

4Q FPE 2019
Results Overview

28 February 2019



OVERVIEW OF Q4 RESULTS

1. The Group has changed the financial reporting period to end on 30 June. This will be effective for the 18 months period from 1 January 2018 to 30 June 2019.
1. The Group recorded lower revenue for this Q4 as compared to Q3 due to less progress billing following completion of work for underwater services contract in Q3.
 - About 37% of Q4 revenue was derived from the Sabah-Sarawak Gas Pipeline maintenance contract which saw increased activities and billings in Q4. The Group still has sizable order book balance for the SSGP contract and this contract is expected to continue to contribute significant revenue for the current financial period.
 - About 29% of Q4 revenue was contributed by the hook-up and commissioning activities including initial contribution from newly secured 5 year MCM contracts.
 - About 21% of Q4 revenue was from the Asean Bintulu Fertilizer contract. This contract reached completion in February 2019.
2. Gross profit margin for Q4 was at about 10%. Factors affecting Q4 GP margin was provisions for additional cost for past projects.
1. Loss after tax for Q4 was significantly affected by additional tax and penalty for past years from 2011 to 2016 imposed by the tax authority following tax audit.

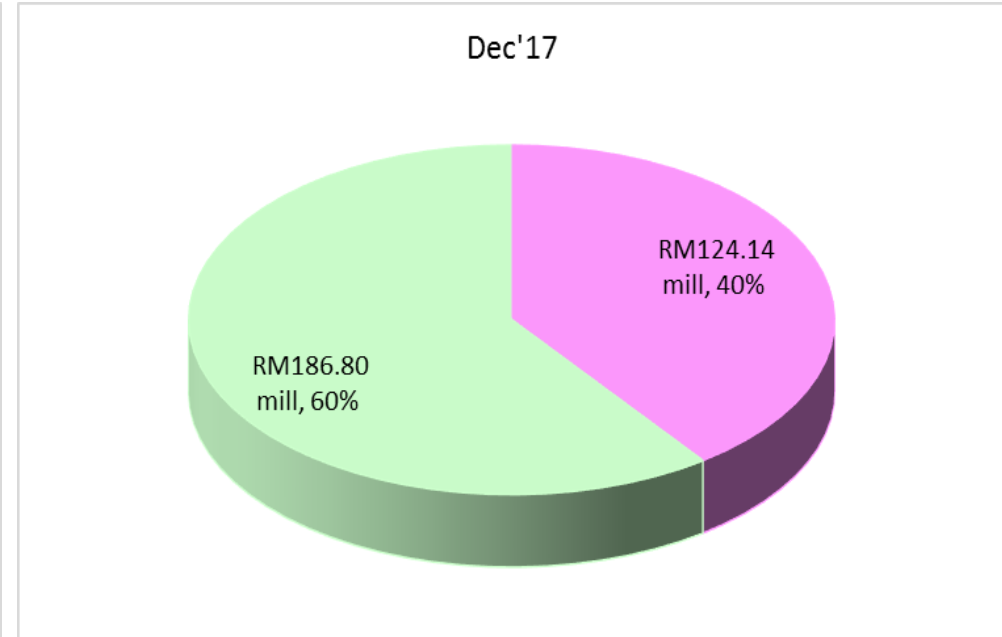
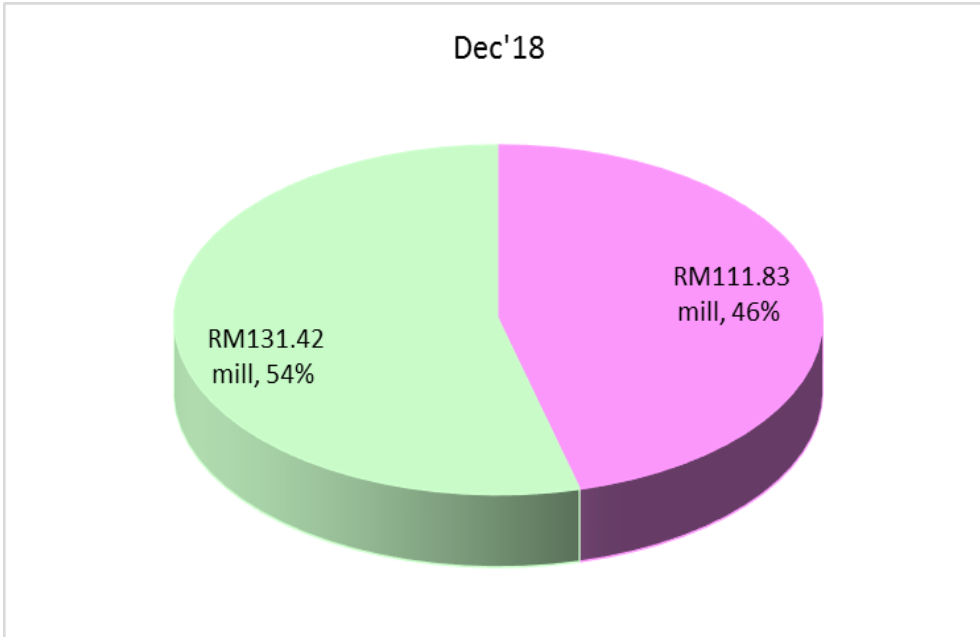
Highlights: Performance Against Preceding Year (Individual Quarter)

<i>Individual quarter</i>	FPE 2019 Dec'18 RM'000	FYE 2017 Dec'17 RM'000	Variance
Revenue	70,252	78,679	(11%)
Gross profit/(loss)	7,420	(8,892)	183%
Loss before taxation	(10,840)	(75,057)	86%
Loss after taxation	(21,096)	(73,858)	71%
Gross profit/(loss) margin	10.56%	(11.30%)	193%
EBITDA	(2,005)	(65,249)	97%
Total assets	471,499	551,449	(14%)
Net assets	136,006	203,315	(33%)
Weighted average no. of ordinary shares ('000)	828,153	825,587	0.31%
Basic earnings per share (sen)	(2.55)	(8.94)	71%
Net assets per share (sen)	16.42	24.63	(33%)

Highlights: Performance Against Preceding Year (Cumulative)

<i>Cumulative quarter</i>	FPE 2019 Jan - Dec RM'000	FYE 2017 Jan - Dec RM'000	Variance
Revenue	243,253	310,936	(22%)
Gross profit/(loss)	2,050	(89,850)	102%
Loss before taxation	(51,096)	(216,729)	76%
Loss after taxation	(61,609)	(216,754)	72%
Gross profit/(loss) margin	0.84%	(28.90%)	103%
EBITDA	(16,482)	(177,804)	91%
Total assets	471,499	551,449	(14%)
Net assets	136,006	203,315	(33%)
Weighted average no. of ordinary shares ('000)	828,153	825,587	0.31%
Basic earnings per share (sen)	(7.44)	(26.25)	72%
Net assets per share (sen)	16.42	24.63	(33%)

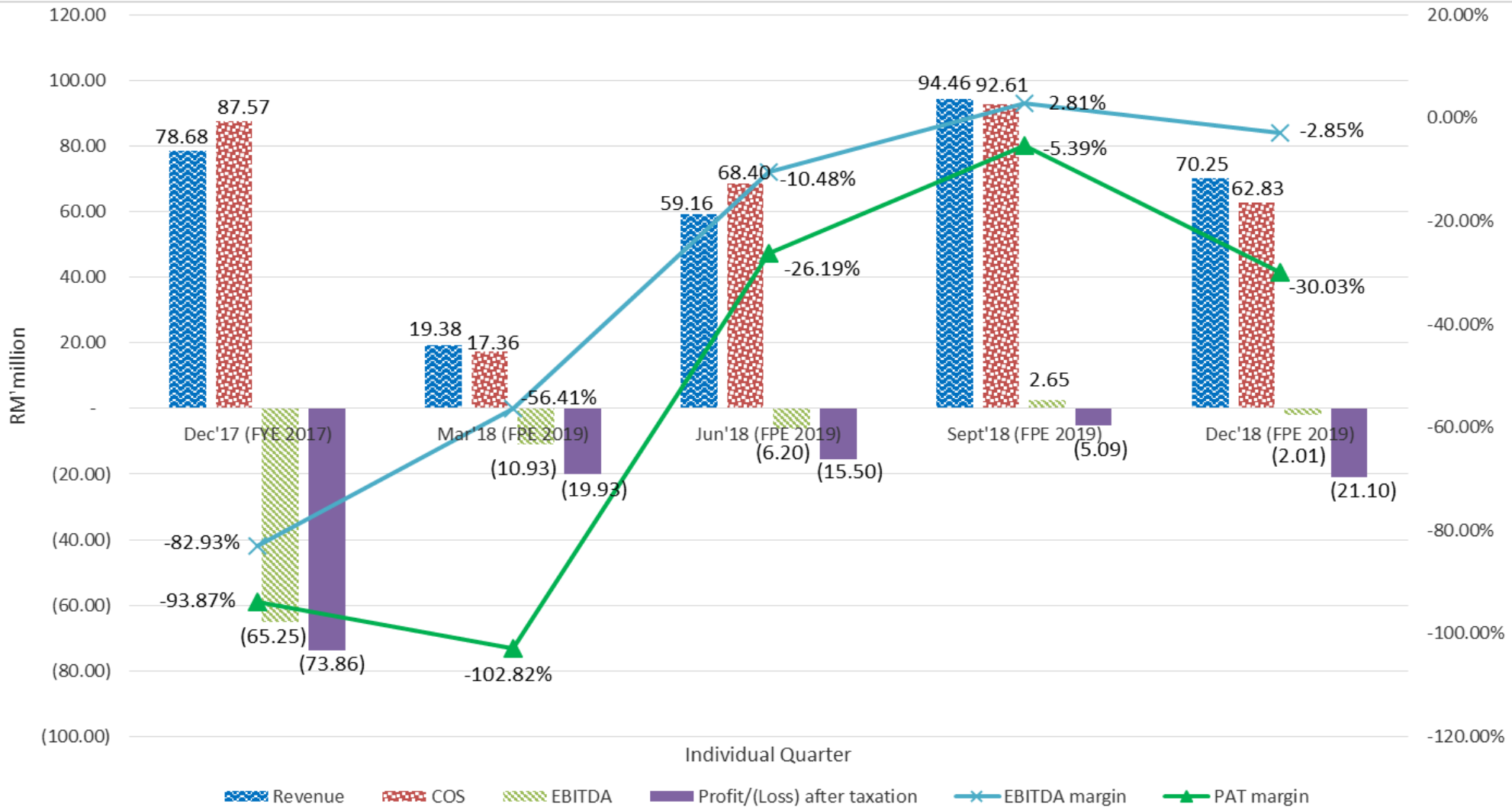
FPE 2019 Vs FYE 2017 Revenue Breakdown (Cumulative Quarter)



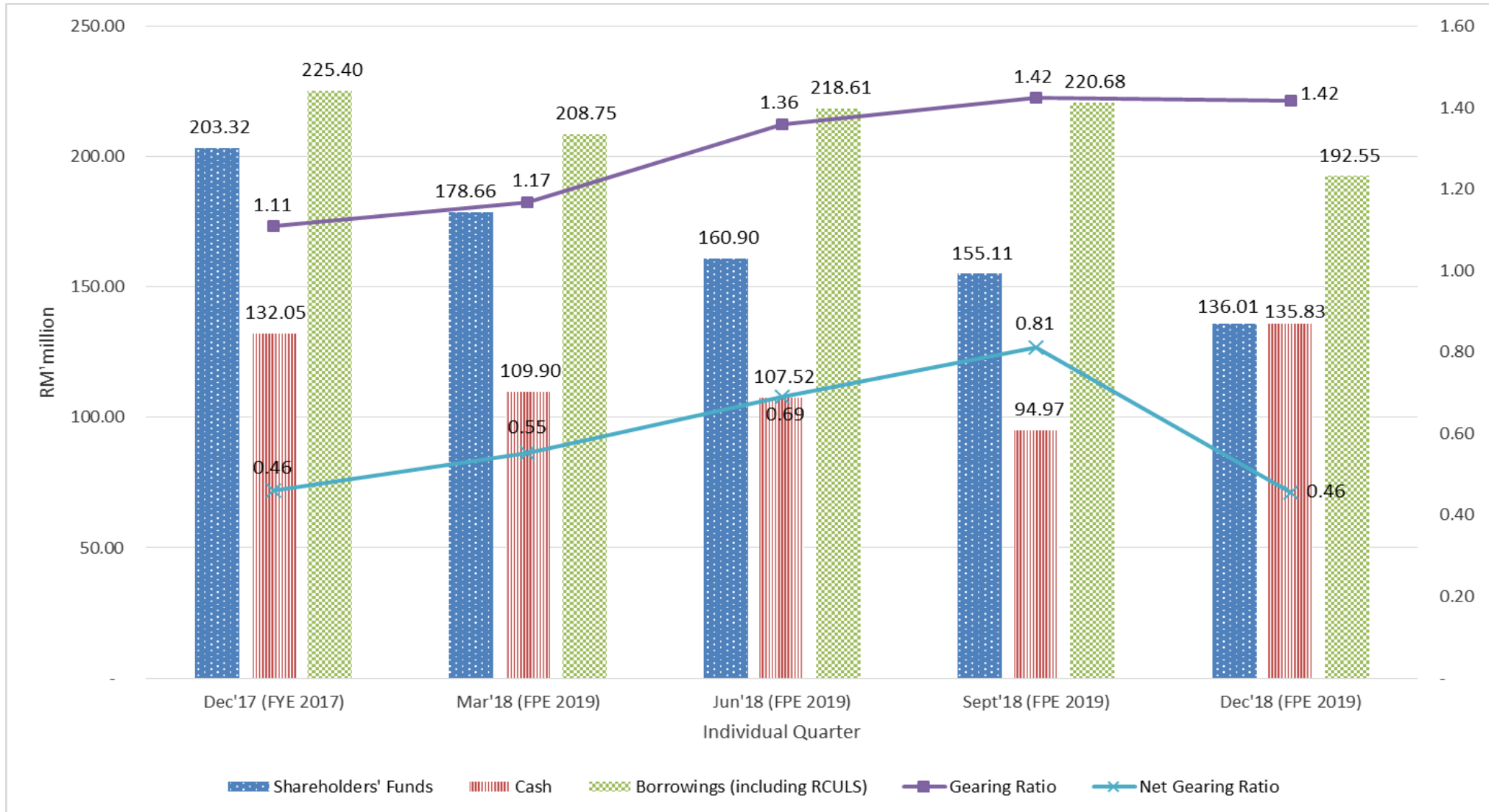
■ Pipeline and commissioning services

■ Installation and construction services

RESULTS OVERVIEW: INCOME STATEMENT (5 QUARTERS)



RESULTS OVERVIEW: BALANCE SHEET (5 QUARTERS)



Orderbook as at 31 December 2018 – Balance of RM1.34 billion
 – Revenue visibility up to 2023

	Projects	Clients	Balance (Firm) RM'm	Balance (Estimate) RM'm	Balance (Total) RM'm	Timing
1.	Pipeline Services	Various PSCs	3.3	-	3.3	2019
2.	Sabah-Sarawak Gas Pipeline Maintenance	PCSB/PGB	80.0	-	80.0	2019
3.	Underwater Inspection, Repair & Maintenance (IRM) 2016-2018	PCSB	6.8	-	6.8	2019
4.	Transportation & Installations (T&I)	PCSB/Various PSCs	14.5	-	14.5	2019
5.	Hook-up & Commissioning (HUC) and Topside Maintenance for platforms	Various PSCs	1.7	-	1.7	2018
6.	EPCC of material handling system	Asean Bintulu Fertilizer	6.7	-	6.7	Up to Q1 2019
7.	Pan Malaysia Maintenance, Construction and Modifications of offshore facilities (MCM) 2018-2023	Various PSCs	55.2	1,129.7	1,184.9 (From estimated total contract value of RM1.2 billion)	Up to July 2023
	Total		168.2	1,129.7	1,297.9	

CHALLENGES AND OUTLOOK

1. The Group immediate requirement is to strengthen its balance sheet which has been substantially eroded following losses for the last 2 year period. The Group plans to embark on a regularisation plan to :
 - address significant long outstanding amount due to creditors,
 - improve its net assets position, and
 - resolve the situation of lack of utilisation of its main asset pipe lay barge.The proposal for a regularisation plan is envisaged to be formalised by middle of 2019.
2. A restraining order from the Court which was obtained on 16 October 2018 has since expired. Nevertheless, the Group continues to engage with the creditors to arrive at a settlement through a comprehensive debt restructuring scheme that will form part of the Group's regularisation plan.
3. Business outlook is more positive premised on the following factors.
 - Pipe-lay barge Kota Laksamana 101 is currently on hire offshore Terengganu as accomodation vessel for the MCM contract. This is an encouraging development following more than 2.5 years of no utilisation for the vessel.
 - Order book balance of RM1.36 billion provides revenue visibility to 2023.
 - Currently bidding for new projects with total estimated value of RM1.3 billion. Active participation in pre-qualification for potential future projects bidding.

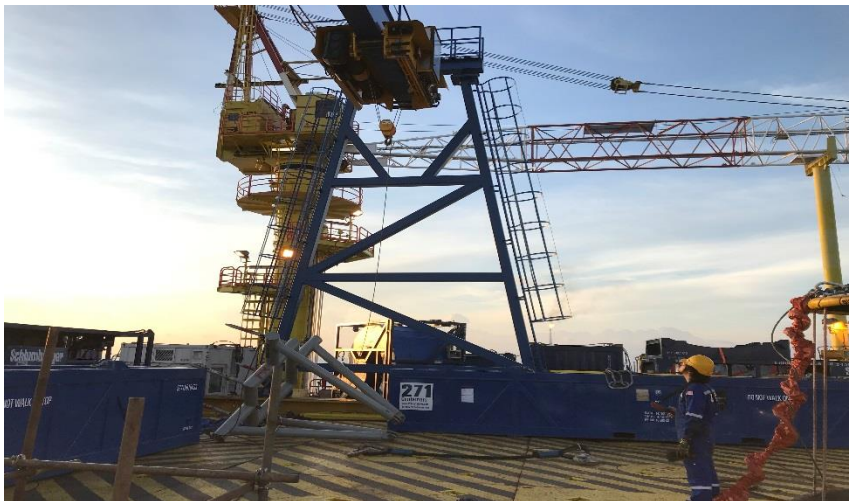
Sabah- Sarawak Gas Pipeline Maintenance for PGB



Production Riser Tensioner for MURPHY



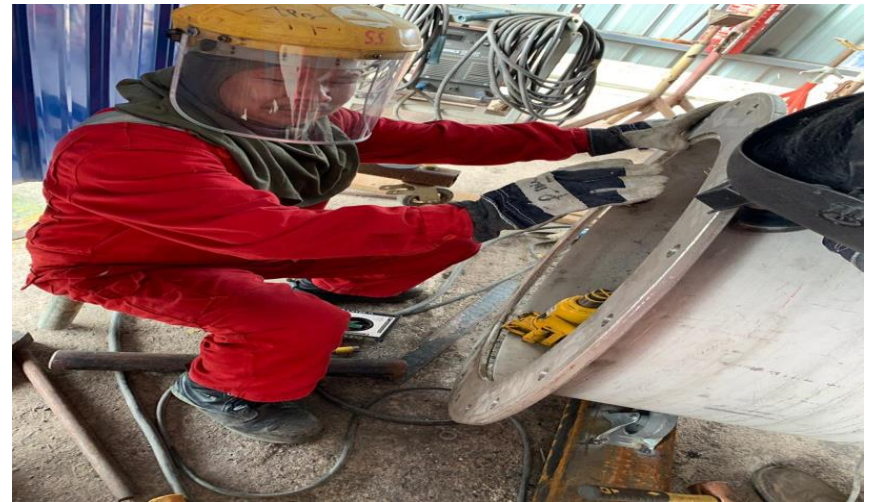
Provision of Pan Malaysia Maintenance, Construction & Modification (PM-MCM) for ENQUEST



Provision of Pan Malaysia Maintenance, Construction & Modification (PM-MCM) for SAPURA Exploration & Production (SEP)



Provision of Pan Malaysia Maintenance, Construction & Modification (PM-MCM) for PETROFAC



EPCC of Material Handling System for ABF



Thank you



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