



FINANCIAL RESULTS FOR THE QUARTER ENDED 30 June 2023

30 August 2023

VELESTO
energy

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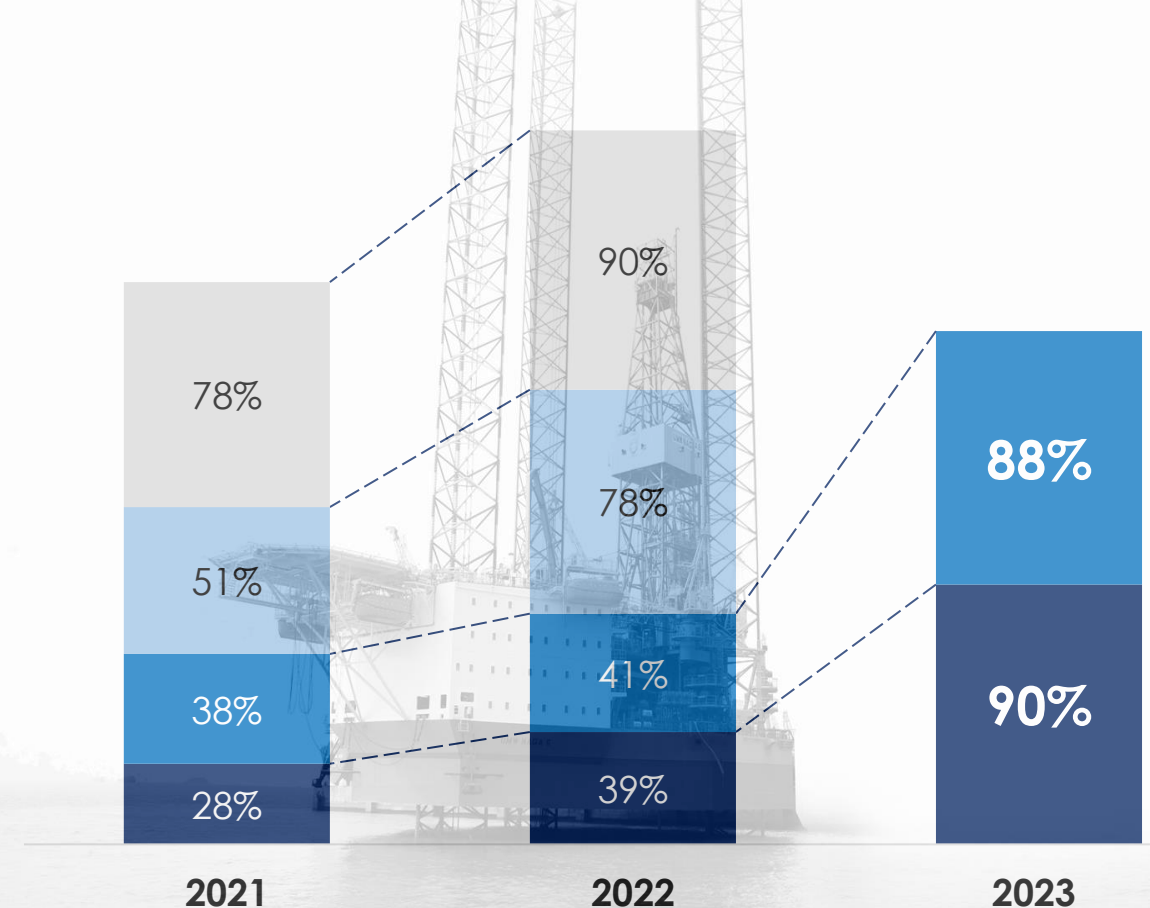
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EXECUTIVE SUMMARY

- 2Q 2023 recorded **revenue of RM279 million**, with **profit for the quarter of RM17 million**
- The **oil and gas outlook remains strong** with Brent oil price within USD80 – USD100/bbl by end of 2023
- **NAGA 4 undergo SPS** early June 2023. NAGA 2, NAGA 3 and NAGA 6 prepping for new jobs in Q3 2023
- Received **HSE Performance Recognition from PCSB** for GAIT 5 Performance

Strong utilisation in 1Q and 2Q for 2023 against 2022 and 2021

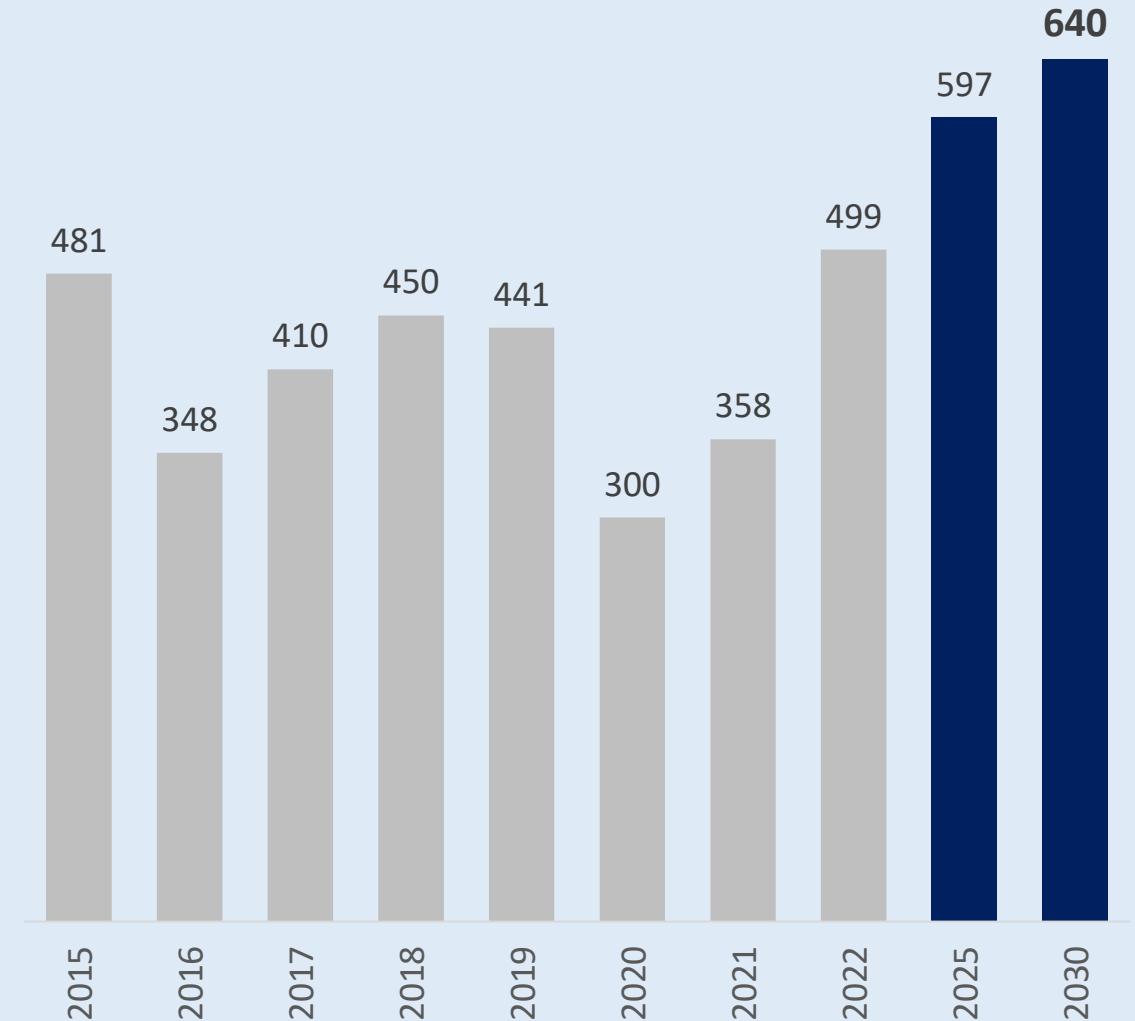
■ 1Q ■ 2Q ■ 3Q ■ 4Q



GLOBAL INDUSTRY HIGHLIGHTS

1. IMF raised its 2023 global **GDP growth projection to 3%** (April: 2.8%).
2. **Global oil demand continue to grow**, mostly led by China and India. Global oil supply tightened by the OPEC+ extended production cuts and Saudi Arabia's voluntary cuts.
3. Brent **oil price increased to USD85/bbl** by end-July.
 - Inventories expected to decline, oil prices to remain above USD80/bbl by end-2023.
 - Global Oil & Gas Upstream **CAPEX** needs to increase to **USD640 billion by 2030** to ensure adequate supply.
4. Southeast Asia **marketed rig utilisation increased to 100%** and latest regional fixture rates rising to USD68,000 - USD152,000 per day.
5. 52 jack-ups relocated to the Middle East over the last two years, **21 units from Southeast Asia**.

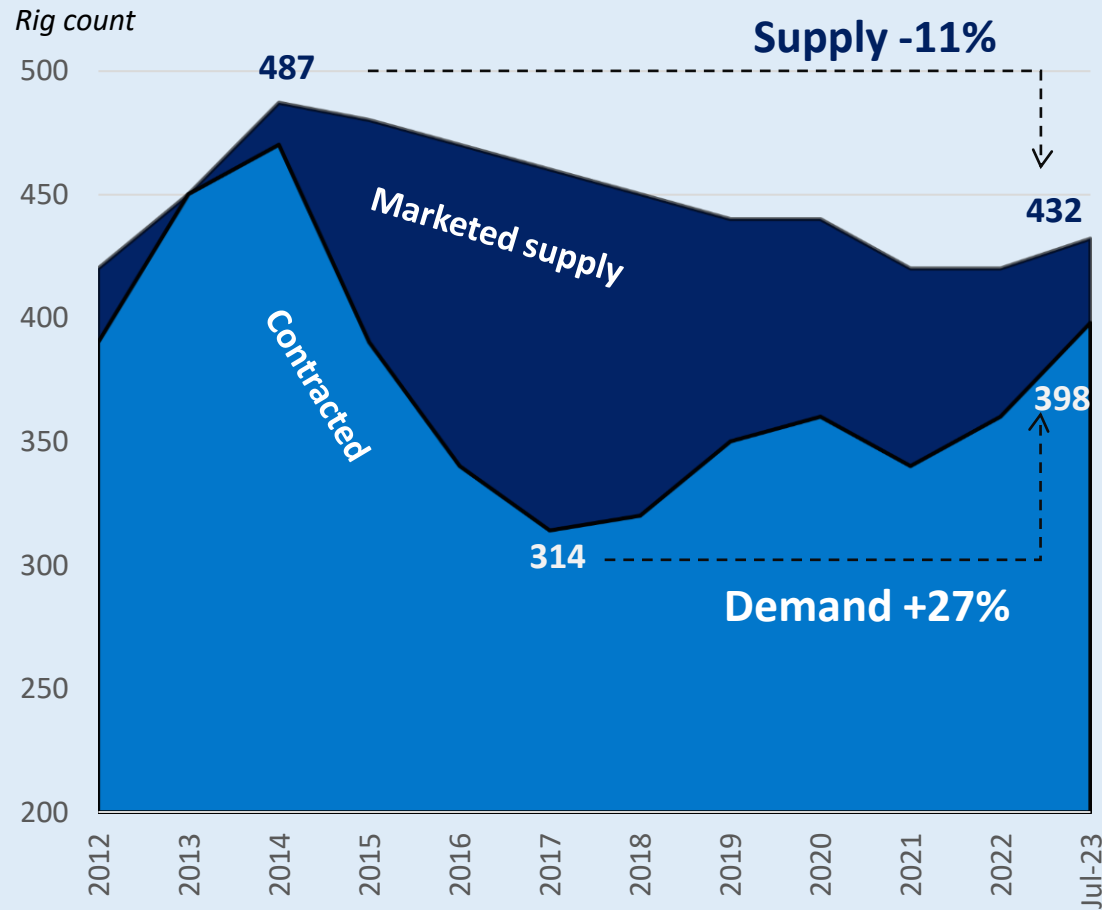
Global Oil and Gas Upstream Capex
Billion USD (nominal)



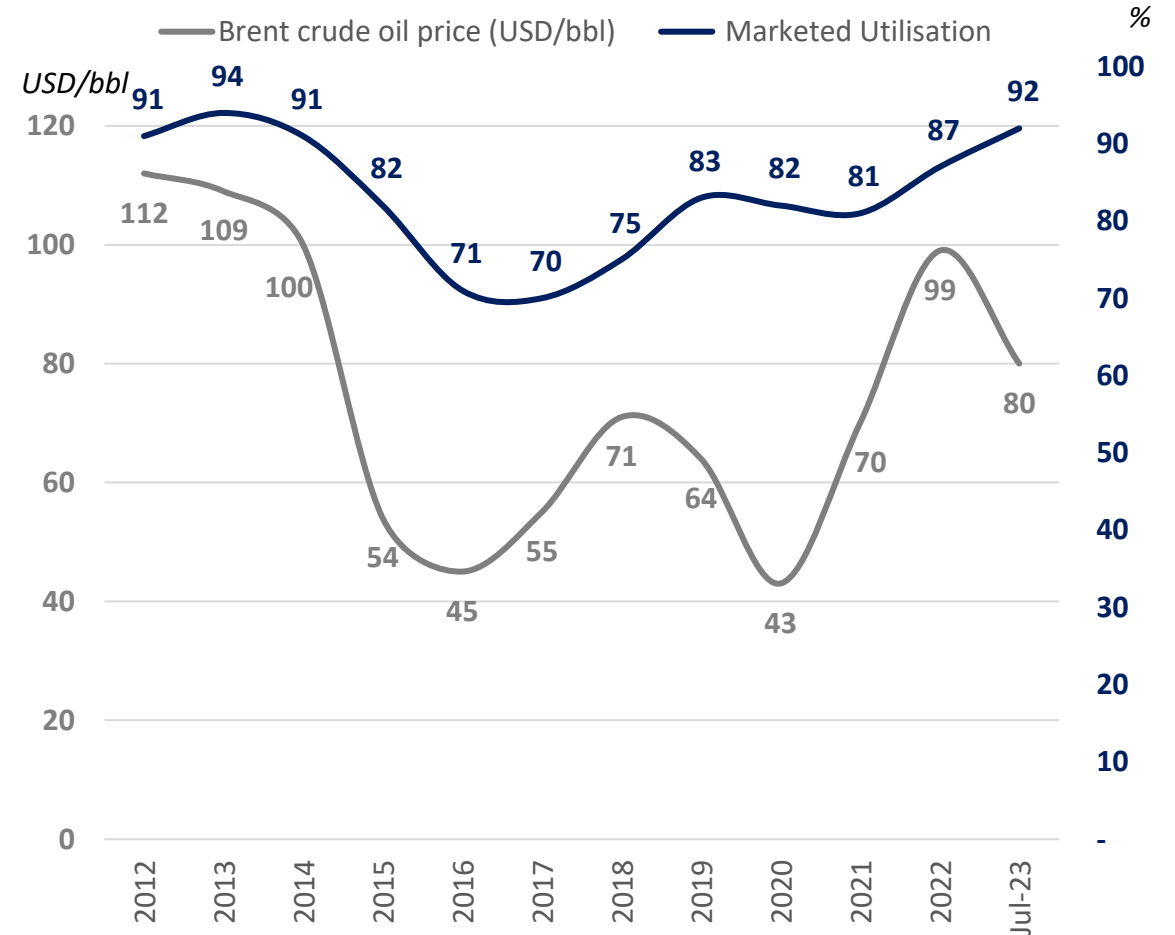
Source: IEF, S&P Global Commodity insights

GLOBAL JACK-UP DRILLING RIG OUTLOOK

Jack-up Rig Supply & Demand



Oil Price against Jack-up Rig Utilisation



Source : IHS RigPoint July 2023, Velesto Analysis

Rig market conditions are **tightening further** and is being reflected in marketed utilisation and latest fixture rates

REGIONAL JACK-UP DRILLING RIG OUTLOOK

DRILLING RIG COUNT
(no.)

FIXTURE RATES[^]
USDk/day

100%

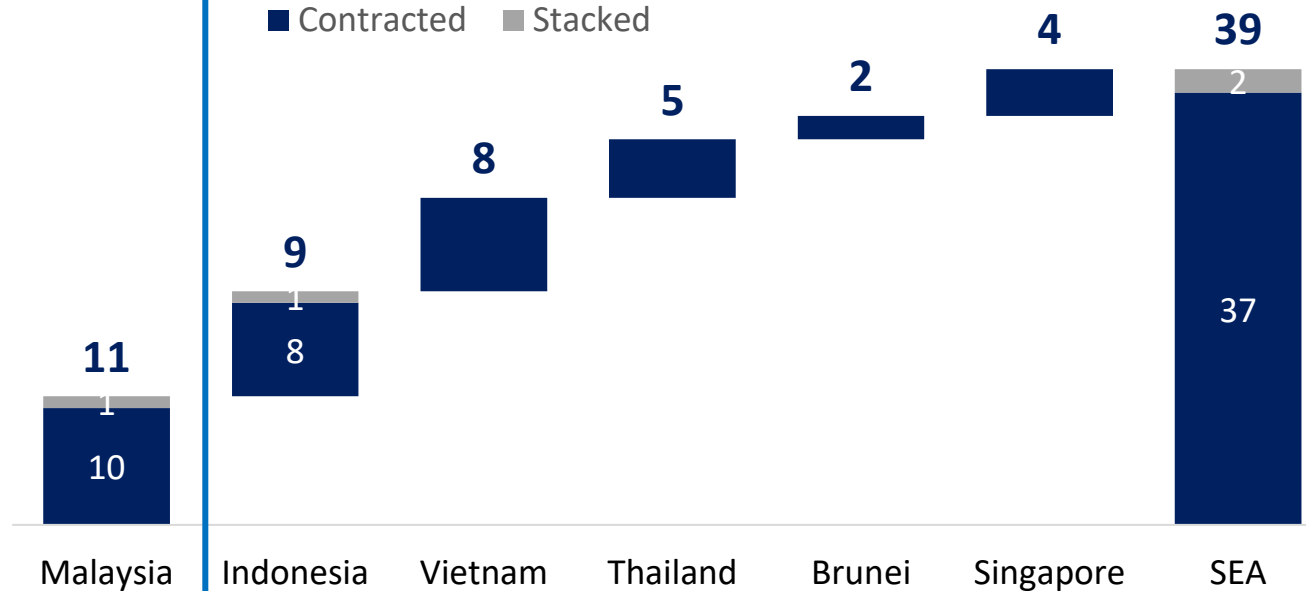
Marketed
Utilisation

Malaysia represent 27% contracted rigs
in SEA and 6 rigs are from VEB

100%

Marketed
Utilisation

■ Contracted ■ Stacked



Malaysia

Indonesia

Vietnam

Thailand

Brunei

Singapore

SEA

High
131

Low
90

Malaysia is the largest market for
Jackup Rigs in Southeast Asia

Note: Malaysia including 2 rigs at Malaysia-Thailand JDA
^ Latest fixture rates from Jan 2023-Jul 2023
Source : IHS RigPoint July 2023, Velesto Analysis

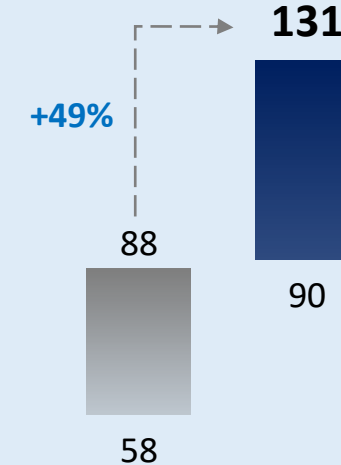
High
152

Low
68

Strong recovery in latest fixture rates
against last 12 months

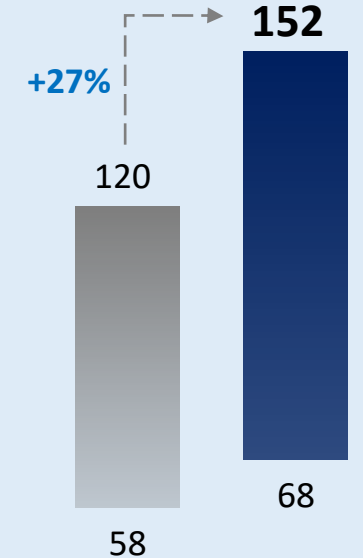
Malaysia

USD '000/day



July 2022 July 2023

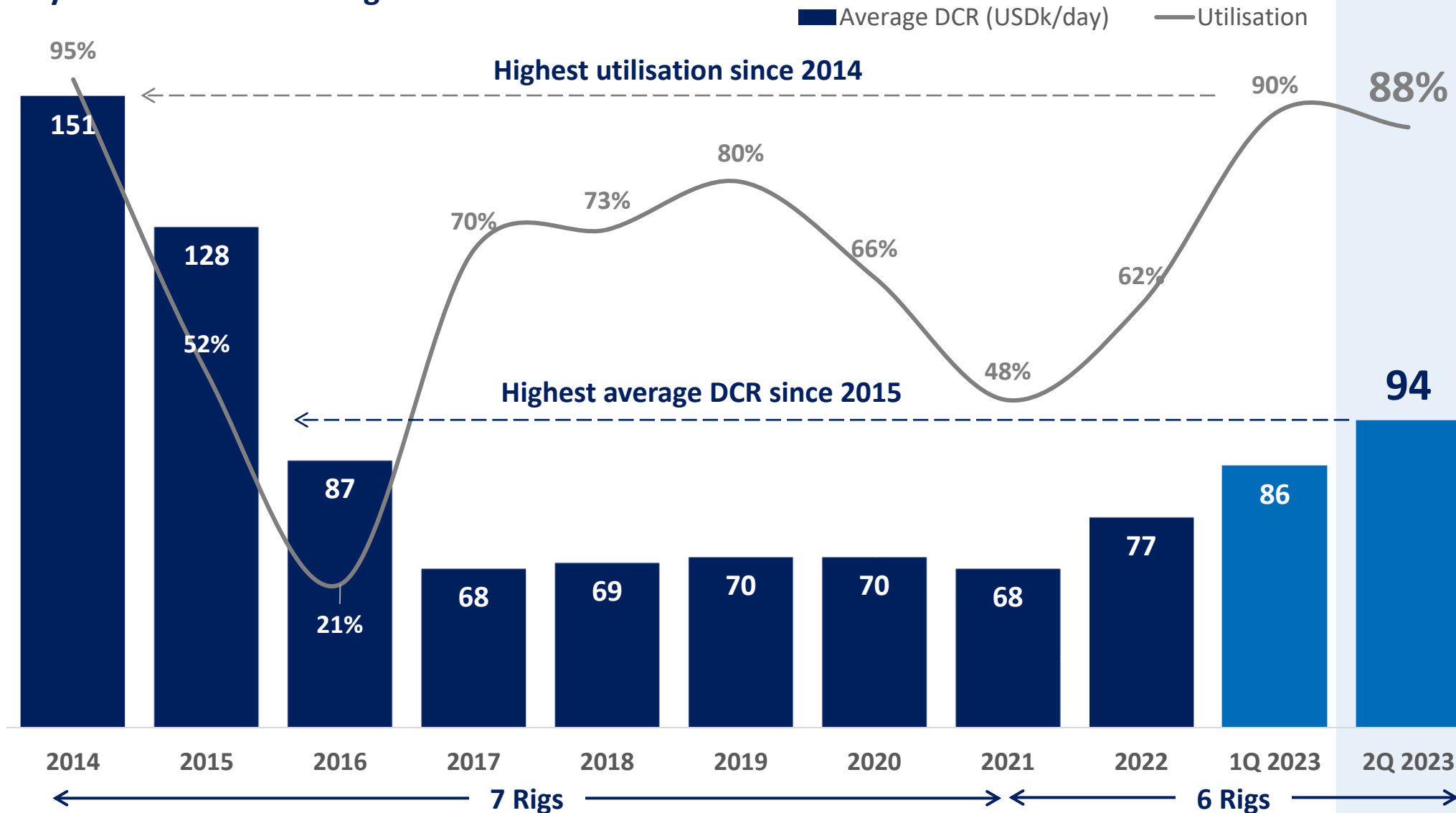
SE Asia



July 2022 July 2023

RIG UTILISATION AND AVERAGE DAILY CHARTER RATE

Yearly utilisation and average DCR



Jackup Rig market has recovered with higher Rig Utilisation and Average DCR in 1H FY23

2Q 2023 Operational Highlights

2Q 2023 Rig Utilisation at **88%** based on:

- NAGA 3, NAGA 5 and NAGA 8 continuous operations
- NAGA 2 completed work for Roc Oil in May
- NAGA 4 undergo SPS in early June
- NAGA 6 completed work for PCSB in June

Operational efficiency in 2Q 2023 improved to **96%**

2Q 2023 HWU Utilisation at **33%** based on:

- GAIT 5 continuous operations.
 - Received appreciation award by PCSB for Tembungo A Wells P&A Campaign
- GAIT 6 prepping for EMEPMI job, commenced in end-August



SAFETY HIGHLIGHTS

1,236,651

Manhours

as of 30 June 2023

219

Days

LTI Free

Since 23
November
2022

46

Days

Longest days without accident

(13/05/23
to
28/06/23)

0

Fatality

0

**Loss
Time
Injury**

0

**Restricted
Work
Case**

2

**Medical
Treatment
Case**

2Q 2023 Safety Activities

- Safe Offshore Crew Workshop (SOCWOO) – 17 May (NAGA 3) & 18 May (GAIT 5)
- EMEPMI Safety Leadership Workshop (SLW) – 9 June
- Generative Safety Leadership Workshop (GSLW) – 25-26 May, 14-15 June
- IADC HSE and Sustainability Conference & Exhibition – 23-24 May



Awards:

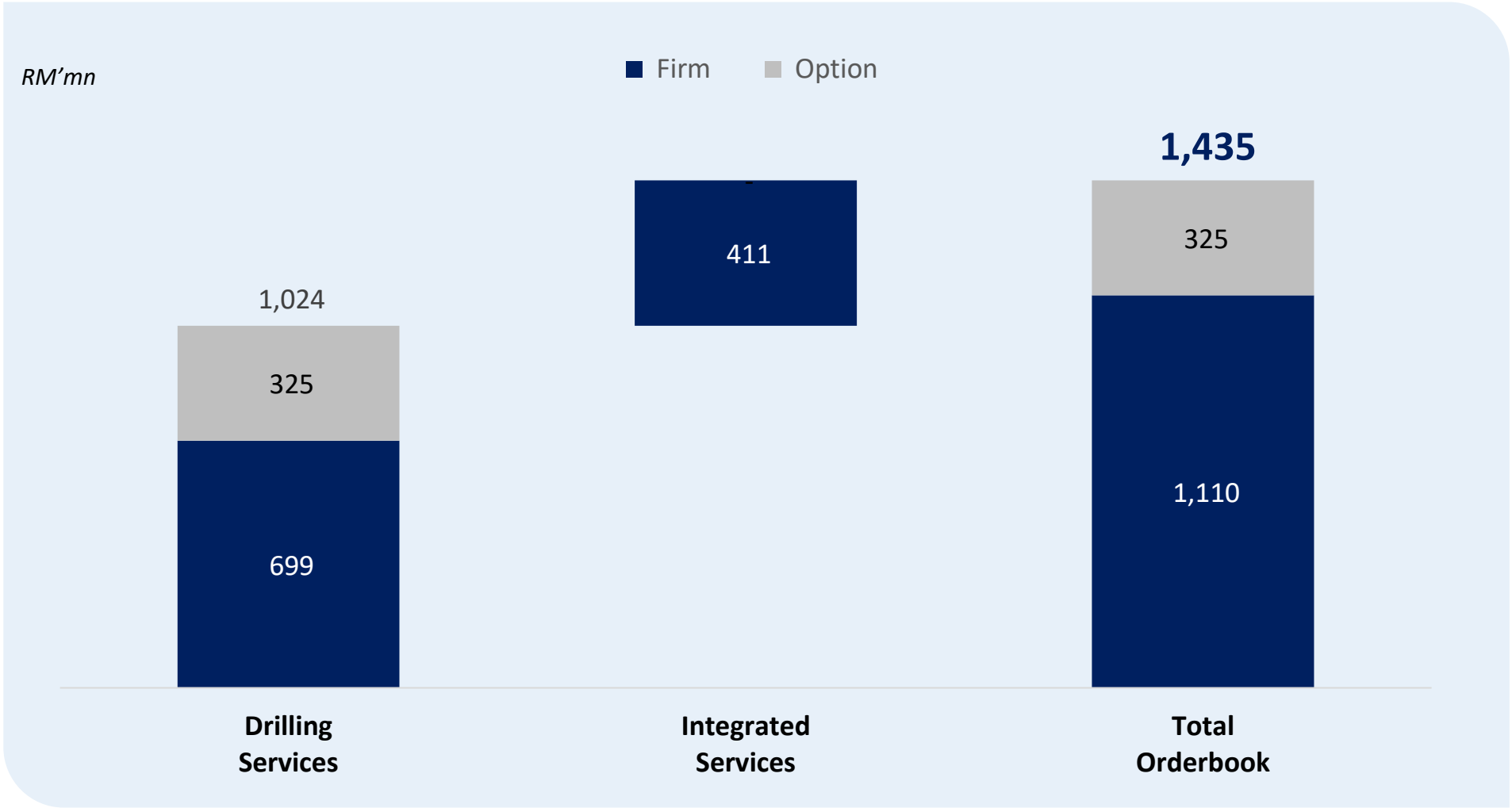
NAGA 2: ROC Oil – HSE Excellence Appreciation Award
(in achieving incident free operations)



LATEST ORDER BOOK STATUS

Current order book stands at RM1.4 bil with 77% firm contracts

Current Clients



JADESTONE
ENERGY

PCSB

HESS

CARIGALI HESS

EXXONMOBIL

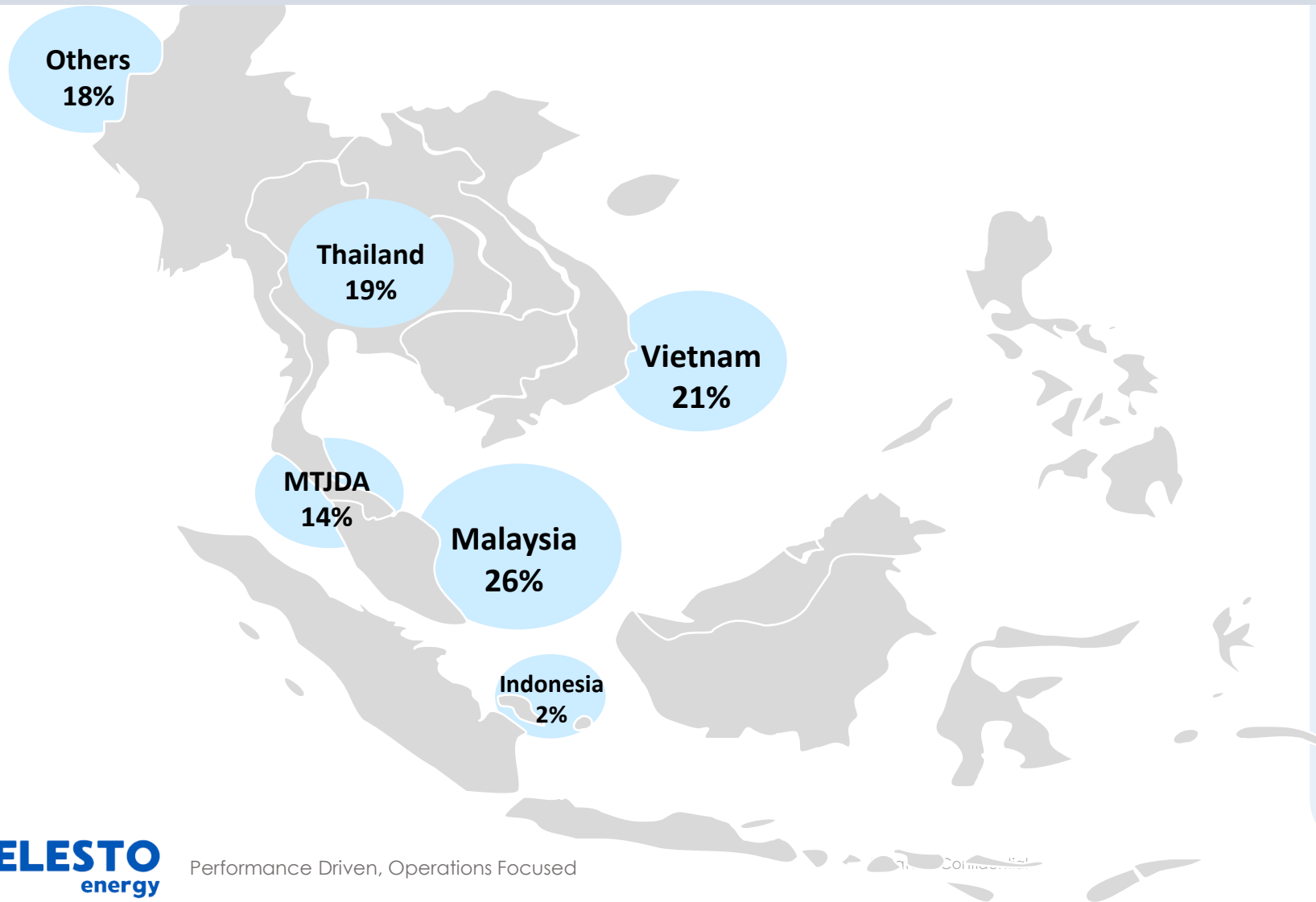
Including drilling
services for i-RDC

Including HWU, IWS and non-
drilling services for i-RDC

As at July 2023

CURRENT TENDER ACTIVITIES

Total prospects currently stands at **RM4.2 bil** and focus is now on building order book for **2024 and 2025**



4.2

RM Billion

Total prospect value

| | Short term <12 months | Long term >12 months |
|------------------|-----------------------------|----------------------------|
| No of tenders | 19 | 6 |
| Value (RMbn) | 1.1 | 3.1 |

As at July 2023

SUSTAINABILITY UPDATE

Key Highlights as of June 2023

Environment

- **32 tCO₂eq/ day** YTD emission intensity per operating days.
(**27% reduction** from 1H 2022)
- **Zero major spill**

Social

- **Zero Lost Time Incident** ("LTI")
- **685 training hours** invested on our people development
- **35% women** among total **new hire** YTD

Governance

- **Zero Incidence of Corruption**

Industry Engagement



IADC HSE & Sustainability
APAC Conference,
23-24 May



IEW "Transitioning Towards
Net Zero Carbon Future",
13-15 June



Energy Asia "Charting
Pathways for Sustainable
Asia", 26-28 June

2H 2023 Plans



Emission Management

Digital emission monitoring solution pilot on rig - energy profile insights



Capacity Building

Sustainability awareness programs company wide



CSR

Coral conservation at Perhentian Island - Sept 2023



Sustainable Supply Chain

Vendor engagement day - Sept 2023





2Q FY23

Financial Highlights

2Q 2023 KEY FINANCIAL HIGHLIGHTS

**Delivered high
utilisation,
average day
rate and
operational
efficiency**

88%

**Average
Utilisation**

1Q23 : 90%
2Q22 : 41%

94k

USD
Average day rate

1Q23 : 86k
2Q22 : 75k

96%

**Operational
efficiency**

1Q23 : 94%
2Q22 : 92%

279

RM mil
Revenue

1Q23 : RM287 mil
2Q22 : RM87 mil

78

RM mil
EBITDA

1Q23 : RM74 mil
2Q22 : RM2 mil

17

RM mil
PAT/(LAT)

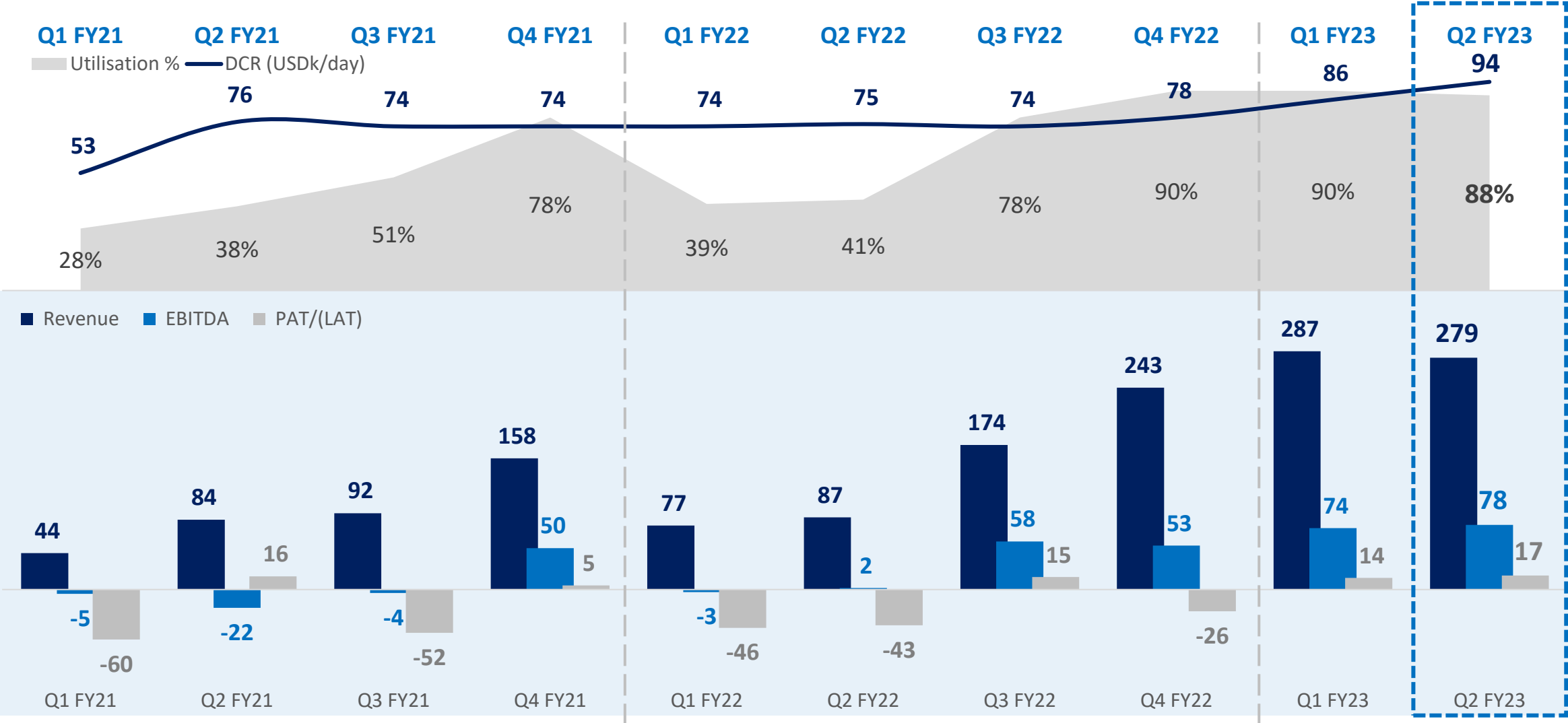
1Q23 : RM14 mil
2Q22 : (RM43 mil)

QUARTERLY PERFORMANCE

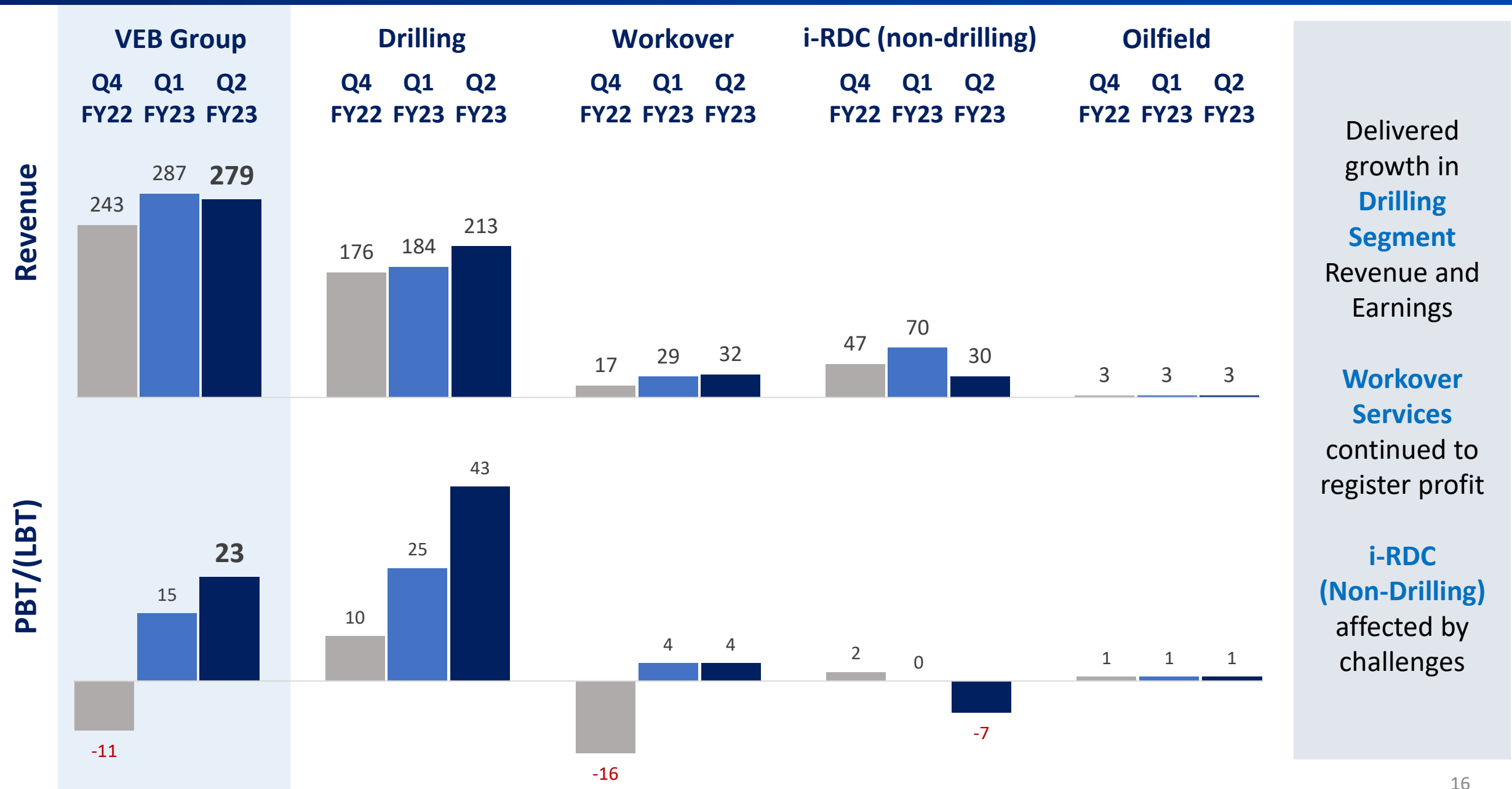
Two consecutive quarters with PAT at the back of high utilisation and average day rate

Value drivers

Financial performance



QUARTERLY DIVISIONAL PERFORMANCE



Note: VEB Group includes corporate costs and eliminations

SUMMARY

- 2Q 2023 recorded higher **Revenue of RM279 mil**, **EBITDA of RM78 mil** and **Profit after Tax of RM17 mil** on the back of **Utilisation of 88%** and **DCR of USD94k**.
- Lower utilisation in 3Q 2023 due to SPS for NAGA 4 and preparation for NAGA 2, NAGA 3 and NAGA 6.
- Order book stands at **RM1.4 bil** and tender book stands at **RM4.2 bil** as of end-July 2023. Focus on building order book for 2024 and 2025.
- Optimistic that financial performance for FY2023 to be better than 2022.

THANK YOU

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