

MEDIA : New Straits Times

TITLE : Scomi targets international forays

COMPANY : Scomi Group Bhd

DATE : 9 September 2015

NEWS



Eighty per cent of Scomi Group Bhd's oilfield services revenue is derived from outside Malaysia, therefore mitigating the impact of any slowdown.

Scomi targets international forays

MODERATE GROWTH FORECAST: US\$800m worth of jobs waiting to be realised within next two quarters

ZARINA ZAKARIAH
KUALA LUMPUR
zarinaz@mediaprima.com.my

SCOMI Group Bhd will put more emphasis on its international ventures to cope with the low oil prices and depreciating currency at home.

Not deterred by the slower momentum in its upstream businesses, Scomi has continued to upscale its tender submissions for drilling services as well as development and production jobs worth about RM2 billion for this year alone.

Its business development vice-president Zubaidi Harun said there are US\$800 million (RM3.4 billion) worth of contracts waiting to be re-

alised within the next two quarters.

"With an order book worth about RM5 billion, we have submitted a total of 20 bids so far for oil and gas businesses in Turkmenistan, Indonesia, India, Myanmar and other Middle Eastern countries."

"Although we foresee a moderate growth this year, we intend to intensify our offerings in the Middle East as the players there remain committed to maintaining production to retain their global market share."

"While activities in Malaysia are projected to remain low in the near future, some of our key markets continue to be active, supported by the fact that 80 per cent of our group's oilfield services revenue is derived from outside Malaysia, mitigating the impact of any slowdown," he said after the company's annual general meeting here yesterday.

The group's current order book stands at RM5.29 billion, giving it

sufficient room to juggle itself over the coming financial year.

Meanwhile, at the group level, Scomi has managed to halve its costs by about US\$5 million with its recent cost optimisation exercises.

"We used to spend at about 25 per cent of our overhead costs over our revenue, but we have managed to trim it down to about 13 per cent in the last financial year."

"We have reduced costs for our engineering, marine and energy services division, aided by our leveraging on currency at international locations aside from Brazil and Russia."

"Although we anticipate another challenging year, we have developed a stable base of business and are working steadily to build on this," said Zubaidi.

Scomi has managed to remain sustainable and profitable with its profit-after-tax rising 3.4 times in its financial year 2015 compared with the previous year.

Although we anticipate another challenging year, we have developed a stable base of business and are working steadily to build on this.

Zubaidi Harun
Scomi Group Bhd business development vice-president



MEDIA COVERAGE

MEDIA : The Star

TITLE : Scomi to submit RM8.6bil worth of O&G tenders

COMPANY : Scomi Group Bhd

DATE : 9 September 2015

Scomi to submit RM8.6bil worth of O&G tenders

KUALA LUMPUR: Scomi Group Bhd is expected to submit US\$2bil (RM8.67bil) worth of oil and gas (O&G) tenders for the financial year 2016 (FY16).

Its business development and communications vice-president, Zubaidi Harun said as at July 2015, bids worth US\$1.3bil were submitted and tenders worth US\$140mil were awarded.

"About 20 bids worth US\$800mil were awaiting approval and will be known within the next two or three quarters," he told

reporters at the group's AGM here yesterday.

Zubaidi said Scomi vied for the tenders in the Middle East, Turkmenistan, Thailand, India, Myanmar and Indonesia.

He also said the total order book for its O&G services stood at US\$1.4bil.

On the transport solutions department, Zubaidi said Scomi had delivered 11 of the 12 train four-car sets ordered for the Mumbai monorail project.

Under the RM494mil project, Scomi Engineering will supply 12 sets of four-car

trains and a new depot as well as upgrade stations, signalling, power supply and other rail systems.

"We have completed the installation of a 450-tonne girder and it is a milestone for phase 2 of the project as well as the last hurdle for the completion of civil works," he said, adding that phase 2 would commence operations in the middle of next year.

On the outlook of the next quarter, he said it would be challenging and the board was looking at the market cautiously. — Bernama

MEDIA : The Sun	TITLE : Scomi targets US\$2b oil & gas tender book
COMPANY : Scomi Group Bhd	DATE : 9 September 2015

Scomi targets US\$2b oil & gas tender book

> Cost reduction measures put group in position to withstand drop in global oil prices

BY **EE ANN NEE**
sunbiz@thesundaily.com

KUALA LUMPUR: Scomi Group Bhd, which is bidding for oil and gas contracts worth US\$800 million (RM3.5 billion) currently, is projecting a US\$2 billion (RM8.7 billion) oil and gas tender book for the year.

COO of transport Kanesan Velupillai (pix) said the tenders submitted are for 20 projects in the Middle East, Turkmenistan, Thailand, India, Myanmar and Indonesia. "We anticipate results in the next two to three quarters," he told a press conference after the group's AGM here yesterday.

The group has an oil and gas order

book of US\$140 million.

"A lot of our revenue is in US dollar in the oil and gas side. We try to contain the costs in the countries that we operate in, so in that sense, our revenue is naturally hedged," said Kanesan, who is also Scomi Engineering Bhd CEO.

Despite the fall in global oil prices, he said, the group has worked itself to be able to face the challenges, citing continuous cost rationalisation and market penetration into growing markets.

"Even at US\$10 per barrel (oil price), the company continues to make profit. It's about the organisation continuously



looking at the situation and risk management.

"The steps that we had taken before, in maintaining cost, growing technology, becoming a lower cost producer, lower cost service provider, containing to make sure we're viable, are helping us to maintain this position. If not, we'll be in a more severe condition," explained Kanesan.

Over the last few years, he said, the group has

successfully reduced costs by about 13% annually. For example, Scomi Group has reduced an average cost of US\$5 million while the energy division has reduced costs by US\$10 million year-on-year.

"We've consciously reshaped our cost structure to ensure that the group has lower operating costs," he added.

MEDIA : Malaysian Reserve	TITLE : Scomi banking on overseas O&G deals
COMPANY : Scomi Group Bhd	DATE : 9 September 2015

Scomi banking on overseas O&G deals

by KAVITHAH RAKWAN

SCOMI Group Bhd expects its oil and gas (O&G) services' tender book to reach US\$2 billion (RM8.64 billion) by the end of financial year ending March 31, 2016 (FY16), mainly for projects outside of Malaysia.

Group's CFO, Zarof Abu Bakar said the group's O&G services division has US\$800 million bids pending, with results expected to be out in the next two to three quarters.

"It is not a state of despair. There are countries which are still producing more oil and we are already in these markets.

"Moreover, we are a service company so we are light in assets. This allows us to be more versatile in allocating our resources.

"We are going to continuously bid for projects and maintain our performance," Zarof told reporters after the group's AGM yesterday.

Zarof added that the group will continue its focus on cost rationalisation to cope with the depressed oil market.

"Even at US\$10 per barrel there will still be opportunities to make profit. When oil price was at US\$100 per barrel, we were expecting it to fall to

US\$50 to US\$60 per barrel.

"So over the past few years we already worked our cost structure to face these challenges. While the rapidness of the decline in oil price is unprecedented, we have taken the steps to make sure the business is in a viable position," he said.

Overall, the group's O&G services division has managed to reduce its cost by up to 13% year-on-year.

A key highlight for the group's O&G services division last financial year (FY15) was the set up of the development and production unit which takes the division up the value stream.

The unit's first contribution is expected to be from a Risk Service Contract to develop the Ophir field.

Another new highlight was the advances in new products, namely the development of graphene-based solutions in April last year.

For the first-quarter ended June 30, 2015, its unit Scomi Energy Services Bhd posted a pretax profit of RM17.57 million, down from RM30.77 million in the same quarter last year.

Revenue stood lower at RM333.8 million from RM365.72 million a year earlier.

MEDIA : Sin Chew Daily	TITLE : Scomi targets US\$2b oil&gas tender book
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海外業務助抵銷衝擊

史格米無懼油價重挫

(吉隆坡8日訊) 油价下跌影响油气业务，史格米集团 (SCOMI, 7158, 主板贸服组) 预计油价会持续拖累总业务，但强调就算油价继续往下走，该公司仍可确保获利。

史格米集团运输部首席营运员卡尼桑在股东大会后表示，就算油价下跌至每桶10美元，该公司油气臂膀史格米能源 (SCOMIES, 7045, 主板贸服组) 仍有利可图。

以服务为主 应对较有弹性

他表示，有别与其他的油气公司，该公司以服务为主，并没有太多的资产，所以在应对上比较有弹性。

卡尼桑表示，在油价高企时该公司已经预见油价会跌倒目前的价格，只是没料到会跌得那么快。

他预计，在接下来的1年半里，油价会在每桶50美元至40美元间游走。

虽然原油价下跌影响油气业绩表示，但他表示：“其实目前油气业的表现没想象中的糟糕，虽然油价下跌使国油削减资本开销影响国内油气业者，但在国外如中东、缅甸及泰国，油气业仍持续地在发展。”

80%以上业务在海外

他透露，史格米能源有80%以上的业务在海外，国内业务或许不理想，但海外业务可以减轻冲击。

史格米集团首席财务员再鲁表示，相对与其他汽油业者，史格米能源业绩其实已经不错。

他说：“其他国际油气业巨头营业额及净利在期间都锐减，但我们仍然可以保持相对不错的利润。”

根据史格米能源在大马交易所上的财报，该公司2015财政年第一季度营业额那年下跌8.7%，而净利也大挫近乎50%。

卡尼桑表示，为确保盈利，该公司在过去几年来都不断地在成本结构上下功夫，以降低成本。

再鲁表示，该公司的成本从4年前占营业额的25%，减至目前占营业额的13%。

除了母公司以外，史格米运输臂膀史格米工程 (SCOMIEN, 7366, 主板工业产品组) 成本也按年下降37%，史格米能源成本按年下降13%。



MEDIA COVERAGE

MEDIA : The Star Online	TITLE : Scomi to submit RM8.6bil worth of O&G tenders
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"About 20 bids worth US\$800mil were awaiting approval and will be known within the next two or three quarters," he told reporters at the group's AGM here yesterday.

Zubaidi said Scomi vied for the tenders in the Middle East, Turkmenistan, Thailand, India, Myanmar and Indonesia.

He also said the total order book for its O&G services stood at US\$1.4bil.

On the transport solutions department, Zubaidi said Scomi had delivered 11 of the 12 train four-car sets ordered for the Mumbai monorail project.

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"We have completed the installation of a 450-tonne girder and it is a milestone for phase 2 of the project as well as the last hurdle for the completion of civil works," he said, adding that phase 2 would commence operations in the middle of next year.

On the outlook of the next quarter, he said it would be challenging and the board was looking at the market cautiously.



MEDIA COVERAGE

MEDIA : BERNAMA	TITLE : Scomi To Submit US\$2 Billion Worth Of O&G Tenders For FY16
COMPANY : Scomi Group Bhd	DATE : 9 September 2015

Scomi To Submit US\$2 Billion Worth Of O&G Tenders For FY16

KUALA LUMPUR, Sept 8 (Bernama) -- Scomi Group Bhd is expected to submit US\$2 billion (US\$1=RM4.336) worth of oil and gas (o&g) tenders for the financial year 2016 (FY16).

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"With an order book worth about RM5 billion, we have submitted a total of 20 bids so far for oil and gas businesses in Turkmenistan, Indonesia, India, Myanmar and other Middle Eastern countries.

"Although we foresee a moderate growth this year, we intend to intensify our offerings in the Middle East as the players there remain committed to maintaining production to retain their global market share.

"While activities in Malaysia are projected to remain low in the near future, some of our key markets continue to be active, supported by the fact that 80 per cent of our group's oilfield services revenue is derived from outside Malaysia, mitigating the impact of any slowdown," he said after the company's annual general meeting, here, yesterday.

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MEDIA COVERAGE

MEDIA : The Sun

TITLE : Scomi targets US\$2b oil & gas tender book

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The group has an oil and gas order book of US\$140 million.

"A lot of our revenue is in US dollar in the oil and gas side. We try to contain the costs in the countries that we operate in, so in that sense, our revenue is naturally hedged," said Kanesan, who is also Scomi Engineering Bhd CEO.

Despite the fall in global oil prices, he said, the group has worked itself to be able to face the challenges, citing continuous cost rationalisation and market penetration into growing markets.

"Even at US\$10 per barrel (oil price), the company continues to make profit. It's about the organisation continuously looking at the situation and risk management.

"The steps that we had taken before, in maintaining cost, growing technology, becoming a lower cost producer, lower cost service provider, containing to make sure we're viable, are helping us to maintain this position. If not, we'll be in a more severe condition," explained Kanesan.

Over the last few years, he said, the group has successfully reduced costs by about 13% annually. For example, Scomi Group has reduced an average cost of US\$5 million while the energy division has reduced costs by US\$10 million year-on-year.

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MEDIA COVERAGE

MEDIA : The Edge Markets	TITLE : Scomi targets US\$2b worth of O&G tender for FY16
COMPANY : Scomi Group Bhd	DATE : 9 September 2015

Scomi targets US\$2b worth of O&G tender for FY16

KUALA LUMPUR (Sept 8): Scomi Group Bhd (Valuation: 1.50, Fundamental: 0.80) is targeting to tender US\$2 billion worth of oil and gas (O&G) jobs for financial year ending March 31, 2016 (FY16), in order to maintain its current RM1.4 billion order book.

"There are a lot of tenders in the market, it is just not in Malaysia, there are countries that are pushing up oil production," Scomi Group's chief operating officer Kanesan Velupillai told a press conference, after the group's annual general meeting today.

Up to July, Velupillai said Scomi Group's 65.65%-owned Scomi Energy Bhd, which houses the O&G business, has been awarded US\$140 million, while there are US\$800 million worth of jobs still pending for tender results.

On the Ophir marginal oilfield risk service contract (RSC), Velupillai said despite the context of low crude oil prices, Scomi Group's risk in this project has been mitigated.

"Our capital are being guaranteed by Petronas (Petroleum Nasional Bhd), so even [if] oil price drops to US\$10, we are still safe," he said.

Velupillai added that Ophir will begin oil production by November next year.

Moving forward, he foresees the O&G industry to continue being challenging for FY16.

In terms of bottom line, Velupillai declined to provide any guidance, but merely mentioned that Scomi Group has managed to achieve a cost savings of US\$5 million in FY15. He pledged it will continue its effort on cost management.

Scomi Group's shares traded unchanged at 16.5 sen today, giving it a market capitalisation of RM248.67 million.



MEDIA COVERAGE

MEDIA : Daily Mail UK	TITLE : Malaysia's Scomi targets \$2 bln oil & gas tender book
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The group has an oil and gas order book of US\$140 million.

"A lot of our revenue is in US dollar in the oil and gas side. We try to contain the costs in the countries that we operate in, so in that sense, our revenue is naturally hedged," said Kanesan, who is also Scomi Engineering Bhd CEO.

Despite the fall in global oil prices, he said, the group has worked itself to be able to face the challenges, citing continuous cost rationalisation and market penetration into growing markets.

"Even at US\$10 per barrel (oil price), the company continues to make profit. It's about the organisation continuously looking at the situation and risk management.

"The steps that we had taken before, in maintaining cost, growing technology, becoming a lower cost producer, lower cost service provider, containing to make sure we're viable, are helping us to maintain this position. If not, we'll be in a more severe condition," explained Kanesan.

Over the last few years, he said, the group has successfully reduced costs by about 13% annually. For example, Scomi Group has reduced an average cost of US\$5 million while the energy division has reduced costs by US\$10 million year-on-year.

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MEDIA COVERAGE

MEDIA : Digital

TITLE : Scomi To Submit US\$ 2 Billion Worth Of O&G Tenders For FY 16

COMPANY : Scomi Group Bhd

DATE : 9 September 2015

No.	Date	Station	Time	Duration	Language	Transcript	Interviewee
1	08/09/2015	Capital TV- Capital Today	9:00 PM	0.36	English	Scomi To Submit US\$ 2 Billion Worth Of O&G Tenders For FY 16	
2	08/09/2015	The Business FM	7:30 PM	0.19	English	Scomi To Submit US\$ 2 Billion Worth Of O&G Tenders For FY 16	
3	09/09/2015	Astro Awani- Bisnes Awani	1:30 PM	1.25	Bahasa	Scomi Dijangka Bida Projek O&G AS\$ 2 Bilion 2016. Repeated at 2:30 PM	
4	09/09/2015	The Business FM	11:00 AM	0.19	English	Scomi aims to reach a near RM 9 billion tender book for its O&G segment for the year via continuous cost rationalization.	
5	09/09/2015	The Business FM	8:00 AM	0.17	English	Scomi aims to reach a near RM 9 billion tender book for its O&G segment for the year via continuous cost rationalization.	