

MEDIA RELEASE

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VELESTO ANNOUNCED COMPLETION OF OFFLINE CAPABILITIES UPGRADE FOR NAGA 5 & NAGA 6

Kuala Lumpur, 10 August 2022 - VELESTO ENERGY BERHAD ('Velesto') announced that it has completed the offline capabilities upgrading works for NAGA 5 and NAGA 6, making the two rigs - the first Malaysian jack-up drilling rigs to be equipped with offline capabilities. The upgrades will cater to clients' requirements and increase the competitiveness of these rigs during contract bidding.

President of Velesto, Megat Zariman Abdul Rahim said, "We are pleased to have completed the upgrading works for NAGA 5 and NAGA 6. This is the first time that Velesto has carried out upgrades for its jack-up rigs. Given the current upward trend in the drilling segment, the successful completion could not be timelier. It also reflects our commitment to our clients in driving performance through operational excellence while ensuring the highest level of safety. The offline capabilities will further strengthen Velesto's value creation as a local company on par with global players, offering sustainable competitive advantages. My sincere appreciation to all parties involved for the seamless collaboration towards the upgrades' completion."

The offline capabilities on the two jack-up rigs will reduce the total time spent on wells as the rigs are able to do multiple scope of activities while drilling. With fewer rig days per well, it will help to bring down the overall drilling project costs for clients and indirectly reduce the industry's emission footprint.

Earlier this year, NAGA 5 and NAGA 6 secured work orders with PTTEP HK Offshore Limited and PETRONAS Carigali Sdn Bhd respectively. NAGA 5 has commenced its operations since July 2022 while NAGA 6 is expected to commence operations towards the end of August 2022, within Malaysia upon the completion of the upgrades.

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About Velesto Energy Berhad

VELESTO ENERGY BERHAD is a Malaysia-based multinational drilling and workover provider for the upstream sector of the oil and gas industry through our fleet of six (6) wholly owned premium jack-up drilling rigs and four (4) hydraulic workover units. We are the largest jack-up drilling rigs owner and operator in Malaysia and Southeast Asia. Apart from our home base in Malaysia, we have experiences operating in South East Asia countries such as Indonesia, Vietnam, Philippines and Thailand with strong track record of working with local and international oil and gas companies. Listed on the Main Board of Bursa Malaysia, we are a constituent of FTSE4Good Bursa Malaysia Index, a testament to our sustainability performance and Environmental, Social and Governance ('ESG') practices.

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