

Company Name : DESTINI BERHAD
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Destini bags two-year umbrella contract from Petronas Carigali

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KUALA LUMPUR: Destini Bhd has been awarded a two-year umbrella contract to undertake well abandonment integrated services for Petronas Carigali Sdn Bhd.

In a filing with Bursa Malaysia yesterday, Destini said its wholly-owned subsidiary Destini Oil Services Sdn Bhd (DOS) has received a letter of award from Petronas Carigali for the proposed job, the tenure of which commences from March 29 this year to March 28, 2020, with the option of an extension of one year.

"The letter of award and the umbrella contract do not constitute any commitment by Petronas Carigali to guarantee any minimum quantity of works to be performed by DOS. Any instruction for the works will be made

on a call-out basis through the issuance of work orders by Petronas Carigali," it added.

The umbrella contract is also conditional upon DOS having and maintaining a valid licence with Petroliaam Nasional Bhd.

"The execution of the contract is depending on work orders to be issued by Petronas Carigali from time to time. It is the prerogative of Petronas Carigali to decide the timing on the requirement of services.

"Hence, any delay in issuing work orders will lead to a delay in revenue recognition. However, DOS has a full-time team monitoring requests from Petronas Carigali," said Destini.

The umbrella contract is expected to contribute positively to the earnings and net assets of Destini for the financial period ending Dec 31, 2018, and the financial periods during the tenure.