



**DELEUM BERHAD** (715640-T)

Type: **GENERAL ANNOUNCEMENT**

Description: **CONTRACT AWARDS**

## 1. INTRODUCTION

The Board of Directors of **Deleum Berhad** (“**Deleum**” or the “**Company**”) is pleased to announce the following:

- (i) Deleum Primera Sdn. Bhd. (“**DPSB**”), a 60% owned subsidiary of Deleum, has been awarded with two (2) new contracts by PETRONAS Carigali Sdn. Bhd. under the Integrated Corrosion Solution Segment; and
- (ii) Deleum Oilfield Services Sdn. Bhd. (“**DOSSB**”), a wholly-owned subsidiary of Deleum, has been awarded with a new contract by Sarawak Shell Berhad (SSB), Sabah Shell Petroleum Company Limited (SSPC) under the Oilfield Services Segment.

## 2. DURATION AND VALUE OF THE CONTRACT

The list of new contracts (collectively referred to as “Contracts”) awarded to DPSB and DOSSB is as follows:

<b>Subsidiary Company</b>	<b>Contract Title</b>	<b>Customers</b>	<b>Duration</b>
DPSB	Provision of Alternative Blasting and Painting for PETRONAS Carigali Sdn. Bhd. (Package B: Spongejet, Vapor and Other Methods)  Contract No: CHO/2017/BIE3/1001	PETRONAS Carigali Sdn. Bhd.	5 September 2018 – 4 September 2021 (with one (1) year extension option)  The letter of award and the contract are conditional upon DPSB having and maintaining a valid license with PETRONAS.

<b>Subsidiary Company</b>	<b>Contract Title</b>	<b>Customers</b>	<b>Duration</b>
DPSB	Provision of Riser Corrosion Prevention System and Maintenance for PETRONAS Carigali Sdn. Bhd. (Package B – Sabah Asset and Package C – Peninsular Malaysia Asset)  Contract No: CHO/2017/MA/1003	PETRONAS Carigali Sdn. Bhd.	4 July 2018 – 3 July 2021 (with one (1) year extension option)  The letter of award and the contract are conditional upon DPSB having and maintaining a valid license with PETRONAS.
DOSSB	Provision of Slickline Equipment and Services for SSB/SSPC  Contract No: CW88350	Sarawak Shell Berhad (SSB), Sabah Shell Petroleum Company Limited (SSPC)	27 August 2018 to 26 August 2021 (with one (1) extension option of two years)

The value of the Contracts depends on the agreed rates and the work order issued by customers for the duration of the Contracts.

### **3. RISK FACTORS**

The risks associated with the Contracts include but not limited to, execution risks such as availability of skilled manpower and materials, changes in cost of manpower and materials and changes in political, economic and regulatory conditions. Deleum has, throughout the years, established its track record and expertise to undertake these projects. As such, management believes that Deleum is able to mitigate the above-mentioned risk factors.

### **4. FINANCIAL EFFECTS**

The Contracts will have no effect on the issued share capital of the Company and is expected to contribute positively towards the earnings and net assets per share of the Company for the financial years ending 31 December 2018 to 31 December 2021.

**5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST**

None of the Directors and/or major shareholders and/or persons connected with the Directors and/or major shareholders of the Company has any direct or indirect interest in the Contracts.

**6. DIRECTORS' STATEMENT**

The Board of Directors of the Company is of the opinion that the acceptance of the Contracts is in the best interest of the Company.

This announcement is dated 25<sup>th</sup> September 2018.