

Perdana Petroleum scraps work barge purchase

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PETALING JAYA: Perdana Petroleum Bhd has canceled the acquisition of an accommodation work barge identified as Vessel Hull No. SK 316 from Nam Cheong International Ltd. In a filing with Bursa Malaysia yesterday, Perdana Petroleum said the termination of the memorandum of agreement (MOA) with Nam Cheong was necessary as to date, no potential charter contract has been identified for the vessel SK316.

"The board is of the view that by accepting the delivery of the vessel SK316, the group will have to incur additional operating costs and finance costs for servicing the loan, thereby putting unnecessary strain on the group's balance sheet and cash flows especially if the new vessel SK316 remains idle for a prolonged period.

"In view of the current market conditions, the company has decided to terminate/cancel the MOA for this vessel," it said. A notification on the termination was sent to Nam Cheong on Monday (March 28).

The group has written-off RM36.1 million being the 20% deposit for the vessel SK316 in the financial statement for the year ended Dec 31, 2015. It does not foresee any financial impact in 2016.

To recap, the group had announced on June 25, 2014 the proposed acquisition of two units of 500-men accommodation work barges identified as Vessel Hull No. SK 316 and SK317 from Nam Cheong, at a consideration of US\$84 million.

Reference:

<http://www.thesundaily.my/news/1744897>