

CREST PETROLEUM BHD
(45631 - D)
Incorporated in Malaysia

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2002.

THE FIGURES HAVE NOT BEEN AUDITED.

I. CONSOLIDATED INCOME STATEMENT

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter (Restated)	Current year to date	Preceding year corresponding period (Restated)
		30/6/2002	30/6/2001	30/6/2002	30/6/2001
		RM'000	RM'000	RM'000	RM'000
1.	(a) Revenue	<u>188,759</u>	<u>196,084</u>	<u>286,345</u>	<u>290,008</u>
	(b) Investment income	-	-	-	-
	(c) Other income	<u>513</u>	<u>230</u>	<u>1,003</u>	<u>686</u>
2.	(a) Profit before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	11,661	25,775	18,379	27,383
	(b) Finance cost	(391)	(640)	(772)	(1,758)
	(c) Depreciation and amortisation	(6,057)	(5,420)	(12,017)	(10,805)
	(d) Exceptional items	-	(12,342)	-	(11,603)
	(e) Profit before income tax, minority interests and extraordinary items	5,213	7,373	5,590	3,217
	(f) Share of profits of associated companies / jointly controlled entities	<u>7,670</u>	<u>6,269</u>	<u>12,790</u>	<u>11,527</u>
	(g) Profit before income tax, minority interests and extraordinary items after share of profits and losses of associated companies / jointly controlled entities	12,883	13,642	18,380	14,744
	(h) Income tax	(5,033)	(8,098)	(7,371)	(8,234)
	(i) (i) Profit after income tax before deducting minority interests	7,850	5,544	11,009	6,510
	(ii) Minority interests	(381)	159	84	564
		<u>7,469</u>	<u>5,703</u>	<u>11,093</u>	<u>7,074</u>
	(j) Pre-acquisition profit/(loss)	-	-	-	-
	(k) Net profit from ordinary activities attributable to members of the Company	7,469	5,703	11,093	7,074
	(l) (i) Extraordinary items	-	-	-	-
	(ii) Minority interests	-	-	-	-
	(iii) Extraordinary items attributable to members of the Company	-	-	-	-
	(m) Net profit attributable to members of the Company	7,469	5,703	11,093	7,074

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I. CONSOLIDATED INCOME STATEMENT (Contd.)

		INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
		30/6/2002	30/6/2001	30/6/2002	30/6/2001
		RM'000	RM'000	RM'000	RM'000
3.	Earnings per share based on 2(m) above after deducting any provision for preference dividend, if any:-				
	(i) Basic (based on 2002: 75,778,200 [2001: 75,778,200] ordinary shares)	<u>9.86 sen</u>	<u>7.53 sen</u>	<u>14.64 sen</u>	<u>9.34 sen</u>
	(ii) Fully diluted	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
4.	(a) Dividend per share	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	(b) Dividend description	The Board of Directors does not recommend the payment of an interim dividend for the current period ended 30 June 2002.			
				As at end of current quarter	As at preceding financial year end
				30/6/2002	31/12/2001
5.	Net tangible assets per share			<u>RM 4.69</u>	<u>RM 4.56</u>

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II. CONSOLIDATED BALANCE SHEET

	Unaudited	Audited
	As at end of current quarter 30/6/2002 RM'000	As at preceding financial year end 31/12/2001 RM'000
1. Property, plant & equipment	158,107	151,040
2. Investment in associated companies	96,786	87,851
3. Investment in subsidiary company	177	177
4. Long term investment	500	500
5. Deferred expenditure	5,126	6,708
6. Jointly controlled entities	1,372	1,411
	262,068	247,687
7. Current assets		
Inventories	1,859	652
Trade receivables	218,159	200,196
Other receivables	26,457	8,688
Amount due from associated companies	-	1,524
Amount due from jointly controlled entities	4	-
Deposits with licensed financial institutions	70,209	107,752
Cash and bank balances	31,268	30,320
	347,956	349,132
8. Current liabilities		
Trade payables	128,150	150,801
Other payables	39,465	13,365
Amount due to associated companies	22,994	24,818
Amount due to subsidiary company	153	153
Amount due to jointly controlled entities	-	9
Short term borrowings	4,325	4,868
Dividend payable	2,728	-
Provision for taxation	8,955	7,187
	206,770	201,201
9. Net current assets	141,186	147,931
	403,254	395,618
10. Shareholders' funds		
Share capital	75,778	75,778
Reserves		
Share premium	134,251	134,251
Revaluation reserve	7,678	7,678
Capital reserve	3,519	3,519
Merger reserve	51,989	51,989
Reserve on consolidation	19,753	19,753
Exchange reserve	322	166
Retained profit	67,548	59,184
Total reserves	285,060	276,540
	360,838	352,318
11. Minority interests	7,463	7,267
12. Long term borrowings	6,364	8,769
13. Other long term liabilities	6,574	5,398
14. Deferred taxation	22,015	21,866
	403,254	395,618
15. Net tangible assets per share	RM 4.69	RM 4.56

A subsidiary company, Maser Kentz Sdn Bhd, was not consolidated as it was placed in members' voluntary liquidation on 19 February 2001. The investment in this subsidiary company (held through Crest Marine Engineering Sdn Bhd (formerly known as Maser Engineering Sdn Bhd)) is carried at Group cost.

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III. NOTES TO THE FINANCIAL STATEMENTS

1. The unaudited quarterly consolidated financial statements have been prepared by applying accounting policies and methods of computation consistent with those used in the preparation of the most recent audited financial statements of the Group. In respect of the companies Varia Perdana Sdn. Bhd. and Tioman Drilling Company Sdn. Bhd. in which the Group holds 51% shareholding through Probadi Sdn. Bhd., the Board of Directors, having given due consideration to earlier unsuccessful negotiations to vary certain operating policies in 2001, is of the opinion that the Group no longer controls but currently only exercises significant influence over these companies based on board representation in the companies concerned. Accordingly, Varia Perdana Sdn. Bhd. and Tioman Drilling Company Sdn. Bhd. have been classified as associated companies and the results of these former subsidiary companies have been equity accounted for in the consolidated financial statements with effect from 1 January 2001. The Group results of the preceding year to date and the preceding year quarter ended 30 June 2001 have been re-stated as follows:

	Preceding year corresponding quarter 30/6/2001 RM'000 As previously reported	Preceding year corresponding quarter 30/6/2001 RM'000 Restated	Preceding year Corresponding period 30/6/2001 RM'000 As previously reported	Preceding year Corresponding period 30/6/2001 RM'000 Restated
Revenue	<u>204,896</u>	<u>196,084</u>	<u>315,698</u>	<u>290,008</u>
Profit before income tax, minority interests and extraordinary items	19,618	7,373	25,837	3,217
Share of profits of associated companies / jointly controlled entities	<u>24</u>	<u>6,269</u>	<u>(10)</u>	<u>11,527</u>
Profit before income tax, minority interests and extraordinary items after share of profits and losses of associated companies / jointly controlled entities	19,642	13,642	25,827	14,744
Income tax	<u>(12,827)</u>	<u>(8,098)</u>	<u>(13,073)</u>	<u>(8,234)</u>
Profit after income tax before deducting minority interests	6,815	5,544	12,754	6,510
Minority interests	<u>(1,112)</u>	<u>159</u>	<u>(5,680)</u>	<u>564</u>
Net profit from ordinary activities attributable to members of the Company	<u>5,703</u>	<u>5,703</u>	<u>7,074</u>	<u>7,074</u>

There is no financial impact to the net profit attributable to members of the Company arising from the change in classification for these companies.

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2. Exceptional items consist of the following:

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter	Current year to date	Preceding year corresponding period
	30/6/2002	30/6/2001	30/6/2002	30/6/2001
	RM'000	RM'000	RM'000	RM'000
Provision for litigation claim	-	(11,300)	-	(11,300)
Unrealised foreign exchange loss	-	(629)	-	(629)
Realised foreign exchange loss	-	(436)	-	167
Gain on sale of asset	-	23	-	159
	<u>-</u>	<u>(12,342)</u>	<u>-</u>	<u>(11,603)</u>

3. There were no extraordinary items in the results for the current quarter and financial period ended 30 June 2002.

4. Income tax consists of:

	Individual Quarter		Cumulative Quarter	
	Current year quarter	Preceding year corresponding quarter (Restated)	Current year to date	Preceding year corresponding period (Restated)
	30/6/2002	30/6/2001	30/6/2002	30/6/2001
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation				
- current taxation	2,777	763	3,472	784
- deferred taxation	-	1,910	-	1,910
- share of taxation of associated companies / jointly controlled entities	<u>2,256</u>	<u>4,922</u>	<u>3,899</u>	<u>5,037</u>
	5,033	7,595	7,371	7,731
Foreign taxation	<u>-</u>	<u>503</u>	<u>-</u>	<u>503</u>
	<u>5,033</u>	<u>8,098</u>	<u>7,371</u>	<u>8,234</u>

The effective tax rate is higher than the statutory tax rate due to certain disallowable expenses for tax purposes.

5. There were no disposals of unquoted investments and/or properties during the current quarter and financial period ended 30 June 2002.
- 6(a) There were no acquisitions and disposals of quoted securities for the current quarter and financial period ended 30 June 2002.
- 6(b) There were no investments in quoted securities as at 30 June 2002.
7. For the current quarter and financial period ended 30 June 2002, other than the incorporation of Crest Hidayat (L) Ltd on 19 July 2002, there were no changes in the composition of the Group including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.

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8. There were no corporate proposals announced but not completed as at the date of this announcement.
9. The Group and the Company did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period ended 30 June 2002.
10. The details of Group borrowings as at 30 June 2002 are as follows:

	Long term borrowings			Short term borrowings		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Borrowings</u>						
Domestic						
- Banks	6,364	-	6,364	4,325	-	4,325
TOTAL	6,364	-	6,364	4,325	-	4,325

11. There were no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2001 except that the Company provided performance guarantees to ensure performance of contracts by certain subsidiary companies and corporate guarantees to secure credit and guarantee facilities of certain subsidiary companies amounting to RM123.9 million. As at 30 June 2002, an amount of RM59.5 million was utilised by certain subsidiary companies under several facilities granted by financial institutions.

The Inland Revenue Board has sought clarification on various significant income and expense items, for certain companies in the Group in respect of prior year assessments. The potential tax liability on this is uncertain as it is pending submission of requested information for finalisation and agreement by the Inland Revenue Board. The Board and Management are taking steps to resolve the matter.

12. There were no financial instruments with off-balance sheet risks as at the date of this announcement.
13. The Company and its subsidiary companies have no outstanding material litigation as at the date of this announcement.

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14. Segment information for the current financial period ended 30 June 2002 is as follows:

	Offshore Construction & Installation	Offshore Drilling	Marine Services	Eliminations	Consolidation
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External sales	106,020	104,709	75,616	-	286,345
Inter-segment sales	-	-	6,644	(6,644)	-
	<u>106,020</u>	<u>104,709</u>	<u>82,260</u>	<u>(6,644)</u>	<u>286,345</u>
RESULTS					
Segment results	(5,891)	10,103	4,146	-	8,358
Unallocated corporate expenses					(2,999)
Interest expense					(772)
Interest income					1,003
Share of profits of associated companies		12,816			12,816
Share of loss of jointly controlled entities			(26)		(26)
Exceptional items					-
Profit/(loss) before taxation					<u>18,380</u>
Taxation					<u>(7,371)</u>
Profit/(loss) after taxation					11,009
Minority interests					<u>84</u>
Profit/(loss) after taxation and minority interests					<u>11,093</u>
OTHER INFORMATION					
Segment assets	159,024	169,582	141,482	(2,574)	467,514
Investment in associated companies		96,786			96,786
Investment in jointly controlled entities			1,372		1,372
Unallocated corporate assets					<u>44,352</u>
Consolidated total assets					<u>610,024</u>
Segment liabilities	100,886	26,734	62,224	(2,574)	187,270
Unallocated corporate liabilities					<u>19,500</u>
Consolidated total liabilities					<u>206,770</u>
Capital expenditure	354	13,069	3,537		16,960
Depreciation	426	4,465	5,131		10,022
Other non-cash expenses:					
Amortisation	-	353	1,159		1,512

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Secondary Reporting Format – Geographical Segments

	Revenue	Total Segment Assets	Capital Expenditure
	RM'000	RM'000	RM'000
Malaysia	236,385	416,090	16,960
Overseas	49,960	51,424	-
	<hr/>	<hr/>	<hr/>
	286,345	467,514	16,960

15. The Group's revenue of RM188.8 million for the current quarter is 93.4% higher than the immediate preceding quarter due to increased activities in the marine services division and the commencement of the MLNG Tiga project undertaken by the offshore construction and installation division. The Group recorded a profit before income tax of RM12.9 million for the current quarter compared with RM5.5 million in the immediate preceding quarter as a result of increased marine services activities and higher revised day rates in the existing offshore drilling contracts.
16. Review of Performance for the Current Quarter and Year-to-date
- Compared with the corresponding period in the preceding year, the Group's revenue of RM188.8 million is 3.7% lower due to the later scheduled commencement of projects by the offshore construction and installation division as well as the completion of a contract by the offshore drilling division. The Group registered a profit before income tax for the current quarter of RM12.9 million compared with a profit before income tax of RM13.6 million in the corresponding quarter in the preceding year, a decrease of 5.1% mainly due to the aforementioned reasons.
- The Group's revenue for the current year to date of RM286.3 million is 1.3% lower than that of the corresponding period in the preceding year due to the later scheduled commencement of projects by the offshore construction and installation division as well as the completion of a contract by the offshore drilling division. Despite a slight decrease in revenue, profit before income tax of RM18.4 million increased by 24.7% compared to RM14.7 million for the corresponding period in the preceding year.
17. In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen from 30 June 2002 to the date of this announcement and which would substantially affect the financial results of the Group and of the Company for the six months ended 30 June 2002.
18. The Group's operations were not subject to any seasonal or cyclical factors.
19. Prospects for Year 2002
- Barring any unforeseen circumstances, the Directors expect the Group to achieve satisfactory results for the financial year ending 31 December 2002.
20. No commentary is made on any variance between actual profit from forecast profit, as it does not apply to the Group.
21. The Board of Directors does not recommend payment of an interim dividend for the current period ended 30 June 2002 (2001: Nil).
22. The comparative figures have been re-classified to conform with the current period's presentation, where necessary.

By Order of the Board

Kuala Lumpur
27 August 2002

TAN HWEE THIAN
RAHAYU ZULKIFLI
Joint Company Secretaries