

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED 30 APRIL 2009

THE FIGURES HAVE NOT BEEN AUDITED

I. CONDENSED CONSOLIDATED INCOME STATEMENT

	Individual Quarter		Cumulative Quarter	
	Current year quarter 30/04/2009 RM'000	Preceding year corresponding quarter 30/04/2008 RM'000	Three months to 30/04/2009 RM'000	Three months to 30/04/2008 RM'000
1. Revenue	716,183	684,446	716,183	684,446
Operating expenses	(640,519)	(616,714)	(640,519)	(616,714)
Other income	1,030	2,071	1,030	2,071
Profit from operations	76,694	69,803	76,694	69,803
Finance cost	(11,309)	(14,876)	(11,309)	(14,876)
	65,385	54,927	65,385	54,927
Share of results of associated companies and jointly controlled entities	2,736	(9,748)	2,736	(9,748)
Profit before taxation	68,121	45,179	68,121	45,179
Taxation	(7,585)	(4,404)	(7,585)	(4,404)
Profit for the period/year	60,536	40,775	60,536	40,775
Attributable to :				
Equity holders of the parent	25,660	20,355	25,660	20,355
Minority interests	34,876	20,420	34,876	20,420
	60,536	40,775	60,536	40,775
2. Earnings per share (sen)				
Basic	2.03	1.74	2.03	1.74
Diluted	2.03	1.58	2.03	1.58

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2009.

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II. CONDENSED CONSOLIDATED BALANCE SHEET

	UNAUDITED	AUDITED
	As at end of current quarter	As at preceding financial year end
	30/04/2009	31/01/2009
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	905,298	903,559
Investment in jointly controlled entities and associated companies	104,581	105,508
Intangible assets	149,465	149,515
Deferred tax assets	7,971	11,001
	1,167,315	1,169,583
Current assets		
Inventories	59,042	50,023
Trade & other receivables	1,811,910	1,718,238
Cash and bank balances	597,975	593,538
	2,468,927	2,361,799
TOTAL ASSETS	3,636,242	3,531,382
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	253,793	238,767
Share premium	499,948	461,632
Other reserves	72,094	60,658
Retained profit	186,993	161,333
	1,012,828	922,390
Minority interests	423,600	401,197
Total equity	1,436,428	1,323,587
Non-current liabilities		
Borrowings	447,952	454,307
Deferred taxation	9,746	8,583
	457,698	462,890
Current liabilities		
Trade & other payables	1,291,229	1,252,695
Borrowings	438,985	477,725
Taxation	11,902	14,485
	1,742,116	1,744,905
TOTAL LIABILITIES	2,199,814	2,207,795
TOTAL EQUITY AND LIABILITIES	3,636,242	3,531,382
 Net assets per share (RM)	 0.80	 0.77

The condensed consolidated balance sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2009.

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III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Three months to 30/04/2009 RM'000	Unaudited Three months to 30/04/2008 RM'000
Profit before taxation	68,121	45,179
Adjustment for non-cash items	39,041	38,975
Operating profit before working capital changes	<u>107,162</u>	<u>84,154</u>
Net change in current assets	(70,260)	17,639
Net change in current liabilities	<u>52,955</u>	<u>70,613</u>
	89,857	172,406
Non-operating items	<u>(31,296)</u>	<u>(25,453)</u>
Net cash generated from operating activities	58,561	146,953
Net cash used in investing activities	(30,651)	(5,541)
Net cash used in financing activities	<u>(18,978)</u>	<u>(40,396)</u>
Net changes in Cash and Cash Equivalent	8,932	101,016
Effect of exchange rate translation	(3,798)	(1,170)
Cash and Cash Equivalents at beginning of year	<u>590,384</u>	<u>354,209</u>
Cash and Cash Equivalents at end of period	<u><u>595,518</u></u>	<u><u>454,055</u></u>

Cash and cash equivalents comprise of the following:

	RM'000	RM'000
Cash and bank balances	597,975	455,747
Bank overdrafts	<u>(2,457)</u>	<u>(1,692)</u>
	<u>595,518</u>	<u>454,055</u>

The condensed consolidated cash flow statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2009.

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IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent					Minority interest	Total Equity
	Share Capital RM'000	Share Premium RM'000	Other Reserves RM'000	Retained profit RM'000	Total RM'000	RM'000	RM'000
Three months to 30 April 2009							
(Unaudited)							
At 1 February 2009	238,767	461,632	60,658	161,333	922,390	401,197	1,323,587
Net profit for the year	-	-	-	25,660	25,660	34,876	60,536
Issue of ordinary share pursuant of ESOS	-	-	-	-	-	-	-
Share options granted under ESOS	-	-	-	-	-	-	-
Issue of ordinary share pursuant of exercise of warrants	15,026	38,316	-	-	53,342	-	53,342
Foreign currency translation	-	-	11,436	-	11,436	(12,473)	(1,037)
At 30 April 2009	253,793	499,948	72,094	186,993	1,012,828	423,600	1,436,428
Three months to 30 April 2008							
(Unaudited)							
At 1 February 2008	233,670	448,104	27,875	86,824	796,473	272,165	1,068,638
Net profit for the year	-	-	-	20,355	20,355	20,420	40,775
Issue of ordinary share pursuant of ESOS	451	1,336	-	-	1,787	-	1,787
Share options granted under ESOS	-	302	(302)	-	-	-	-
Issue of ordinary share pursuant of exercise of warrants	6	15	-	-	21	-	21
Foreign currency translation	-	-	12,837	-	12,837	12,130	24,967
At 30 April 2008	234,127	449,757	40,410	107,179	831,473	304,715	1,136,188

NOTES TO THE FINANCIAL STATEMENTS

The notes to the condensed Financial Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2009.

1. Accounting policies and methods of computation

The unaudited condensed consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group and are in accordance with FRS134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

2. Seasonality and cyclicity of operations

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

3. Unusual items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

4. Changes in estimates

There were no changes in estimates of amount reported in prior financial year that have material effect in the current quarter under review.

5. Debt and equity securities

During the current quarter under review, the issued and paid up capital of the Company increased from 1,193,833,841 ordinary shares of RM0.20 each to 1,268,962,824 ordinary shares of RM0.20 each by the issuance of 75,128,983 new ordinary shares of RM0.20 each, pursuant to the exercise of warrants.

The expiry and final exercise date of the warrants was on 18 February 2009.

Save as disclosed above, there were no other issuances, cancellations, repurchases, resale and repayment of debt and equity securities during the current quarter ended 30 April 2009.

6. Dividends paid

An interim single tier dividend of 2.0 sen per ordinary share, totalling RM23.77 million in respect of the financial year ended 31 January 2009 was paid on 16 February 2009.

7. Segmental information

	3 months to 30/04/09	
	Segment Revenue	Segment Results
	RM'000	RM'000
Installation of Pipelines and Facilities	295,904	12,242
Drilling	242,215	71,347
Marine Services	167,198	1,152
Operations and Maintenance	10,866	2,110
		<hr/>
		86,851
Others (including investment holding and corporate operations)		
Finance costs of debt securities		(6,057)
Share of pre-operating expenses of a JV company		(1,026)
Other investment holding and corporate operations		(11,647)
Consolidated revenue / profit before tax	<hr/> 716,183 <hr/>	<hr/> 68,121 <hr/>

8. Subsequent event

- (i) On 1 August 2008, the Company had via its wholly owned subsidiary, Geomark Sdn Bhd ("Geomark"), entered into a shareholders agreement with AP Prakash Shipping Company Pte Ltd ("APPPL") to participate in the construction and financing of a new vessel held by Quippo Prakash Pte Ltd ("QP") (the "JV Agreement"). Subsequently on 21 May 2009, the Company announced that the joint venture was effective with the fulfillment of all the conditions precedent set out in the JV agreement.
- (ii) On 2 June 2009, the Company had via its wholly owned subsidiary, TL Geotechnics Sdn Bhd, signed a Share Sale Agreement ("Agreement") with Scomi Group Berhad ("SGB") to acquire SGB's 60% shareholding in Scomi Oilserve Sdn Bhd ("SOSB"), of which 40% is owned by the Company.

The acquisition is subject to the approval of the Foreign Investment Committee and the fulfillment of all conditions precedent stipulated in the Agreement. The acquisition is expected to be completed within three months from the date of the Agreement, whereupon SOSB will become a wholly owned subsidiary.

Save as disclosed above, there were no other material events subsequent to 30 April 2009 to the date of this announcement.

9. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter ended 30 April 2009 including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

10. Contingent liabilities

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

11. Capital commitments

Approved and contracted for:	RM'000
Group	104,551
Share of capital commitment in jointly controlled entities	<u>51,332</u>
Total	<u>155,883</u>

12. Taxation

Taxation comprises the following:

	Current quarter ended 30/04/09 RM'000	Preceding year Corresponding quarter ended 30/04/08 RM'000
Malaysian Taxation		
- current taxation	6,325	3,168
- deferred taxation	166	222
Foreign Taxation		
- current taxation	<u>1,094</u>	<u>1,014</u>
	<u>7,585</u>	<u>4,404</u>

The effective tax rate of 11% for the current quarter is lower than the statutory tax rate of 25% principally due to lower statutory tax rates for offshore subsidiary companies.

13. Disposal of unquoted investments and/or properties

There were no disposal of unquoted investments and/or properties during the current quarter ended 30 April 2009.

14. Quoted securities

There were no acquisitions and disposals of quoted securities for the current quarter ended 30 April 2009 and there were no investments in quoted securities as at 30 April 2009.

15. (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 except for the proposed acquisition of SGB's shareholding in Scomi Oilserve Sdn Bhd by TL Geotechnics Sdn Bhd, a wholly owned subsidiary of the Company, as disclosed in Note 8 (ii) above.

(b) Status of utilisation of proceeds

(i) Istisna' Bonds Proceeds – (RM245 million)

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	56,895	By Dec 2009
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	211,895	

16. Borrowings

The Group's borrowings as at 30 April 2009 are as follows:

	<u>Long term borrowings</u>			<u>Short term borrowings</u>		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
Domestic Banks	540	-	540	265,161	36,886	302,047
Foreign Banks	201,725	-	201,725	43,806	-	43,806
Debt securities						
- Istisna' Bonds	245,687	-	245,687	-	-	-
- Murabahah CPs	-	-	-	93,132	-	93,132
	447,952	-	447,952	402,099	36,886	438,985

The above includes borrowings in US Dollars equivalent to RM317.7 million and Australian Dollars equivalent to RM1.0 million.

17. Off-balance sheet financial instruments

Cross Currency Interest Rate Swap ("CCIRS")

As at the date of this announcement, the Company has an outstanding CCIRS on a notional amount of RM250 million with staggered maturities (at varying semi-annual amounts) up to the year 2015.

The credit risk of the above off balance sheet instruments is minimal given that the contracts were entered into with a creditworthy financial institution.

Hedging Instrument Accounting Policy

The hedging instruments are not recognized in the financial statements on inception. The underlying foreign currency liabilities or assets are translated at their respective hedged exchange rates and all exchange gains and losses are recognized as income or expense in the income statement in the same period as the exchange differences on the underlying hedged items. Exchange gains or losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transactions, at which time they are included in the measurement of such transactions.

Net differentials in interest receipts and payments arising from interest rate hedging instrument are recognized as income or expense over the period of the contract.

18. Material litigation

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

19. Comparison between the current quarter and the immediate preceding quarter

Revenue for the current quarter decreased by 12.4% to RM716.2 million as compared to RM817.7 million in the immediate preceding quarter mainly due to decreased activities in the installation of pipelines and facilities, offshore drilling and operations and maintenance divisions.

Profit before taxation was lower by 5.6% compared to RM72.2 million in the immediate preceding quarter mainly due to the drydocking of vessels and lower margin of the marine services division.

20. Review of performance for the current quarter to date

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

Revenue for the current quarter of RM716.2 million represented an increase of RM31.8 million or 4.6% as compared to RM684.4 million in the corresponding quarter of the preceding year, mainly due to increased activities in offshore drilling, marine services and operations and maintenance divisions.

Profit before taxation increased by 50.7% to RM68.1 million as compared to RM45.2 million in the corresponding quarter of the preceding year attributable mainly to the drilling division.

21. (a) Prospects for the financial year ending 31 January 2010

Barring any unforeseen circumstances, the Directors expect the Group to achieve satisfactory results for the financial year ending 31 January 2010.

(b) Revenue or profit estimate, forecast, projection or internal targets

The Company has not provided any revenue or profit estimate, forecast, projection or internal targets in any previous announcement or public document.

22. Dividend

The Board of Directors does not recommend any dividend for the current quarter under review.

23. Earnings per share

	Individual Quarter	
	3 months to	
i) Basic	30/04/09	30/04/08
Profit attributable to equity holders of the parent (RM'000)	25,660	20,355
Weighted average number of ordinary shares in issue ('000)	1,262,702	1,170,073
Basic earnings per share (sen)	2.03	1.74
	Individual Quarter	
	3 months to	
ii) Diluted	30/04/09	30/04/08
Profit attributable to equity holders of the parent (RM'000)	25,660	20,355
Weighted average number of ordinary shares in issue ('000)	1,262,702	1,170,073
Dilution due to exercise of ESOS (2008: ESOS and warrants) ('000)	948	116,423
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,263,650	1,286,496
Diluted earnings per share (sen)	2.03	1.58

Selangor
17 June 2009

By Order of the Board

Finton Tuan Kit Ming
Poh Phei Ling

Company Secretaries