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## Alam Maritim to remain in choppy waters on lacklustre oil market

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**KUALA LUMPUR:** Alam Maritim Resources Bhd foresees another year of losses after a net loss of RM142.87 million in 2016, given the lacklustre oil market.

“I don’t think it (the turnaround) will happen this year. I do not think it will happen that fast,” group managing director Datuk Azmi Ahmad said when asked about its financial performance outlook.

Alluding to the current low crude oil prices, Azmi said it is not possible for Alam Maritim to replicate its performance in FY12 to FY13 when its net profit increased from RM55.71 million to RM74.50 million.

“Even when we talk to Petronas and the rest, we are looking at probably two to three years for the recovery but again we cannot expect the oil price to go up to US\$120 to US\$130 per barrel. It will probably stay between US\$60 and US\$70 per barrel,” Azmi said at a media briefing after the group’s AGM here on Friday.

The group’s profit has been going on a downward trend since FY14 when it registered RM60.73 million and then fell to RM45.81 million in 2015.

However, the offshore services provider is hoping to maintain its revenue at the RM200 million to RM300 million mark for FY17.

Azmi said the group is looking forward to break even in its operating profit this year, after registering a loss of RM72.08million last year.

This, he added, this will be possible if Alam Maritim manages to strike a deal for Petroliam Nasional Bhd’s Integrated Logistics Control Tower project, for which it will be submitting a bid in July.

Alam Maritim, which will be announcing its first quarter results today, is of the view that the first quarter is glum, due to the monsoon season and depressed charter rates following lower crude oil prices as oil and gas producers are more focused on production rather than exploration.

“Until we reach the second and third quarters, where more activities would start coming in again, then we are able to foresee our results better,” Azmi said.

Alam Maritim’s order book for this year stood at RM166 million as at April, bringing the total to RM390 million, which will keep it busy for the next two years.

While actively looking for tenders domestically, the company, which has a tender book value of close to RM1billion, is also looking for opportunities abroad, mostly in the Middle East with the likes Qatar and Kuwait, besides already having a presence in Dubai.

Regionally, the group is scouting for partnerships for joint ventures in the subsea sector.

The company has 43 offshore support vessels, with a utilisation rate of 52%.

Azmi said the company is looking to increase the utilisation rate to more than 52% but it will not be able to repeat the charter rate during better times, which was at around 70%.

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