

PRESS RELEASE
FOR IMMEDIATE DISTRIBUTION

VELESTO NAGA 7 INCIDENT AT OFF THE COAST OF SARAWAK

KUALA LUMPUR, 4 MAY 2021 – VELESTO ENERGY BERHAD (“VELESTO” or the “Company”) regrets to inform that an incident involving one of our rigs, VELESTO NAGA 7 occurred at the worksite due to soil rapid penetration on 3 May 2021, Monday, whilst operating at Salam-3 well off the coast of Sarawak for ConocoPhillips Sarawak, as the operator of WL4-00 PSC. The rig tilted during the incident and subsequently on 4 May 2021, Tuesday, VELESTO NAGA 7 fully submerged at the location. Drilling activities have not commenced and no well has been drilled at the time of incident.

All personnel on board, totalling 101, are safely transferred to rescue vessels immediately after the incident, where 85 of these personnel have already arrived in Miri, Sarawak. The remaining 16 personnel are presently en route to Miri and are expected to arrive late tomorrow morning, 5 May 2021, Wednesday.

All the relevant authorities have been duly informed and we are currently monitoring the incident location for any potential adverse impact.

The Company is investigating the incident and evaluating recovery options. While the rig is covered by insurance, potential recovery efforts are ongoing and monitored.

VELESTO extends gratitude to all parties involved in the evacuation operation after the incident and also the ongoing recovery efforts, including our client and all relevant authorities.

- END -

ABOUT VELESTO ENERGY BERHAD

VELESTO ENERGY BERHAD (“VELESTO”) is a Malaysia-based multinational provider of drilling for the upstream sector of the oil and gas industry. In our drilling services business, apart from our home base in Malaysia, we also have experience operating in other parts of South East Asia, providing drilling services for exploration, development and production wells with our fleet of offshore drilling rigs.

VELESTO is also a provider of workover services through its fleet of hydraulic workover unit (HWUs).

VELESTO is able to offer the services mentioned above through its impressive fleet which consists of seven (7) wholly owned premium jack-up drilling rigs (NAGA 2, NAGA 3, NAGA 4, NAGA 5, NAGA 6, NAGA 7 and NAGA 8), and four (4) HWUs (GAIT 1, GAIT 2, GAIT 5 and GAIT 6).

These rigs are designed to meet the recent demands of the industry.

For more information, kindly contact:

MARYAM SALWAANA KAMAL

Head, Strategic Communications Division

Velesto Energy Berhad

Email : maryam.salwaana@velesto.com

Tel : +603 2096 8788