

REGULUS OFFSHORE

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HIGHLIGHTS FYE 2024

UTILISATION RATES

Fleet average utilisation rate **92.7%**
(up 1.9% from FYE 2023)

Yinson Hermes 92.1%	PTSC Huong Giang 78.7%
Yinson Perwira 100%	PTSC Lam Kinh 100%



OPERATIONAL PERFORMANCE

100%
Uptime while on hire

0
LTIF

0
TRIF

ENVIRONMENTAL PERFORMANCE

ENERGY

158,222.2 MWh
fuel consumption
(up 0.9% from FYE 2023)

EMISSIONS

43,280.2 tonnes CO₂e
Scope 1 emissions
(down 1.9% from FYE 2023)

WATER

12.2 ML
water consumption
(up 0.8% from FYE 2023)

0 ppm
oil in water discharge

0 incidents
of oil spills

AWARDS AND RECOGNITIONS

PTSC Huong Giang awarded
2022 Logistics Operator HSE and Operations Excellence Award from Hibiscus Petroleum

PTSC Huong Giang recognised for achieving
13 years LTI-Free by Hibiscus Oil & Gas Malaysia Limited

Yinson Hermes recognised by
SEA Hibiscus for outstanding accomplishment and services for the SEAH Integrated Wells Campaign

IMPROVED FLEET UTILISATION BACKED BY STRONGER DEMAND

With the return to normalcy for most industries post-pandemic, our fleet utilisation rates have also risen. The overall fleet utilisation rate for the period under review rose to 92.7%, an increase from 90.8% recorded in the previous year.

Yinson Hermes' utilisation rate rose to 92.1% in FYE 2024, up from 75% the previous year. This increase was largely due to contracts with two clients throughout the period. The utilisation rates for both Yinson Perwira and PTSC Lam Kinh remained at 100%, mirroring the rates from the previous year. Yinson Perwira is currently fulfilling an ongoing contract, while PTSC Lam Kinh's contract is set to continue until 2026. PTSC Huong Giang, on the other hand, recently completed a 200-day contract. The comparatively lower utilisation rate at 78.7% is within expectation, attributed to the off-hire period during the monsoon season. The vessel has completed drydock and has been on hire since March 2024.

These healthy utilisation rates underscore our capacity and the trust our clients place in us to deliver offshore marine services.

MAINTAINING EXCELLENT SAFETY AND ENVIRONMENTAL PERFORMANCE

Regulus Offshore achieved yet another year LTI-free – a performance that we have maintained yearly since our inception. Our excellent safety performance is a testament to the stringent HSE protocols that we follow, as well as our safety competencies and efficient organisation structure, which our clients highly appreciate. During the year in review, we conducted a safety culture campaign aimed at achieving Generative or Excellence safety levels, to further promote a safety-conscious mindset among employees and encourage a proactive approach to prevent accidents and incidents.

On environmental management, we embarked on a fuel optimisation initiative in response to our clients’ requests. We channelled significant efforts into reporting and strategic planning to ensure our vessels operate optimally, such as maintaining economical speeds during voyages. This approach has yielded positive results, demonstrating our commitment to reducing emissions and contributing to environmental sustainability.

SUPPORTIVE OPERATING ENVIRONMENT STRENGTHENS OUR BUSINESS OUTLOOK FURTHER

OSVs within the logistics segment continue to play a crucial role in facilitating the expansion of Malaysia’s upstream industry, which is currently undergoing a dynamic energy transition. According to the Petronas Activity Outlook 2024-2026, Malaysia’s upstream activities are currently served by around 300 offshore platforms and subsea structures and about 11,000 km of pipelines. Petronas foresees abundant investment opportunities in Malaysian waters over a longer period, with 32 greenfield and 39 brownfield projects in its pipeline, of which 38 are sanctioned for execution. This growth raises demand for OSVs, which play an important role in servicing these offshore development projects. Petronas forecasts 148 vessels will be needed to serve the offshore operations and production segment. Concurrently, the number of vessels supporting drilling and projects is expected to increase by 29%, reaching 249 in 2024, up from 193 in 2023. The industry is already facing an industry-wide shortage of OSVs, which will serve to increase demand even further – and as a result, drive daily charter rates higher. Regulus Offshore stands to benefit from this growth and increased charter rates.

During the year, Petronas increased the cut-off ages for vessels participating in its tenders from 15 years to 20 years. This presents an opportunity for us to further extend our fleet’s services, enhance our competitiveness, optimise our vessel utilisation and achieve cost efficiencies. This, together with Petronas’ regulatory prioritisation on local vessels through its Panel Umbrella contracts, gives Regulus Offshore an advantage among OSV players as our vessels are Malaysian flagged.

RISKS AND OPPORTUNITIES

External environment	Risks	Opportunities	Regulus Offshore’s response
Short to medium-term (1 to 5 years)			
Increased offshore activity in Malaysian waters.	<ul style="list-style-type: none"> Inadequate OSVs to service offshore activities. Shortage of skilled manpower for OSV segment. Increase in OPEX costs, including spare parts, crew salary and logistics costs. 	<ul style="list-style-type: none"> Higher charter rates. OSV players with a strong track record can attract skilled manpower. More synergistic opportunities within the industry. 	<ul style="list-style-type: none"> We have maintained a strong track record of operating, environment and safety performance. We have secured long-term, profitable contracts that suit our business model with reputable counterparties. We focus on building efficient assets and processes to manage costs well.
Regulatory and labour market changes in Malaysia and beyond.	<ul style="list-style-type: none"> Non-Malaysian-flagged vessels unable to supply OSV services locally. Players with high reliance on non-local crew face high crewing costs. Non-compliance with regulatory requirements. Increased compliance costs. 	<ul style="list-style-type: none"> Opportunities for companies with strong regulatory compliance teams and track record. Malaysian-flagged vessels will be prioritised for Petronas projects. 	<ul style="list-style-type: none"> We will continue our focus on Malaysian projects while exploring business activities beyond Malaysia. We have built strong corporate, compliance and regulatory teams.

External environment	Risks	Opportunities	Regulus Offshore's response
Long-term (6 to 10 years)			
ESG and climate change focus.	<ul style="list-style-type: none"> • Reputation risk for traditional energy value chain. • Lack of opportunities for players who do not actively incorporate sustainability in their operations. 	<ul style="list-style-type: none"> • More opportunities for companies that have clear and transparent transition plans. • More opportunities for companies with good environmental performance. 	<ul style="list-style-type: none"> • The projects we undertake must align with our Climate Goals and 30 by 30 targets. • We adhere to high standards of environmental transparency and disclosure.
Rapid technological progress in the industry.	<ul style="list-style-type: none"> • Increase in unmanned platforms, reducing reliance on OSVs. • Demand for more fuel-efficient technologies and electrification. • Outdated and slow business and decision-making processes. 	<ul style="list-style-type: none"> • Development of future generation assets powered by AI. • Efficient and ESG positive assets and processes will be preferred. • Cost savings from efficiency gains. 	<ul style="list-style-type: none"> • We actively embrace innovation and digitalisation across our operations. • We engage with industry peers to understand the industry landscape.

CLOSING REMARKS

Looking ahead, we anticipate a growth outlook for our marine segment, driven by a supportive operating and regulatory environment, plus our strong track record and sustainability leadership position. This environment has improved charter rates for contractors like us, and created more demand for high-performing vessels, which we are well-positioned to provide. Indeed, we have already secured stable contracts for our fleet for the near to middle term, providing surety of contracted revenue. Observing the growth trends in the marine segment for OSVs, we are confident that our reputation, track record and ability to deliver and serve the needs of the industry, open the prospects for expanding our presence beyond the Malaysian waters to the regional market.

As the industry navigates the evolving landscape brought about by the energy transition, Regulus Offshore will continue to explore various technology and solutions to adapt to the market needs. We remain committed to leveraging our position to make significant contribution to the Malaysian energy landscape and beyond. Also, in line with Yinson's strong sustainability leadership position, we are dedicated to supporting the country's decarbonisation goals and building a more sustainable future for everyone.

