

Company Name : Alam Maritim Resources Berhad
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Alam Maritim Buys Offshore Support Vessel For US\$60m

KUALA LUMPUR (Mar 24): Alam Maritime Resources Bhd (Financial Dashboard) said its 51:49 joint venture company with Singapore-listed Vallianz Holdings Ltd (Financial Dashboard), Deepsea Leader Venture (L) Inc, is acquiring offshore support vessel dubbed "OLV Venture 1" for US\$60 million (RM218.76 million).

Alam Maritim (fundamental: 1.6; valuation: 1.2), in a filing to Bursa Malaysia, said Deepsea's wholly-owned subsidiary MDSV 1 (L) Inc has signed a memorandum of agreement (MoA) with Wellspring Marine Trading Ltd for the purchase today.

According to the group, OLV Venture 1 was built in 2014 and is currently registered in China.

"The offshore support vessel is of 85M DP2 6000 brake horse power (BHP) and classed under the American Bureau of Shipping Classification Society," it added.

The vessel is planned to be deployed in the operational waters of Malaysia and Southeast Asia to support the exploration and production (E&P) activities in the region, it said.

The acquisition should be completed by mid-April 2015, it added.

"Upon completion of the acquisition, the vessel shall be registered to ply Malaysian flag," it said.

The acquisition is in line with the fleet expansion plan of Alam Maritim's core business in providing marine support services to the offshore oil and gas facilities. It will help to spur growth with the increasing demands for marine support services, locally and internationally, in the upstream sector of the oil and gas industry.

The group said the deal will be financed partly by proceeds from its recent new share issuance and borrowing from financial institution, with a staggered payment structure.

"The new vessel is expected to contribute positively to the future earnings and net tangible assets of the company for the financial year ending 2015 and beyond.

"Notwithstanding this, the acquisition of the vessel is not expected to have any material effects on the share capital and shareholding structure of the company," it added.

Shares in Alam Maritim closed unchanged at 64 sen, with a market capitalisation of RM591.65 million.

(Note: The Edge Research's fundamental score reflects a company's profitability and balance sheet strength, calculated based on historical numbers. The valuation score determines if a stock is attractively valued or not, also based on historical numbers. A score of 3 suggests strong fundamentals and attractive valuations.)