

Company Name : Destini Berhad
Date : 10 November 2017
Source : The Edge Markets

Destini partners Singapore's Federal International to explore O&G opportunities in region.

KUALA LUMPUR (Nov 10): Destini Bhd will be partnering with Singapore's Federal International (2000) Ltd to collectively bid for oil and gas projects in the South Asia and South-East Asia region.

In a statement today, Destini said it has entered into a joint venture and shareholders agreement (JVA) with Federal International, which is listed on the Mainboard of the Singapore Exchange.

Upon the completion of the JVA, Destini's wholly-owned subsidiary, Destini Oil Services Sdn Bhd (DOS), and Federal International's wholly-owned subsidiary, Federal Hardware Engineering Co Ltd, will incorporate a 50:50 joint venture company (JVCo) in Singapore.

Through the JVCo, projects that it intends to bid for are floating production systems in greenfield development, transportation and installation services, well abandonment and field decommissioning services, and downhole and well workover services.

"This marks a milestone for DOS, as it has secured a financially sound and experienced joint venture partner. This comes as part of our continuous effort to enhance our upstream and midstream oil and gas capabilities," said Destini's group managing director Datuk Rozabil Abdul Rahman.

"This new joint venture will pave way to new business opportunities for our oil and gas division with the expansion of our scope of service," he said.

In addition, through the JVCo, Destini said DOS will be able to leverage on Federal International's overseas network to expand its services beyond Malaysia and will also be able to leverage on Federal International's existing presence in Indonesia to expand its marine related businesses.

Destini said Federal International not only has presence in Singapore, Indonesia and Malaysia but also Brunei, Thailand, Indonesia, India, Japan, China, UK and the US.

"This synergistic joint venture that is expected to complete by the first quarter of 2018 will augur well for the group's oil and gas business moving forward as the oil and gas industry seems to be stabilising, and Destini will be ready to jump on any opportunity that arises with its wider scope of services in the years to come," added Rozabil.

Shares in Destini closed down one sen or 2.04% at 48 sen with 2.79 million shares exchanging hands for a market capitalisation of RM548.73 million.