

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 JANUARY 2011**

**THE FIGURES HAVE NOT BEEN AUDITED**

**I. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current year quarter	Preceding year corresponding quarter	Twelve months to	Twelve months to
	<b>31/01/2011</b> RM'000	<b>31/01/2010</b> RM'000	<b>31/01/2011</b> RM'000	<b>31/01/2010</b> RM'000
<b>1. Revenue</b>	<b>609,947</b>	<b>484,476</b>	<b>3,193,564</b>	<b>3,257,043</b>
Operating expenses	(520,277)	(435,454)	(2,854,190)	(2,918,057)
Other income	10,445	7,248	22,610	23,420
Profit from operations	100,115	56,270	361,984	362,406
Finance cost	(12,377)	(10,898)	(38,217)	(45,186)
Share of results of associated companies and jointly controlled entities	87,738	45,372	323,767	317,220
	24,784	27,084	100,295	46,779
<b>Profit before taxation</b>	<b>112,522</b>	<b>72,456</b>	<b>424,062</b>	<b>363,999</b>
Taxation	(15,094)	9,779	(48,161)	(28,745)
<b>Profit for the year</b>	<b>97,428</b>	<b>82,235</b>	<b>375,901</b>	<b>335,254</b>
Attributable to :				
Owners of the Parent	72,675	40,571	231,448	172,035
Minority interests	24,753	41,664	144,453	163,219
	<b>97,428</b>	<b>82,235</b>	<b>375,901</b>	<b>335,254</b>
<b>2. Earnings per share (sen)</b>				
Basic	<b>5.69</b>	<b>3.21</b>	<b>18.13</b>	<b>13.59</b>
Diluted	<b>5.69</b>	<b>3.21</b>	<b>18.13</b>	<b>13.59</b>

The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010.

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**II. CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	Current year quarter  <b>31/01/2011</b> RM'000	Preceding year corresponding quarter  <b>31/01/2010</b> RM'000	Twelve months to  <b>31/01/2011</b> RM'000	Twelve months to  <b>31/01/2010</b> RM'000
Profit for the year	<b>97,428</b>	<b>82,235</b>	<b>375,901</b>	<b>335,254</b>
Foreign currency translation differences	(5,835)	(26,191)	(79,193)	(41,138)
Total comprehensive income	<u>91,593</u>	<u>56,044</u>	<u>296,708</u>	<u>294,116</u>
Attributable to :				
Owners of the Parent	63,951	39,517	179,327	151,973
Minority interests	27,642	16,527	117,381	142,143
	<u>91,593</u>	<u>56,044</u>	<u>296,708</u>	<u>294,116</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010.

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**III. CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	As at end of current quarter	As at preceding financial year end
	<b>31/01/2011</b>	<b>31/01/2010</b>
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,018,227	900,456
Investment in jointly controlled entities and associated companies	243,836	192,107
Intangible assets	149,745	149,314
Deferred tax assets	6,228	14,675
	<u>1,418,036</u>	<u>1,256,552</u>
<b>Current assets</b>		
Inventories	54,410	54,276
Trade & other receivables	1,446,322	1,163,182
Derivative financial assets	985	-
Cash and bank balances	770,542	875,251
	<u>2,272,259</u>	<u>2,092,709</u>
<b>TOTAL ASSETS</b>	<u><b>3,690,295</b></u>	<u><b>3,349,261</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Parent</b>		
Share capital	255,344	255,344
Share premium	505,337	505,337
Other reserves	(6,561)	45,560
Retained profit	356,099	256,976
	<u>1,110,219</u>	<u>1,063,217</u>
<b>Minority interests</b>	<u>338,084</u>	<u>397,103</u>
<b>Total equity</b>	<u><b>1,448,303</b></u>	<u><b>1,460,320</b></u>
<b>Non-current liabilities</b>		
Borrowings	402,267	405,311
Derivative financial liabilities	2,322	-
Deferred taxation	13,293	10,509
	<u>417,882</u>	<u>415,820</u>
<b>Current liabilities</b>		
Trade & other payables	1,517,518	1,170,240
Borrowings	302,424	297,597
Derivative financial liabilities	1,235	-
Taxation	2,933	5,284
	<u>1,824,110</u>	<u>1,473,121</u>
<b>TOTAL LIABILITIES</b>	<u><b>2,241,992</b></u>	<u><b>1,888,941</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>3,690,295</b></u>	<u><b>3,349,261</b></u>
<b>Net assets per share (RM)</b>	<u><b>0.87</b></u>	<u><b>0.83</b></u>

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010.

**SAPURACREST PETROLEUM BERHAD**  
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**IV. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Unaudited Twelve months to 31/01/2011 RM'000</b>	<b>Audited Twelve months to 31/01/2010 RM'000</b>
Profit before taxation	424,062	363,999
Adjustment for non-cash items	12,941	79,321
Operating profit before working capital changes	437,003	443,320
Net change in current assets	(308,561)	566,319
Net change in current liabilities	400,876	(112,301)
	529,318	897,338
Non-operating items	(93,936)	(92,188)
Net cash generated from operating activities	435,382	805,150
Net cash used in investing activities	(441,927)	(228,945)
Net cash used in financing activities	(49,896)	(276,436)
Net changes in Cash and Cash Equivalents	(56,441)	299,769
Effect of exchange rate translation	(48,268)	(14,902)
Cash and Cash Equivalents at beginning of year	875,251	590,384
Cash and Cash Equivalents at end of year	770,542	875,251

The condensed consolidated statement of cash flows should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010.

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**V. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Attributable to Owners of the Parent				Minority	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
<b>Twelve months to 31 January 2011</b>							
<b>(Unaudited)</b>							
At 1 February 2010	255,344	505,337	45,560	256,976	1,063,217	397,103	1,460,320
Effects of adopting FRS139	-	-	-	(42,954)	(42,954)	-	(42,954)
	255,344	505,337	45,560	214,022	1,020,263	397,103	1,417,366
Total comprehensive income for the year	-	-	(52,121)	231,448	179,327	117,381	296,708
Interim dividend	-	-	-	(38,302)	(38,302)	-	(38,302)
Final dividend	-	-	-	(51,069)	(51,069)	-	(51,069)
Dividend to minority interest of a subsidiary	-	-	-	-	-	(176,400)	(176,400)
At 31 January 2011	255,344	505,337	(6,561)	356,099	1,110,219	338,084	1,448,303
<b>Twelve months to 31 January 2010</b>							
<b>(Audited)</b>							
At 1 February 2009	238,767	461,632	60,658	161,333	922,390	401,197	1,323,587
Total comprehensive income for the year	-	-	(20,062)	172,035	151,973	142,143	294,116
Issue of ordinary share pursuant to ESOS	1,551	5,078	-	-	6,629	-	6,629
Share options granted under ESOS	-	311	(311)	-	-	-	-
Issue of ordinary share pursuant to exercise of warrants	15,026	38,316	-	-	53,342	-	53,342
Additional investment in subsidiary	-	-	-	-	-	(23,810)	(23,810)
Effect arising from the acquisition of the remaining shares in an associate	-	-	5,311	-	5,311	-	5,311
Increase in share capital of a subsidiary	-	-	-	-	-	73	73
Shares options lapsed during the year	-	-	(36)	36	-	-	-
Interim dividend	-	-	-	(38,302)	(38,302)	-	(38,302)
Final dividend	-	-	-	(38,126)	(38,126)	-	(38,126)
Dividend to minority interest of a subsidiary	-	-	-	-	-	(122,500)	(122,500)
At 31 January 2010	255,344	505,337	45,560	256,976	1,063,217	397,103	1,460,320

The condensed consolidated statement of changes in equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010.

## 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 2010.

The accounting policies and methods of computation adopted for the unaudited condensed consolidated financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 January 2010, other than for the compliance with the new/revised Financial Reporting Standards (FRS) that came into effect during the financial year under review.

### 2. Changes in accounting policies

Other than for the application of FRS101 (revised) and FRS139 as described below, the application of the new/revised FRS that came into effect during the financial year under review did not result in any significant changes in the accounting policies and presentation of the financial statements of the Group.

#### (a) FRS101: Presentation of Financial Statements (revised)

The revised FRS101 separates owner and non-owner changes in equity. The consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented in the statement of comprehensive income and as a single line in the statement of changes in equity. This standard does not have any impact on the financial position and results of the Group.

#### (b) FRS139: Financial Instruments – Recognition and Measurement

FRS139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments at the balance sheet date reflects the designation of the financial instruments. The Group determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 February 2010.

#### **Financial assets**

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments (HTM) and available-for-sale (AFS) financial assets.

The Group's financial assets include cash and short term deposits, loans and receivables and there are no HTM and AFS financial assets. Prior to 1 February 2010, loans or receivables were stated at gross receivables less provision for doubtful debts. Under FRS139, loans and receivables are initially measured at fair value and subsequently at amortised costs using the effective interest rate method (EIR). Gain or losses arising from the derecognition of the loans and receivables, EIR amortisation and impairment losses are recognised in the income statement.

### **Financial liabilities**

Financial liabilities are classified as financial liabilities at fair value through profit or loss, held for trading, derivatives designated as hedging instruments in an effective hedge and at amortised costs. The Group's financial liabilities include trade and other payables carried at amortised costs.

### **Impact on opening balances**

In accordance with the transitional provisions of FRS139, the above changes are applied prospectively and the comparatives as at 31 January 2010 are not restated. Instead, the changes have been accounted for by restating the opening balances, the effects of which are as follows:

	<b>As at 1/2/2010 RM'000</b>
Decrease in Investment in jointly controlled entities	(38,431)
Decrease in Trade & other payables	7,289
Increase in Derivative financial liabilities	(11,812)
	-----
Decrease in Retained earnings	(42,954)
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In addition, the changes in the accounting policies have the effect of increasing the profit before tax for the current financial year by RM11.2 million.

### **3. Seasonality and cyclicity of operations**

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

### **4. 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 quarter and financial year under review.

### **5. Changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter and financial year under review.

## 6. Debts and equity securities

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

## 7. Dividend paid

a) A single tier final dividend of 4.0 sen per ordinary share, totalling RM51.07 million in respect of the financial year ended 31 January 2010 was paid on 16 August 2010.

b) A single tier interim dividend of 3.0 sen per ordinary share, totalling RM38.3 million in respect of the financial year ended 31 January 2011 was paid on 15 December 2010.

## 8. Segment information

	<u>12 months to 31/01/11</u>	
	<b>Segment Revenue</b>	<b>Segment Results</b>
	RM'000	RM'000
Installation of Pipelines and Facilities	1,909,457	231,902
Drilling	804,384	301,956
Marine Services	388,987	(38,644)
Operations and Maintenance	90,736	8,990
		<u>504,204</u>
Others		
Finance costs of debt securities		(24,775)
Investment holding and others		(55,367)
<b>Consolidated revenue / profit before tax</b>	<b><u>3,193,564</u></b>	<b><u>424,062</u></b>

## 9. Subsequent event

There were no material events subsequent to 31 January 2011 to the date of this announcement.

## 10. Changes in the composition of the Group

On 15 June 2010, the Company acquired the entire issued share of Energy Way Sdn Bhd ("Energy Way") comprising two shares of RM1.00 each.

On 17 June 2010, Energy Way subscribed for the entire issued and paid up capital of Nautical Bay Pte Ltd comprising two shares of SGD1.00 each. Subsequently, Nautical Bay Pte Ltd subscribed for the entire issued and paid up capital of Nautical Power Pte Ltd comprising two shares of SGD1.00 each.

On 26 January 2011, the Company acquired the entire issued share capital of Sapura Energy Ventures Sdn Bhd (formerly known as Energy Master Sdn Bhd) comprising two ordinary shares of RM1.00 each, at a total cash consideration of RM2.00.



Save as disclosed above, there were no changes in the composition of the Group for the current quarter and financial year ended 31 January 2011 including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

#### 11. Contingent liabilities

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

#### 12. Capital commitments

Approved and contracted for:	RM'000
Group	47,086
Share of capital commitment in jointly controlled entities	<u>21,462</u>
Total	<u>68,548</u>

#### 13. Taxation

Taxation comprises the following:

	Current quarter ended <b>31/01/11</b> RM'000	Preceding year Corresponding quarter ended <b>31/01/10</b> RM'000	Current 12 months to <b>31/01/11</b> RM'000	Preceding year Corresponding 12 months to <b>31/01/10</b> RM'000
Malaysian Taxation				
- current taxation	3,011	719	35,114	32,252
- under/(over) provision in respect of prior year	1,351	(9,924)	(1,982)	(5,994)
- deferred taxation	10,463	(4,051)	11,278	(3,554)
- under/(over) provision in respect of prior year	196	-	(81)	-
Foreign Taxation				
- current taxation	(1,677)	7,892	2,082	10,456
- under/(over) provision in respect of prior year	1,750	(4,415)	1,750	(4,415)
	<u>15,094</u>	<u>(9,779)</u>	<u>48,161</u>	<u>28,745</u>

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

**14. Disposal of unquoted investments and/or properties**

There was no disposal of unquoted investments and/or properties during the current quarter and financial year ended 31 January 2011.

**15. Quoted securities**

There was no acquisition and disposal of quoted securities.

**16. (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	
<b>Total</b>	<b>245,000</b>	<b>234,342</b>	

## 17. Borrowings

The Group's borrowings as at 31 January 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	39,412	-	39,412	128,070	32,251	160,321	199,733
Foreign Banks	115,390	-	115,390	42,434	1,084	43,518	158,908
Debt securities							
- Istisna' Bonds	247,465	-	247,465	-	-	-	247,465
- Murabahah CPs	-	-	-	98,585	-	98,585	98,585
	<u>402,267</u>	<u>-</u>	<u>402,267</u>	<u>269,089</u>	<u>33,335</u>	<u>302,424</u>	<u>704,691</u>

The above includes borrowings in US Dollars equivalent to RM228.4 million and Australian Dollars equivalent to RM19.9 million.

## 18. Derivative financial instrument

Details of the Group's derivative financial instruments outstanding as at 31 January 2011 are as follows:

	<u>Contract /Notional Amount at 31 January 2011</u> RM'mil	<u>Asset/ (Liability) Fair Value</u> RM'mil
Cross Currency Interest Rate Swap (CCIRS)	245.0	
- Less than 1 year		(1.2)
- 1 year to 3 years		(1.6)
- More than 3 years		(0.7)
	<u>245.0</u>	<u>(3.5)</u>
Forward foreign currency contracts		
- Less than 1 year	46.9	1.0
	<u>46.9</u>	<u>1.0</u>

In the current financial year, 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 2010:

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

The related accounting policies for the financial derivatives are disclosed in Note 2 above.

The gain/loss 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/losses
CCIRS	1.3	8.3	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.

#### 19. Realised and Unrealised Profits

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of reporting period, into realised and unrealised profits or losses. On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

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

	Company and Subsidiaries	Jointly Controlled Entities	Consolidation Adjustments	Group Retained Profits
	RM'000	RM'000	RM'000	RM'000
As at 31 January 2011				
Realised profits	168,325	59,971	135,806	364,102
Unrealised profits/(losses)	(10,463)	2,460	-	(8,003)
	<u>157,862</u>	<u>62,431</u>	<u>135,806</u>	<u>356,099</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

**20. Material litigation**

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

**21. Review of performance compared to the immediate preceding quarter**

The Group registered a decrease in revenue from RM1.015 billion in the preceding third quarter to RM610.0 million in the current quarter mainly due to lower activities in the Installation of Pipeline and Facilities ("IPF") and drilling divisions.

However, profit before tax increased from RM100.1 million in the previous quarter to RM112.5 million in the current quarter mainly due to improved performance in the operations and maintenance and marine services divisions.

**22. Review of performance for the current quarter and current year to date**

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

Group revenue for the current quarter increased by 26% to RM610.0 million compared to last year's corresponding fourth quarter of RM484.5 million mainly due to higher activities in the IPF and operations and maintenance divisions.

Correspondingly, profit before tax increased by 55% from RM72.5 million to RM112.5 million principally due to higher contribution from the IPF division and improved performance in the marine services division.

*Current financial year compared to the preceding year*

Revenue decreased marginally from RM3.26 billion in the preceding year to RM3.19 billion for the current financial year mainly due to lower activities in the marine services and drilling divisions.

However, the overall Group's profit before tax increased from RM364 million to RM424 million mainly due to favourable results in the IPF division including higher contribution from IPF joint ventures and reduced losses in the marine services division.

**23. (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.

**24. Variance of actual profit and forecast/shortfall in profit guarantee**

The Company has not provided any forecast or profit guarantee in any previous announcement or public document.

## 25. Dividend

The Board recommends a single tier final dividend of 5.5 sen per share for the financial year ended 31 January 2011 for shareholders' approval at the forthcoming Annual General Meeting of the Company, which will be paid on a date to be determined.

A single tier interim dividend of 3 sen per share had been paid on 15 December 2010. Therefore, the total dividend for the current financial year ended 31 January 2011 would be 8.5 sen per share.

## 26. Earnings per share

Basic/diluted	Individual Quarter		Cumulative Quarter	
	3 months to 31/01/11	31/01/10	12 months to 31/01/11	31/01/10
Profit attributable to owners of the parent (RM'000)	72,675	40,571	231,448	172,035
Weighted average number of ordinary shares in issue ('000)	1,276,722	1,265,730	1,276,722	1,265,730
Basic/diluted earnings per share (sen)	<u>5.69</u>	<u>3.21</u>	<u>18.13</u>	<u>13.59</u>

Selangor  
28 March 2011

### By Order of the Board

Finton Tuan Kit Ming  
Poh Phei Ling

Company Secretaries