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**SapuraCrest unit wins RM449 million drilling contract**

**Kuala Lumpur, January 17, 2006** -- Leading offshore oil and gas service provider Sapuracrest Petroleum Berhad's 51 percent-owned subsidiary Tioman Drilling Company Sdn Bhd has clinched two contracts with a combined sale of about RM448.8 million to provide two tender assist drilling vessels to Carigali-Triton Operating Company Sdn Bhd (CTOC).

Tioman Drilling will supply the drilling vessel Teknik Berkat to CTOC for a period of 18 months in a deal valued at RM134.64 million.

Tioman Drilling will also provide another vessel, the T-10, to CTOC for a 36-month period in a contract worth RM314.16 million.

Both these contracts will commence in mid-2007.

"We are pleased to announce that our subsidiary Tioman Drilling has been successful in securing these contracts from CTOC. The T-10 is a new-build and will be owned by the Tioman Drilling Group," SapuraCrest Petroleum executive vice-chairman Datuk Shahril Shamsuddin said.

Tioman Drilling is a member of the joint venture group of companies owned by SapuraCrest and the Smedvig Group of Norway.

SapuraCrest's 51-percent owned unit Crest Tender Rigs Pte Ltd and a member of the joint venture, has also awarded the contract to construct the T-10 to Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE) at a cost of RM182.5 million.

The vessel will also be fitted with a derrick equipment set expected to cost RM150.3 million which will bring the total construction cost of the T-10 to about RM 332.8 million.

MMHE will complete and deliver the vessel in the second quarter of 2007.

Datuk Shahril said the T-10 will be fully utilized by SapuraCrest beyond the completion of its maiden contract with CTOC and will be a valuable asset to the Group to complete future contracts.

Funding for the construction of the T-10 is entirely through a combination of internal funds and borrowings, at the level of the joint venture. The T-10 is based on the design of the T-9, a vessel that was delivered by MMHE to the Joint Venture in 2004.

“We took ownership of the T-9 in 2004 and it has shown itself to be an efficient and productive drilling vessel and it is our belief that its performance was one of the factors which convinced CTOC to award the long-term contracts to us,” he added.

“We would also like to express our gratitude to CTOC for awarding these contracts to Tioman Drilling,” Datuk Shahril said.

“As a leading operator in the local oil and gas sector, SapuraCrest continues to be bullish about the outlook for the O&G industry in 2006,” he said adding SapuraCrest will continue to beef up its value proposition to customers and employ best industry practices.

SapuraCrest also added that the contract awards are expected to contribute positively to the Group’s earnings and net tangible assets for the financial year ending January 2008.

Tioman Drilling will deliver the two vessels to CTOC between July 1<sup>st</sup> 2007 and August 31<sup>st</sup> 2007.

The vessels will be operational in CTOC’s area of operations located in the waters of the Malaysia-Thailand Joint Development Area.

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**About SapuraCrest**

SapuraCrest Petroleum Berhad (SapuraCrest), the energy division of Sapura Group of Companies, is one of the region’s leading integrated oil and gas service providers. Listed on the second board of Bursa Malaysia, the company’s core business activities is in the installation of pipelines and facilities, offshore drilling and marine services; as well as operations and maintenance services.

SapuraCrest has recently invested in technologies like the ROVs (Remote Operated Vehicles), a robot capable of operating underwater on remote control; as well as a dynamically positioned heavy lift derrick pile lay combination vessel worth USD150 million which will enhance the company’s deepwater capabilities and place them in the lead as they continue to expand regionally.