

**FINANCIAL RESULTS
FOR THE 12 MONTHS ENDED
31st DECEMBER 2018**

28 FEBRUARY 2019

An aerial photograph of an offshore oil rig in the middle of a large body of water. The rig is a complex structure with two tall, lattice-like towers, one painted red and white and the other black. It has a yellow helicopter landing pad on its deck. Several support vessels, including tugboats and supply ships, are positioned around the rig. A cable is visible connecting one of the support vessels to the rig. The background shows a distant shoreline with buildings and more ships.

INDUSTRY UPDATE

BRENT PRICE MOVEMENT

OIL PRICE STABILISING IN 1Q 2019:

- OPEC+ cut
- Iran sanction
- Declining production capacity



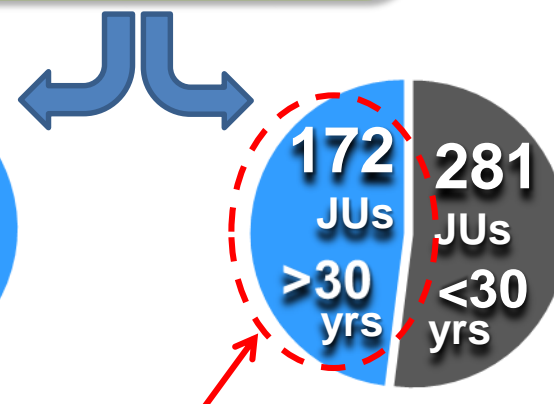
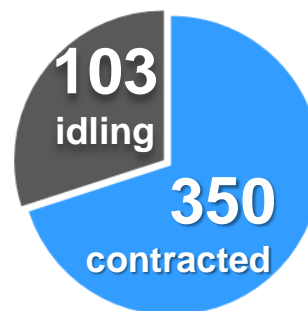
Source: IHS Petrodata

DRILLING RIGS OUTLOOK - SUPPLY



Lesser rigs available
in the future

Potential Rigs Coming Out From The Yard	74
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Potential to be Retired

Source: IHS Petrodata 25 February 2019

DRILLING RIGS OUTLOOK - DEMAND

WORLDWIDE JACK-UP DEMAND

REGION	2019A	2020F
	Information as at January	
Southeast Asia (Excl. Malaysia)	24	28
Malaysia	10	11
Middle East / India	163	189
Others	154	162
TOTAL	351	390

TOTAL JU DEMAND



Increasing

39

Source: IHS World Rig Forecast: Short Term Trends Feb. 2019

PETRONAS ACTIVITY OUTLOOK 2019-2021

Drilling Rigs and Hydraulic Workover units

A Drilling Rigs and Hydraulic Workover Units (HWUs)

Drilling rig refers to the machine used to drill a wellbore. For the purpose of this Report, activity outlook will be provided for the most widely used drilling rig types in Malaysia i.e. Jackup Rigs and Tender Assisted Drilling Rigs (TADRs).

Workover refers to any well intervention process which helps to 'repair' the wells using an invasive technique.



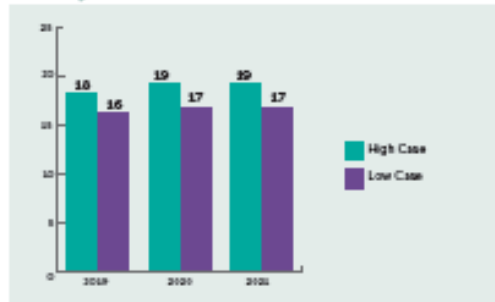
Jackup Rigs (JURs)

Activity Phase: Exploration, Development, Abandonment

Application: The most common type of offshore rig due to its flexibility. Jackup Rigs are self-elevating with removable legs that can be extended ("jacked") above or below the hull.

Associated Services: Supporting vessels, OCTG, third-party drilling services e.g. drilling fluids, DD/MWD/LWD, wellheads, drill bits, cementing, fishing, slickline, etc.

No. of Rigs: Three-Year Outlook



As at Oct 2018,
average of **8-10**
Jack-up rigs in
Malaysian waters



Medium-term outlook – Post 2021:

Positive – driven by monetisation to capture value in volatile markets.

Upstream Activity Outlook Jackup Rigs' requirement

High

18

19

19

Low

16

17

17

2019

2020

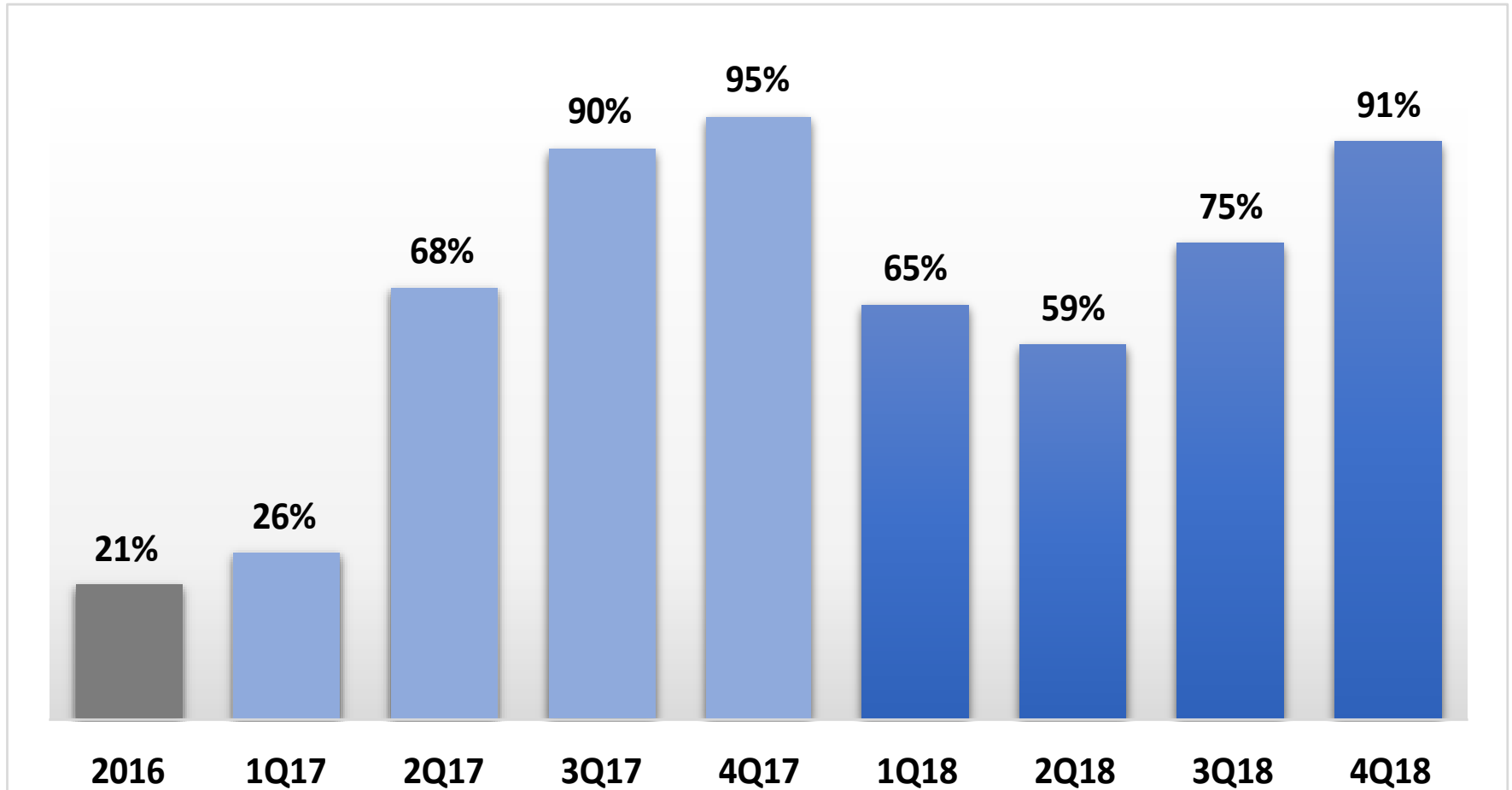
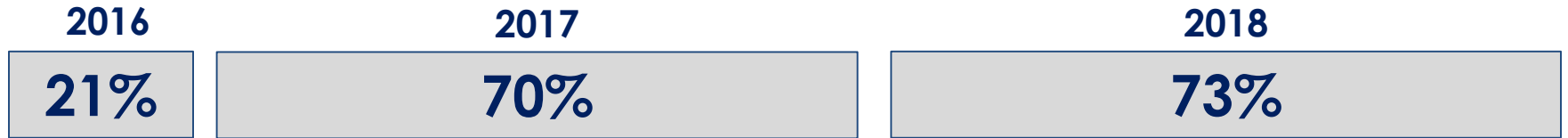
2021

Source: PETRONAS Activity Outlook 2019-2021

An aerial photograph of a large offshore oil platform, likely a jack-up rig, situated in the middle of a deep blue ocean. The platform's complex steel lattice structure is prominent, with several tall legs extending upwards. The deck is painted green and yellow, and is filled with various pieces of industrial equipment, including cranes and pipes. The text "COMPANY OUTLOOK" is superimposed in large, white, bold, sans-serif capital letters across the center of the image. In the bottom left corner, the "VELESTO energy" logo is visible, and a small number "7" is in the bottom right corner.

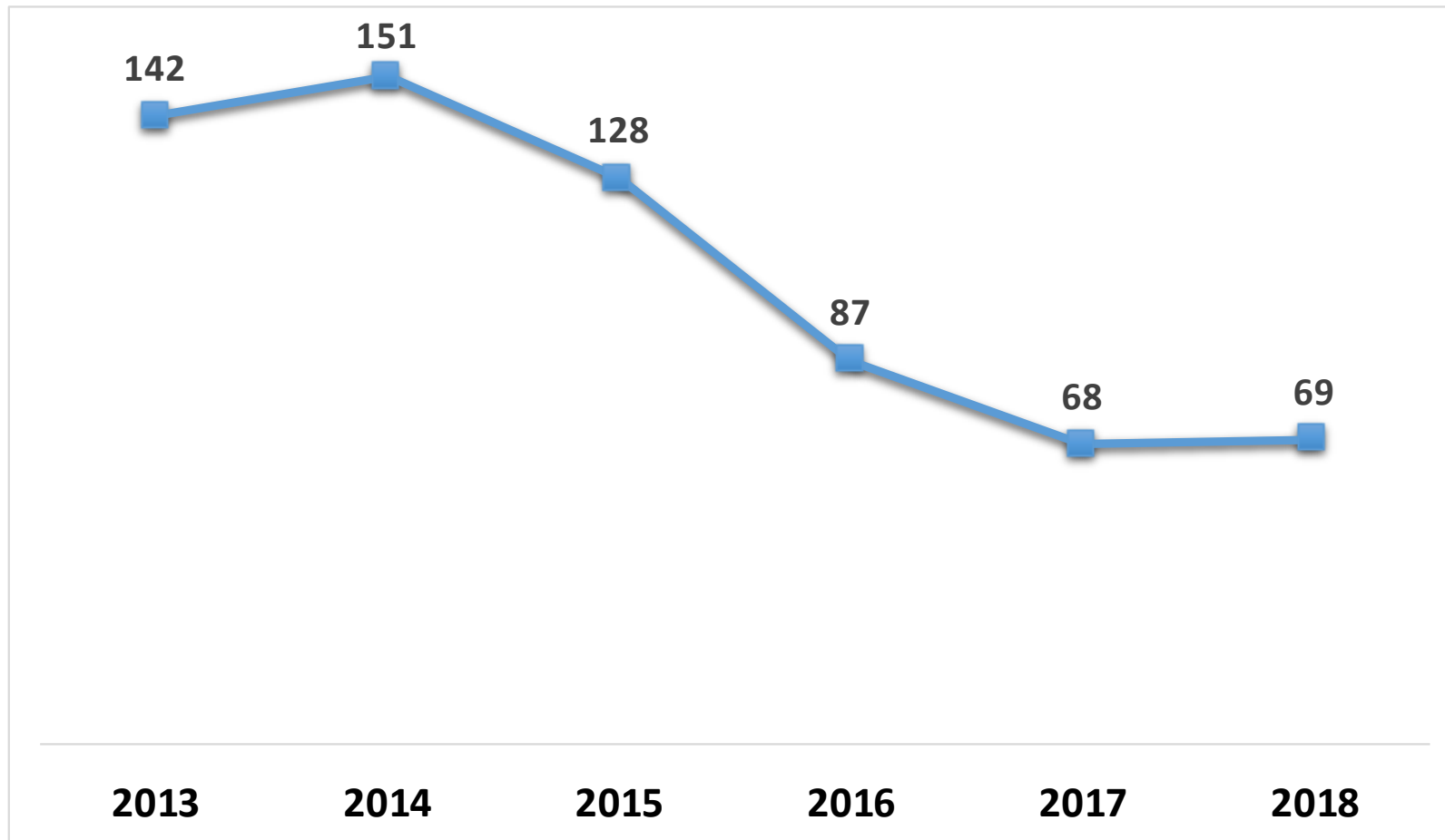
COMPANY OUTLOOK

VELESTO RIG UTILISATION



VELESTO AVERAGE DAILY CHARTER RATE

DCR (USD' 000)



ORDER BOOK



**Total
Contract Value**

RM 881 mil

+

RM 148 mil

(option)

=

RM 1,029 mil

**Remaining
Order Book**

RM 227 mil

+

RM 148 mil

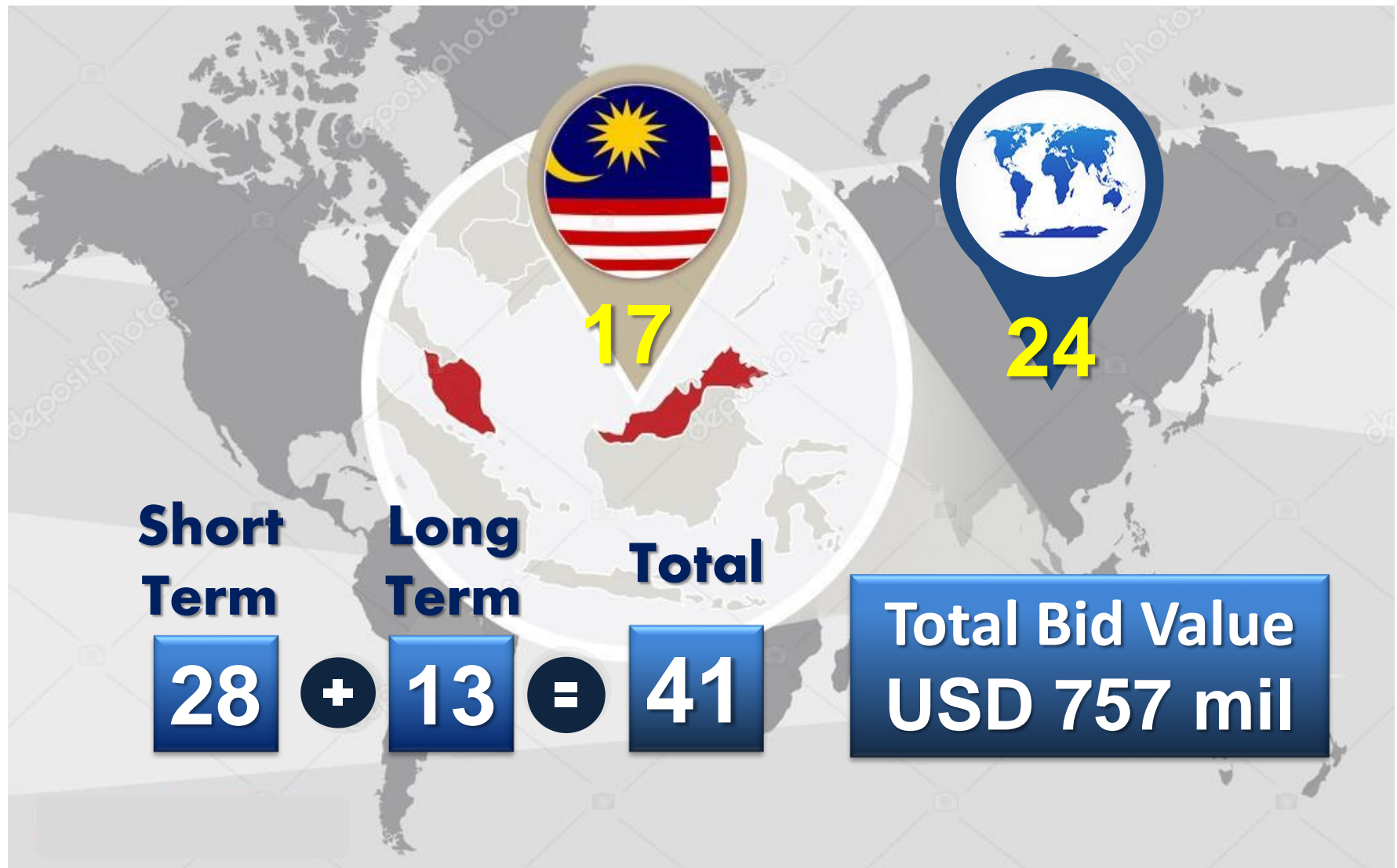
(option)

=

RM 375 mil

As at 31 January 2019

CURRENT TENDER ACTIVITIES



As at 31 January 2019

An aerial photograph of an offshore oil platform in the middle of a dark blue ocean. The platform is a complex of yellow and grey structures with a helipad on top. Several support vessels, including tugboats and barges, are positioned around the platform, connected by thick black hoses. The word "FINANCIALS" is superimposed in large white letters across the center of the image.

FINANCIALS

KEY FINANCIAL HIGHLIGHTS

4Q 2018

AVERAGE
UTILISATION **91%**

AVERAGE
DAY RATE **USD 68k**

OPERATIONAL
EFFICIENCY **98.4%**

REVENUE
RM189m

PAT/(LAT)
RM15m

EBITDA
RM94m

KEY FINANCIAL HIGHLIGHTS

FY 2018

AVERAGE
UTILISATION **73%**

AVERAGE
DAY RATE **USD 69k**

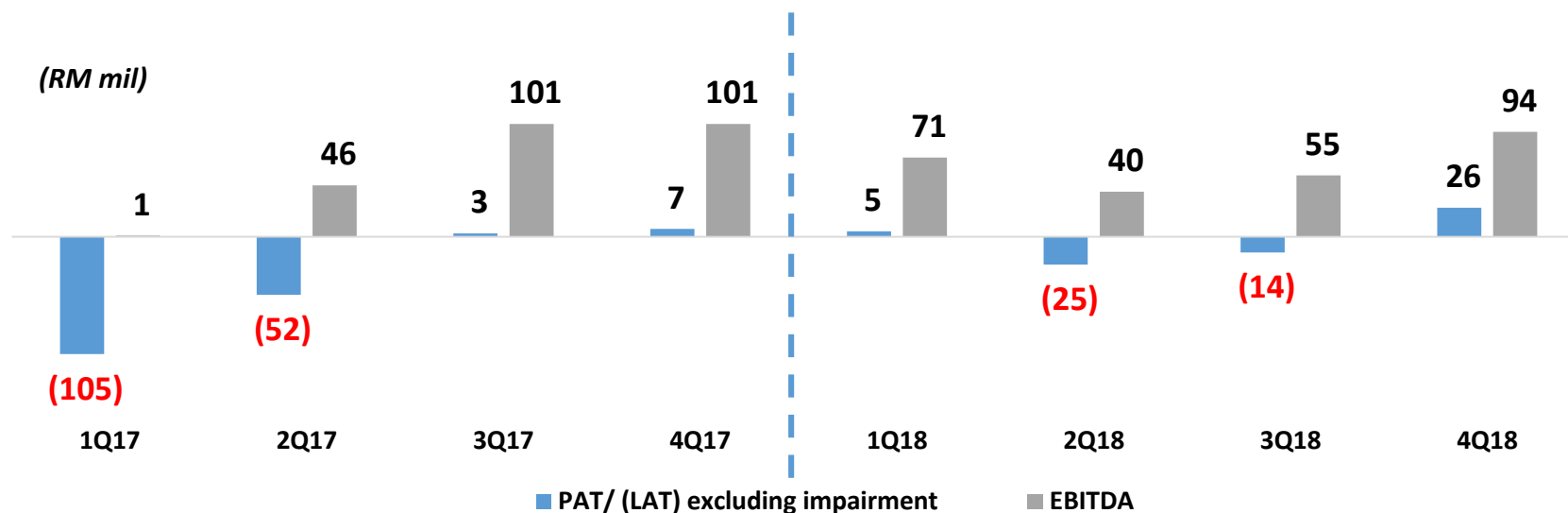
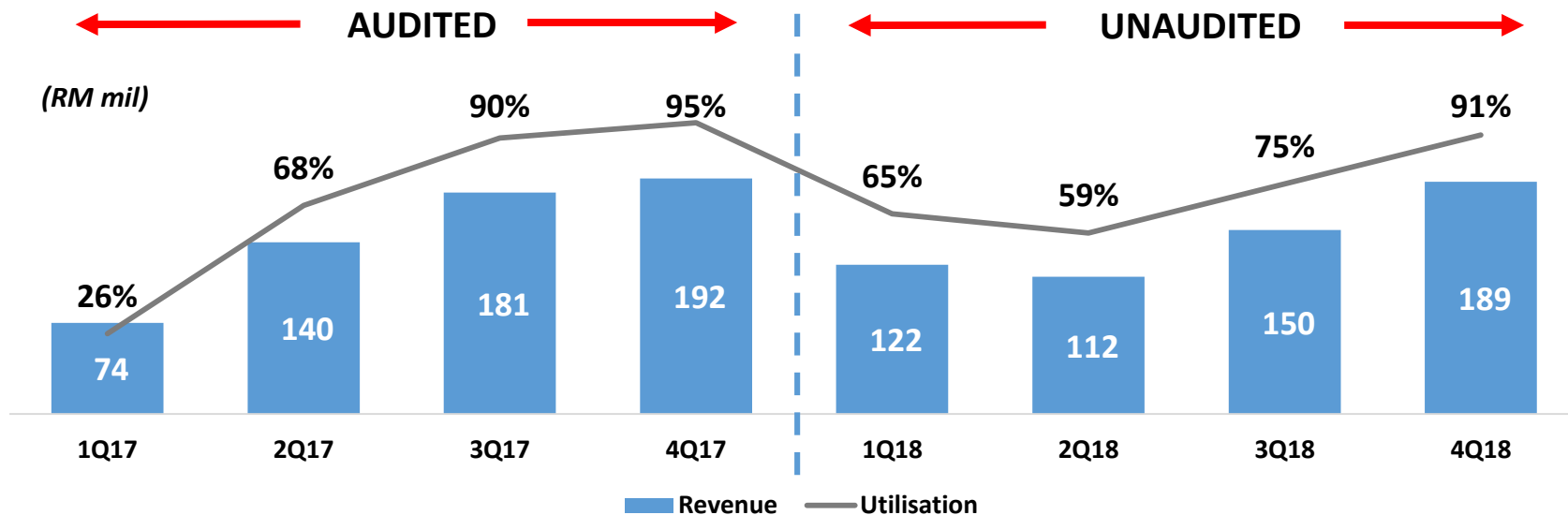
OPERATIONAL
EFFICIENCY **98.4%**

REVENUE
RM573m

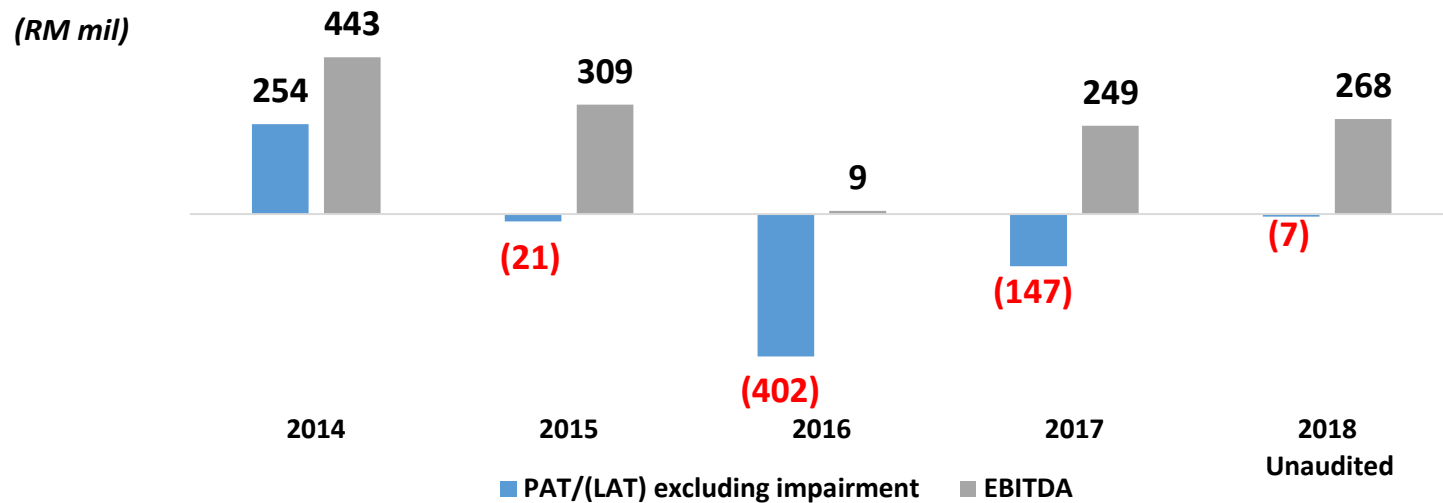
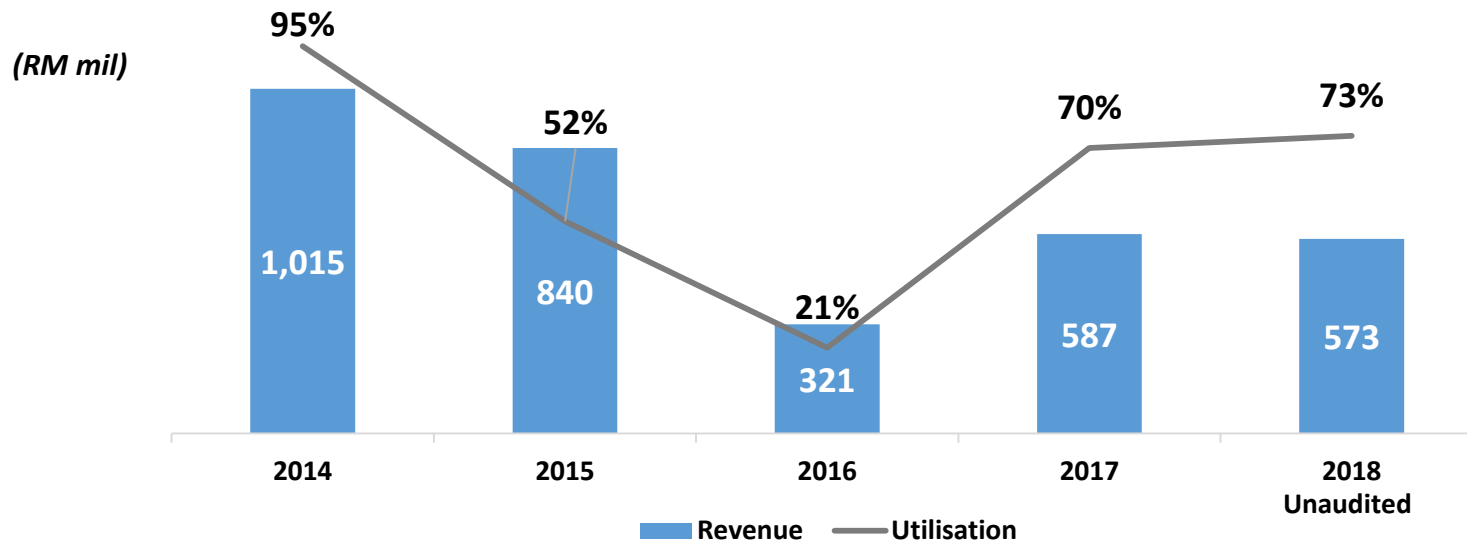
PAT/LAT
(RM19m)

EBITDA
RM268m

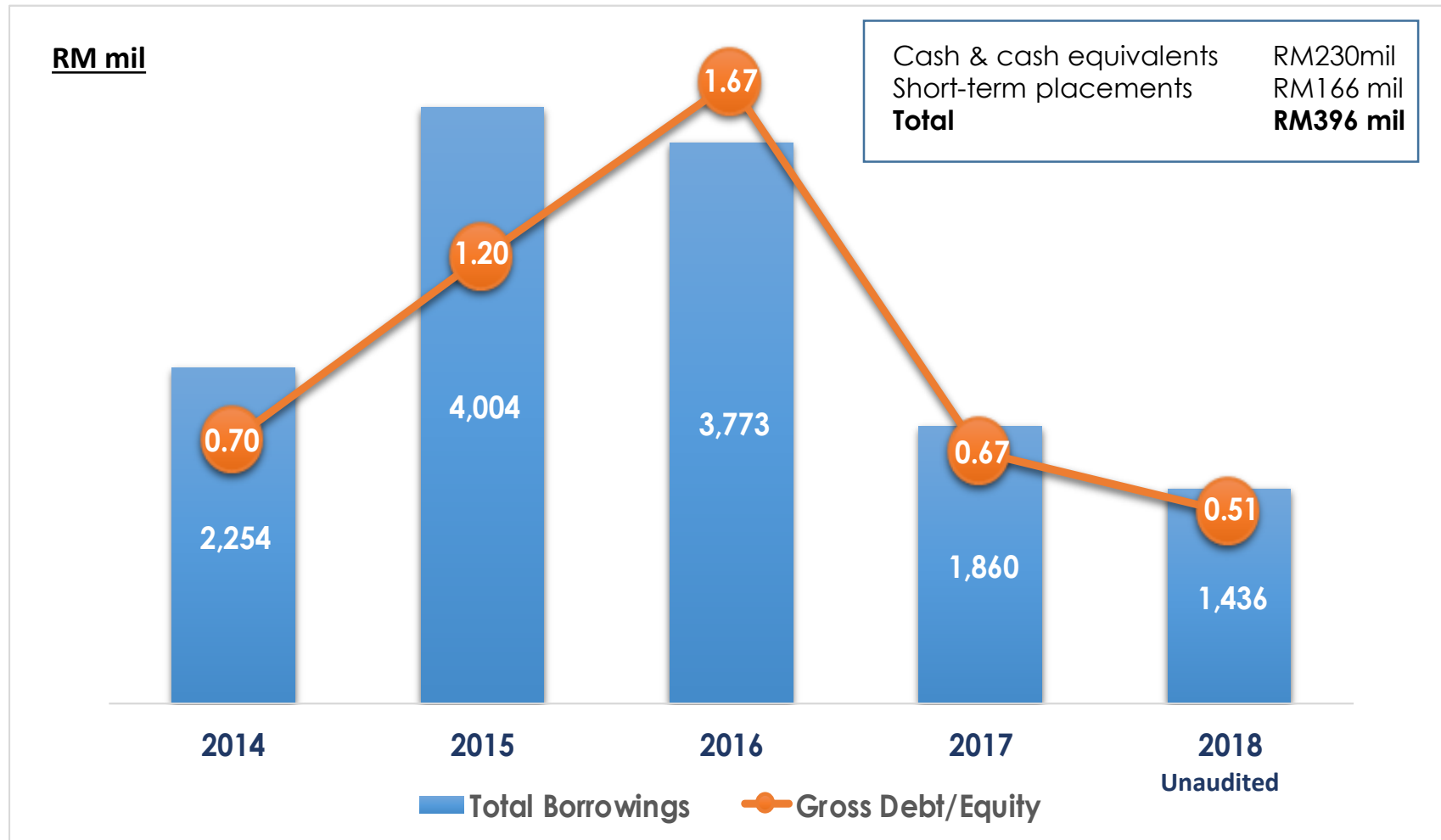
EVOLUTION OF PERFORMANCE – QUARTERLY



EVOLUTION OF PERFORMANCE - ANNUAL



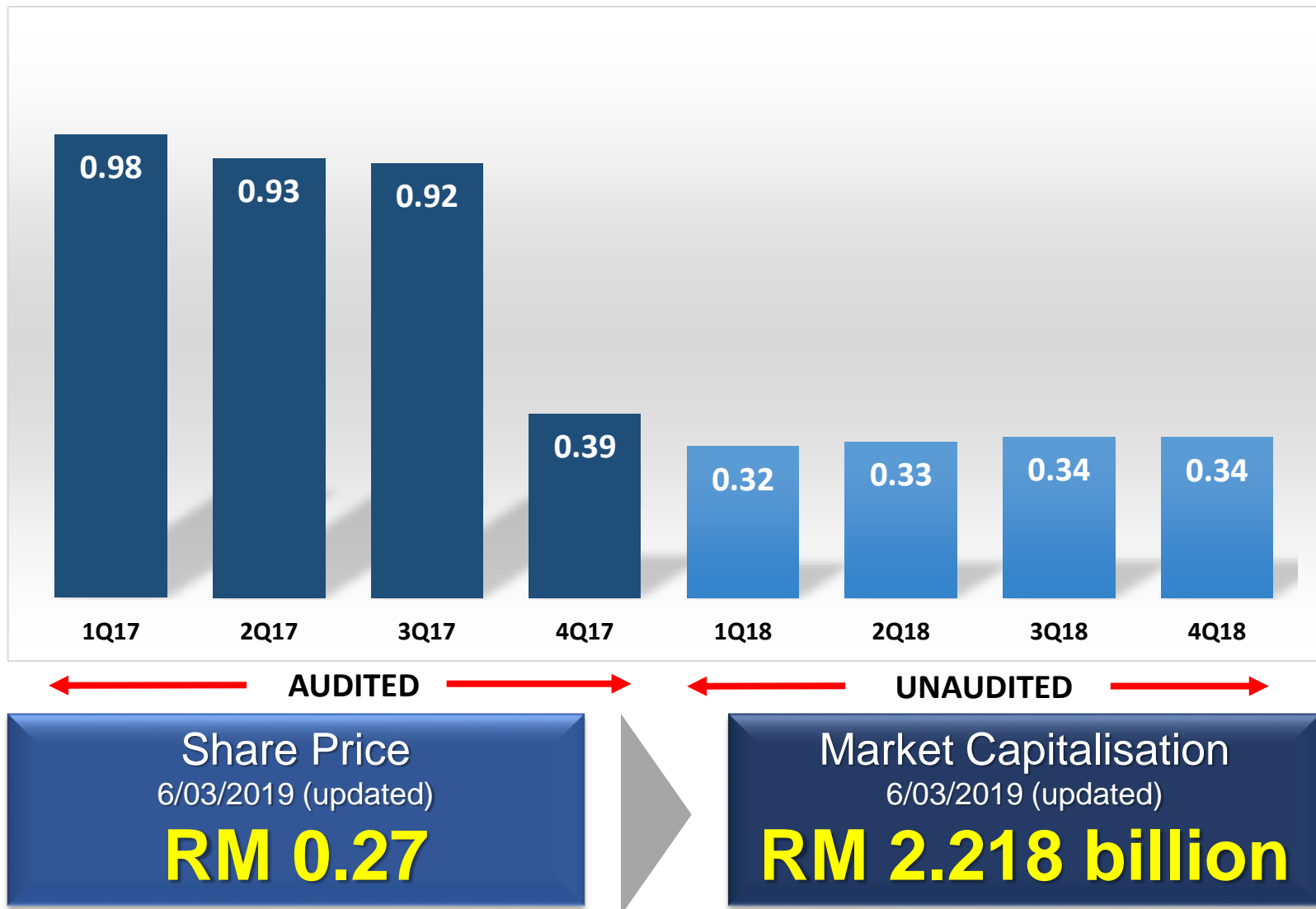
MAINTAINING LOW DEBT/ EQUITY RATIO



KEY FINANCIAL RATIOS

Financial Ratios	2014	2015	2016	2017	2018 Unaudited
Revenue (RM mil)	1,015	840	321	587	573
Revenue growth (%)	37.5	(17.2)	(61.8)	82.7	(2.3)
EBITDA margin (%)	43.6	36.8	2.8	42.2	45.4
Core PAT margin (%)	25.0	(2.5)	> (100)	(25.0)	(1.2)
Basic EPS per share (sen)	11.7	(17.1)	(54.5)	(36.8)	(0.2)
Total Borrowings	2,255	4,004	3,773	1,860	1,436
Gross Debt to Equity ratio	0.70	1.20	1.67	0.67	0.51
EBITDA / Interest (x)	17.0	4.83	0.08	1.79	3.05

NET ASSET PER SHARE



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An aerial photograph of a large industrial port, likely a shipyard or refinery. Several large gantry cranes are visible in the water, and a large ship is docked at a pier. The background shows a city and distant mountains under a hazy sky. The text "THANK YOU" is overlaid in large white letters.

THANK YOU