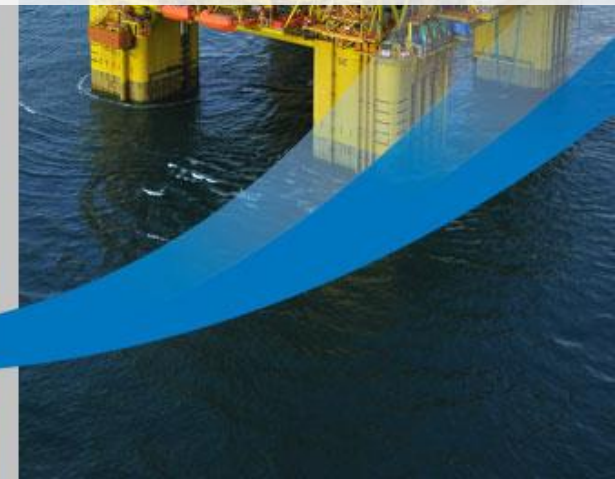
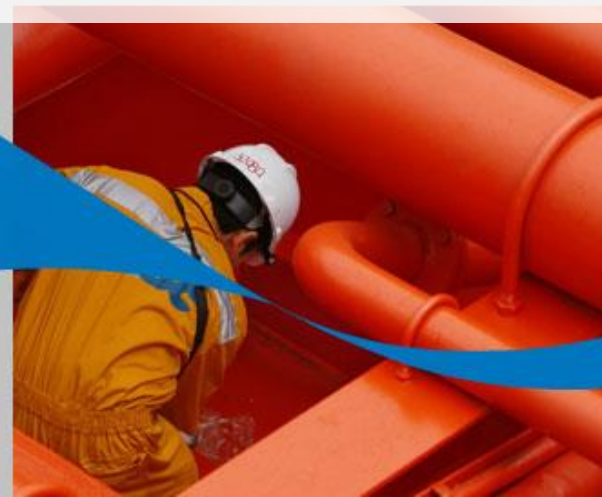




ANALYST BRIEFING 1Q FY2018 Financial Results

14th May 2018



FINANCIAL OVERVIEW

By : Mohammad Romzi | Senior General Manager,
Finance



Financial Performance: 1Q FY2018 vs 4Q FY2017

<i>In USD Mil</i>	Q1 FY2018	Q4 FY2017	QoQ %
Revenue	514.8	585.3	(12.0)
PBT from Operation	81.3	145.5	(44.1)
Non Recurring Item	-	(130.8)	(100.0)
PBT	81.3	14.7	453.2
Net Profit	78.7	15.9	395.1
EPS (cent)	1.8	0.5	288.0
ROE (%)	1.0	0.2	299.3

Lower revenue:

- Petroleum - Lower TCE.
- Offshore - Lower construction revenue recognized for FSO Benchamas 2 as project is currently at tail end.

Lower PBT from operations:

- Petroleum - In tandem with lower revenue.
- Offshore - In tandem with lower revenue.

Non-recurring items:

- Impairment of vessels in Q4 2017.

Financial Performance: 1Q FY2018 vs 1Q FY2017

<i>In USD Mil</i>	Q1 FY2018	Q1 FY2017	QoQ %
Revenue	514.8	671.2	(23.3)
PBT from Operation	81.3	149.7	(45.7)
Non Recurring Item	-	6.9	(100.0)
PBT	81.3	156.6	(48.1)
Net Profit	78.7	156.0	(49.5)
EPS (cent)	1.8	3.4	(46.6)
ROE (%)	1.0	1.8	(47.0)

Lower revenue:

- Offshore - Favorable adjudication result for GKL in 2017.
- Petroleum - Lower freight rates.

Lower PBT from operations:

- Offshore - Favorable adjudication result for GKL in 2017.
- Petroleum - Lower freight rates

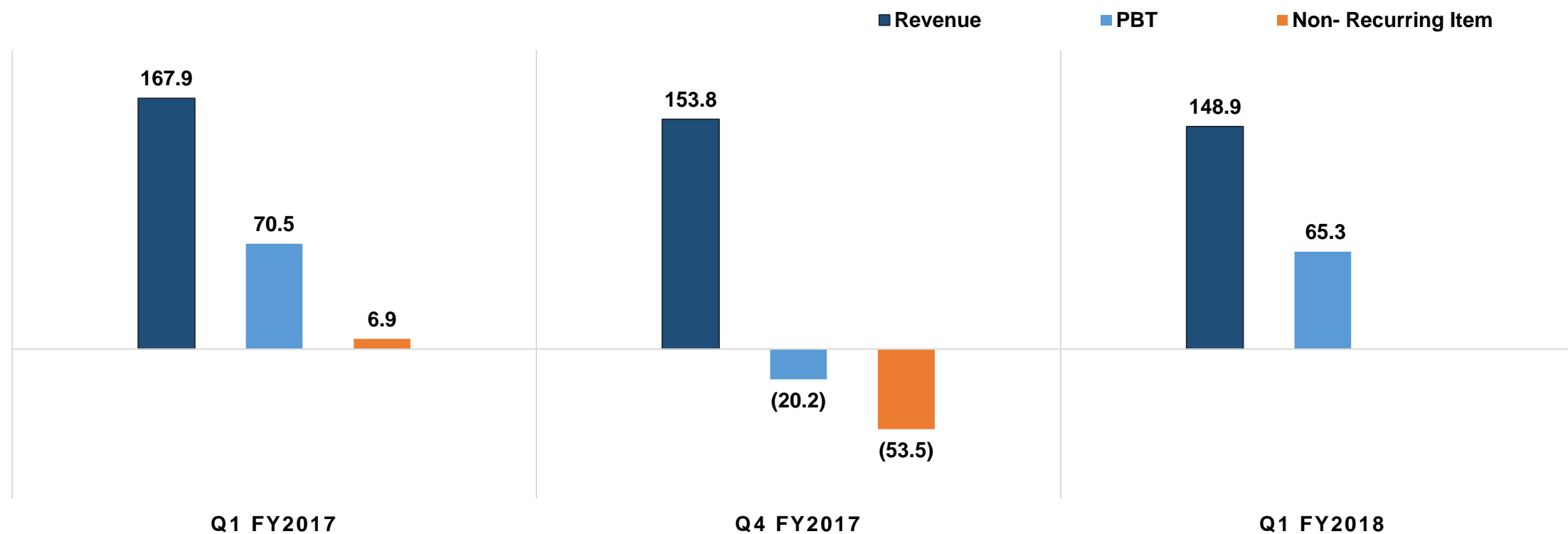
Non-recurring items:

- Gain on disposal of Aman Bintulu in 2017.

Financial Performance by Business Segment

LNG Shipping – Delivery of Seri Camar and Impairment of Vessels in Q4 2017

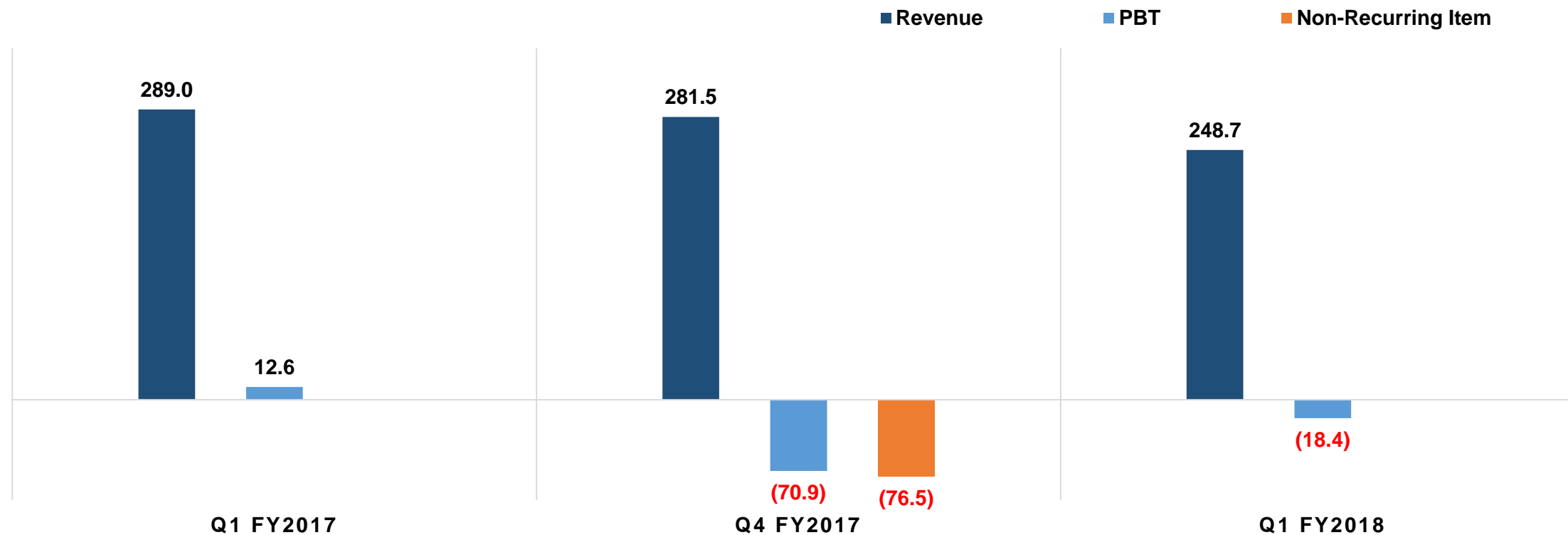
USD million



Financial Performance by Business Segment

PETROLEUM Shipping – Lower Freight Rates

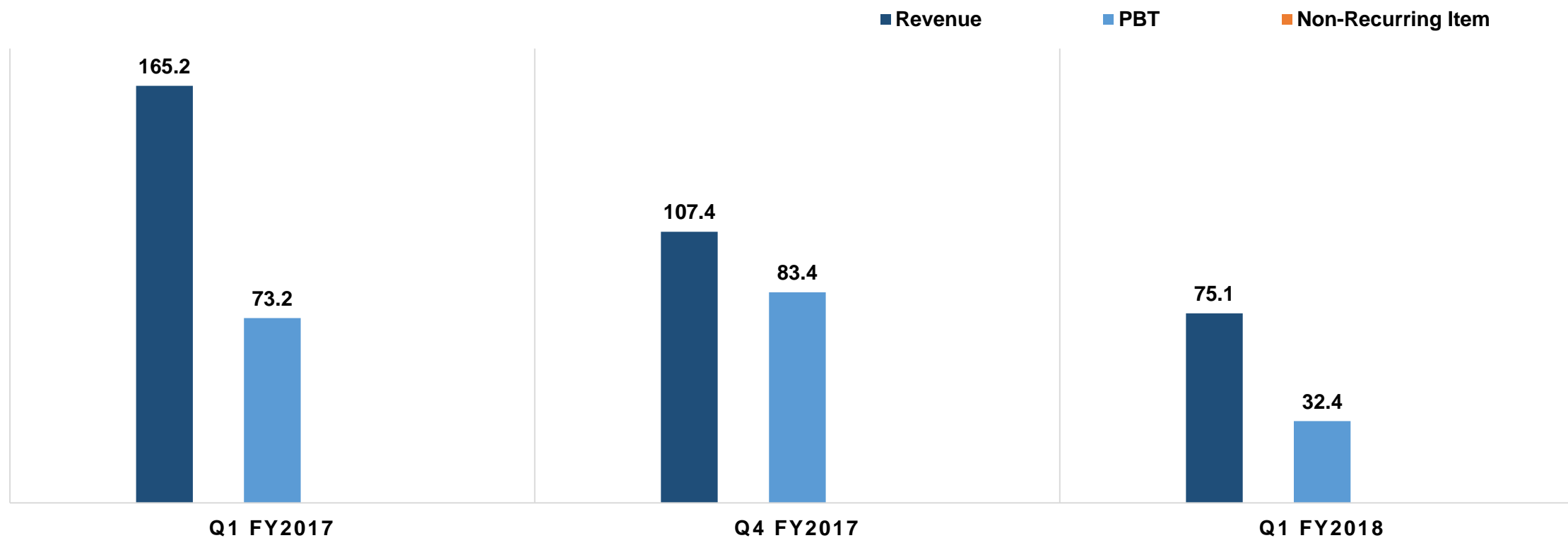
USD million



Financial Performance by Business Segment

OFFSHORE Business – FSO Benchamas Construction at Tail-end

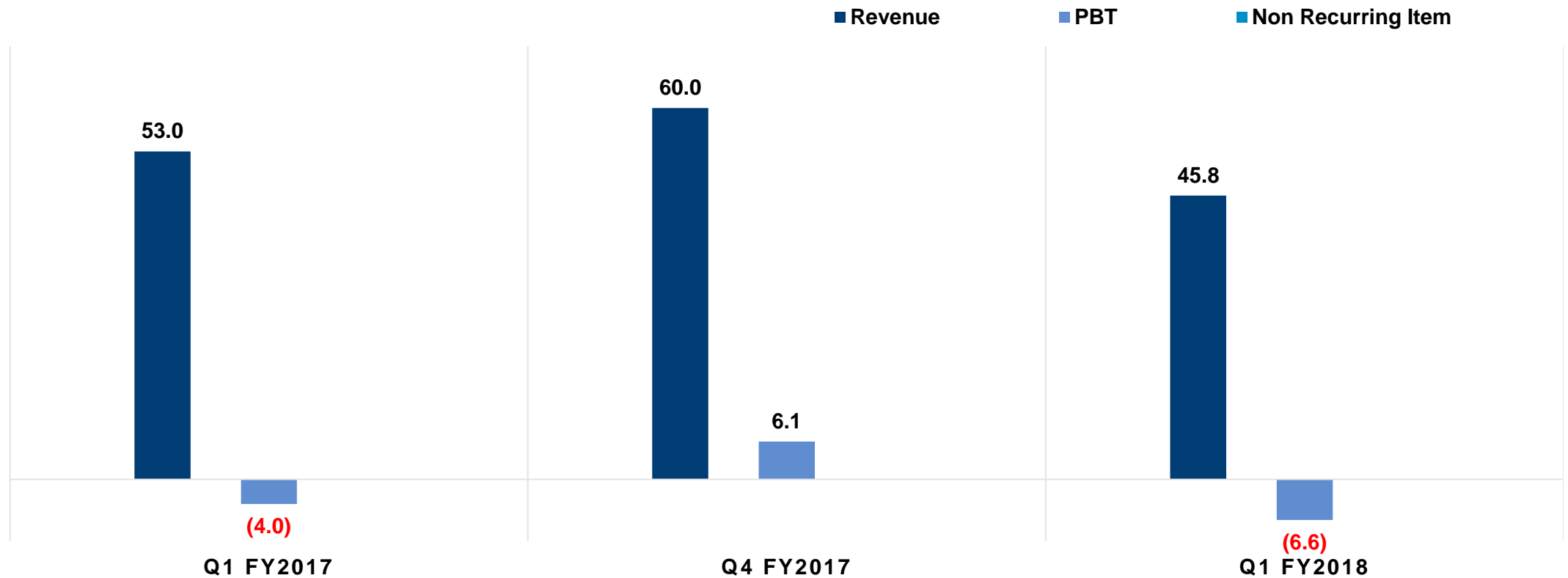
USD million



Financial Performance by Business Segment

HEAVY ENGINEERING – Tail-end of Key Projects

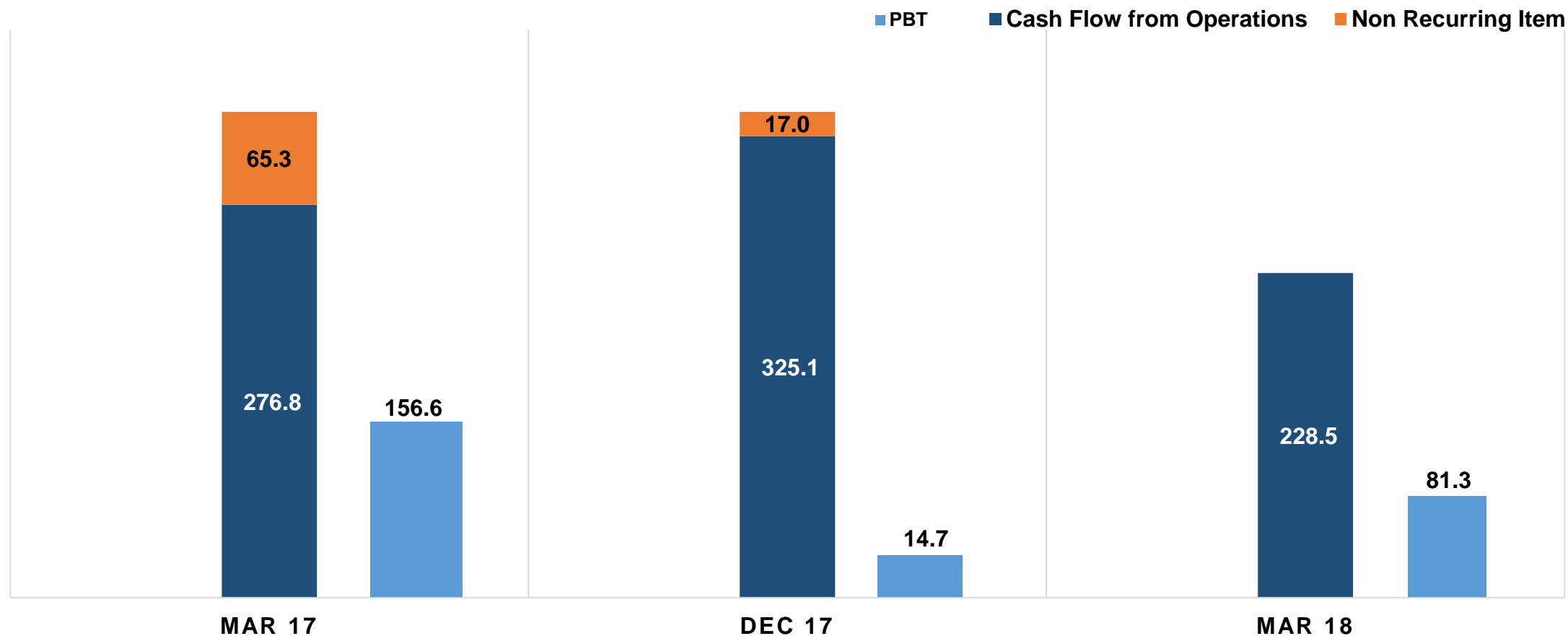
USD million



Financial Performance – Cash Flow from Operations

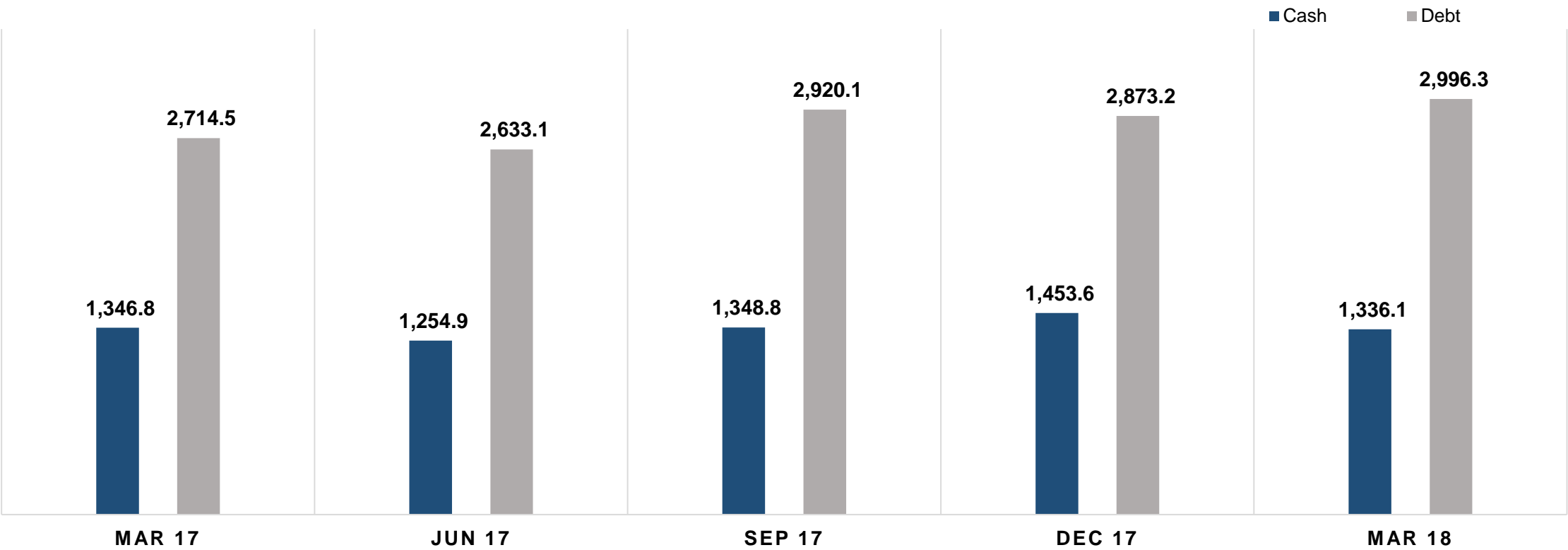
Healthy Cash Flow from Operations Despite Volatility in Earnings

USD million



Financial Performance – Balance Sheet

USD million



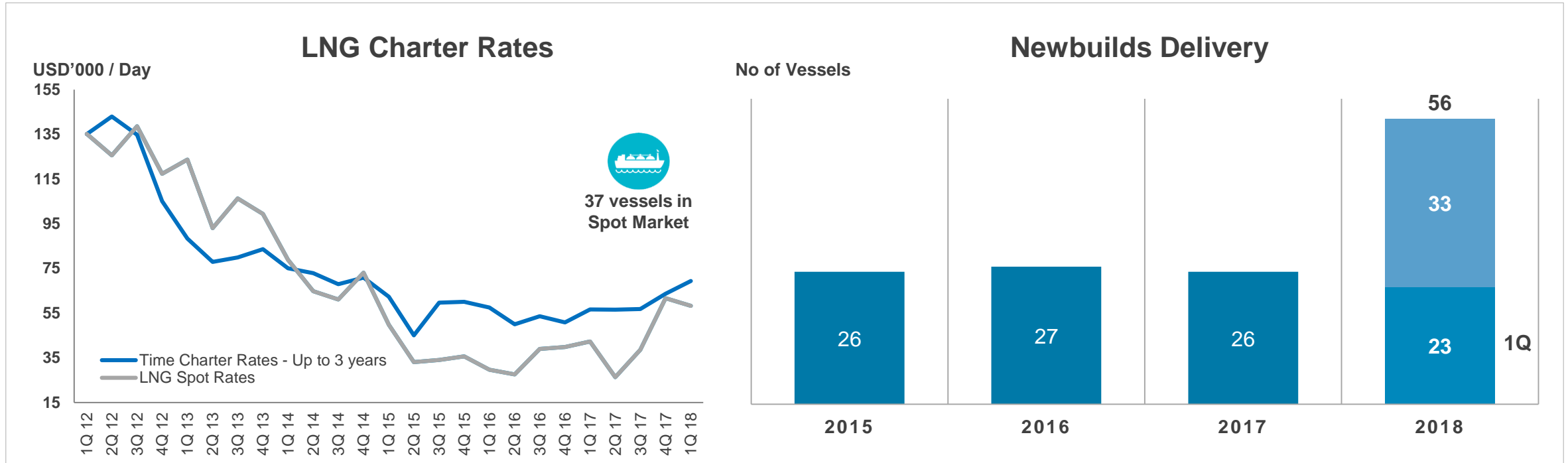
MARKET ENVIRONMENT

By : Teoh Paul Keng | General Manager, CPD



LNG SHIPPING

LNG Spot Rates Eased as Peak Winter Demand Wanes



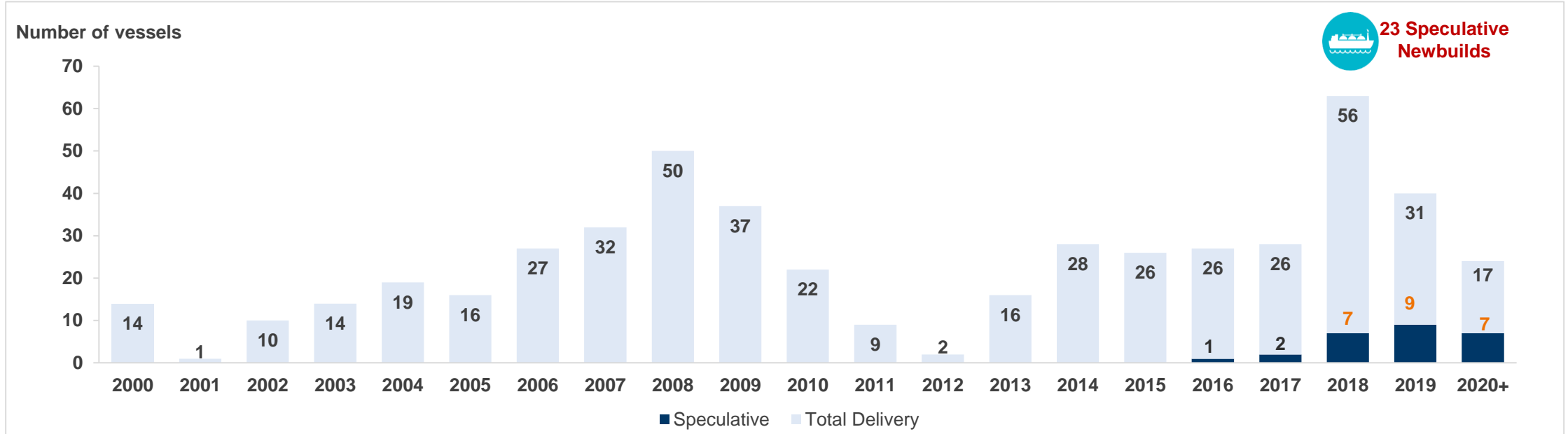
Source: LNG Shipping Database, Woodmac

- High spot vessel availability coupled with lower spot cargo volumes led to softer LNG spot rates in Q1 FY2018.
- The temporary shutdown of the PNG LNG terminal due to an earthquake during the quarter contributed to additional idle vessel tonnage.
- High vessel slippages in 2017 kept deliveries strong in 2018 - there were 23 new vessel deliveries during the quarter, further increasing overall vessel supply.

LNG SHIPPING

New Tonnage Coming On Water

Newbuilds to be delivered (2018 to 2020+)

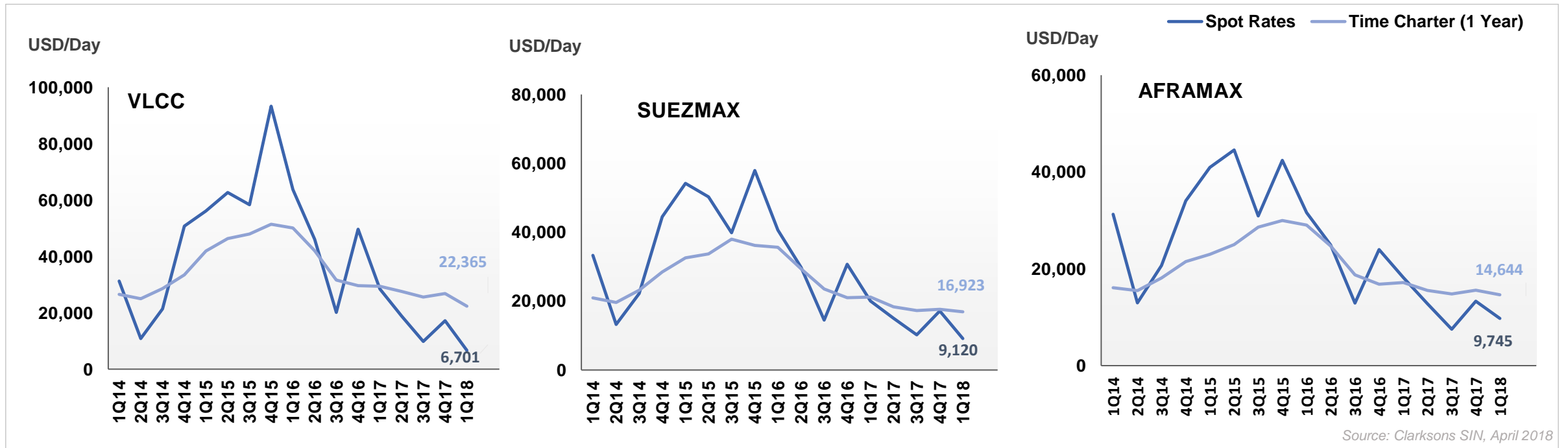


Source: LNG Shipping Database, Woodmac

- There will be a total of 104 new LNG vessels to be delivered from 2018 until 2020+.
- Meanwhile, approximately 69 existing vessels are due to come off charter over the next 3 years.
- China has become the world's no.2 LNG importer and is expected to be a driving force for Asian spot LNG prices. High Chinese LNG imports is expected to help absorb the oncoming excess tonnage in 2018.

PETROLEUM SHIPPING

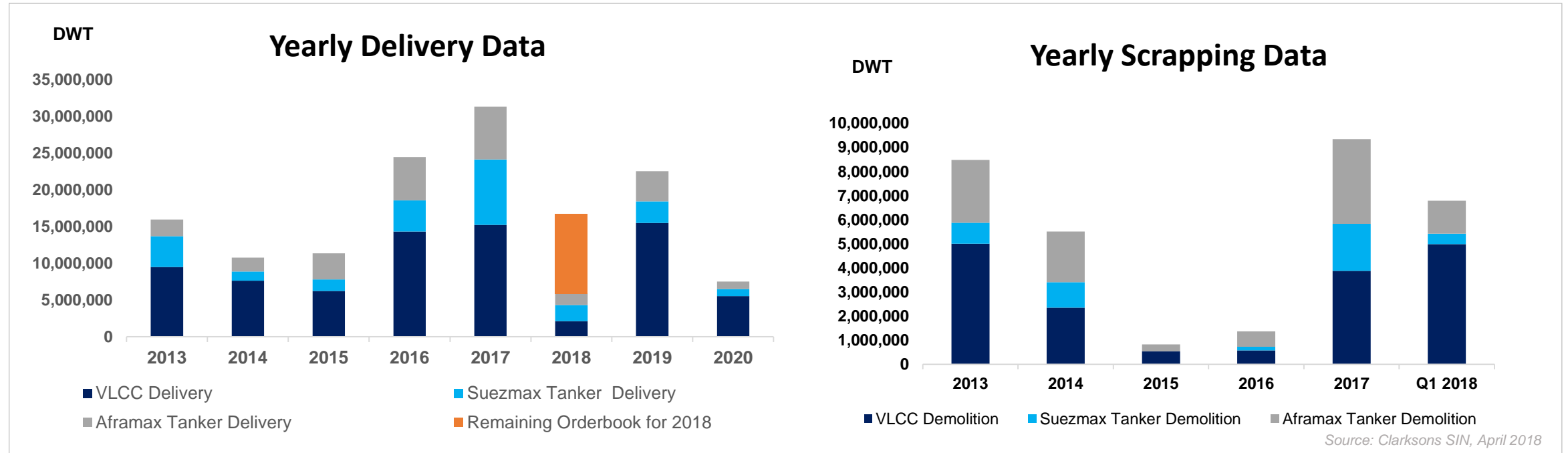
Winter Woes



- 2018 started off with a new low across all segments compared to the past 4 years.
- Shipowners were willing to settle for charter rates above cash break even in a depressed market.
- Market however is hopeful with the re-balancing of tonnage from increased scrapping activity.
- Scrapping level exceeded delivery for the first time.

PETROLEUM SHIPPING

Demolition to the Rescue

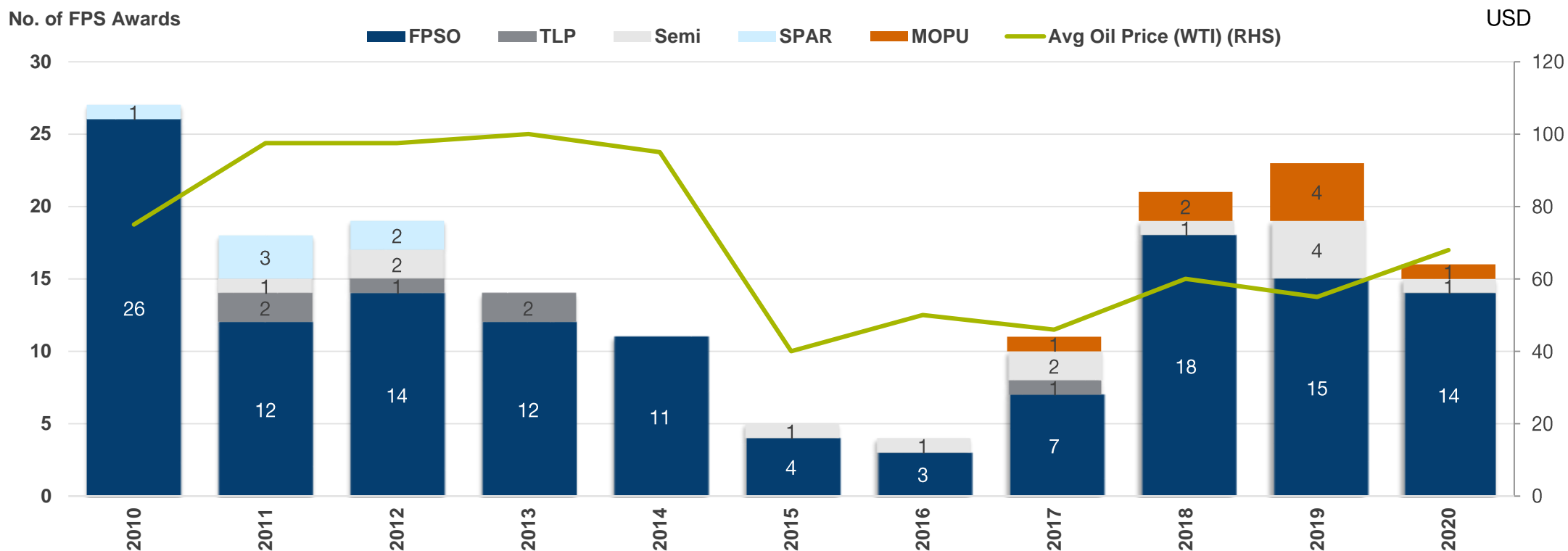


- Crude tanker growth expected to slow down for the remainder of 2018.
- Q1 2018 saw increased demolition activities (highest level since 2013).
- 6% of vessels are above ≥ 20 years, whereas 20% of vessels are in the age of between 15-20 years.
- Overall orderbook at its lowest.

OFFSHORE BUSINESS

Stable Oil Price Will Pave the Way for Gradual Recovery in Global Offshore Production System Investment

Floating Production System (FPS) Awards



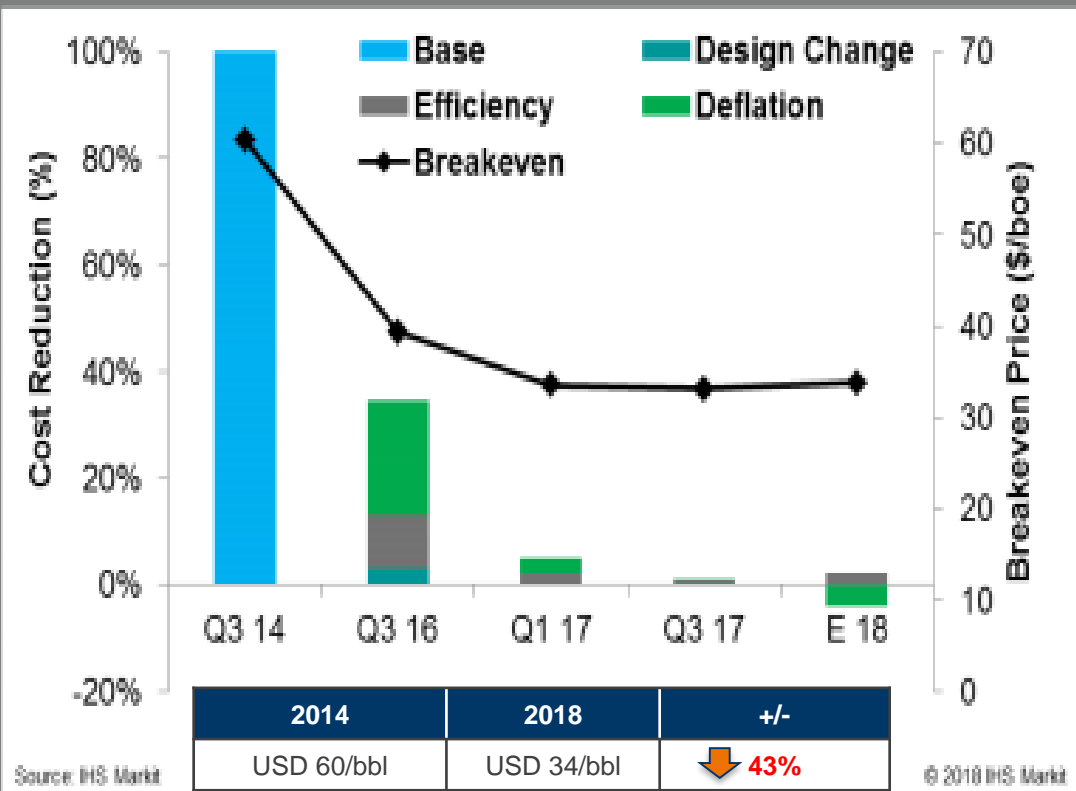
Sources : EMA Report, EIA, iHS

- 11 FPSO projects mostly centered around Brazil and Africa are expected to be tendered in 2018.

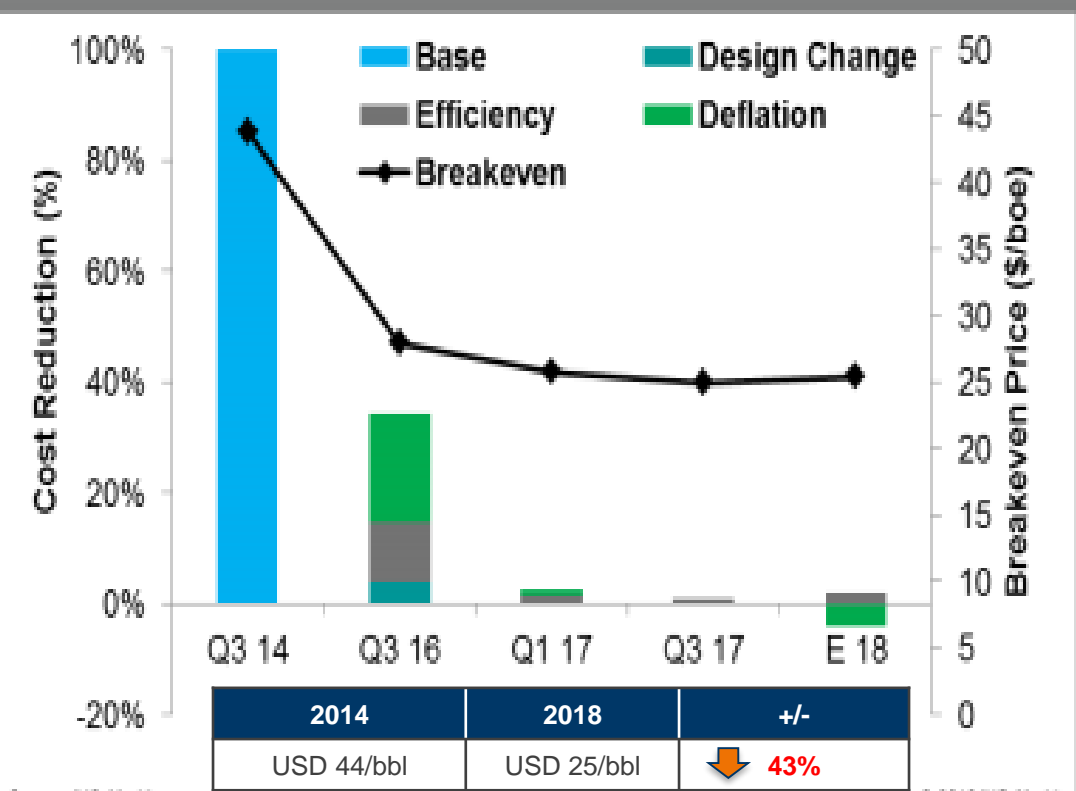
OFFSHORE BUSINESS

Reduction in Upstream Offshore Cost

Global deepwater full-cycle cost and breakeven trend



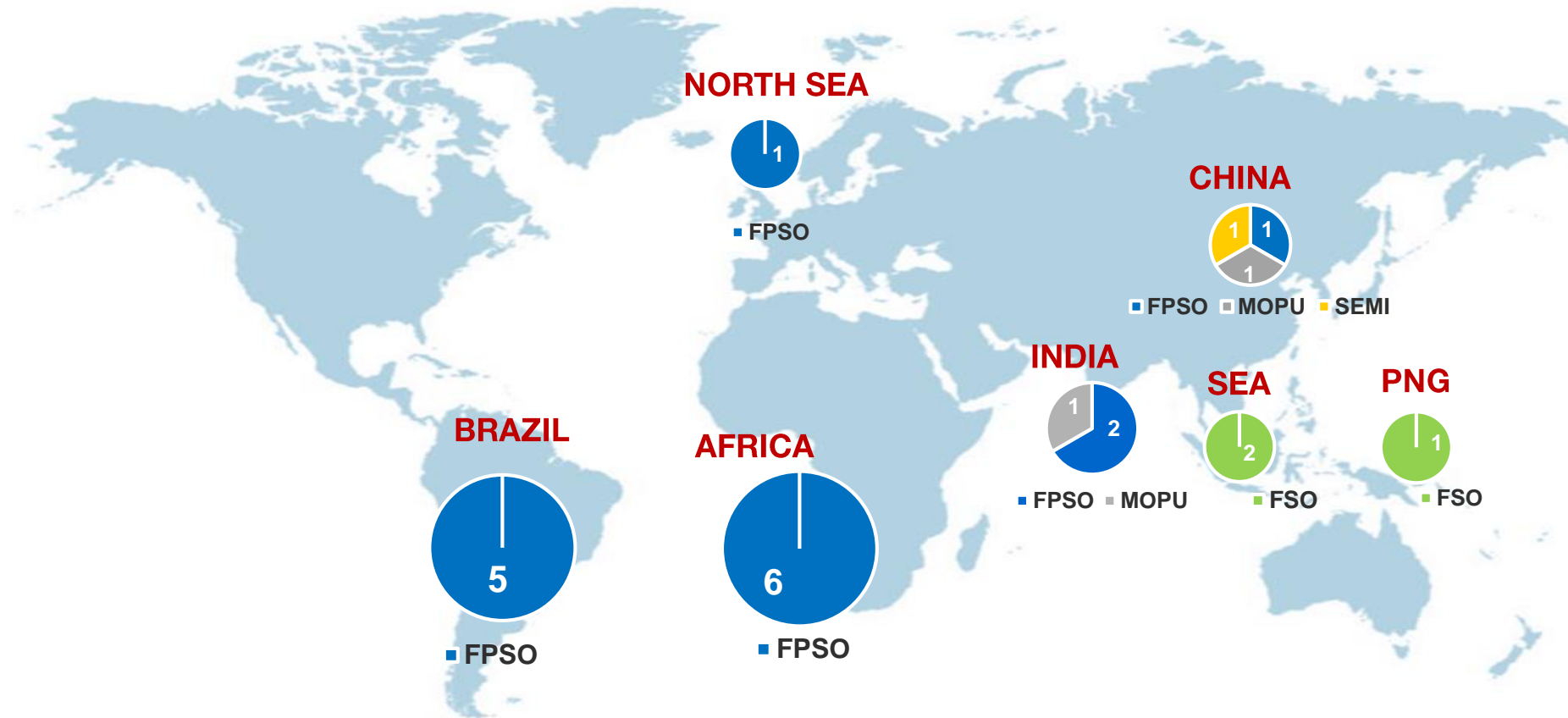
Global shallow water full-cycle cost and breakeven trend



Source: IHS Markit

OFFSHORE BUSINESS

Opportunities in 2018 Concentrate Mainly in the Atlantic Basin



- Three FPSO awards in Q1 2018.
- Floater opportunities are mainly concentrated in Brazil and Africa with other opportunities in Asia.

Source: EMA Report 2018

BUSINESS UPDATES

By : Teoh Paul Keng | General Manager, CPD



LNG Business

- The 4th Seri C Class LNG newbuild, Seri Camar, was delivered at the Hyundai Heavy Industries (HHI) Ulsan Shipyard, South Korea on 27 February 2018.
- The final newbuild to the five Moss-Type LNG Carrier, Seri Cemara was delivered on 30 April 2018.
- Seri Bakti time charter was successfully extended for another 18 months up to 2H FY2019.
- Seri Anggun time charter was also successfully extended for another 12 months up to 1H FY2019.

Petroleum & Chemical Business

- Current portfolio mix at 55:45 term to spot.
- Lower number of lightering days from previous quarter.
- Redelivery of Eagle Seville.
- Took delivery of one Aframax vessel, Eagle Barcelona in January 2018 with the other Aframax scheduled for delivery in Quarter 2 2018. Two Suezmax newbuilds, Eagle San Francisco and Eagle San Jose were delivered early this year.
- Actively exploring opportunities to build quality secured income stream (DP Shuttle Tankers).

Offshore Business

- FSO Benchamas 2 Project had successfully sailed away from MHB yard on the 9 April 2018, en-route to Chevron's operated Benchamas Field in the Gulf of Thailand. The facility arrived at the field on 14 April 2018.
- FSO Orkid - Contract extension is for 10 years, which was signed recently.
- Update on Gumusut-Kakap Semi-Floating Production System (L) Limited ("GKL") and Sabah Shell Petroleum Limited ("SSPC") proceedings:
 - ❑ The hearing dates for the Arbitration Proceedings has been fixed in Q1 2019 and Parties expect for the hearing to be completed within 2019.
- Actively looking at acquiring on water assets.

Heavy Engineering

- Heavy Engineering milestones : Sail-away of 5 units of Dangote Calm Buoy and completion of centralized piping fabrication (CPF) for RAPID package 5.
- Marine Repair milestones: Completed repair and maintenance of 20 vessels and secured 20 vessels business.
- Orderbook as of March 2018 stands at RM1.22 billion.
- Approximately RM5.6 billion on going tenders.

APPENDIX



Appendix 1 : Fleet Information

As at 31 March 2018

	Vessel Type	Total Vessel Operated	Owned	Chartered-In	Average Age (yrs)		Contracted Newbuilds/Conversions
					MISC	Industry	
LNG	LNG	28	28	--	13.9	11.7	1
	FSU	2	2	--	36.5	--	--
Petroleum	VLCC	14	12	2	8.9	9.6	--
	Suezmax	6	6	--	3.8	9.7	--
	Aframax	46	35	11	12.1	10.3	3
	LR2	2	2	--	0.7	8.3	--
	MR2	3	--	3	7.4	10.6	--
	Shuttle	4	4	--	4.4	9.9	2
Chemical	Chemical	13	7	6	7.4	10.8	--
	LPG	1	--	1	19.4	15.3	--
TOTAL		119	96	23			6
Offshore	FPSO/FSO/SS	10	12	--	8.7	--	1
	MOPU	--	2	--	7.2	--	--

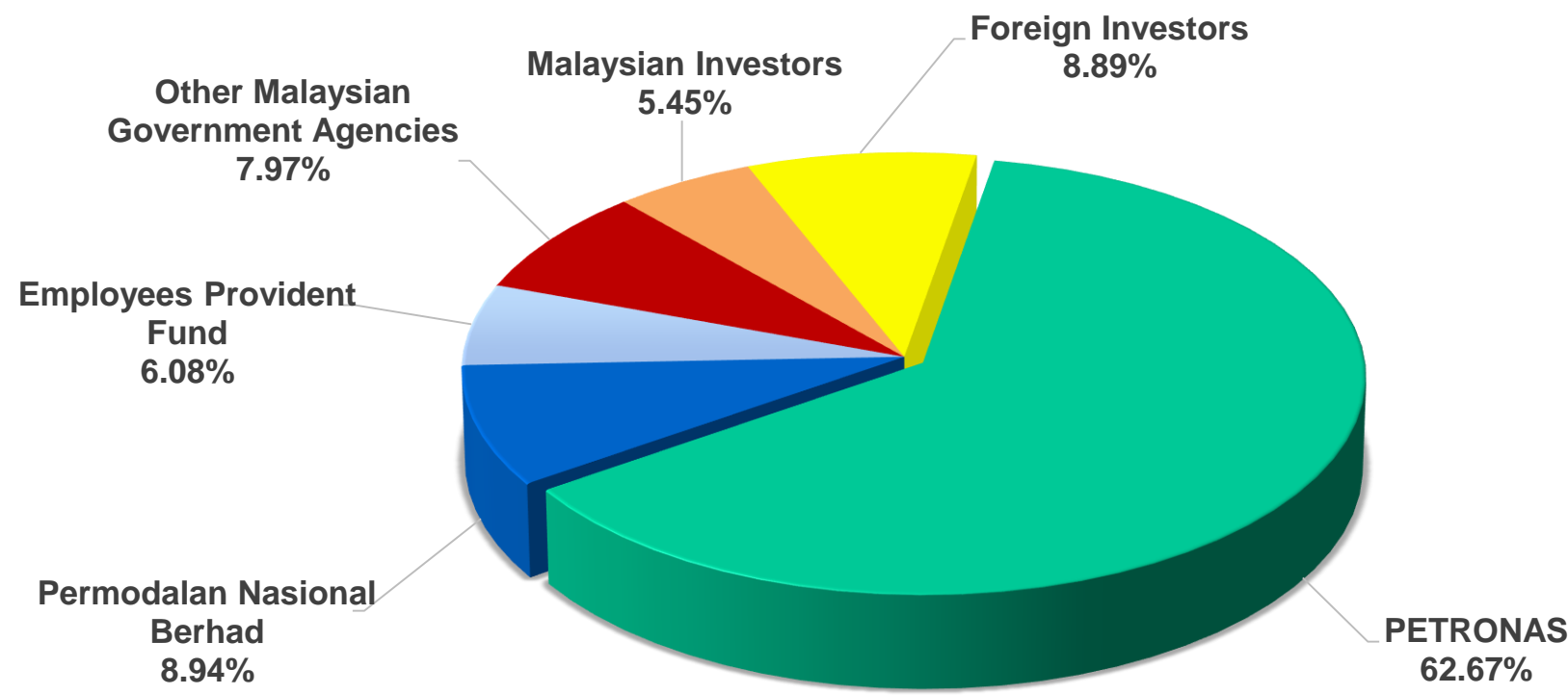
Appendix 2 : Delivery Schedule

As at 31 March 2018

	LNG	Petroleum			
	LNG Carriers	Suezmax	Aframax	LR2	DPST
1H2018	1	--	1	--	--
2H2018	--	--	1	--	--
1H2019	--	--	1	--	--
2H2019	--	--	--	--	1
1H 2020	--	--	--	--	1

Appendix 3 : Shareholders' Profile

As at 31 March 2018



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