

# Contract win a good sign for Dayang, Perdana Petroleum

October 6, 2016, Thursday Rachel Lau, [reporters@theborneopost.com](mailto:reporters@theborneopost.com)



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KUCHING: Analysts remain optimistic over Dayang Enterprise Holdings Bhd (Dayang) following its subsidiary Perdana Petroleum Bhd (Perdana Petroleum) securing an accommodation vessel supply contract from Petronas Carigali Sdn Bhd (PCSB) worth approximately RM67 million.

In a recent filing with Bursa Malaysia, Perdana Petroleum announced that the charter of the accommodation vessel will run for a period of three years from the on hire date, September 17 2016.

The contract also included a two year extension option.

Perdana Petroleum expects this contract to contribute positively towards its revenue and earnings for financial year 2016 (FY16), and ensuing financial periods for the the duration of the contract.

Currently, Dayang has a total orderbook of RM3.2 billion with a burnrate until 2018 and a tenderbook at approximately RM4 billion.

When contacted by The Borneo Post about any further growth in its orderbook in the near future, Dayang responded that it is “continuously looking for new jobs”.

“Hopefully, we’ll be moving forward not only on the domestic front but also regionally in countries such as Myanmar and Brunei Darussalam,” the official told The Borneo Post yesterday.

For this contract, analysts observed that the charter rate at RM61,187 per day is lower than anticipated compared with previous similar contracts secured by Alam Maritim Resources Bhd which witnessed charter rate of RM111,111 per day.

However, the research arm of MIDF Amanah Investment Bank Bhd (MIDF Research) believed that this is of no concern as current rates are still above cash break-even levels.

Thus, MIDF Research decided to maintain their earnings forecast for Dayang.

Additionally, Perdana Petroleum’s board also declared that, “There will be no effect on the gearing of the group and the contract will not have material effect on the net asset per share for the financial year ending December 31, 2016.”

While it is apparent that Dayang is affected by loss-making Perdana Petroleum, MIDF Research said the strengthening and stabilising of crude oil price will allow for increases in work order for Dayang in the coming quarters into FY17.

“The current rationalisation effort of Perdana Petroleum might engender a turnaround in the entire group’s performance,” opined the research arm.

As such, the research arm maintained its ‘neutral’ outlook on Dayang with an unchanged target price of RM0.95 per share.

**Reference:**

<http://www.theborneopost.com/2016/10/06/contract-win-a-good-sign-for-dayang-perdana-petroleum/>  
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