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Deleum upbeat with expansion in O&G support services

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KUALA LUMPUR: Deleum Bhd is optimistic on the outlook for its operations following the expansion of its support services targeted at the players in the oil and gas (O&G) industry.

Its group managing director Chandran Aloysius Rajaduri said the recent acquisition of Rotary Technical Services Sdn Bhd, via its subsidiary Delcom Services Sdn Bhd, has enabled the group to expand its current array of services it can provide to the O&G players.

Deleum specialises in providing a diverse range of products and services for the O&G industry, particularly the exploration and production of oil and gas.

Whereas Rotary, which it acquired for RM10.7 million, provides servicing, repair, modification, upgrading and installation of machinery and equipment, mainly in motors, generators, transformers, pumps and valves.

“The exercise (of acquiring Rotary) gives us an immediate cash flow. We may have to further invest in some equipment and to support this new business. But by year-end, we should be enjoying some favourable contracts from this segment,” Chandran told reporters after the group’s AGM here yesterday.

However, he did not expect earnings from Rotary to contribute significantly this year because the acquisition was only completed recently.

Chandran also said the group planned to continue growing its offshore business which contributes about 95% of its revenues, domestically and overseas. “We are looking at immediate neighbours such as Indonesia and Brunei,” he said.

He also said the group had participated in tenders for jobs worth RM300 million. Chandran said the group had a total of RM1 billion worth of contracts in hand which would keep it busy until 2015.