

SAPURA ENERGY BERHAD
Registration No.: 201101022755 (950894-T)
(Incorporated in Malaysia)

**KEY MATTERS DISCUSSED AT THE TENTH ANNUAL GENERAL MEETING (FULLY VIRTUAL) HELD AT
HTTPS://WEB.LUMIAGM.COM (VIRTUAL MEETING PLATFORM), PROVIDED AND OPERATED BY
BOARDROOM SHARE REGISTRARS SDN. BHD., MALAYSIA, ON TUESDAY, 27 JULY 2021 AT 10.00 A.M.**

ITEM 1.0 **OPENING REMARKS**

The Chairman of the Board, Tan Sri Dato' Seri Shamsul Azhar Abbas, welcomed those who participated at the Tenth (10th) Annual General Meeting ("AGM" or "Meeting") remotely, which was the second virtual AGM via the Virtual Meeting Platform provided and operated by Boardroom Share Registrars Sdn Bhd ("Boardroom") in Malaysia as the main venue in accordance with the revised Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by Securities Commission Malaysia on 1 June 2021 during lockdown period ("Guidance Note") and in compliance with Section 327(2) of the Companies Act 2016 and Article 60 of the Company's Constitution.

ITEM 2.0 **QUORUM**

Upon confirmation by the Company Secretary on the participation of the requisite quorum pursuant to Article 61 of the Company's Constitution, the Chairman called the Meeting to order.

ITEM 3.0 **NOTICE**

Notice convening the Meeting dated 4 June 2021 in accordance with the Constitution of the Company and the Main Market Listing Requirements of Bursa Securities Malaysia Berhad ("MMLR") had been circulated within the prescribed period and was taken as read.

ITEM 4.0 **POLLING AND ADMINISTRATIVE DETAILS**

The Chairman declared that all resolutions in the Notice of the 10th AGM shall be voted by poll in accordance with Paragraph 8.29A of the MMLR.

The Chairman also informed the Meeting that shareholders, proxies and corporate representatives would be able to cast their votes from the commencement of the Meeting until the announcement of the closure of the voting session.

Boardroom was appointed and would act as the Poll Administrator to conduct the poll by way of electronic voting and SKY Corporate Services Sdn Bhd was appointed and would act as Independent Scrutineers to verify the poll results for the Meeting.

Upon invitation by the Chairman, Boardroom presented a short video presentation on the polling procedure.

ITEM 5.0

PRESENTATION BY GROUP CHIEF EXECUTIVE OFFICER

The Meeting started with slide presentation by the Group Chief Executive Officer (“GCEO”), Datuk Mohd Anuar Taib on The Energy Transition, which included amongst others, the following:-

1. Key issues faced by the Company in FY2021 and the Company’s priorities;
2. Centralized management of COVID-19 ;
3. Dashboard on key facts of the Company as a trusted global solutions and energy company;
4. Financial performance of the Company for FY2021;
5. Snapshot on robust revenue but inconsistent profitability in a challenging environment;
6. Strengthening of oil price against rising costs resulted in trimmed margin;
7. Impact of COVID-19 ;
8. Roadmap: Embracing Energy Transition;
9. Sustainable Revenue Funnel;
10. The performances and deliverables to date in FY2022;
11. The road ahead in FY2022, current challenges and the Company’s priorities.

ITEM 6.0

REPLY TO MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”) QUESTIONS

The Chairman informed that the Company had received a letter from the MSWG with relevant questions. The responses to the questions by the Company were read by the Company Secretary and displayed on the screen for the benefits of all participants.

ITEM 7.0

QUESTIONS AND ANSWERS SESSION

The Chairman and Board together with the Key Senior Management addressed several questions posted by the shareholders, proxies and corporate representatives.

The key matters raised were set out below:

1) Current outlook for tender rigs business

The recovery of tender rigs business would be ongoing at a gradual pace with the semi-Tender Assist Drilling (“TAD”) activities had been increased and the barge-TAD activities were slowly recovered with improved demand in Thailand, as witnessed in the Company’s latest awards.

As a whole, it was a very cautious recovery from the clients’ perspective in terms of their spend and Final Investment Decision (“FID”) for their projects due to the uncertainty of the market demand.

2) Financial impact of COVID-19 pandemic for the Company

The COVID-19 pandemic had added complexity to the Company and impacted the costs and business schedules. The COVID-19 costs were mainly due to the following reasons:

Complexities

- Movement controls;
- Dynamic protocols and regulations;
- Differing regulations by country; and
- Supply chain disruptions.

Costs

- Testing, quarantines; and
- Vessels, machinery and people on standby.

Schedule

- Working in monsoon; and
- Productivity.

Additional costs in the future would be depending on COVID-19 global recovery. The Group would strive to recover as much as possible from the COVID-19 impact and related costs from the clients. The discussions with clients were still ongoing.

3) Impact of disposal of investment in upstream production by major global O&G companies in Malaysia (“Divestment”) on the Company & outlook of the Company pursuant to the Divestment

The Company was a global Exploration & Production (“E&P”) Company with Malaysia as its home base. Therefore, whenever any foreign investor retracted from Malaysia, it could be considered as an opportunity for the Company to grow. In view that Malaysia was leading in this production, from the E&P perspective, the Company had the lowest cost per unit production in Malaysia. Therefore, the Company would have the competitive advantage in the E&P business.

From Petronas’ perspective on Malaysia’s production outlook, the country would still want to maintain a healthy amount of production. In doing so, there were still active platforms in terms of exploration and development in Malaysia which could be recoverable in the next couple of years. This would further impact the growth of the construction and drilling businesses of the Company in Malaysia. The Company would start to witness a lot of potentials for the existing mature fields in the country that would need to be rejuvenated and this was where the Company’s Operation & Maintenance business would have opportunities to grow. Whilst different Company would have different outlook on every country that they were in, the Company perceived that this movement would provide more opportunities.

4) Outlook of oil price market in the next 6 months

The global oil demand forecasted to rebound this year especially with the improvement of the COVID-19 situation globally and this would mean that oil and gas price would be stronger. However, the Company had yet to see significant acceleration in capital expenditure of major and national oil companies. Based on past historical data, there were about 18 months or 2 years of lag between oil price strengthening and significant spend by the clients. Overall, based on the current data, it was shown that the oil price would continue to be on positive vibe throughout this year and next year.

5) Environmental, Social and Governance (“ESG”) from the Company’s perspective

The ESG was viewed as risk and opportunity from the Company’s perspective, although it might be considered as a risk to most of other oil and gas companies. As the main business of the Company was in oil and gas, and based on the Company’s capabilities, there were lot of similarities in what the Company was doing such as the offshore installation capabilities as what being installed for offshore business. Therefore, the Company would be looking at both, managing the risk and how the Company could further improve to be more efficient especially in greenhouse emission which would include the Company’s mature peninsular assets. Furthermore, the Company would also consider on how to reduce the fuel utilisation and greenhouse emission to make its vessels more efficient and at the same time grab opportunities for the Company to grow sustainably in the future.

6) Strategy in managing cost overrun

The Company’s projects were currently experiencing cost overrun due to raise in commodity price for example the rise of steel prices over the last 6 to 8 months and other significant cost elements were also increased due to COVID-19 disruptions to the works, timeline, supply chain and productivity of the Company. The Company had also worked closely with its clients to mitigate the overrun costs and vendors on supply chain arrangement in order to preserve the Company’s critical path of ongoing projects which had been affected by these costs.

7) Utilisation of drilling assets

There were 8 rigs in operations or prepared to be in operations in FY2021. In FY2022, there would also be 8 rigs with additional rig-days in FY2022 compared to FY2021.

8) Future bids in renewable energy segment

For the last 12 months, the Company had participated in tenders for offshore wind projects in Taiwan, South Korea, United States and Europe. Currently, the Company had 6% renewables bids from the RM123 billion bids and prospects.

9) Current orderbook of the Company

The orderbook on-hand of the Group was approximately RM11.8 billion as at Q1 FY2022.

10) Outlook on upstream business

The Company was very well positioned to secure works in upstream decommissioning activities. The Company had significant decommissioning experience in fixed, floating and subsea offshore assets and Plug & Abandonment in Malaysia, Thailand, Japan, Australia and Brunei. The Company had also recently been awarded with two decommissioning projects by Chevron in Thailand and was actively bidding for other decommissioning projects in Asia Pacific and America.

11) Utilization of the upsized sukuk funding

The aim of the upsizing exercise of the Multi-Currency Sukuk Programme ("Sukuk") was to provide additional headroom for lenders to participate in the Sukuk as an alternative funding platform for the Group moving forward.

12) SapuraOMV Business in New Zealand and Western Australia

SapuraOMV's blocks in New Zealand and Australia were still in the exploration phase. Although there was discovery in New Zealand, the Company would need to carry out necessary appraisal for these fields to ensure that there were commercialised from development perspective. For Australia, most probably the exploration would only start in 2021 while the others by next year.

13) The Group revenue forecast for FY2022 and potential breakeven

The Company had secured 95% of the Company's targeted revenue in Q1 FY2022 which was considered as an achievement. On the issue of whether the revenue was sufficient to breakeven, the Company would use its best efforts to maintain profitability towards operational excellence and reduction of costs. Due to the uncertainty of the economic situation that the Company was facing, the Company would strive to achieve its target and nothing would be spared for the Board and Management of the Company to ensure sustainable profitable outcome for the Company in the following years moving forward.

ITEM 8.0 **AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2021 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS**

The Chairman informed that the Audited Financial Statements of the Company for the financial year ended 31 January 2021 together with the Reports of the Directors and Auditors (“Audited Financial Statements”) were tabled before the Meeting in accordance with Section 340(1) of the Companies Act 2016 for discussion. As formal approval by the shareholders was not required, the matter was not put forward for voting and the Chairman then proceeded to the next item on the Agenda.

ITEM 9.0 **ORDINARY RESOLUTION 1**
RE-ELECTION OF DATO’ MOHAMMAD AZLAN ABDULLAH AS DIRECTOR OF THE COMPANY

The Chairman informed that Ordinary Resolution 1 was to seek shareholders’ approval in relation to the re-election of Dato’ Mohammad Azlan Abdullah, a Director who retires by rotation pursuant to Article 80 of the Company’s Constitution. Dato’ Mohammad Azlan Abdullah, being eligible, had offered himself for re-election.

The profile of Dato’ Mohammad Azlan Abdullah was set out on Page 65 of the Annual Report 2021. The poll of Ordinary Resolution 1 was conducted later.

ITEM 10.0 **ORDINARY RESOLUTION 2**
RE-ELECTION OF DATUK MUHAMAD NOOR HAMID AS DIRECTOR OF THE COMPANY

The Chairman informed that Ordinary Resolution 2 was to seek shareholders’ approval in relation to the re-election of Datuk Muhamad Noor Hamid, a Director who retires by rotation pursuant to Article 80 of the Company’s Constitution. Datuk Muhamad Noor Hamid, being eligible, had offered himself for re-election.

The profile of Datuk Muhamad Noor Hamid was set out on Page 68 of the Annual Report 2021. The poll of Ordinary Resolution 2 was conducted later.

ITEM 11.0 **ORDINARY RESOLUTION 3**
RE-ELECTION OF TAN SRI DATO’ SERI SHAMSUL AZHAR ABBAS AS DIRECTOR OF THE COMPANY

As the Ordinary Resolution 3 involved the re-election of Tan Sri Dato’ Seri Shamsul Azhar Abbas, the Chairman, the Chair was passed to the Senior Independent Non-Executive Director, Tan Sri Dato’ Megat Zaharuddin Megat Mohd Nor. Tan Sri Dato’ Megat Zaharuddin Megat Mohd Nor informed that Ordinary Resolution 3 was to seek shareholders’ approval in relation to the re-election of Tan Sri Dato’ Seri Shamsul Azhar Abbas, a Director who retires pursuant to Article 85 of the Company’s Constitution. Tan Sri Dato’ Seri Shamsul Azhar Abbas, being eligible, had offered himself for re-election.

The profile of Tan Sri Dato' Seri Shamsul Azhar Abbas was set out on page 62 of the Annual Report 2021. The poll of Ordinary Resolution 3 was conducted later.

Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor then passed the Chair back to Tan Sri Dato' Seri Shamsul Azhar Abbas.

ITEM 12.0

ORDINARY RESOLUTION 4
RE-ELECTION OF DATUK MOHD ANUAR TAIB AS DIRECTOR OF THE COMPANY

The Chairman informed that Ordinary Resolution 4 was to seek shareholders' approval in relation to the re-election of Datuk Mohd Anuar Taib, a Director who retires pursuant to Article 85 of the Company's Constitution. Datuk Mohd Anuar Taib, being eligible, had offered himself for re-election.

The profile of Datuk Mohd Anuar Taib was set out on Page 63 of the Annual Report 2021. The poll of Ordinary Resolution 4 was conducted later.

ITEM 13.0

ORDINARY RESOLUTION 5
RE-ELECTION OF TAN SRI DATO' MEGAT ZAHARUDDIN MEGAT MOHD NOR AS DIRECTOR OF THE COMPANY

The Chairman informed that Ordinary Resolution 5 was to seek shareholders' approval in relation to the re-election of Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor, a Director who retires pursuant to Article 85 of the Company's Constitution. Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor, being eligible, had offered himself for re-election.

The profile of Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor was set out on Page 64 of the Annual Report 2021. The poll of Ordinary Resolution 5 was conducted later.

ITEM 14.0

ORDINARY RESOLUTION 6
RE-ELECTION OF BERNARD RENE FRANCOIS DI TULLIO AS DIRECTOR OF THE COMPANY

The Chairman informed that Ordinary Resolution 6 was to seek shareholders' approval in relation to the re-election of Bernard Rene Francois Di Tullio, a Director who retires pursuant to Article 85 of the Company's Constitution. Bernard Rene Francois Di Tullio, being eligible, had offered himself for re-election.

The profile of Bernard Rene Francois Di Tullio was set out on Page 66 of the Annual Report 2021. The poll of Ordinary Resolution 6 was conducted later.

ITEM 15.0

ORDINARY RESOLUTION 7
RE-ELECTION OF DATO' AZMI MOHD ALI AS DIRECTOR OF THE COMPANY

The Chairman informed that Ordinary Resolution 7 was to seek shareholders' approval in relation to the re-election of Dato' Azmi Mohd Ali, a Director who retires pursuant to Article 85 of the Company's Constitution. Dato' Azmi Mohd Ali, being eligible, had offered himself for re-election.

The profile of Dato' Azmi Mohd Ali was set out on Page 71 of the Annual Report 2021. The poll of Ordinary Resolution 7 was conducted later.

ITEM 16.0

ORDINARY RESOLUTION 8
RE-ELECTION OF DATUK IAIN JOHN LO AS DIRECTOR OF THE COMPANY

The Chairman informed that Ordinary Resolution 8 was to seek shareholders' approval in relation to the re-election of Datuk Iain John Lo, a Director who retires pursuant to Article 85 of the Company's Constitution. Datuk Iain John Lo, being eligible, had offered himself for re-election.

The profile of Datuk Iain John Lo was set out on Page 72 of the Annual Report 2021. The poll of Ordinary Resolution 8 was conducted later.

ITEM 17.0

ORDINARY RESOLUTION 9
PAYMENT OF DIRECTORS' FEES AND BENEFITS TO NON-EXECUTIVE DIRECTORS

The Chairman informed that Ordinary Resolution 9 was to seek shareholders' approval on the payment of Directors' fees and benefits to Non-Executive Directors up to an amount of RM4,500,000 from 28 July 2021 until the next AGM of the Company in 2022.

The Chairman explained that the Agenda was to be in line with Section 230(1) of the Companies Act 2016 which required fees and benefits payable to the Directors to be approved at a general meeting. The Directors' fees had recorded a 10% reduction for the financial year ended 31 January 2016, 5% reduction for financial year ended 31 January 2018 and 15% reduction from the last AGM held on 30 July 2020.

The amount of RM4,500,000.00 comprising Directors' fees and benefits to Non-Executive Directors was estimated for the period from 28 July 2021 until the next AGM to be held in 2022. Directors' benefits for Non-Executive Chairman of the Company comprised of medical and insurance coverage, car allowance, meeting allowance, driver, petrol and other claimable benefits. Benefits for other Non-Executive Directors comprised of meeting allowance, Senior Independent Director allowance, medical, insurance coverage and other claimable benefits. Payment of Directors' fees would be made on monthly basis and/or as and when incurred.

The poll of Ordinary Resolution 9 was conducted later.

ITEM 18.0

ORDINARY RESOLUTION 10
RE-APPOINTMENT OF ERNST & YOUNG PLT (“EY”) AS AUDITORS

The Chairman informed that Ordinary Resolution 10 was to seek shareholders’ approval in relation to the re-appointment of EY, who had indicated their willingness to continue in office as Auditors of the Company. If re-appointed, EY would hold office until the conclusion of the next AGM at a remuneration to be determined by the Directors of the Company. The poll of Ordinary Resolution 10 was conducted later.

The Chairman informed the Meeting that the Company Secretary had confirmed that the Company had not received any notice for any other business to be transacted at the Meeting.

ITEM 19.0

POLLING AND RESULTS

The Chairman announced the commencement of voting session and Ordinary Resolutions 1 to 10 were put to vote. After 10 minutes, the voting session was closed, and the Scrutineers took 15 minutes to verify and confirm the poll results. Thereafter, the Chairman informed that the poll results were shown on the screen and the Company Secretary read out the results as follows:

	Voted For	Voted Against	RESULT
	No. of Shares & (Percentage)	No. of Shares & (Percentage)	
<u>Ordinary Resolution 1</u> To re-elect Dato' Mohammad Azlan Abdullah, who retires by rotation pursuant to Article 80 of the Constitution of the Company and who being eligible offers himself for re-election.	9,637,143,100 (99.2988 %)	68,052,664 (0.7012 %)	Carried
<u>Ordinary Resolution 2</u> To re-elect Datuk Muhamad Noor Hamid, who retires by rotation pursuant to Article 80 of the Constitution of the Company and who being eligible offers himself for re-election.	9,653,681,478 (99.4694 %)	51,493,465 (0.5306 %)	Carried
<u>Ordinary Resolution 3</u> To re-elect Tan Sri Dato' Seri Shamsul Azhar Abbas, who retires pursuant to Article 85 of the Constitution of the Company and who being eligible offers himself for re-election.	9,641,784,809 (99.3407 %)	63,986,073 (0.6593 %)	Carried

	Voted For	Voted Against	RESULT
	No. of Shares & (Percentage)	No. of Shares & (Percentage)	
<u>Ordinary Resolution 4</u> To re-elect Datuk Mohd Anuar Taib, who retires pursuant to Article 85 of the Constitution of the Company and who being eligible offers himself for re-election.	9,700,660,391 (99.9560 %)	4,267,491 (0.0440 %)	Carried
<u>Ordinary Resolution 5</u> To re-elect Tan Sri Dato' Megat Zaharuddin Megat Mohd Nor, who retires pursuant to Article 85 of the Constitution of the Company and who being eligible offers himself for re-election.	9,661,828,838 (99.5570 %)	42,995,594 (0.4430 %)	Carried
<u>Ordinary Resolution 6</u> To re-elect Bernard Rene Francois Di Tullio, who retires pursuant to Article 85 of the Constitution of the Company and who being eligible offers himself for re-election.	9,699,958,749 (99.9501 %)	4,844,293 (0.0499 %)	Carried
<u>Ordinary Resolution 7</u> To re-elect Dato' Azmi Mohd Ali, who retires pursuant to Article 85 of the Constitution of the Company and who being eligible offers himself for re-election.	9,682,937,511 (99.7748 %)	21,856,040 (0.2252 %)	Carried
<u>Ordinary Resolution 8</u> To re-elect Datuk Iain John Lo, who retires pursuant to Article 85 of the Constitution of the Company and who being eligible offers himself for re-election.	9,688,239,476 (99.8280 %)	16,688,906 (0.1720 %)	Carried
<u>Ordinary Resolution 9</u> To approve the payment of Directors' fees and benefits up to an amount of RM4,500,000 to the Non-Executive Directors of the Company with effect from 28 July 2021 until the next Annual General Meeting of the Company in 2022.	9,638,808,884 (99.3494 %)	63,119,907 (0.6506 %)	Carried

	Voted For	Voted Against	RESULT
	No. of Shares & (Percentage)	No. of Shares & (Percentage)	
<u>Ordinary Resolution 10</u> To re-appoint Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to determine their remuneration.	9,703,474,907 (99.9810 %)	1,839,956 (0.0190 %)	Carried

Based on the results, the Chairman declared that all resolutions, i.e. Ordinary Resolution 1 to 10 tabled and voted at the 10th AGM of the Company were carried.

ITEM 20.0

CONCLUSION OF THE TENTH ANNUAL GENERAL MEETING

There being no other business to be transacted, the Chairman declared the Meeting closed at 12.37 p.m. and thanked the shareholders, proxies, corporate representatives and invitees for their participation.

Confirmed as Correct Record,

Tan Sri Dato' Seri Shamsul Azhar Abbas
Chairman

Dated: