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Perdana Petroleum expects 20% revenue growth YoY post delivery of AWBs

Perdana Petroleum Bhd is expecting a 20% year-on-year (YoY) revenue growth post delivery of two accommodation work barges (AWBs) from Nam Cheong Ltd.

The company said the two AWBs are expected to be delivered to Perdana Petroleum in the first-quarter (1Q) and 2Q of 2016.

However, its MD Surya Hidayat Abdul Malik said the company is currently not in talks with any parties on the charter contracts for the two AWBs. The company is confident of securing charter for these two AWBs, as soon as two to four months after the delivery.

“At the moment there are no contracts. However, we are very confident that this is the kind of barge that will be required in the near future.

This is going to be a game changer and this is the first time we have a barge with 500-men capacity and we are looking at opportunities in Malaysia as well as in the region,” he told reporters after the company inked a memorandum of understanding (MoU) for the AWBs in Kuala Lumpur yesterday.

The MoU is for Nam Chong to build the AWBs for US\$84 million (RM268.8 million) with an option for another two more units. Perdana will finance the purchase through internally generated funds and bank borrowings.

It was earlier reported that Perdana Petroleum had allocated RM300 million in capital expenditure to build another two to four new assets for brownfield production over the next two years.

Its ED Datuk Henry Kho Poh Eng said the company is now targeting to secure more longterm charters as opposed to short-term charters, which usually lasts less than 12 months.

“Our focus in the coming year is to secure more longterm charter contracts from brownfield assets such as work barges and work boats. The older a platform gets, the more maintenance it will need which translates into more demand for these assets,” he said.

The company currently owns and operates 17 vessels, with an average age of 4.5 years, both dedicated to serve the greenfield and brownfield productions.

Out of 17 vessels, 15 of its vessels are currently on longterm charters, ranging from two to five years. The company’s orderbook as at May 22, 2014, stood at RM1.3 billion.

Kho said the company’s fleet size, comprising eight anchor handling tug supply vessels, seven work barges and two work boats, will increase to 18 with the delivery of another AWB in the 3Q of this year.