



## NEWS CLIPPINGS



Headline : Deleum continues upward trends in half year results  
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### DELEUM CONTINUES UPWARD TREND IN HALF-YEAR RESULTS

"Declares first interim dividend of 5 sen per ordinary share, makes strategic acquisition as Group poises for growth"

Deleum Berhad ("Deleum" or the "Group"), a provider of diverse range of supporting specialised products and services to the oil and gas industry, continues its upward trajectory turning in a healthy 56.2% increase in pre-tax profit from RM19.7 million in the corresponding period of the previous year to RM30.7 million for the current half-year results ended 30 June 2012, amidst challenging market environment.

The increase was largely due to higher operating profit of RM8.9 million arising primarily from the Power & Machinery and Oilfield Services segments and also an increase in share of associates' results by RM2.2 million. Power & Machinery segment recorded a higher segment result of RM21.9 million or 28.4% growth for the current six-month period compared to RM17.1 million in the corresponding period, despite a reduction in revenue.

The increase was attributed to improved sales of supply of gas turbine parts and services, valves and regulators, retrofit projects and a new manpower contract for preventive maintenance.

A continuing business focus on the self-operated business, the Oilfield Services segment marked a significant improvement by recording a higher segment result of RM5.4 million for the current six-month period compared to a loss of RM0.1 million recorded in the corresponding period. The increase was mainly due to deployment of wireline equipment and services and its related products, oilfield chemicals services on wells performance enhancement coupled with higher delivery of drilling related products and services.

The Maintenance, Repair and Overhaul (MRO) segment,

however, recorded a loss of RM0.6 million for the current six-month period attributable to higher operating costs. Deleum Group Managing Director, Encik Nan Yusri said: "Our outlook for the oil and gas industry remains positive in light of the intensified activities by PETRONAS and other oil majors to enhance Malaysia's oil reserves and to increase energy resources. These activities are expected to spur business opportunities and I am confident that Deleum is well positioned to capitalise on the growing opportunities in the domestic oil and gas industry."

"We have declared a first interim single tier dividend of 5 sen per ordinary share in respect of the financial year ending 31 December 2012, notwithstanding the share capital was enlarged from 100,000,000 to 150,000,000 ordinary shares subsequent to the bonus issue which was completed on 11 June 2012

(FY2011: 5 sen first interim dividend per ordinary share on 100,000,000 ordinary shares). The dividend will be payable to the shareholders on 20 September 2012," added Encik Nan Yusri.

He also revealed that the Group has entered into a conditional Share Sale Agreement with the existing shareholders of Northern Primera Sdn Bhd ("Northern Primera") to acquire 60% equity interest in the company for a total cash consideration of RM3.18 million. Northern Primera's core business is involved in providing services in integrated corrosion, inspection and mitigation, primarily using Sponge-Jet products.

"The acquisition of Northern Primera is synergistic with the Deleum Group's business as its existing customers are mainly the targeted customers of the MRO segment. Further, it will expand the MRO segment's

scope of services from its existing rotating equipment services for generators, motors, pumps to other maintenance and repair services supply chain such as painting & blasting and corrosion prevention while providing another revenue stream," explained Encik Nan Yusri.

Encik Nan Yusri further added, "From a growth perspective, with the sole distributorship of Sponge-Jet products in Malaysia and Indonesia obtained by Northern Primera, it provides a gateway for the Deleum Group to venture into the Indonesian market, which is in line with our business strategy of regional expansion." The proposed acquisition is expected to be completed by the third quarter of the financial year ending 31 December 2012. 