



PRESS RELEASE FOR IMMEDIATE DISTRIBUTION

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SAPURACREST'S DEEPWATER CAPABILITY AND REGIONAL REACH TO CONTINUE GROWING ON BACK OF LONG TERM STRATEGIC INITIATIVES

- Deepwater capability, regional expansion, enhanced human capital and strategic JVs driving continued growth
- Asset investments of more than RM 1.7 billion over the last eighteen months to support strategic initiatives and asset acquisition for regional market estimated at RM10 billion per year
- Presence in Indian sub-continent and new assets to offer greater overseas revenue contribution

Kuala Lumpur, July 03 2007: Leading regional offshore oil and gas services provider SapuraCrest Petroleum Berhad ("SapuraCrest") today announced revenues of RM 1.77 billion for the financial year ending January 31st 2007.

The company has been expanding its technical capability and assets over the past 18 months. These efforts saw the Offshore Oil and Gas Drilling; Marine Services and Operations; and Maintenance Divisions showing stronger growth on the back of on-going efforts to streamline operations within the Group. They contributed 22%, 27% and 4% respectively to the Group's total revenues. The Installation of Pipelines and Facilities ("IPF") division however, remains the largest contributor to the Group at 47%.

"We ended the year on a positive note, showing growth at almost all levels of the Group, reaffirming our belief in our current strategies. Other key highlights of the year included the rapid growth of our overseas business; the expansion of our assets and capabilities; and the new partnerships that we have formed around the region, all essential to our long term goals of enhancing shareholder returns while remaining a key player in the regional oil and gas services business," said Dato' Hamzah Bakar, Chairman, SapuraCrest Petroleum Berhad.

A combination of strategic technology and asset acquisitions coupled with the regional expansion of the Group's business through partnerships is also showing promising returns as SapuraCrest continues to see a growing demand for its services. SapuraCrest's strategy over the past four years has been to focus on strengthening its leadership position around the region through capacity and capability expansion of key business divisions.

"SapuraCrest is a proven regional provider of oil and gas services. On the back of global E&P demand, the expansion and enhancement of our assets and capabilities and human capital development programmes allows us a position of maximum advantage in servicing the needs of new and existing shallow and deepwater fields in the region. With that in mind we are confident of delivering better shareholder returns and profitability in the coming year," said Datuk Shahril Shamsuddin, Executive Vice-Chairman of SapuraCrest Petroleum Bhd.

He added that the Group has also continued to streamline its operations to maximize the various business units and subsidiaries acquired or established through joint ventures over the years. An internal reorganization has seen the Group better prepared to respond to opportunities in the ever more dynamic E&P marketplace even as it recovered from the IPF division's loss in the third quarter of its 2007 financial year.

Enhancement of operational productivity and efficiency is even more important for the Group as it invests in new assets. Over the last 18 months, the Group has committed over US\$ 500 million* (RM 1.7 billion) for the acquisition of several key assets. The investment would significantly address the opportunities within the regional market estimated at RM10 billion per year comprising deep and shallow water markets. These include the US\$ 250 million* (RM 850 million) Sapura 300, Malaysia's first deep water Construction Vessel that will enter service later this year. Deep-sea capable remote operating vehicles (ROV) represent another area of strategic technology investment that the Group has made in recognition of the opportunities offered by the growing deepwater E&P activities. With this investment, the Group has acquired the capability to design, construct, operate and maintain these technologically sophisticated ROVs which are essential in deepwater operations.

SapuraCrest is also expanding its shallow water fleet capability through joint ventures for the construction of new vessels, like its latest with Larsen & Toubro of India. The new vessel, with an estimated investment of USD 138 million* (RM 469 million), expected to enter service in 2009, will address the needs of the fast growing EPIC (Engineering, Procurement, Installation and Commissioning) market for the Indian and Middle Eastern oil and gas industry, while allowing the Group to increase its capacity to meet demand in South East Asia.

"These initiatives will allow us to better capitalise on the ever growing demand for our services, resulting in a strong base of operations and a sustainable revenue model for the long term. This will see SapuraCrest benefiting from existing and emerging opportunities in the regional oil and gas services business and ensuring stronger returns for our shareholders. This also underscores our on-going and stated commitment to grow our overseas revenue base while firmly establishing ourselves as a key regional integrated oil and gas services provider," Datuk Shahril said.

Financial performance

During the period under review, SapuraCrest posted a profit before taxation (PBT) of RM 41.1 million on the back of revenues of RM 1.77 billion. The 2 per cent decline in revenue against the RM 1.79 billion recorded in the previous year was attributable to reduced activities in the IPF division due to weather conditions. The Group's three other divisions, namely the Offshore Oil and Gas Drilling; Marine Services and Operations; and Maintenance Divisions, all posted higher revenues, contributing 22%, 27% and 4% respectively to the Group's total revenues.

The IPF division remained the major contributor to the Group generating 47% of revenue against the preceding year's 65% revenue contribution. The lower PBT of RM 41.1 million was mainly attributable to the IPF Division's loss in the third quarter last year. This loss was due to factors outside of the Group's control namely adverse extended weather conditions and the rapid rise in global fuel prices. These affected the long term contracts that had been secured previously. The Group's three other divisions posted encouraging earnings with the Offshore Oil and Gas Drilling business posting record results.

"Looking ahead, we expect that our on-going investments, partnerships and initiatives being implemented as part of our long term business plans will continue strengthening our financial performance in the coming financial years.

Please see attached fact sheet for corporate highlights from the financial year

** Conversion rate USD 1 = RM 3.4 applied*

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ABOUT SAPURACREST PETROLEUM BERHAD

SapuraCrest Petroleum, a public-listed subsidiary of the Sapura Group of Companies, is one of the leading regional integrated oil and gas services providers. Through its subsidiaries, SapuraCrest Petroleum is involved in marine installation and construction, offshore drilling, ROV and marine services in Malaysia and around the South East Asian region. In addition to this, SapuraCrest Petroleum is involved in the chartering of vessels and tender assisted rigs, installation of offshore pipelines, drilling of offshore oil wells, management of rigs involved in drilling offshore oil wells, oilfield production and provision of offshore geotechnical and geophysical services. For more information please visit <http://www.crest.com.my>.