

**Company Name** : Alam Maritim Resources Berhad  
**Date** : 25 June 2015  
**Source** : New Straits Times

## *New contract helps lift Alam Maritim outlook*

**ALAM** Maritim Resources Bhd is set for challenging times given the current adverse trends in oil prices, but its active bidding activities can pull the oil and gas services provider through.

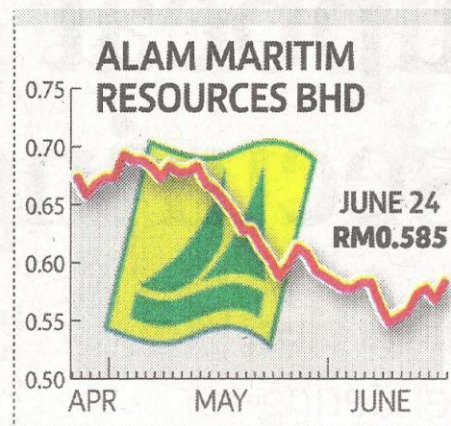
Kenanga Research said the offshore support vessel utilisation segment is expected to be under pressure this year as oil companies slow down activities in general and existing charter contracts by local vessel players are not expected to be spared from the renegotiation of rates by Petronas.

Alam Maritim has been actively bidding for sub-sea contracts since early this year and the group is hopeful of securing more jobs for its underwater division after September to improve its profitability.

"The underwater division's near-term outlook has improved slightly with a recent contract award, indicating a potential sustainable improvement in the division moving forward," Kenanga said in a note.

Alam on Tuesday bagged the contract for installation works for replacement of sub-sea pipeline at Chevron's Prai Terminal worth a total contract sum of RM22 million from Chevron Malaysia.

It is a short-term contract that commences in early June and is



expected to be completed by end-December 2015.

This is the third underwater contract secured for the year, bringing the total contract secured for the division to RM81 million, in line with Kenanga's expectations.

The research house had forecasted RM100 million revenue and RM15 million in earnings before interest and tax for the underwater division.

"We reckon the group will utilise the 1-MAS, its pipe lay accommodation work barge for the execution of the contract and assuming 15 per cent operating margin, the contract is expected to contribute RM1.7 million earnings to the group this year as it is secured under Alam Swiber Offshore (M) Sdn Bhd, Kenanga said giving the stock an "underperform" recommendation.