		
- Less than 1 year	46.8	2.3
	<u>46.8</u>	<u>2.3</u>

The Group entered into forward foreign currency contracts to manage the exposure to foreign exchange risk when it enters into transactions that are not denominated in their functional currencies.

There is no change in respect of the following since the last financial year ended 31 January 2011:

- i. the credit risk, market risk and liquidity risk associated with the derivatives;
- ii. the cash requirements of the derivatives; and
- iii. the policy in place for mitigating or controlling the risks associated with these financial derivatives.

The gain arising from fair value changes of financial liabilities is as follows:

Type of financial liability	Current quarter RM'mil	Year to date RM'mil	Basis of fair value measurement	Reasons for gain
CCIRS	1.7	1.7	The fair value is computed using a valuation technique which utilises data from recognised financial information sources including rates from relevant yield curves.	The USD/MYR foreign exchange rate has moved in favour of the Group since the last measurement date.

17. Realised and Unrealised Profits

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits is as follows:

	Company and Subsidiaries RM'000	Jointly Controlled Entities RM'000	Consolidation Adjustments RM'000	Group Retained Profits RM'000
As at 30 April 2011				
Realised profits	203,844	15,438	239,678	458,960
Unrealised profits/(losses)	(11,963)	(4,353)	2,670	(13,646)
	<u>191,881</u>	<u>11,085</u>	<u>242,348</u>	<u>445,314</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

The Group registered a decrease in revenue from RM596 million in the preceding quarter to RM551 million in the current quarter mainly due to lower activities in the operation and maintenance division.

However, profit before tax increased from RM104 million in the preceding quarter to RM125 million in the current quarter due to higher contribution largely from drilling division.

20. Review of performance for the current quarter to date

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

Group revenue for the current quarter decreased by 18% to RM551 million compared to last year's corresponding quarter of RM670 million mainly due to lower activities in the IPF, drilling and marine services divisions.

However, profit before tax increased by 27% from RM99 million to RM125 million principally due to better performance in IPF, drilling and marine services divisions.

21. (a) Prospects for the financial year ending 31 January 2012

Barring any unforeseen circumstances, the Directors expect the Group to achieve satisfactory results for the financial year ending 31 January 2012.

(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

Basic/diluted	Individual Quarter	
	3 months to 30/04/11	30/04/10
Profit attributable to owners of the Parent (RM'000)	72,345	50,690
Number of ordinary shares in issue ('000)	1,276,722	1,276,722
Basic/diluted earnings per share (sen)	<u>5.67</u>	<u>3.97</u>

Selangor
30 June 2011

By Order of the Board

Aliza Ashari
Poh Phei Ling

Company Secretaries