CARIMIN

SUMMARY OF KEY MATTERS DISCUSSED AT THE 5th ANNUAL GENERAL MEETING ("AGM") OF CARIMIN PETROLEUM BERHAD ("CARIMIN" OR "THE COMPANY") HELD ON MONDAY, 27 NOVEMBER 2017 AT 2.30 P.M.

Q1. How will the price fluctuation in crude oil affect the Company's revenue?

The Oil & Gas business remains challenging and there is a shift of focus from Greenfields to Brownfields by oil majors essentially to ensure existing facilities are safe while operating effectively and efficiently.

In respect of the recent MCM ("Modification, Construction and Maintenance") contract secured by the Company ("MCM Contract"), it is on unit and fixed rates over the duration of the contract. Hence, as the price of crude oil stabilizes or increases, activities should increase via work orders and ultimately increased revenue for the Company.

The Shareholders were further informed that the MCM Contract was for brownfields and maintenance would need to be carried out on facilities which is expected to generate a steady revenue for the Group.

Q2. What is the outlook of the Company for 2018?

In view of stabilizing crude oil prices, MCM Contract, ongoing bidding for oil & gas contracts and its continued pursuit for civil construction contracts, the Company is confident of a turnaround performance.

Q3. What is the area awarded to the Company under the MCM Contract?

The MCM Contract awarded to the Company is for the PMO (Peninsular Malaysia Offshore) area i.e. offshore Terengganu.

Q4. With reference to Page 121 of the Annual Report (Ageing Analysis of Trade Receivables), what is the Company's credit term policy?

The average credit term for oil & gas business is 60 days. Having said that, the Company is always vigilant in monitoring its receivables and collections.

Q5. What is the Company's order book for civil construction?

The Company's present civil construction contracts are on unit rates and one of the present contracts in hand is from a developer which issues work orders based on their development sales. Hence, management estimates its order book to be approximately RM20 million. The Company's present strategy is to be selective on projects it participates and focused on scopes it has competencies.

Q6. What is the Company's impairment on assets?

The Company recorded an amount of RM2.1 million for the impairment on Property, Plant & Equipment due to impairment on its vessel that arose due to the accounting standards to tag value assets to current market values.

Q7. The Company's subsidiary, Carimin Engineering Services Sdn. Bhd. ("CESSB") entered into a collaborative agreement with Emas Energy Services (Thailand) Limited ("EMAS") to pursue tender bids involving decommissioning, well plug and abandonment services. What is the progress and outlook?

So far, CESSB and EMAS formalized a partnering agreement to bid for expected decommissioning non-viable/ non-producing platforms. Decommissioning is expected to be another new income contributor for the Group.

The Company has also started to embark on EPCC (Engineering, Procurement, Construction and Commissioning) contract. Moving forward, the Company will participate in more EPCC contracts.

Q8. A shareholder expressed concern that the Company's Statement of Cash Flow reflected a deficit in cashflow.

The Shareholders were informed that the Group was able to meet its liabilities and the Board and Management of the Company monitors the cash position and ratios very closely. The deficit in cashflow arose due to the Group's commitment to repay loans related to the acquisition of vessels.

This Summary of Key Matters is reviewed and authorized by

Executive Director
Name : Lim Yew Hoe
Date : 21 December 2017