

Perdana Petroleum back in black after five quarters of losses



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KUALA LUMPUR: After five straight quarters of losses, Perdana Petroleum Bhd was back in the black with a net profit of RM10.09 million for the second quarter ended June 30, 2018.

This compares with a net loss of RM77.63 million in the previous year's second quarter, the group said in a stock exchange filing.

The group recorded earnings per share of 1.3 sen compared with a loss per share of 9.97 sen previously.

Quarterly revenue rose 5.33% to RM47.59 million from RM45.18 million a year ago.

The group attributed the better results to a higher vessel utilisation rate of 70% compared with 63% in the previous second quarter.

In addition, there was also a net foreign exchange gain of RM25.8 million while previously there was an impairment loss on property, plant and equipment of RM50.4 million and net forex losses of RM16.5 million.

For the first two quarters of the current year, Perdana Petroleum recorded a smaller net loss of RM56.56 million compared to RM123.55 million in the previous year.

The smaller loss was helped by a drop in impairment loss to RM7.1 million from RM50.4 million, and lower net forex loss of RM2.7 million versus RM24.6 million previously.

Revenue for the six-month period moved up marginally to RM64.36 million from 64.11 million last year as the vessel utilisation rate rose to 48% from 44% previously.

Perdana Petroleum said the business environment this year will be better as its vessel utilisation rate is expected to improve significantly as a high number of vessels are earmarked for Dayang Enterprise Holdings Bhd's offshore maintenance, construction and modifications works and hook-up contracts with various oil majors where activities are projected to ramp up.

It added that if drilling activities increase, more rig moves and anchor handling works will raise demand for its anchor handling tugs and supply vessels.

The group also hopes that higher crude oil prices would boost the general sentiment for the oil majors and lead to more offshore support vessel chartering opportunities.

"We remain committed to turn around the group despite the financial difficulties. We believe our streamlined operations and the synergistic collaboration between the group and Dayang will help us to prevail through this challenging time," Perdana Petroleum said.

Meanwhile, it said 14 to 16 vessels are employed in the third quarter of 2018.

"While fleet utilisation is seen improving, albeit mostly on spot charters and depressed charter rates, the group continues to face challenges in its pursuit to secure longer term contracts. Our emphasis for now is mainly on improving vessel utilisation and also the sustainability of its financials.

"We are in the midst of bidding for various long-term contracts for its fleet domestically and regionally. The board is optimistic that all the issues and challenges will be resolved and with Dayang's support, the restructuring program undertaken by the group will hopefully improve the overall profitability," it added.

Reference: <http://www.theedgemarkets.com/article/perdana-petroleum-back-black-after-five-quarters-losses>