

KENCANA PETROLEUM BERHAD

Company No. 667490-M
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

QUARTERLY REPORT : FINANCIAL PERIOD ENDED 31 JANUARY 2010
PERIOD : 1 NOVEMBER 2009 TO 31 JANUARY 2010
QUARTER : 2ND QUARTER
FINANCIAL YEAR END : 31 JULY 2010
FIGURES : UNAUDITED

KENCANA PETROLEUM BERHAD (667490-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2010**

	2nd Quarter		Cumulative Quarter	
	01.11.2009 to 31.01.2010 RM'000	01.11.2008 to 31.01.2009 RM'000	01.08.2009 to 31.01.2010 RM'000	01.08.2008 to 31.01.2009 RM'000
Revenue	250,138	274,090	531,141	592,582
Contract costs	(194,855)	(222,702)	(418,633)	(486,362)
Gross profit	55,283	51,388	112,508	106,220
Depreciation and amortisation	(4,413)	(4,072)	(8,695)	(7,490)
Operating expenses	(11,867)	(12,305)	(23,491)	(19,519)
Other operating income	4,306	1,009	6,468	1,723
Profit from operations	43,309	36,020	86,790	80,934
Interest expense	(3,163)	(2,287)	(5,755)	(4,412)
Interest income	1,337	1,121	2,354	2,136
Share of results of associates	246	93	186	176
Share of results of jointly controlled entities	-	2	(1)	4
Profit before taxation	41,729	34,949	83,574	78,838
Taxation	(9,432)	(7,699)	(20,544)	(18,526)
Net profit	32,297	27,250	63,030	60,312
Attributed to :				
- Equity holders of the Company	32,297	27,250	63,123	60,312
- Minority Interests	-	-	(93)	-
Net profit	32,297	27,250	63,030	60,312
Earnings per share :				
- basic (sen)	3.56	3.02	6.97	6.69
- diluted (sen)	1.99	2.31	3.99	5.12

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.

KENCANA PETROLEUM BERHAD (667490-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2010

	As at 31.01.2010 Unaudited RM'000	As at 31.07.2009 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	365,317	309,171
Goodwill	39,556	36,166
Investments in associates	57,277	56,213
Investments in jointly controlled entities	8	9
Other investment	20	68
	<u>462,178</u>	<u>401,627</u>
Current Assets		
Inventory	31,368	28,293
Receivables, deposits and prepayments	262,774	259,874
Current tax assets	800	1,254
Cash and cash equivalents	577,833	253,893
	<u>872,775</u>	<u>543,314</u>
Total assets	<u>1,334,953</u>	<u>944,941</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	91,041	90,296
Application money	182,082	-
Share premium	90,193	79,682
Other reserves	3,315	2,971
Retained profits	314,631	255,968
	<u>681,262</u>	<u>428,917</u>
Minority interests	<u>(1,300)</u>	<u>-</u>
Total equity	<u>679,962</u>	<u>428,917</u>
Non-current liabilities		
Long term borrowings	141,756	155,988
Deferred tax liability	25,412	24,847
	<u>167,168</u>	<u>180,835</u>
Current Liabilities		
Short term borrowings	103,384	56,780
Payables and accruals	379,307	276,162
Tax liabilities	5,132	2,247
Total current liabilities	<u>487,823</u>	<u>335,189</u>
Total liabilities	<u>654,991</u>	<u>516,024</u>
Total equity and liabilities	<u>1,334,953</u>	<u>944,941</u>
Net assets per share (RM)	<u>0.75*</u>	<u>0.48</u>

**Net assets per share (RM) on diluted basis is 0.41.*

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.

KENCANA PETROLEUM BERHAD (667490-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2010**

	Attributable to the equity holders of the Company						Minority Interests	Total Equity
	Share Capital	Application Money	Share premium	Share option reserve	Distributable Retained profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 August 2008	90,200	-	78,129	668	142,263	311,260	311,260	
Profit for the year	-	-	-	-	118,203	118,203	118,203	
Share-based payment	-	-	-	2,642	-	2,642	2,642	
Share options exercised	96	-	1,227	-	-	1,323	1,323	
Share options lapsed	-	-	-	(12)	12	-	-	
Transfer to share premium for share options exercised	-	-	327	(327)	-	-	-	
Share issue expenses	-	-	(1)	-	-	(1)	(1)	
Dividends	-	-	-	-	(4,510)	(4,510)	(4,510)	
At 31 July 2009	90,296	-	79,682	2,971	255,968	428,917	428,917	
At 1 August 2009	90,296	-	79,682	2,971	255,968	428,917	428,917	
Profit for the period	-	-	-	-	63,123	63,123	63,030	
Share-based payment	-	-	-	1,220	-	1,220	1,220	
Share options exercised	745	-	9,639	-	-	10,384	10,384	
Transfer to share premium for share options exercised	-	-	876	(876)	-	-	-	
Share issue expenses	-	-	(4)	-	-	(4)	(4)	
Piecemeal acquisition of a subsidiary	-	-	-	-	90	90	(1,117)	
Arising from renounceable rights issue of the Company	-	182,082	-	-	-	182,082	182,082	
Dividends	-	-	-	-	(4,550)	(4,550)	(4,550)	
At 31 January 2010	91,041	182,082	90,193	3,315	314,631	681,262	679,962	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and the accompanying explanatory notes attached to the interim financial statements.

KENCANA PETROLEUM BERHAD (667490-M)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 JANUARY 2010**

	Current Year-to-date 01.08.2009 to 31.01.2010 RM'000	Preceding Year-to-date 01.08.2008 to 31.01.2009 RM'000
Net cash generated from operating activities	167,005	43,338
Net cash used in investing activities	(70,253)	(68,147)
Net cash generated from financing activities	<u>223,543</u>	<u>13,510</u>
Net increase/(decrease) in cash and cash equivalents	320,295	(11,299)
Cash and cash equivalents at 1 August	229,521	226,640
Cash and cash equivalents at 31 January	<u><u>549,816</u></u>	<u><u>215,341</u></u>

Cash and cash equivalents at end of the financial period comprise the following:

Cash and bank balances	505,406	183,391
Short term deposits	72,427	60,135
Bank overdraft	<u>-</u>	<u>-</u>
	577,833	243,526
Deposits pledged	<u>(28,017)</u>	<u>(28,185)</u>
	<u><u>549,816</u></u>	<u><u>215,341</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 July 2009 and 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 are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134 : Interim Financial Reporting and disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 July 2009. The explanatory notes attached to the interim financial statements 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 audited financial statements for the financial year ended 31 July 2009 except for the adoption of FRS 8 : Operating Segments which became effective for the financial period beginning 1 July 2009.

The adoption of the above FRS only impacts presentation and disclosures. It does not have significant financial impact on the Group.

3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements of the Company and its subsidiaries for the financial year ended 31 July 2009 were not subject to any qualification.

4. SEGMENTAL INFORMATION

The Group mainly operates in Malaysia and the Malaysia-Thailand Joint Development Area (MTJDA). The Group considers these geographical areas to be significantly similar and therefore deemed them as a single geographical segment. Accordingly information by geographical segment is not presented.

The financial information by industrial segment is not presented as the Group operates in one business segment.

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 quarter and financial year-to-date.

6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

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

7. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance is not affected by any seasonal or cyclical factors.

8. DIVIDENDS PAID

During the six months ended 31 January 2010, the first and final single tier dividend of 5% per ordinary share of 10 sen each of approximately RM4.55 million in respect of the financial year ended 31 July 2009 was paid on 15 January 2010.

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

10. DEBT AND EQUITY SECURITIES

During the financial period ended 31 January 2010, the Company issued 1,230,000, 6,162,800 and 60,000 new ordinary shares of RM0.10 each, for cash, arising from the exercise of ESOS at an exercise price of RM1.35, RM1.40 and RM1.60 per ordinary share respectively.

Save as disclosed above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current quarter and financial year-to-date.

11. CHANGES IN COMPOSITION OF THE GROUP

On 30 September 2009, the Company had reorganised the shareholding of its indirect subsidiary, Kencana Pinewell Sdn Bhd ("Kencana Pinewell"). The entire equity interest of Kencana Pinewell comprising 500,000 ordinary share of RM1.00 each has been transferred to the Company from Kencana Bestwide Sdn Bhd ("Kencana Bestwide"), a direct wholly-owned subsidiary of the Company. As a result of the transfer, Kencana Pinewell has become a direct wholly-owned subsidiary of the Company.

Save as disclosed above, there were no changes in the composition of the Group during the current quarter and financial year-to-date.

12. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Corporate Guarantee

Kencana Bestwide, a wholly-owned subsidiary of the Company, granted unsecured corporate guarantee amounting to RM1,500,000 to a financial institution for credit facilities granted to Best Wide Engineering (M) Sdn Bhd, an associated company of Kencana Bestwide.

Litigation Matters

- (a) Kencana Bestwide Sdn. Bhd. (“**KBW**”), filed a suit on 15.10.2003 against one of its customers for the sum of RM1,071,899.02 plus interest, being outstanding payment owing to Kencana Bestwide for work done and services rendered by KBW. The Defendant in return, filed a counter-claim for the sum of RM2,122,573.08 plus interest, for damages allegedly suffered. On 29.1.2010, the Court entered judgment against the Defendant as well as dismissing the Defendant’s counter claim against KBW with costs. The judgment will be finalised upon the Court’s decision on third party costs. On 19.2.2010, the Defendant filed a notice of appeal to the Court of Appeal however did not apply for any stay of judgment obtained.
- (b) A claimant filed a suit on 15.9.2008 against Kencana HL Sdn. Bhd. (“**KHL**”) as the 2nd Defendant for the sum of RM1,731,388.92, interest of RM1,131,635.90, damages and other costs, allegedly outstanding payment owing by KHL. On 21.8.2009, the claimant filed an application for summary judgment against KHL and on 2.3.2010, the Court granted summary judgment against KHL for only the sum of RM298,301.66 with interest at 8% pa from 5.2.2005 until date of full settlement and costs. KHL has appealed against the decision of the summary judgment and will apply for a stay of execution of the said judgment. The Court fixed 19.4.2010 for pre-trial case management.

The above litigation matters are not expected to have material effect on the Group financial results or position.

There were no material contingent liabilities that may, upon materialization, have a material effect on the Group’s financial results or position.

13. 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 31 January 2010 were as follows:

	As at 31.01.2010 RM’000
Approved and contracted for	
Purchase of property, plant and equipment	<u>151,394</u>

14. SUBSEQUENT EVENTS

(a) Renounceable Rights Issue and Bonus Issue

On 5 February 2010, 364,163,320 Rights Shares and 382,371,486 Bonus Shares were issued pursuant to the Rights Issue and Bonus Issue respectively and thereafter listed and quoted on the Main Market of Bursa Securities on 8 February 2010.

(b) Employees Share Options Scheme (“ESOS”)

Subsequent to 31 January 2010, the Company issued 294,965 new ordinary shares of RM0.10 each, for cash, arising from the exercise of ESOS at an exercise price of RM0.84 per ordinary share.

(c) Acquisition of a subsidiary

The Company via its wholly-owned subsidiary, Kencana Petroleum Ventures Sdn. Bhd. (“KPV”), has on 4 February 2010 acquired the entire issued and paid-up share capital of Thrive Alliance Sdn. Bhd. (“TASB”) comprising 2 ordinary shares of RM1.00 each fully paid at par, making it a wholly-owned subsidiary of the Company. KPV has also on even date subscribed for additional 99,998 ordinary shares of RM1.00 each at par in TASB. TASB was incorporated on 11 December 2009 and its intended principal activity is to undertake all KPV’s interests in managing and operating the offshore support vessel business segment.

TASB has on 10 February 2010 changed its name to Kencana Nautilus Sdn Bhd (“Nautilus”).

(d) Incorporation of a subsidiary

The Company has, via its wholly-owned subsidiary, Nautilus, on 12 February 2010 incorporated a wholly-owned subsidiary, Gemia (Labuan) Pte Ltd (“Gemia”) in the Federal Territory of Labuan. The issued and paid-up share capital of Gemia is USD2.00 comprising 2 ordinary shares of USD1.00 each. Gemia’s intended principal activities are to be a vessel owner and to conduct vessel leasing business.

Save as disclosed above, there were no other material events subsequent to the end of the current quarter.

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

15. PERFORMANCE REVIEW

For the current quarter under review, the Group recorded revenue of RM250.1 million and profit before taxation of RM41.7 million. Compared to the corresponding quarter ended 31 January 2009 of RM274.1 million, revenue had decreased by approximately 9% in the current quarter, mainly due to progress achieved for contracts in hand, which was in line with the project delivery schedule. Despite the decrease in revenue, profit before tax had gone up by 19% from RM34.9 million to RM41.7 million mainly due to better management of costs resulting in better margin recorded.

16. MATERIAL CHANGE IN QUARTERLY RESULTS AS COMPARED TO THE IMMEDIATE PRECEDING QUARTER

Profit before tax for the current quarter under review of RM41.7 million closely approximates that of the immediate preceding quarter of RM41.8 million.

17. COMMENTARY ON PROSPECTS

The Board of Directors believes that capital spending in the upstream oil and gas sector is expected to be resilient despite the lower world oil prices. This belief is based on continued active exploration and production activities by the oil and gas companies.

Based on this expectation, the Group expects the demand for its core business of engineering and fabrication of oil and gas production facilities, both offshore and onshore to remain encouraging. In addition, the Group's activities in the marine engineering and offshore services are expected to expand the earnings base of the Group. Barring unforeseen circumstances, the Board of Directors is reasonably confident that the prospect of the Group remains positive.

18. PROFIT FORECAST

The Group has not issued any profit forecast for the current financial year and therefore no comparison is available.

19. TAXATION

	2nd Quarter		Cumulative Quarter	
	01.11.2009 To 31.01.2010 RM'000	01.11.2008 To 31.01.2009 RM'000	01.08.2009 To 31.01.2010 RM'000	01.08.2008 To 31.01.2009 RM'000
Income tax expense	9,088	7,285	20,041	18,145
Deferred tax expense	344	414	503	381
	<u>9,432</u>	<u>7,699</u>	<u>20,544</u>	<u>18,526</u>

The effective tax rate of the Group for the financial year to-date closely approximates the statutory tax rate.

20. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES

On 8 February 2010, the Group entered into an agreement to dispose of the investment in its associate, Malaysian Engineering and Oilfield Services Sdn Bhd, for a consideration of RM210,000. Loss arising from the disposal was RM258,000.

Save as disclosed above, there were no sales of unquoted investments and/or properties in the current quarter and financial year-to-date.

21. INVESTMENTS IN QUOTED SECURITIES

There were no dealings by the Group in quoted securities for the current quarter and financial year-to-date. The Group did not hold any investments in quoted securities as at 31 July 2009.

22. STATUS OF CORPORATE PROPOSALS

- (a) On 12 March 2009, Kencana Petroleum Ventures Sdn Bhd (“KPV”) entered into Subscription and Shareholders’ Agreement (“SSA”) with Inno Serangkai Sdn Bhd, Inno Senada Sdn Bhd (“Inno Senada”), Malaysian Engineering and Oilfield Services Sdn Bhd and Teras-Kencana Ventures Sdn Bhd (“TKV”) (formerly known as Teras Muhibah Sdn Bhd) to invest a total value of USD14 million (approximately RM49 million) in TKV to purchase 27,000 ordinary shares of RM1.00 each in TKV from Inno Senada which represents 27% of the issued and paid-up ordinary share capital of TKV and to subscribe for new redeemable preference shares (“RPS”) of RM1.00 each in TKV.

Subsequently KPV had on 6 August 2009 entered into a Supplemental Agreement to vary some of the terms of the SSA. The main variations provided in the Supplemental Agreement are as follows:

- (i) The total investments to be made by TKV into TKV in the form of ordinary shares and RPS is now reduced to an aggregate of RM21 million
- (ii) As part of the RM21 million to be invested by KPV, the ordinary shares of TKV will be increased from the existing 100,000 ordinary shares of RM1.00 each to 282,000 ordinary shares of RM1.00 each to be subscribed in the following manner:-

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Shareholder	Existing ordinary shares	Issuance of new ordinary shares	Resultant Ordinary Shares	
			No.	%
KPV	27,000	162,000	189,000	67
Inno Senada	73,000	20,000	93,000	33
Total	100,000	182,000	282,000	100

As a result of the Supplemental Agreement, KPV had subscribed to a total of 189,000 ordinary shares of RM1.00 each in TKV for a total purchase consideration of RM662,000. The balance of the investment cost of RM21 million will be made in stages by KPV via subscription of TKV RPS of RM1.00 each.

Following KPV's subscription of new ordinary shares in TKV as mentioned above, TKV has become a 67%-owned subsidiary of KPV on 6 August 2009.

Subsequently, the option to subscribe to the remaining TKV RPS has lapsed.

- (b) On 22 June 2009, the Company announced that it intends to implement the Private Placement of up to 10% of the issued and paid-up share capital of the Company.

The Company had obtained the approval of the Company's shareholders at the Company's Annual General Meeting ("AGM") held on 16 December 2008 and subsequently renewed at the AGM held on 10 December 2009 pursuant to Section 132D of the Companies Act, 1965, that empowered the Board of Directors to allot and issue new shares from time to time and upon such terms and conditions and for such purpose as the Board of Directors may deem fit provided the aggregate number of the shares to be issued shall not exceed ten percent (10%) of the issued and paid-up share capital of the Company.

The approval from the Securities Commission ("SC") was obtained vide its letter dated 2 July 2009 and approval in-principle for the listing of and quotation for the placement shares was obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 21 July 2009.

The SC's approval for the Private Placement had expired on 2 January 2010. Accordingly the Company had sought the SC's approval for an extension of time for another 6 months until 2 July 2010 to implement the Private Placement. In the said application letter, the SC's approval is also sought to increase the number of placement shares as a result of the increase in the issued and paid-up share capital of the Company resulting from the Rights Issue and Bonus Issue. Nevertheless, the number of placement shares to be issued pursuant to the Private Placement would still represent 10% of the enlarged issued and paid-up share capital of the Company. The approval from the SC was obtained on 3 February 2010.

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- (c) On 11 November 2009, the Company proposed to undertake the following corporate exercises:
- (i) Proposed Renounceable Rights Issue of up to 369,066,200 new Ordinary Shares Of RM0.10 each (“Rights Shares”), at an issue price of RM0.50 per Rights Share on the basis of two (2) Rights Shares for every five (5) existing Ordinary Shares of RM0.10 each (“Share”) held in the Company (“Rights Issue”);
 - (ii) Proposed Bonus Issue of up to 387,519,510 shares in the Company (“Bonus Shares”) on the basis of three (3) Bonus Shares for every ten (10) existing Shares (inclusive of the Rights Shares to be issued) held in the Company (“Bonus Issue”);
 - (iii) Proposed Provision of Financial Assistance in the form of the securities to be provided by the Company and/or its subsidiaries for the facility taken by Mermaid Kencana Rig 1 Pte Ltd , an associate of the Company (“Provision of Financial Assistance”); and
 - (iv) Proposed New Shareholders’ Mandate for a new Recurrent Related Party Transaction of a revenue or trading nature.

(Collectively referred to as the “Corporate Exercises”)

The Company has received approval in-principle for the listing of and quotation for the Rights Shares and Bonus Shares from the Bursa Securities vide its letter dated 20 November 2009 in respect of the Corporate Exercises.

The Corporate Exercises were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on 10 December 2009.

The Provision of Financial Assistance was completed on 10 December 2009; and the Rights Issue and Bonus Issue were completed on 8 February 2010 with the listing of and quotation for the Rights Shares and Bonus Shares on the Bursa Securities. With that, this marked the completion of the Corporate Exercises.

- (d) The utilisation status of proceeds of RM182.08 million raised from the Rights Issue as at 18 March 2010 (being a date not earlier than 7 days from the date of issue of the quarterly report) is as follows:

No.	Purpose	Actual Utilisation (RM'000)
(i)	Repayment of bank borrowings	66,400
(ii)	Expenses for Corporate Exercises	2,808
(iii)	Working capital	22,600
	Total	91,808

Pursuant to the Abridged Prospectus dated 8 January 2010, the Rights Issue proceeds are expected to be utilised for capital expenditure, investment opportunities and business expansion in the oil and gas industry or related industries which have yet to be identified. In addition, the proceeds may also be used for working capital, repayment of bank borrowings as well as to defray expenses for Corporate Exercises.

However, the allocation between the aforesaid purposes cannot be ascertained as at the date of the Abridged Prospectus. The Company expects to fully utilise the Rights Issue proceeds within 2 years after the receipt of the proceeds.

Save as disclosed above, there is no other corporate proposal announced but not completed as at 25 March 2010.

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23. LOANS AND BORROWINGS

	As at 31.01.2010 RM'000	As at 31.07.2009 RM'000
Short-term borrowings		
Secured:		
Bankers' acceptance	769	854
Term loans	59,051	11,775
Hire purchase liabilities	13,564	13,972
Unsecured:		
Bank overdraft	-	179
Revolving credits	30,000	30,000
	<u>103,384</u>	<u>56,780</u>
Long-term borrowings		
Secured:		
Term loans	124,256	133,777
Hire purchase liabilities	17,500	22,211
	<u>141,756</u>	<u>155,988</u>
Total borrowings	<u>245,140</u>	<u>212,768</u>

The Group borrowings in RM equivalent are denominated in the following currencies:

Ringgit Malaysia	207,646	174,048
US Dollar	37,494	38,720
Total	<u>245,140</u>	<u>212,768</u>

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at 25 March 2010.

25. CHANGES IN MATERIAL LITIGATION

As at 25 March 2010, there was no material litigation against the Group.

26. DIVIDEND PROPOSED

No interim dividend has been declared for the current quarter under review.

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27. EARNINGS PER SHARE (“EPS”)

Basic EPS

Basic EPS is calculated by dividing the net 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.

	2 nd Quarter		Cumulative Quarter	
	01.11.2009	01.11.2008	01.08.2009	01.08.2008
	To	To	To	To
	31.01.2010	31.01.2009	31.01.2010	31.01.2009
Net profit attributable to equity holders of the Company (RM'000)	32,297	27,250	63,123	60,312
Weighted average number of ordinary shares in issue ('000)	908,043	902,000	906,047	902,000
Basic EPS (sen)	<u>3.56</u>	<u>3.02</u>	<u>6.97</u>	<u>6.69</u>

Diluted EPS

Diluted EPS amount is calculated by dividing the net 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 after adjusting for the dilutive effects of all potential ordinary shares to be issued under the ESOS.

	2 nd Quarter		Cumulative Quarter	
	01.11.2009	01.11.2008	01.08.2009	01.08.2008
	To	To	To	To
	31.01.2010	31.01.2009	31.01.2010	31.01.2009
Net profit attributable to equity holders of the Company (RM'000)	32,297	27,250	63,123	60,312
Net interest savings (RM'000)	742	-	2,969	-
Adjusted net profit attributable to equity holders of the Company (RM'000)	33,039	27,250	66,092	60,312
Weighted average number of ordinary shares in issue ('000)	908,043	902,000	906,047	902,000
Rights Shares ('000)	364,163	-	364,163	-
Bonus Shares ('000)	382,371	270,600	382,371	270,600
Assumed exercise of ESOS ('000)	3,019	4,683	3,019	4,683
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,657,596	1,177,283	1,655,600	1,177,283
Diluted EPS (sen)	<u>1.99</u>	<u>2.31</u>	<u>3.99</u>	<u>5.12</u>

The comparative figures for the diluted EPS have been restated to account for the effect of the Bonus Issue.

28. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 25 March 2010.

BY ORDER OF THE BOARD

Ng Heng Hooi
(MAICSA 7048492)
Company Secretary
Kuala Lumpur
25 March 2010