

ALAM MARITIM RESOURCES BERHAD (700849-K)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT OF THE GROUP
FOR THE SIX (6) MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2006**

	Note	SECOND QUARTER		CUMULATIVE QUARTER	
		Current Quarter Ended 30.06.2006 RM'000 unaudited	Preceding Quarter Ended 30.06.2005* RM'000 unaudited	Current Year-To-Date Ended 30.06.2006 RM'000 unaudited	Preceding Year-To-Date Ended 30.06.2005* RM'000 unaudited
Revenue	4	101,874	N / A	101,874	N / A
Cost of sales		<u>(67,540)</u>	N / A	<u>(67,540)</u>	N / A
Gross profit		34,334	N / A	34,334	N / A
Other income		918	N / A	918	N / A
Staff costs		(3,278)	N / A	(3,278)	N / A
Depreciation and amortisation		(2,357)	N / A	(2,357)	N / A
Other operating expenses		<u>(2,005)</u>	N / A	<u>(2,005)</u>	N / A
Profit from operations		27,612	N / A	27,612	N / A
Finance costs		<u>(5,836)</u>	N / A	<u>(5,836)</u>	N / A
Profit before taxation and negative goodwill		21,776	N / A	21,776	N / A
Negative goodwill		<u>23,628</u>	N / A	<u>23,628</u>	N / A
Profit before taxation		45,404	N / A	45,404	N / A
Taxation	19	<u>(6,532)</u>	N / A	<u>(6,532)</u>	N / A
Profit after taxation		38,872	N / A	38,872	N / A
Pre-acquisition profit		<u>(5,312)</u>	N / A	<u>(5,312)</u>	N / A
Net profit for the period		<u>33,560</u>	N / A	<u>33,560</u>	N / A
Attributable to:					
Equity holders of the parent		33,121	N / A	33,121	N / A
Minority interest		439	N / A	439	N / A
		<u>33,560</u>	N / A	<u>33,560</u>	N / A
Earnings per share attributable to equityholders of the parent					
- Basic (Sen)	27	24.9	N / A	24.9	N / A
- Diluted (Sen)		N / A	N / A	N / A	N / A

Note :

* These are the first interim financial statements on the consolidated results for the financial period ended 30 June 2006 announced by Alam Maritim Resources Berhad ("the Company") in compliance with Bursa Malaysia Securities Berhad's ("Bursa Securities") requirements in conjunction with the admission of the Company to the Main Board of Bursa Securities. As this is the first quarterly report being drawn out after the Group was conceived on 21 April 2006, there are no comparative consolidated figures for the preceding year's corresponding quarter.

The condensed consolidated income statements should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

ALAM MARITIM RESOURCES BERHAD (700849-K)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET OF THE GROUP
AS AT 30 JUNE 2006**

	As At 30.06.2006 RM'000 (Unaudited)	As At 31.12.2005* RM'000 (Audited)
Assets		
Non-current Assets		
Property, plant and equipment	334,998	-
Investment in associated company	350	-
	<u>335,348</u>	<u>-</u>
Current Assets		
Other receivables	27,245	712
Trade receivables	70,024	-
Short term deposits	7,455	-
Cash and bank balances	12,167	-
	<u>116,891</u>	<u>712</u>
Total Assets	<u>452,239</u>	<u>712</u>
Equity and liabilities		
Equity attributable to equity holders of the parent		
Share Capital	66,558	**
(Accumulated losses)/Retained profits	33,101	(20)
	<u>99,659</u>	<u>(20)</u>
Minority Interest	2,370	-
Total equity	<u>102,029</u>	<u>(20)</u>
Non-current Liabilities		
Long-term borrowings	215,120	-
Deferred Taxation	27,591	-
	<u>242,711</u>	<u>-</u>
Current Liabilities		
Short-term borrowings	47,187	-
Other payables	27,106	732
Trade payables	26,491	-
Taxation	6,715	-
	<u>107,499</u>	<u>732</u>
Total liabilities	<u>350,210</u>	<u>732</u>
Total equity and liabilities	<u>452,239</u>	<u>712</u>
Net (Liabilities)/Assets Per Share (RM)	<u>0.75</u>	<u>(10,000.00)</u>

Notes :

* As this is the first quarterly report being drawn out after the Group was conceived on 21 April 2006, there are no comparative consolidated figures for the preceding financial year. The comparative figures relate to AMRB company level's position only as the subsidiaries had not been acquired as at 31.12.2005.

** Represents RM1.00

The condensed consolidated balance sheet should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

ALAM MARITIM RESOURCES BERHAD (700849-K)*(Incorporated in Malaysia)***UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY OF THE GROUP
FOR THE SIX (6) MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2006**

	Share capital RM'000	Distributable (Accumulated losses) / retained profits RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
As at 1 January 2006	*	(20)	(20)	1,931 **	1,911
Net profit for the period	-	33,121	33,121	439	33,560
Issue of ordinary shares	66,558	-	66,558	-	66,558
As at 30 June 2006	<u>66,558</u>	<u>33,101</u>	<u>99,659</u>	<u>2,370</u>	<u>102,029</u>

Notes :

* Represents RM1.00 comprising two (2) ordinary shares of RM0.50 each.

** Represents minority interest arising from consolidation as at 21 April 2006 (the date when the Group came into existence).

The condensed consolidated statement of changes in equity of the Group should be read in conjunction the accompanying explanatory notes attached to the interim financial statements.

ALAM MARITIM RESOURCES BERHAD (700849-K)
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT OF THE GROUP
FOR THE SIX (6) MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2006

	Current Year-To-Date Ended 30.06.2006 RM'000 unaudited	Preceding Year-to-Date Ended 30.06.2005* RM'000 unaudited
Net cash used in operating activities	(10,962)	N / A
Net cash used in investing activities	(225,887)	N / A
Net cash generated from financing activities	<u>256,471</u>	N / A
Net increase in cash and cash equivalents	19,622	N / A
Cash and cash equivalents at beginning of financial period	<u>**</u>	N / A
Cash and cash equivalents at end of financial period	<u><u>19,622</u></u>	N / A
Cash and cash equivalents at the end of the financial period comprise the following:		
Short-term deposits	7,455	N / A
Cash and bank balances	<u>12,167</u>	N / A
	<u><u>19,622</u></u>	N / A

Notes :

* As this is the first quarterly report being drawn up after the Group was conceived on 21 April 2006, there are no comparative consolidated figures for the preceding year.

** Represents RM1.00.

The condensed consolidated cash flow statement should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention. The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the explanatory notes attached to the interim financial statements which provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 31 December 2005 except for the adoption of the following new or revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

Apart from FRS 3 and FRS 101, the adoption of the other new or revised FRSs does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the new or revised FRSs are discussed below:

(a) FRS 3: Business Combinations

The FRS 3 requires that, after assessment, any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the acquisition (previously referred to as "negative goodwill") should be recognized immediately in the income statement and FRS 3 prohibits the recognition of negative goodwill in the balance sheet.

In compliance with the requirements of the new FRS 3, negative goodwill arising from the restructuring scheme prior to the upcoming listing of Alam Maritim Resources Berhad ("the Company") on the Main Board of Bursa Securities, totaling RM 23.628 million, was recognized immediately in the income statement for the six (6) months financial period ended 30 June 2006.

(b) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the net profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest. The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101.

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3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of the Company and its subsidiaries for the year ended 31 December 2005 were not qualified.

4. SEGMENTAL INFORMATION

The results and other information of the Group as at 30 June 2006 are as follows:

	Offshore support vessels and services RM'000	Underwater services RM'000	Others RM'000	Consolidation RM'000	TOTAL RM'000
Revenue					
External	94,842	6,874	158	-	101,874
Intra group	2,618	2,210	421	(5,249)	-
Total	97,460	9,084	579	(5,249)	101,874
Results					
Profits from operations	26,272	1,506	44	(210)	27,612
Finance costs	(5,748)	(87)	(1)	-	(5,836)
Negative goodwill	-	-	-	23,628	23,628
Profit before taxation	20,524	1,419	43	23,418	45,404

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current financial year-to-date except as disclosed in Note 2.

6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect in the current financial year-to-date results.

7. SEASONAL AND CYCLICAL FACTORS

The Group's performance would be subject to the risk of increase in downtime and off-hires due to the adverse weather conditions such as monsoon seasons. In this respect, two (2) of the Group's smaller-sized vessels, which are under spot charter contracts, and underwater services would inevitably be affected by the monsoon seasons and this would result in fluctuation in the Group's earnings over the financial year.

Notwithstanding the above, thirteen (13) out of the Group's fleet of fifteen (15) vessels are currently under fixed charter contracts whereby the vessels are to be made available regardless of the weather condition. This, in turn, will provide the Group with a steady stream of income.

8. DIVIDENDS PAID

No dividend was paid during the current financial year-to-date.

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of the property, plant and equipment in the current financial year-to-date under review.

ALAM MARITIM RESOURCES BERHAD (700849-K)
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10. DEBT AND EQUITY SECURITIES

On 30 June 2006, the Group executed a drawdown of RM 15.00 million unsecured short-term revolving credit facility granted during the financial quarter, and made a total of RM 3.43 million repayments in respect of the existing borrowings during the same period. Save for the foregoing and as disclosed under Note 11 below, there were no issuance and repayment of debts and equity securities, share buy backs, share cancellation, shares held as treasury shares and resale of treasury shares during the financial quarter under review.

11. CHANGES IN COMPOSITION OF THE GROUP

- a) On 21 April 2006, the Group completed a restructuring exercise involving the acquisition of Alam Maritim (M) Sdn. Bhd. ("AMSB"), in conjunction with the upcoming listing of the Company on the Main Board of Bursa Securities. The restructuring exercise comprised the acquisition by the Company of the entire issued and paid-up share capital of AMSB comprising 20,000,000 ordinary shares of RM 1.00 each from the previous shareholders for a total purchase consideration of RM 66,558,440 satisfied by the issuance of 133,116,880 new shares in the Company at par (RM 0.50 per share), credited as fully paid-up.

AMSB and its subsidiaries have contributed the following results to the Group:

	Current Year-To-Date 30.06.2006 RM'000
Revenue	101,874
Profit for the period	<u>33,560</u>

The assets and liabilities arising from the acquisition are as follows:

	Fair Value RM'000	Acquiree's Carrying Amount RM'000
Property, plant and equipment	337,080	320,663
Investments in associated company	350	350
Goodwill	-	857
Trade and other receivables	78,328	78,328
Cash and bank balances	6,081	6,081
Trade and other payables	(51,252)	(51,252)
Borrowings	(250,671)	(250,671)
Deferred tax liabilities	(27,591)	(22,994)
Total net assets	<u>92,325</u>	<u>81,362</u>
Less: Minority interest	(2,139)	(1,970)
Group's share of net assets	<u>90,186</u>	<u>79,392</u>
Negative goodwill arising on acquisition	<u>(23,628)</u>	
Purchase consideration	<u><u>66,558</u></u>	

There were no other cashflow implications on acquisition except for the cash and cash equivalents of AMSB and its subsidiaries acquired totaling RM 6.081 million.

- b) On 24 May 2006, the Group transferred the ownership of Alam Maritim (L) Inc ("AMLI") from AMSB to AMRB. The transaction involved the transfer of the entire issued and paid-up share capital of AMLI comprising 7,110,100 ordinary shares of USD1.00 each from AMSB to the Company for a total transfer consideration of USD 7,110,100 (RM27,018,380).

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12. CAPITAL COMMITMENTS

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim condensed financial statements as at 30 June 2006 is as follows:

	RM'000
Approved and contracted for:	
Expenditure on the acquisition of vessel and equipment	34,770
Approved but not contracted for:	
Expenditure on the acquisition of vessels and equipment	195,360
Total	<u>230,130</u>

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 30 June 2006, our contingent liabilities, comprising bank and performance guarantees for contracts entered into with customers, stood at approximately RM 5.1 million. The Company's wholly-owned subsidiary, AMSB, has also provided a corporate guarantee for the banking facilities amounting to RM 5.0 million granted by Malayan Banking Berhad to Alam Hidro (M) Sdn. Bhd. ("AHSB"), a 70%-owned subsidiary of AMSB.

Save as disclosed above, there were no material contingent liabilities that may, upon materialisation, have a material effect on the Group's financial results or position.

14. SUBSEQUENT EVENTS

On 29 June 2006, the Company launched its Prospectus for its Initial Public Offering ("IPO") in conjunction with its listing on the Main Board of Bursa Securities comprising:-

- a) Public issue of 29,219,200 new ordinary shares of RM 0.50 each ("Share") allocated in the following manner:
- 8,116,500 Shares made available for application by Malaysian public;
 - 11,363,000 Shares made available by way of private placement to selected Malaysian and/or foreign investors; and
 - Up to 9,739,700 Shares made available for application by eligible directors, employees and persons who have contributed to the success of the Group.
- b) Offer for Sale of 8,652,600 existing Shares made available by way of private placement to selected Malaysian and/or foreign investors.

at an issue/offer price of RM 1.65 per share, payable in full upon application.

The Shares made available for application by Malaysian public were oversubscribed as at the closing date on 10 July 2006. The entire issued and paid-up share capital of the Company of 162,336,082 shares are expected to be listed on the Main Board of Bursa Securities on 20 July 2006.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

15. PERFORMANCE REVIEW

The Group recorded an encouraging profit before taxation of RM45.40 million on the back of a turnover of RM101.87 million for the financial year-to-date under review.

There were no comparative figures in the preceding year as this is the Group's first quarterly announcement in conjunction with its upcoming listing on the Main Board of Bursa Securities.

16. MATERIAL CHANGE IN PROFIT BEFORE TAXATION OF CURRENT QUARTER

There were no comparative figures in the preceding quarter as this is the Group's first quarterly announcement in conjunction with its upcoming listing on the Main Board of Bursa Securities.

17. COMMENTARY ON PROSPECTS

The Group expects the offshore support vessels and services to continue to contribute significantly to the consolidated revenue and profitability of the Group for the current financial year. Given the robust growth in the Malaysian oil and gas industry, and the increase in activities in the exploration and production ("E&P") anchored by PETRONAS, the demand for the Group's offshore support vessels and services is expected to remain bullish. The vast opportunities, within and outside Malaysia, made available for the Group to participate in the offshore facilities construction and installation related works are expected to further boost up the revenue stream and financial performance for the financial year under review.

Barring any unforeseen circumstances, the Board of Directors are of the opinion that the profit forecast for the financial year ending 31 December 2006 is achievable.

18. PROFIT FORECAST

Save for the profit forecast issued in its Prospectus dated 29 June 2006, the Group did not issue any forecast for the current financial quarter. Disclosure on explanatory notes for the variance between actual and forecast results would only be required in the final quarter announcement for the current financial year ending 31 December 2006.

19. INCOME TAX EXPENSE

	Current Year-To-Date 30.06.2006 RM'000
Current taxation	6,532
Deferred taxation	-
Associated company	-
	<u>6,532</u>

The effective tax rate of the Group for the current financial year-to-date under review of 14.4% is lower than the statutory tax rate due to exclusion of negative goodwill for tax purposes.

20. SALE OF PROPERTIES

There were no sales of properties in the financial year-to-date under review.

21. INVESTMENTS IN QUOTED SECURITIES

There were no dealings by the Group in quoted securities for the financial year-to-date under review.

ALAM MARITIM RESOURCES BERHAD (700849-K)
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22. CORPORATE PROPOSALS

Save for the upcoming listing of the Company on the Main Board of Bursa Securities on 20 July 2006 and the implementation of AMRB Employees' Share Option Scheme, there are no other corporate proposals announced but not completed at the end of the current financial year-to-date under review.

23. BORROWINGS

	Denominated in local currency As at 30.06.2006 RM'000	Denominated in foreign currency As at 30.06.2006 RM'000	Total As at 30.06.2006 RM'000
Short-term borrowings			
Unsecured:			
Revolving credit facilities	28,750	-	28,750
Overdraft	2,804	-	2,804
Secured:			
Term loans	15,427	-	15,427
Hire purchase	206	-	206
			47,187
Long-term borrowings			
Secured:			
Term loans	108,107	105,829	213,936
Hire purchase	1,184	-	1,184
			215,120
			262,307
Borrowings denominated in foreign currency:		USD'000	RM'000 Equivalent
United States Dollar (USD)		28,602	105,829

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There are no off balance sheet financial instruments as at 18 July 2006.

25. CHANGES IN MATERIAL LITIGATION

The Group is not engaged in any material litigation, whether as plaintiff or defendant, which may have a material impact on the financial position or performance of the Group as at 18 July 2006. The Board do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial or business position of the Group.

26. DIVIDEND PAYABLE

No dividend was proposed or declared for the financial year-to-date under review.

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27. EARNINGS PER SHARE ("EPS")

Basic EPS

Basic earnings per share amount is calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period.

	Current Year-To-Date 30.06.2006
Profit attributable to equity holders of the parent (RM'000)	33,121
Weighted average number of ordinary shares in issue ('000)	133,117
Basic EPS (Sen)	<u>24.9</u>

Note: Diluted EPS is not applicable as the share options granted to employees are conditional upon the listing of the Shares on the Main Board of Bursa Securities.

28. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 17 July 2006.

BY ORDER OF THE BOARD

Haniza bt Sabaran
(MAICSA No. 7032233)
Company Secretary
Kuala Lumpur
18 July 2006