



Headline : Deleum gears up to deliver the best
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2009 CEO OUTLOOK

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Deleum gears up to deliver the best

WHAT is the outlook for Deleum Bhd with the current global economic conditions?

The outlook for Deleum remains positive largely due to the nature of business we are in, which is to provide specialised equipment and services in support of the oil and gas industry.

We believe that while global exploration activity in higher-cost areas may be deferred or curtailed, ongoing development activity and production from existing fields will continue.

With Malaysia's strong fundamentals in the oil and gas sector, service providers supporting the industry would be less vulnerable as the industry continues to invest in deep-water exploration and development activity and ongoing operational and maintenance services.

The National Depletion Policy ensures that our production will be maintained at a consistent level for a number of years.

As such, our support to the industry will continue and, also with ageing assets, we see further opportunities in the areas of upgrading, repair, refurbishment and replacement.

Our aim is to play a more important role in enhancing support of current production activities and identifying cost-effective solutions for our customers.

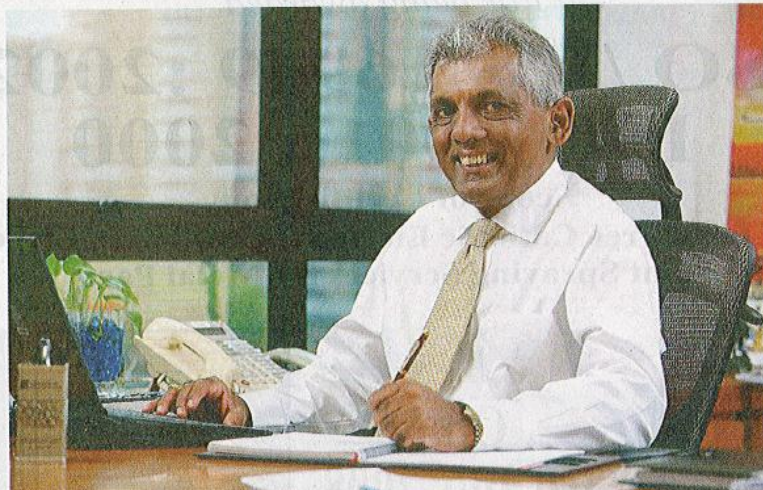
On the whole, we are upbeat and optimistic and will remain focused in what we do. In short, it is business as usual for Deleum.

What are the challenges for Deleum in the current economic conditions, especially in the business the company is in? How can it mitigate these?

We have had a consistent strategy from the beginning that has been to concentrate on growing our core business.

While the economic downturn is certainly a cause for concern, in our line of business we do not see a serious curtailment in projects or contracts in the near future.

Oil support services group is looking at enhancing its service levels and strengthening technological expertise, says managing director Chandran Aloysius Rajadurai



Chandran Aloysius Rajadurai

We, however, do not discount that there may be deferral in projects that have yet to be approved and that may impact us somewhat, going forward.

Our focus, however, is on enhancing service levels and strengthening our existing technological expertise. We are also looking at identifying new technology that will help us in continuing our support to our customer base.

We also see this time as an opportunity to continue reinvesting in the business and reinforcing key competencies as well as fortify our human

resources. We continue to face constraints in human resources but with the downturn, we see opportunities in sourcing for personnel from other industries. These personnel have experience and skills set that can support us in our business which will result in strengthening our capabilities as a service provider.

What is your take on the low oil price and how will this affect your business?

There is still opportunity for

expansion in the oil and gas sector in the domestic, regional and global scale, and we are poised to tap into the opportunities as and when they come by.

We anticipate that lower oil and commodity prices may work in our favour as it will ease pressure on our cost and, as a result, make us more competitive.

The current economic conditions have made companies reluctant to invest. What is Deleum's stand on this and what kind of expansion plans do you have for

the company?

Our expansion plans remain on course and will focus mainly in the region with emphasis on our immediate neighbours - Indonesia and Brunei. We are also looking at other countries in the region and the Middle East.

Expansion will be carried out through strategic alliances or joint ventures, whichever prove to be most viable.

We will also continue to invest in training to enhance service levels and equip staff with evolving skills and expertise. This is to ensure that industry safety practices are met and improved.

Another area of focus is to invest in acquiring new technology to develop further our edge as a specialised service provider to the industry.

Whenever there are complementary services and expertise to increase our existing scope, we will certainly consider mergers and acquisitions.

The key areas would be technology of products and services offered, the quality of the complementary strength of products and services and the overall go-to-market capabilities.

Will power and oil and gas continue to be the primary focus of the company? Are there any plans to diversify Deleum's income base?

Yes, power and oil and gas will be the primary focus of our business as we see a lot of potential for growth and development both in the domestic and overseas market. There are no plans to diversify the company's income base at this juncture.