

Q2 FY2023 Financial Results Briefing Sapura Energy Berhad | 27 September 2022

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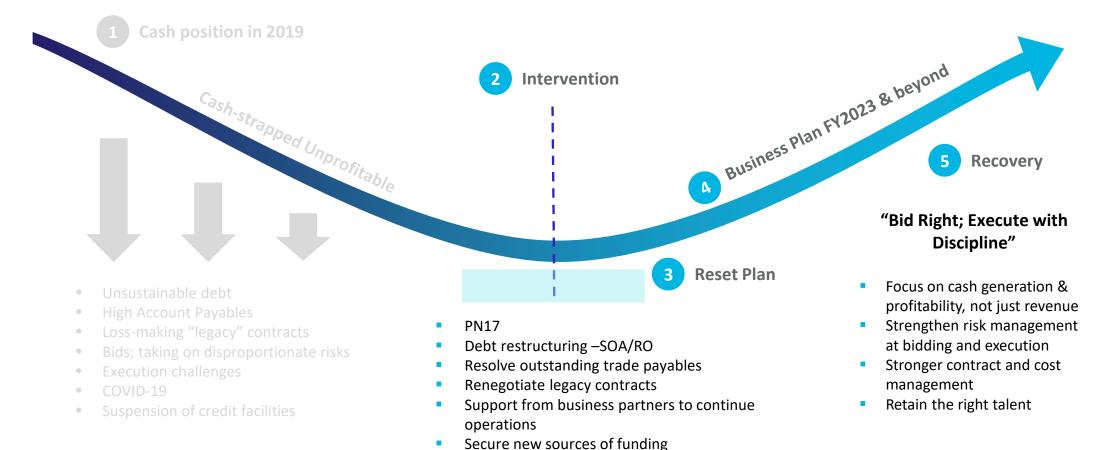
Business Updates

Sapura Energy Reset Updates





Opening Remarks



Admission to CDRC

Path to Recovery

Imperative to restructure debts, revise contracts and manage cost

Service Energy Reyhod | 02 EV2022 Einemain Desuite Driver

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Amounts in RM million				
Group	313	(19)	(3)	
Results	EBITDA	JV Profit	PATAMI	
Segmental	38	47	150	
EBITDA^	E&C	0&M	Drilling	

Financials

- Group revenue of RM1,173mn
- PATAMI includes finance cost of RM150mn and RM134mn well write-off
- Foreign exchange gain of RM74mn
- Orderbook stood at RM7.7bn



^ Excluding share of profit from JV and Corporate/elimination



- + Healthy business fundamentals
- Challenges: Liquidity and Legacy contracts
- Close collaboration with key stakeholders to navigate liquidity challenges
- RESET journey progressing, delivers more clarity on forward looking actions
 - + Completion of divestment for certain non-core assets
 - + Admission to CDRC
 - Bid Right; Execute with Discipline; Underpinned by appropriate risk appetite



Q2 FY2023 Financial Performance

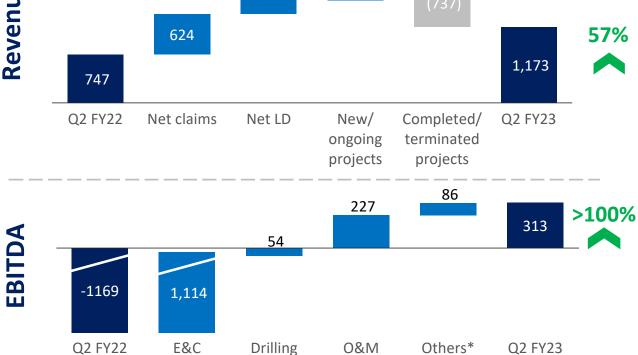
Q2 FY2023 Financial Performance

Group financial highlights by quarter

Amounts in RM million

	Q2 FY23	Q1 FY23	Q2 FY22
Revenue	1,173	886	747
EBITDA	313	250	(1,169)
EBITDA %	27%	28%	(156%)
PATAMI	(3)	92	(1,517)

Revenue 747 Q2 FY22



PATAMI:

Increase is aligned with higher EBITDA, lower share of loss from JV and associates and lower taxation, offset with higher finance cost

* Mainly due to foreign exchange gain

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Q2 FY23 vs Q2 FY22 analysis

324

216

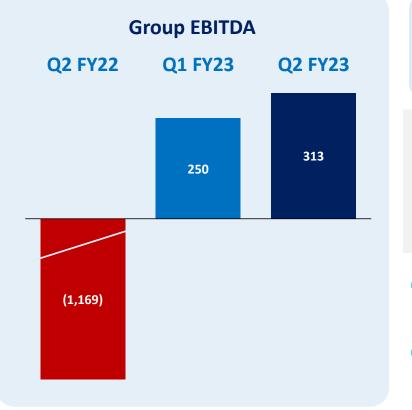
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Continued delivery of healthy EBITDA in Q2 FY2023



Backed by progressive commercial settlements and favourable foreign exchange gain

Amounts in RM million



High contribution from the Drilling segment due to higher utilization of rigs and from O&M segment due to progress of on-going projects and materialization of additional claims. However, the E&C segment continues to be under challenge

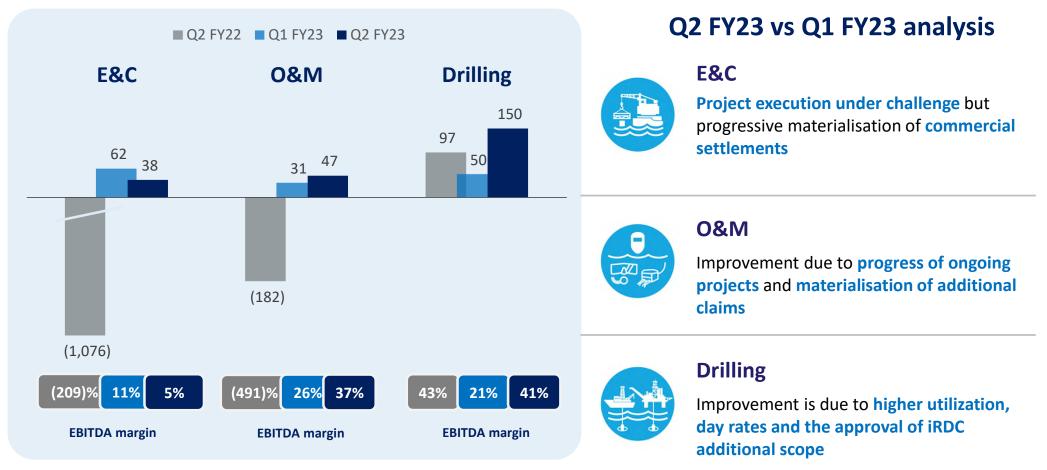
Q2 FY23
insights74mn
Foreign
exchange gain201mn
Commercial
settlements(7)mn
Net
LD

- Favourable foreign exchange gain as a result of favourable movement of the USD
- Commercial settlements progressively materializing for domestic and international projects

Q2 FY2023 Segmental EBITDA

Positive performance across all segments in 1HFY2023

Amounts in RM million

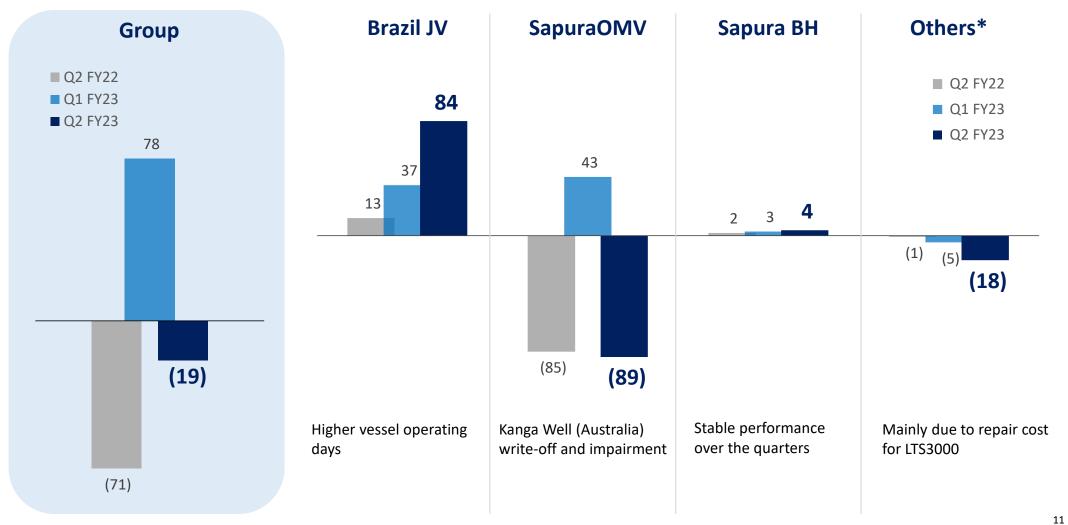


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Share of profit from JV and associates

Amounts in RM million



* Others mainly represent LTSS and other associates

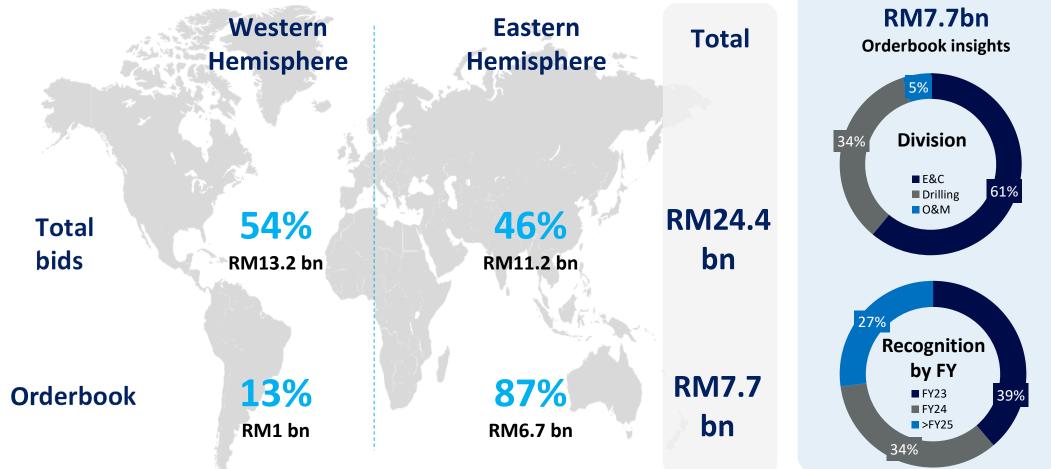
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Business Updates

Group Bid Book and Orderbook

Robust orderbook balance to sustain earnings visibility



Note: Not included in the above is non-consolidated orderbook of RM6.2bn, representing 100% of JV portions (Brazil JV:RM4b, BH JV:RM2b and others RM0.2b)

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Business Updates | E&C

Continued delivery despite challenges

34	2	8
Ongoing	Completed	Commencement
projects	projects	of new projects

Key offshore activities in Q2 FY23: Hess Phase 3 & 4 in Malaysia and transit of S3500 to Western Hemisphere

- Fabrication activities at Lumut Yard include Hess Phase 4A WHPs, Mubadala Pegaga MRU and ONGC 98/2 projects
- Completion of 2 projects in Q2 FY23: DeNoVo Zandolie in Trinidad & Tobago and Hess Phase 3 T&I
- Secured 8 new contracts* in Q2 FY23 including Shell SK318 Timi T&I in Malaysia, BWE Adolo FPSO T&I in Gabon, Apache SP 79 & VK 780 Platform removal in USA, Chevron STS Services T&I in Angola and ENI Woollybutt Decom in Australia
- Yard utilisation is at 30% and Key vessel utilisation is at 52%



Challenges

- Client deferment of projects to FY 24 impacting FY23 assets utilization
- Third party cost escalation due to growing industry demand
- Ongoing negotiations to preserve cash neutrality on legacy contracts

*unannounced new contracts due to contracts below materiality threshold

Business Updates | E&C - Brazil

Brazil operations continue to be resilient









Key highlights

- Utilization of all 6 vessels in Q2 FY2023 is 97.45%.
- Sapura Esmeralda has successfully secured extension of charter and service contract with Petrobras for 2 years with a value of approximately RM580 million.
- Sapura Esmeralda started the contract extension with Petrobras in August 2022.

Business Updates | O&M

Maintain/deliver contracts and progressing on claims



- Successful completed year 2022 TA shutdown for Exxon field & Shell field in between Jul to Aug 2022
- [^] 5 HUC contracts (Kinew/Pegaga/Hess 3/Hess 4A/Salman) and 3 TMM long term contracts (Exxon/Shell/PCSB SKG)



On-going Projects

- Completed Project
- Ongoing geo survey works (Wira) for HESS
- On-going hire of O&M OSVs e.g. Redang (SPW/SKG/MCM) & Kapas (EMEPMI)
- 54% average utilization for all O&M vessels

Turbo-machinery JV

g

On-going

contracts

- Negotiation for SHELL Contract under MSA Framework is ongoing
- Finalization on extension of MSA with Petronas GP
- Maintaining 47 Aeroderivative and 27 Heavy Duty Engines
- Upskilling FSE to support NOVA (Industrial Market)

Technology Services

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On-going projects

Completed Project

- Secured 2 years VSAT upgrade services from MDC Oil and Gas Ltd.
- Completed 2 BLNG gas turbine outages, MRCSB gas turbine controls upgrade & MTBE overhead crane refurbishment.















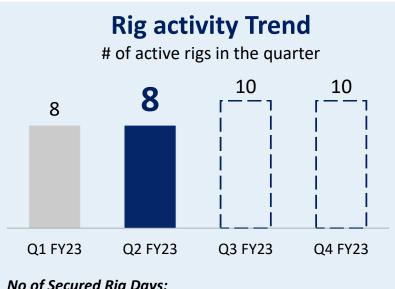
Business Updates | Drilling

Generating stable revenue stream

Rigs	Client	Location	Technical Utilisation (Operational Performance)
Berani	Foxtrot	Ivory Coast	97.3%
Jaya	Chevron	Angola	99.1%
Alliance	Shell	Brunei	100%
Esperanza	PCSB	Malaysia	99.5%
Pelaut	EnQuest	Malaysia	95.2%
T-9	PCSB	Malaysia	98.5%
T-17	PTTEP	Thailand	99.1%
T-18	PTTEP	Thailand	98.1%

- T10 mobilized to Pakarang, Thailand [Block G1/61]
- Improved utilization as call-out contracts are gaining momentum
- T19, T20, Setia are classified as "asset held for sale"

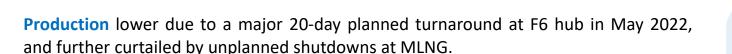




No of Secured Rig Days: Q2 FY2023: 729 days Q1 FY2023: 515 days



Business Updates | E&P Leading independent oil and gas company in Asia Pacific

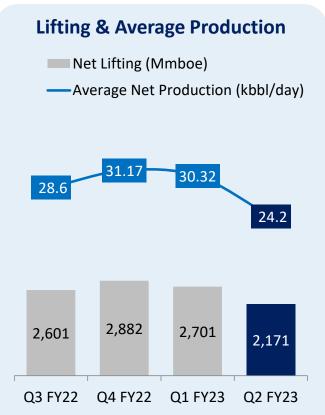


Portfolio of strong project pipelines in SK408 and SK310 Production Sharing Contracts:

- SK408 Jerun EPCIC achieved 3 million injury-free manhours in Aug 2022. Project progressing per plan to achieve First Gas in Aug 2024
- Progressing the development of two smaller discoveries in SK408
- SK310 B14 project being matured through joint development with PTTEP's Lang Lebah under SISGES Ph2

Further upside potential from exploration opportunities:

- Malaysia Continue to pursue exploration opportunities via MBR2022 and farm-ins
- Mexico Block 30 Two exploration wells planned 2H FY23. First well to spud Q3 FY23
- Western Australia On-going engagement with partners on forward plans
- New Zealand Toutouwai discovery Appraisal plans in place subject to host government approval on Operator's farm down plan



Ave. crude lifting price of USD106.7/bbl (compared to USD108/bbl in Q1 FY23)





Sapura Energy Reset Updates

Progress and ongoing efforts to regain stable platform

efforts	Cash Conservation	Legacy contract	New funding	Debt restructuring	Scheme of Arrangement	Divestment plan
Ongoing e	Reduce cost base	Negotiation on legacy contracts to achieve cash neutralisation	Secure source for new funding to finance business plan	Address unsustainable debts with lenders	Conclude SOA with trade creditors	Implementation of strategic divestment plan to align with core business
o-date	On-going	4 E&C projects	RM300 mn	On-going	On-going	>RM300 mn
Progress-to-date	Preserved cash to extend runway for restructuring	Completed 1 negotiation and making headway with the remaining identified legacy contracts	New working capital facilities drawn	Admission to CDRC and close collaboration with key stakeholders	Working the Proof of Debt with vendors	Divestment proceeds from sale of assets^ ^ Including divestment of Sapura 3000 and ongoing rigs disposal
		contracts	Progress is	on-track		

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