

Perdana Petroleum back in the black in Q2 FY18



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KUALA LUMPUR: Oil and gas services provider Perdana Petroleum returned to the black in the second quarter ended June 30, 2018 due to higher utilisation of its vessels and unrealised foreign exchange gain and expects a better year ahead, riding on the strong crude oil prices.

It announced on Friday its net profit was RM10.10mil compared with a net loss of RM77.63mil a year ago. Its revenue increased by 5% to RM47.58mil from RM45.18mil. Earnings per share were 1.3 sen compared with loss per share of 9.97 sen.

“The increase in revenue and the higher profit before taxation achieved in the current quarter is mainly attributable to higher vessel utilisation at 70% as compared to 63% in the second quarter of 2017,” it said.

Perdana Petroleum said profit before taxation in Q2 FY18 of RM11.04mil included net realised/unrealised forex gain of RM25.8mil versus impairment loss of RM50.4mil and also net realised/unrealised forex losses of RM16.5mil a year ago.

For the first half, the company was still in the red with net losses of RM56.55mil, narrowing from the losses of RM123.54mil in the previous corresponding period. Revenue was flat at RM64.36mil compared with RM64.10mil.

“The slight increase in revenue is mainly due to higher vessel utilisation at 48% for the financial period ended 30 June 2018, as compared to 44% a year ago resulting from the improved work orders/contracts awarded from oil majors in the second quarter of 2018,” it said.

It said the lower loss before taxation was mainly due to an impairment loss on property, plant and equipment of RM7.1mil as well as a net realized/unrealised forex loss of RM2.7mil.

This was an improvement compared to an impairment loss on property, plant and equipment of RM50.4mil as well as a net realised/unrealised forex loss of RM24.6mil in the preceding period.

On its prospects, Perdana Petroleum said the marked improvement in chartering activities in Q2 FY18 saw it quarterly revenue more than doubling from Q1 as vessel utilisation increased significantly to 70% from 27% in Q1.

“The strong vessel utilisation would have happened in the first quarter if not for the technical issues like certain pipelines disruptions experienced by our charterers earlier.

“Therefore, we believe that the business environment in 2018 will be better as the group’s vessel utilisation rate is expected to improve significantly, thanks to the high number of vessels that will be earmarked for Dayang’s offshore maintenance, construction and modifications works and hook-up contracts with various oil majors where activities are already projected to be ramping higher,” it said.

It said as drilling activities continue to increase, more rig moves and anchor handling works will consequently increase demand for its anchor handling tugs and supply (AHTS) vessels.

“We are also hopeful the higher crude oil prices would help boost the general sentiment for the oil majors and lead to more offshore support vessel (OSV) chartering opportunities,” it said.

PERDANA PETROLEUM BERHAD (372113-A)

Perdana Petroleum also said currently, 14 to 16 vessels out of a fleet of 16 vessels were employed in the third quarter of 2018.

“We remain cautiously confident that the average fleet utilization in 2018 will be higher than 2017.

“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. The group is in the midst of bidding for various long-term contracts for its fleet domestically as well as regionally,” it said

Reference: <https://www.thestar.com.my/business/business-news/2018/08/24/perdana-petroleum-back-in-the-black-in-q2-fy18/>