

Q3 FY2023 Financial Results Briefing

Sapura Energy Berhad | 9 December 2022

Disclaimer

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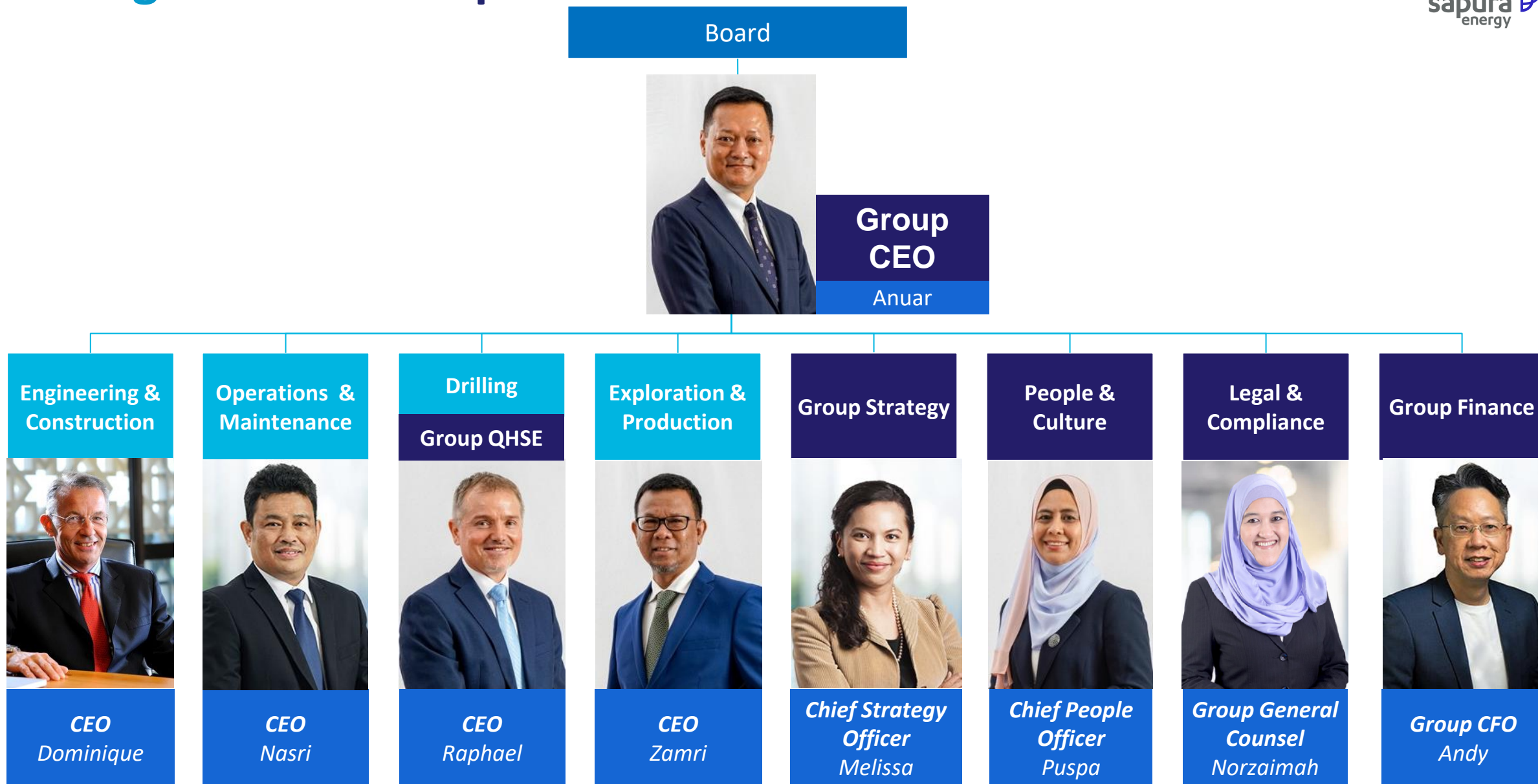
04 Sapura Energy Reset Updates





Opening Remarks

Change in Leadership



Introduction of new members to the Leadership Team

Engineering & Construction



CEO
Dominique

Dominique will continue leading the E&C Reset initiative, with focus on strengthening and delivering operational excellence through our commitment to 'Bid Right, Execute with Discipline'.

>30

**Years working
experience**

Covering areas of transformation, petroleum engineering, operations management, business development and acquisitions, and major projects delivery

Legal & Compliance



Group General Counsel
Norzaimah

Norzaimah will be leading our legal and compliance functions, managing risks and strengthening our corporate governance and business policy, as well enhancing our talent management in Legal & Compliance organisation.

>28

**Years working
experience**

Well-versed in the areas of corporate and organisational restructuring and has a strong governance, risk management, compliance and legal background

Q3 FY2023 Highlights



Financials

Amounts in RM million

Group Results	246 EBITDA	117 JV Profit	10 PATAMI
Segmental EBITDA^	(68) E&C	36 O&M	145 Drilling

- Group revenue of **RM1,275mn**
- PATAMI includes finance cost of **RM161mn**
- Foreign exchange gain of **RM151mn**
- Orderbook stood at **RM6.8bn**

^ Excluding share of profit from JV and Corporate/elimination



Business

- + Challenges: Liquidity, legacy contracts and orderbook replenishment
- + Close collaboration with key stakeholders to navigate liquidity challenges
- + RESET journey progressing, delivers more clarity on forward looking actions
 - + Completion of divestment of Sapura 3000
 - + Proposed Restructuring Scheme submitted to CDRC
 - + Bid Right; Execute with Discipline; Underpinned by appropriate risk appetite



Q3 FY2023 Financial Performance

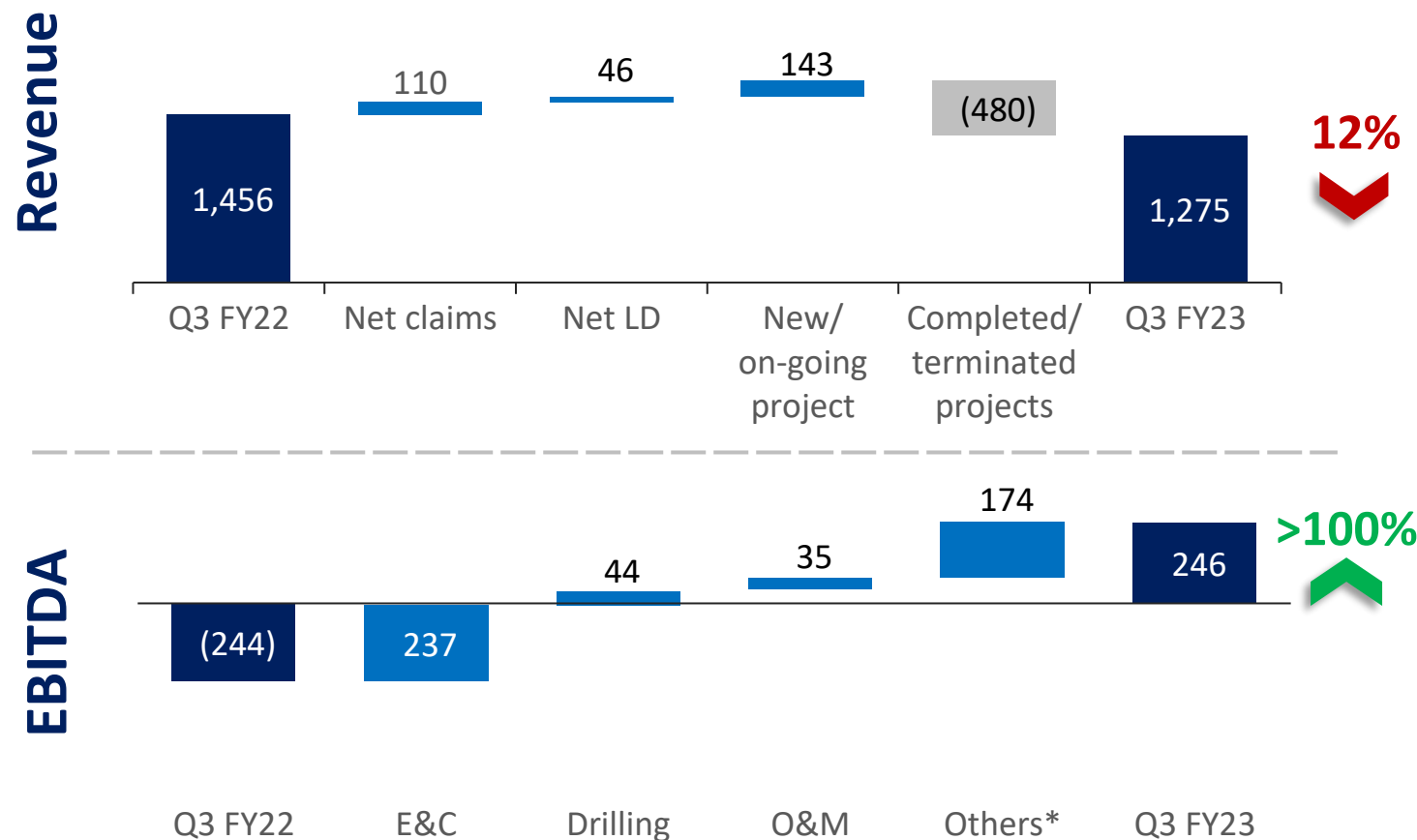
Q3 FY2023 Financial Performance

Group financial highlights by quarter

Amounts in RM million

	Q3 FY23	Q2 FY23	Q3 FY22
Revenue	1,275	1,173	1,456
EBITDA	246	313	(244)
EBITDA %	19%	27%	(17%)
PATAMI	10	(3)	(669)

Q3 FY23 vs Q3 FY22 analysis



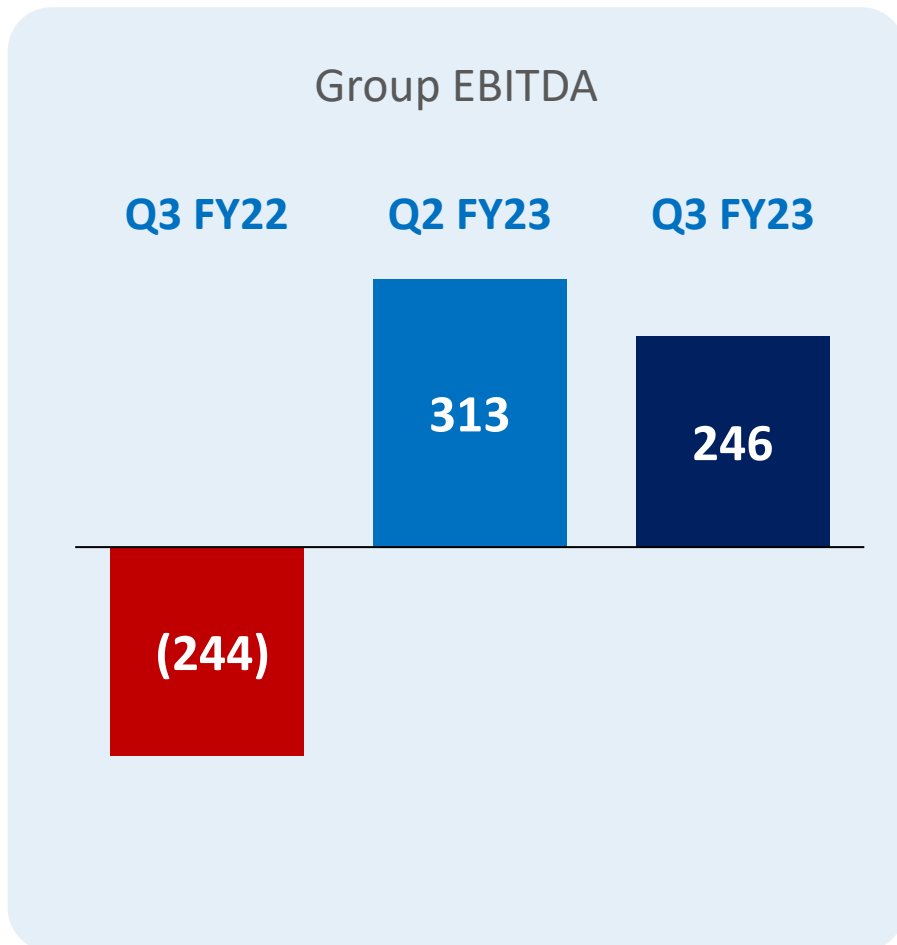
PATAMI:

Increase is aligned with higher EBITDA, higher share of profit from JV and associates, offset by higher finance cost and higher taxation.

* Mainly due to foreign exchange gain

Continued delivery of healthy EBITDA in Q3 FY2023

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**. However, the **E&C segment continues to function under tough conditions**.

Q3 FY23 insights

151mn
Foreign exchange gain

68mn
Commercial settlements

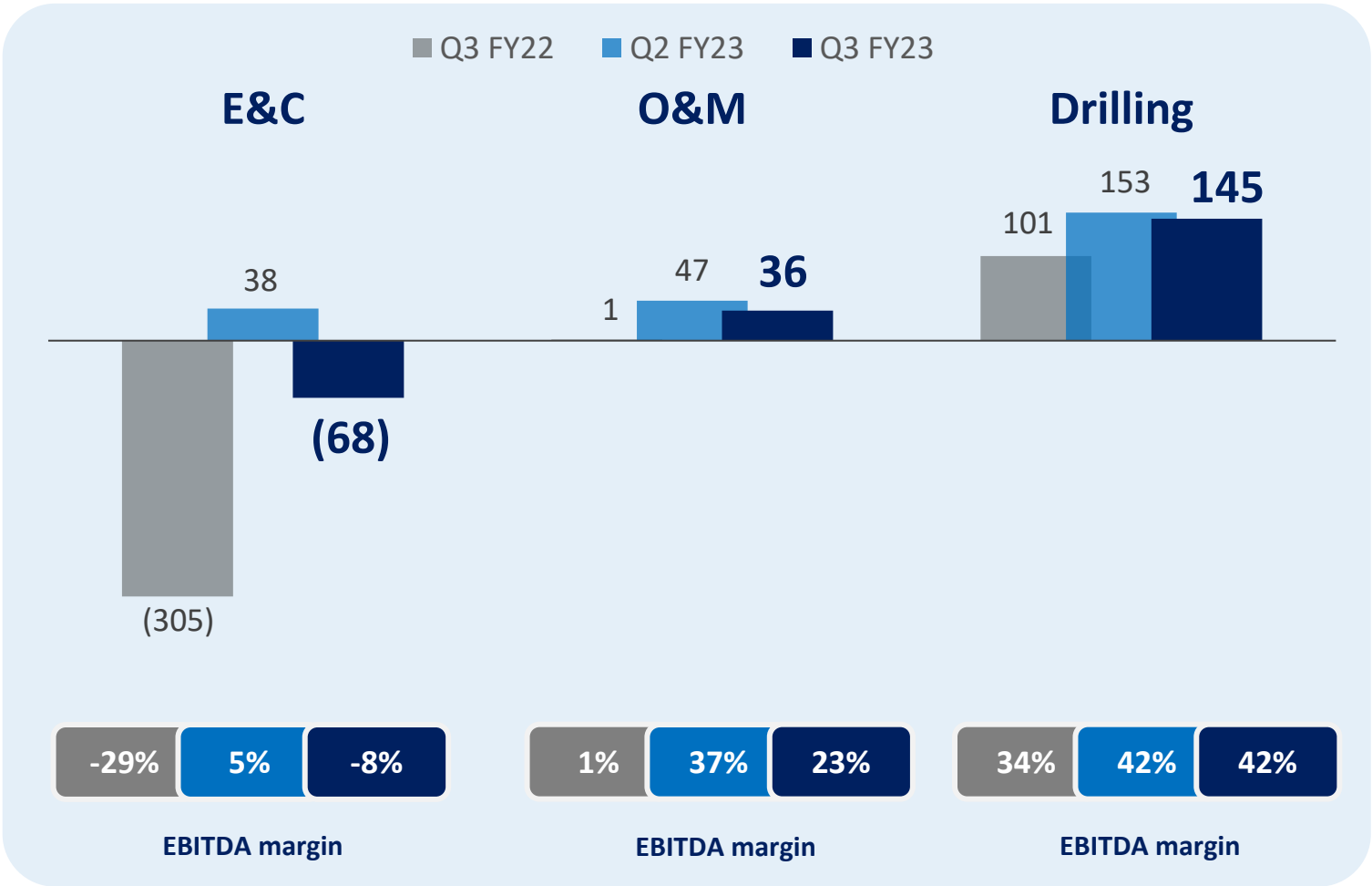
(32)mn
Net LD

- **Favourable foreign exchange** gain as a result of favourable movement of the USD
- **Commercial settlements** progressively materializing for domestic and international projects
- **LD provisions** arising from prudent management decisions

Q3 FY2023 Segmental EBITDA

E&C segment is still fragile

Amounts in RM million



Q3 FY23 vs Q2 FY23 analysis



E&C

Project execution under challenge and lower realisation of claims



O&M

Lower realisation of claims and LD reversal

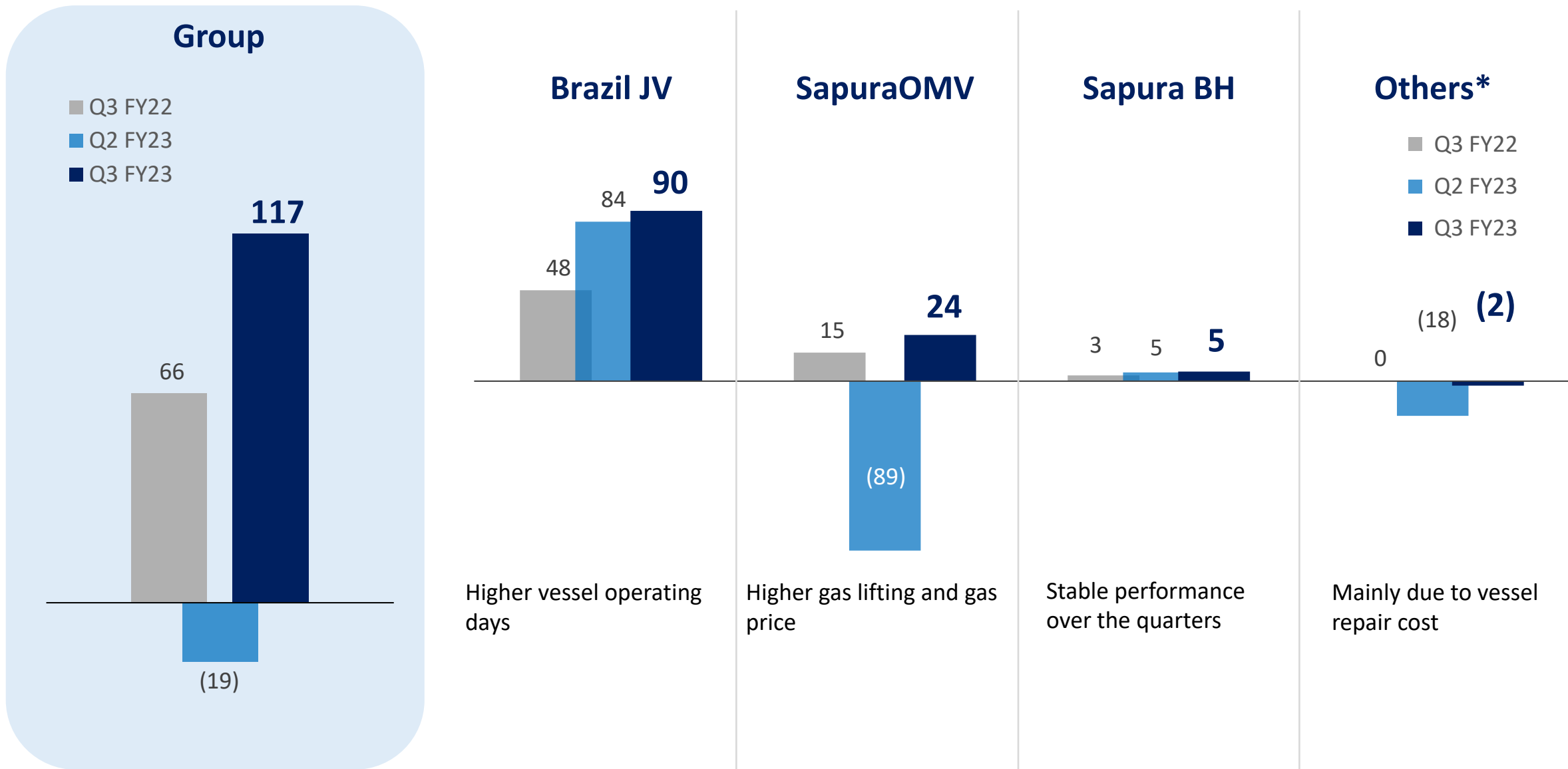


Drilling

Slightly lower EBITDA from a lower iRDC profit in Q3 FY23. However, maintained margin at 42%

Share of profit from JV and associates

Amounts in RM million



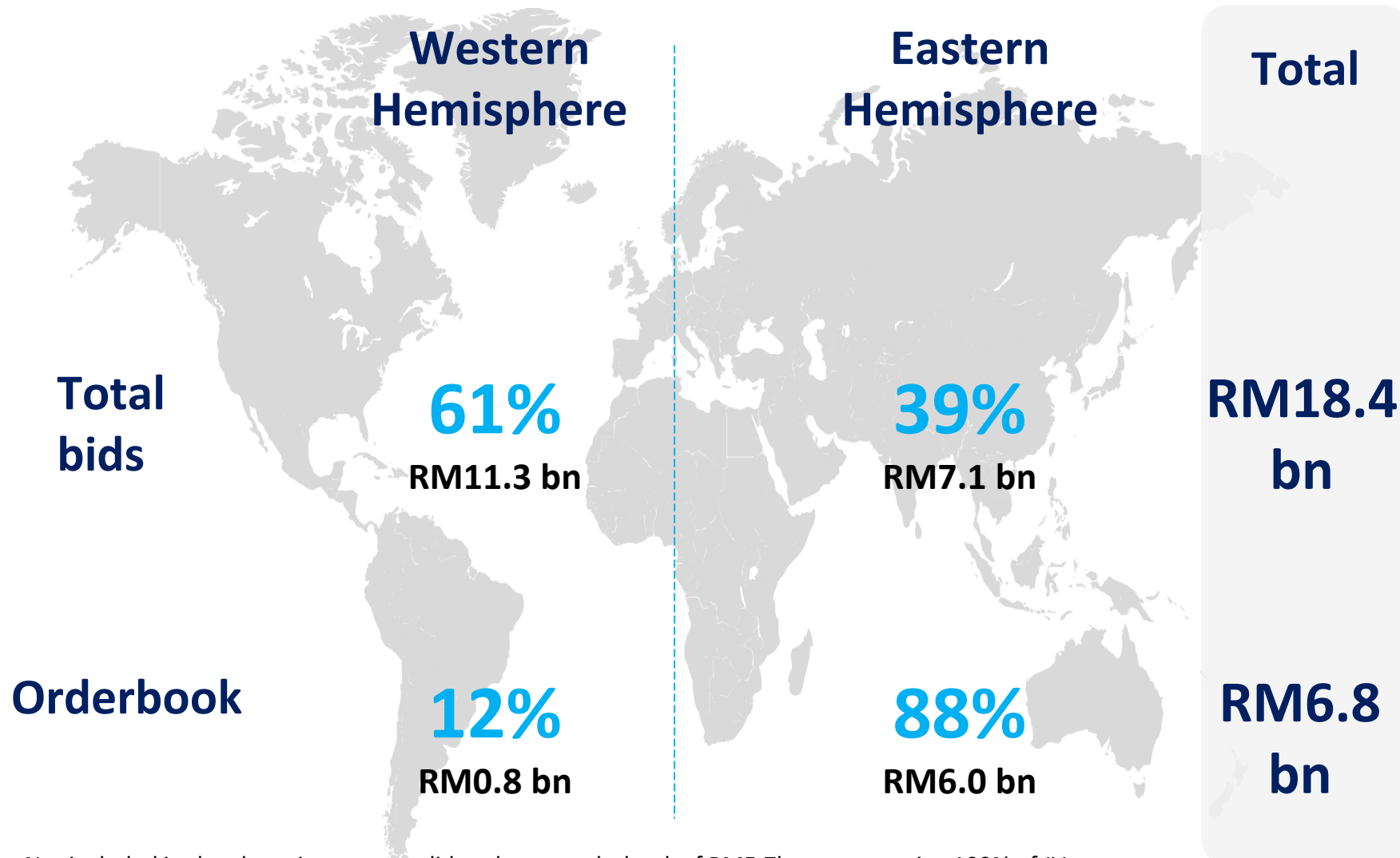
* Others mainly represent LTSS and other associates



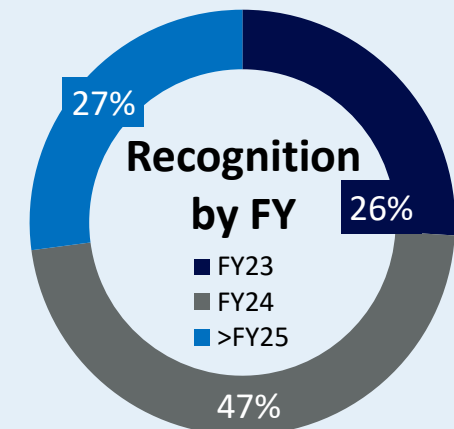
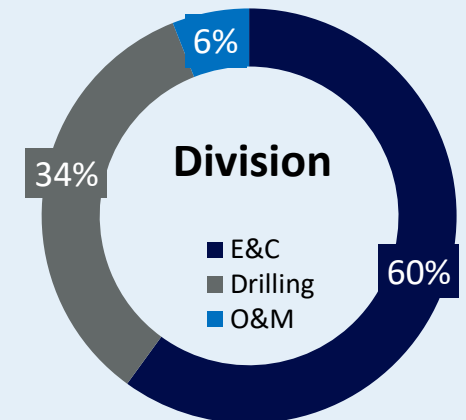
Business Updates

Group Bid Book and Orderbook

Orderbook replenishment is a challenge



RM6.8bn Orderbook insights



Note: Not included in the above is non-consolidated gross orderbook of RM5.7bn, representing 100% of JV portions (Brazil JV:RM3.5b, BH JV:RM2.1b and others RM0.1b)

Business Updates | E&C

Continued delivery despite challenges

40

Ongoing
Projects

2

Completed
projects

4

Commencement
of new projects

- **Key offshore activities** in Q3 FY23: Hess Phase-4 T&I (Malaysia), Shell Timi (Malaysia), BSP Salman in Brunei, EOG Osprey (Trinidad & Tobago) and Santos Spartan (Australia)
- **Fabrication activities at Lumut Yard** include HESS-4, Mubadala Pegaga MRU and ONGC 98/2 projects
- **Close-out of 2 projects in Q3 FY23:** Nippon Oil Underwater Service (Malaysia) and Hockhi Area 2 Project (Mexico)
- **Secured 4 new contracts in Q3 FY23** including Shell AT300 Y2002 campaign (Malaysia), Shell Underwater Leak Measurement (Malaysia) and Mubadala Pegaga Diving Support (Malaysia)
- **Yard utilization is at 19%** and Key **vessel utilization is at 57%**



Keys to Turnaround

- **Orderbook replenishment**
- **Regaining trust and confidence from vendors**
- **Expeditious resolution of legacy contracts and claims with key clients**
- **Addressing staff attrition impact**

Business Updates | E&C - Brazil

Brazil operations continue to be resilient



6

PLSVs are working in Brazil
for Petrobras in Q3 FY23

Location/Field worked (Basin)

Sapura Esmeralda



Sapura Onix



Sapura Jade



Sapura Rubi



Sapura Diamante



Sapura Topazio



Key highlights

- Utilization of all 6 vessels in Q3 FY2023 is **98.76%**.
- Sapura Esmeralda started the contract extension with Petrobras in August 2022.
- On-going negotiation with Esmeralda, Onix and Jade for PLSV charter.

Business Updates | O&M

Maintain/deliver contracts and progressing on claims

Hook Up & Commissioning

8

Ongoing
Projects^

1

Completed
Project

- **Shell TMM successful completion for E8, F14 & Gumusut-Kakap campaign** with HSE appreciation from client.
- **Kinarut Erb West Contract Re-negotiation Successful** with Supplement Agreement & re-mobilization in mid Oct
- **Hess 3 HUC (incl flowline tie in) successful completion** with ZERO HSE incident, project close out in progress

^ 5 HUC contracts (BoBe final doc/Kinew/Pegaga/Hess 4A/BSP Salman) and 3 TMM long term contracts (Exxon/Shell/PCSB SKG)

Geosciences & OSV

5

On-going
Projects

3

Completed
Project

- **Ongoing vessels on-hire** : S. Wira (BSP), Aman (SPW/KINEW), Kapas (EMEPMI), Gemia (EMEPMI), Duyong (SPW/Pegaga)
- **Completed** : Geo (2), OSV (1)

Turbo-machinery JV

9

On-going
contracts

- SHELL Contract under MSA Framework extended for 2 years
- MSA with Petronas GP extended to 2024
- Maintaining 47 Aero-derivative and 27 Heavy Duty Engines
- Upskilling FSE to support NOVA gas turbines (Industrial Market)
- Hiring of Senior Technicians to undertake Manpower Services

Technology Services

5

On-going
projects

9

Completed
Project

- **Secured UHF Radio & DMR maintenance** contract from TNB.
- **Completed** outages for Teluk Salut Power Station steam turbine & MRCSB gas turbine warranty works.
- **Completed** MTBE KB-0702 crane refurbishment & repair



Business Updates | Drilling

Continue to Ride the Upturn

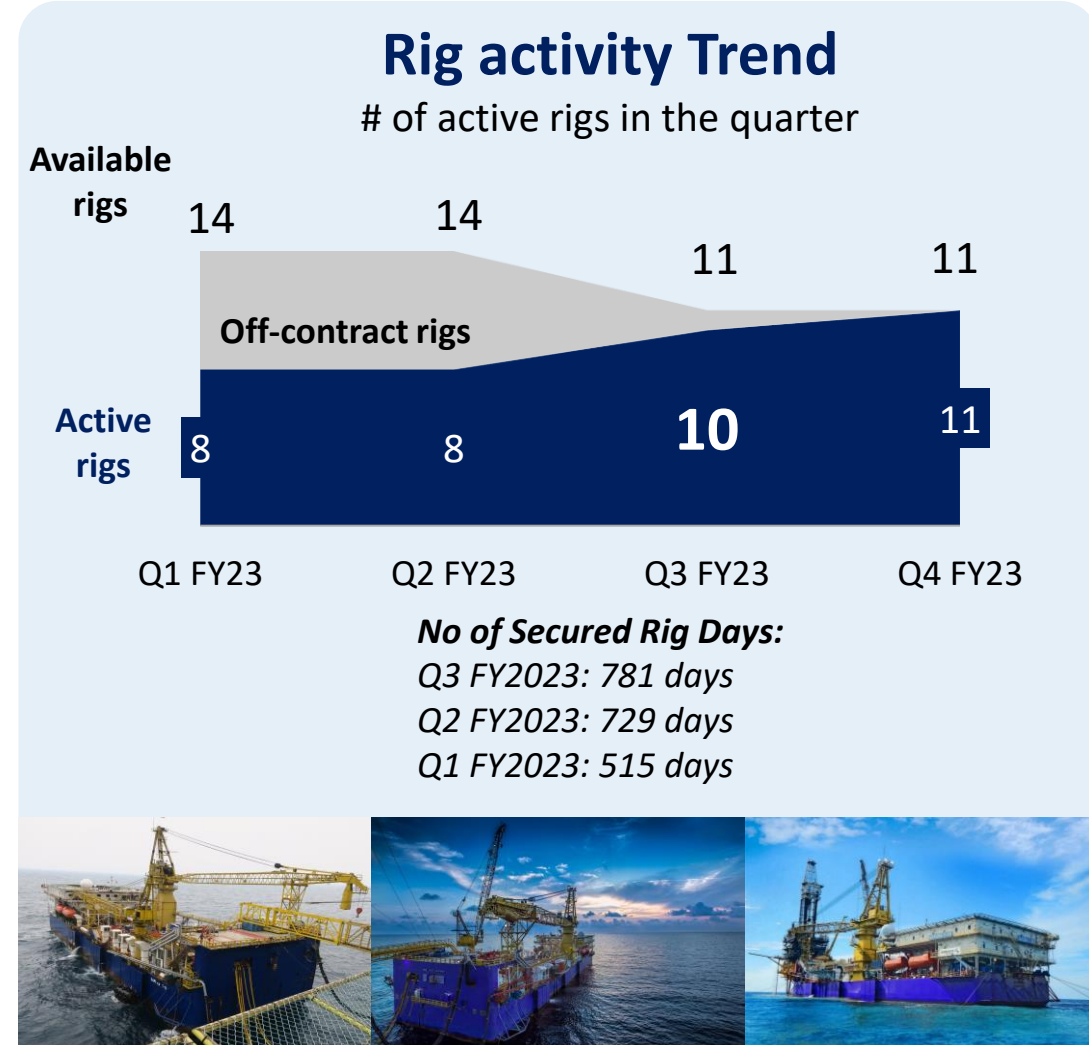
Rigs	Client	Location	Technical Utilisation (Operational Performance)
Berani	Foxtrot	Ivory Coast	96.20%
Jaya	Chevron	Angola	99.60%
Alliance	Shell	Brunei	100%
Esperanza	PCSB	Malaysia	100%
Pelaut	EnQuest	Malaysia	80.90%
T-9	EXXON	Malaysia	91.70%
T-17	PTTEP	Thailand	98.60%
T-18	PTTEP	Thailand	95.50%
T-10	PTTEP	Thailand	83.50%
T-11	PTTEP	Thailand	71.30%

A solid quarter with:

- T-10 and T-11 commencing their new 5-years contracts for PTTEP
- T-9 moving to multiple-wells contract for EXXON after planned maintenance
- All other units steaming along

Note:

- Pelaut – Ongoing technical discussions with Client related to a subsurface event



Business Updates | E&P

Leading independent oil and gas company in Asia Pacific

Production higher to meet increased demand from MLNG to close supply shortfall by other gas suppliers.

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

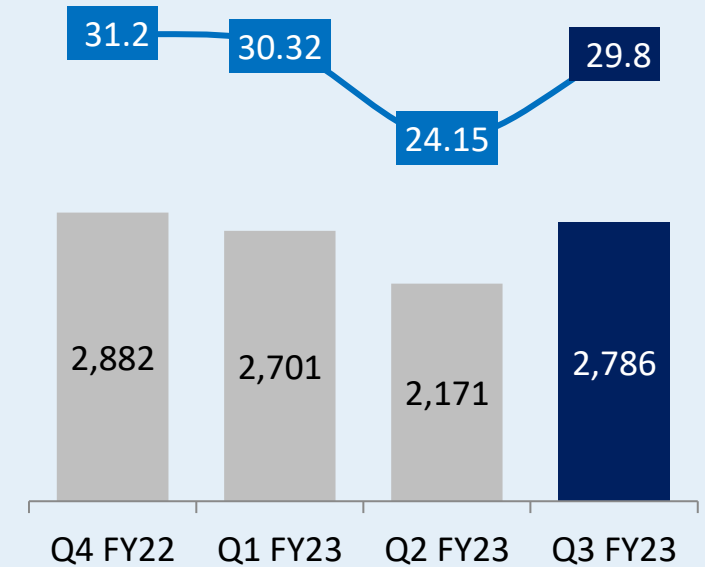
- SK408 Jerun EPCIC achieved 4 million injury-free manhours on 27 Oct 2022. Project progressing per plan to achieve First Gas in Aug 2024
- Progressing the development of two smaller discoveries in SK408
- SK310 B14 project being matured through joint development with PTTEP's Lang Lebah under SISGES Ph2

Further upside potential from exploration opportunities:

- Malaysia – Continue to pursue exploration opportunities via bid rounds and farm-ins
- Mexico Block 30 – First well to spudded in Q3 FY23; second well to spud in Q4 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

Lifting & Average Production

■ Net Lifting (Mmboe)
— Average Net Production (kbbbl/day)



Average lifting price of USD78.8/bbl
(compared to USD107.7/bbl in Q2 FY23)



Sapura Energy Reset Updates



Progress and ongoing efforts to regain stable platform

Ongoing efforts	Cash Conservation	Legacy contract	New funding	Debt restructuring	Scheme of Arrangement	Divestment plan	PN17 regularization plan
	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	Finalize and submit the regularization plan to Bursa Malaysia prior to getting shareholders' approval
Progress-to-date	On-going	4 E&C projects	RM300 mn	On-going	Near completion	>RM300 mn	Submission due in May 2023
	<p>Preserved cash to extend runway for restructuring</p> <p>Unrestricted cash balance of ~RM500 to RM600 mn</p>	Making encouraging progress and remains a focus area	New working capital facilities drawn and fully settled	Proposed Restructuring Scheme submitted to CDRC	RM1.3 bn out of RM1.5 bn total POD submissions have been verified and RM0.9 bn have been accepted	Completed disposal of Sapura 3000 and 3 drilling rigs in Q3 FY23	In the process of appointing Investment Bank

Progress is on-track, target to submit proposal to court in March 2023

