



PETRA ENERGY BERHAD

(Company No. 718388-H)

4, Jalan 3/3C,
Batu 7, Jalan Ipoh,
68100 Kuala Lumpur,
Malaysia

PETRA ENERGY BERHAD • PROSPECTUS

The pictures depicted in this Prospectus are projects undertaken by Petra Energy Berhad and its subsidiaries. The pictures are for illustration only and do not imply that the depictions are assets of Petra Energy Berhad and its subsidiaries.

P R O S P E C T U S



PETRA ENERGY BERHAD

(Company No.: 718388-H)
(Incorporated in Malaysia under the Companies Act, 1965)

PUBLIC ISSUE OF 46,000,000 NEW ORDINARY SHARES OF RM0.50 EACH IN PETRA ENERGY BERHAD ("PETRA ENERGY") ("PUBLIC ISSUE SHARES") AT AN ISSUE PRICE OF RM2.62 PER ORDINARY SHARE PAYABLE IN FULL ON APPLICATION ("PUBLIC ISSUE") COMPRISING:

- 6,535,000 NEW ORDINARY SHARES OF RM0.50 EACH IN PETRA ENERGY MADE AVAILABLE FOR APPLICATION BY THE MALYSIAN PUBLIC;
- 6,765,000 NEW ORDINARY SHARES OF RM0.50 EACH IN PETRA ENERGY BY WAY OF A RENOUNCEABLE RESTRICTED ISSUE TO THE SHAREHOLDERS OF PETRA PERDANA BERHAD ON THE BASIS OF 1 NEW ORDINARY SHARE OF RM0.50 EACH IN PETRA ENERGY FOR EVERY 40 EXISTING ORDINARY SHARES OF RM0.50 EACH IN PETRA PERDANA BERHAD HELD BY THE SHAREHOLDERS OF PETRA PERDANA BERHAD AS AT 5.00 P.M. ON 25 JUNE 2007;
- 26,200,000 NEW ORDINARY SHARES OF RM0.50 EACH IN PETRA ENERGY RESERVED FOR PLACEMENT TO IDENTIFIED BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY;
- 6,500,000 NEW ORDINARY SHARES OF RM0.50 EACH IN PETRA ENERGY RESERVED FOR PLACEMENT TO IDENTIFIED INVESTORS;

AND

BONUS ISSUE OF 65,000,000 NEW ORDINARY SHARES OF RM0.50 EACH IN PETRA ENERGY TO BE CREDITED AS FULLY PAID-UP TO THE SHAREHOLDERS OF PETRA ENERGY ON THE BASIS OF 1 NEW ORDINARY SHARE OF RM0.50 EACH IN PETRA ENERGY FOR EVERY 2 EXISTING ORDINARY SHARES OF RM0.50 EACH HELD IN PETRA ENERGY AFTER THE PUBLIC ISSUE

**IN CONJUNCTION WITH OUR LISTING ON THE MAIN BOARD OF
BURSA MALAYSIA SECURITIES BERHAD**

Adviser, Sole Underwriter and Sole Placement Agent



Alliance Investment Bank Berhad (21605-D)
formerly known as Alliance Merchant Bank Berhad
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH YOU SHOULD
CONSIDER, PLEASE SEE SECTION 5 OF THIS PROSPECTUS**

THIS PROSPECTUS IS DATED 26 JUNE 2007

OUR DIRECTORS AND PROMOTERS (AS DEFINED HEREIN) HAVE SEEN AND APPROVED THIS PROSPECTUS AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENTS HEREIN FALSE OR MISLEADING. OUR DIRECTORS HEREBY ACCEPT FULL RESPONSIBILITY FOR THE PROFIT FORECAST OF OUR GROUP FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2007 INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE PROFIT FORECAST HAS BEEN PREPARED BASED ON THE ASSUMPTIONS MADE.

ALLIANCE INVESTMENT BANK BERHAD (FORMERLY KNOWN AS ALLIANCE MERCHANT BANK BERHAD) ("ALLIANCE"), AS OUR ADVISER, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE FLOTATION SCHEME (AS DEFINED HEREIN) AND IS SATISFIED THAT THE PROFIT FORECAST (FOR WHICH OUR DIRECTORS ARE FULLY RESPONSIBLE), PREPARED FOR INCLUSION IN THIS PROSPECTUS HAS BEEN STATED BY OUR DIRECTORS AFTER DUE AND CAREFUL ENQUIRY AND HAS BEEN DULY REVIEWED BY OUR REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE ISSUE, OFFER OR INVITATION IN RESPECT OF OUR FLOTATION SCHEME AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE FLOTATION SCHEME.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. **YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.**

WE HAVE MADE AN APPLICATION TO BURSA MALAYSIA SECURITIES BERHAD ("SECURITIES EXCHANGE") TO OBTAIN ITS APPROVAL-IN-PRINCIPLE FOR THE LISTING OF OUR SHARES ON THE MAIN BOARD OF SECURITIES EXCHANGE. OUR ADMISSION TO THE OFFICIAL LIST OF THE SECURITIES EXCHANGE IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE INVITATION, OUR COMPANY OR OF OUR SECURITIES.

YOU SHOULD NOT TAKE THE AGREEMENT BY THE SOLE UNDERWRITER TO UNDERWRITE THE PUBLIC ISSUE AS AN INDICATION OF THE MERITS OF OUR SECURITIES.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 57, 58 AND 153 OF THE SECURITIES COMMISSION ACT, 1993.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE FORM OF APPLICATION, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THE SECURITIES OF PETRA ENERGY IS CLASSIFIED AS SYARIAH-COMPLIANT BY THE SYARIAH ADVISORY COUNCIL ("SAC") OF THE SC BASED ON THE LATEST AUDITED CONSOLIDATED FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006 OF PETRA ENERGY BERHAD AND THIS CLASSIFICATION REMAINS VALID FROM THE DATE OF ISSUE OF THIS PROSPECTUS UNTIL THE NEXT SYARIAH COMPLIANCE REVIEW UNDERTAKEN BY THE SAC OF THE SC AND THE NEW STATUS IS RELEASED IN THE UPDATED LIST OF SYARIAH-COMPLIANT SECURITIES EITHER ON THE LAST FRIDAY OF THE MONTH OF APRIL OR OCTOBER.

THE SYARIAH STATUS FOR OUR SHARES CANNOT BE USED FOR OTHER FUND-RAISING ACTIVITIES.

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM THE SECURITIES EXCHANGE'S WEBSITE AT www.bursamalaysia.com.

THE CONTENTS OF AN ELECTRONIC PROSPECTUS (AS DEFINED HEREIN) ARE AS PER THE CONTENTS OF THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS SO REGISTERED IS AVAILABLE ON THE WEBSITES OF CIMB INVESTMENT BANK BERHAD (FORMERLY KNOWN AS COMMERCE INTERNATIONAL MERCHANT BANKERS BERHAD) AT www.eipocimb.com, CIMB BANK BERHAD (FORMERLY KNOWN AS BUMIPUTERA-COMMERCE BANK BERHAD) AT www.cimbclicks.com.my, MALAYAN BANKING BERHAD AT www.maybank2u.com.my AND RHB BANK BERHAD AT www.rhbbank.com.my VIA HYPERLINK TO THE SECURITIES EXCHANGE WEBSITE AT www.bursamalaysia.com.

YOU ARE ADVISED THAT THE INTERNET IS NOT A FULLY SECURED MEDIUM, AND THAT AN INTERNET SHARE APPLICATION (AS DEFINED HEREIN) IS SUBJECT TO THE RISKS OF PROBLEMS OCCURRING DURING DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION (AS DEFINED HEREIN), WHICH RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTION (AS DEFINED HEREIN). IF YOU ARE IN DOUBT CONCERNING THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST A PAPER/PRINTED COPY OF THE PROSPECTUS DIRECTLY FROM US, ALLIANCE OR THE ISSUING HOUSE (AS DEFINED HEREIN). IN THE EVENT OF ANY DISCREPANCIES ARISING BETWEEN THE CONTENTS OF AN ELECTRONIC PROSPECTUS AND THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS FOR ANY REASON WHATSOEVER, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL. THE ELECTRONIC PROSPECTUS SUBMITTED TO THE SC AND SECURITIES EXCHANGE ARE THE SAME AS THE REGISTERED PAPER PRINTED COPY.

IN RESPECT OF ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES (SUCH INTERNET SITES ARE HEREINAFTER REFERRED TO AS "THIRD PARTY INTERNET SITES"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:

- (I) OUR COMPANY DOES NOT ENDORSE AND IS NOT AFFILIATED IN ANY WAY WITH THE THIRD PARTY INTERNET SITES REFERRED TO IN THIS PROSPECTUS AND IS NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENTS OR ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES, AND THAT YOU BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;
- (II) OUR COMPANY IS NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, FOR FULFILLING ANY OF THE TERMS OF YOUR AGREEMENT IN CONNECTION WITH THE THIRD PARTY INTERNET SITES, IF ANY, AND ANY LOSS OR DAMAGE OR COSTS THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES AND THE USE OF OR RELIANCE ON ANY DATA, INFORMATION, FILES OR OTHER MATERIAL PROVIDED THEREON; AND

- (III) ANY DATA, INFORMATION, FILES OR OTHER MATERIALS DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. OUR COMPANY SHALL BEAR NO RESPONSIBILITY, LIABILITY OR OBLIGATION WHATSOEVER IN RESPECT OF ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIALS.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, APPLICANTS ARE ADVISED THAT:

- (I) THE LIABILITY OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS IS ONLY TO THE EXTENT OF THE CONTENTS OF THE ELECTRONIC PROSPECTUS SITUATED ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION SHALL NOT BE RESPONSIBLE IN ANY WAY FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN DOWNLOADED OR OTHERWISE OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION AND THEREAFTER COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES.
- (II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED AS THE INTERNET IS NOT A FULLY SECURED MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTION SHALL NOT BE SUBJECT TO ANY LIABILITY WHATSOEVER (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS WHATSOEVER SUFFERED OR INCURRED BY YOU OR ANY OTHER PERSON DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT OR FAULTS WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT OR FAULTS ON YOURS OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION; WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

THIS PROSPECTUS IS PREPARED AND PUBLISHED SOLELY FOR THE PUBLIC ISSUE IN MALAYSIA UNDER THE LAWS OF MALAYSIA. THE PUBLIC ISSUE SHARES ARE OFFERED IN MALAYSIA SOLELY BASED ON THE CONTENTS OF THIS PROSPECTUS. OUR COMPANY AND ITS ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE POTENTIAL INVESTORS WITH INFORMATION WHICH IS NOT CONTAINED IN THIS PROSPECTUS.

OUR COMPANY WILL NOT, PRIOR TO ACTING ON ANY ACCEPTANCE IN RESPECT OF THE PUBLIC ISSUE, MAKE OR BE BOUND TO MAKE ANY ENQUIRY AS TO WHETHER INVESTORS HAVE A REGISTERED ADDRESS IN MALAYSIA AND WILL NOT ACCEPT OR BE DEEMED TO ACCEPT ANY LIABILITY IN RELATION THERETO WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION THEREWITH. IT SHALL BE YOUR SOLE RESPONSIBILITY IF YOU ARE OR MAY BE SUBJECT TO THE LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA AND TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER THE PUBLIC ISSUE WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OF SUCH COUNTRIES OR JURISDICTIONS.

FURTHER, IT SHALL ALSO BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR THE PUBLIC ISSUE WOULD BE IN COMPLIANCE WITH THE TERMS OF THE PUBLIC ISSUE AND WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED. OUR COMPANY WILL FURTHER ASSUME THAT YOU HAD ACCEPTED THE PUBLIC ISSUE IN MALAYSIA AND WILL AT ALL APPLICABLE TIMES BE SUBJECTED ONLY TO THE LAWS OF MALAYSIA IN CONNECTION THEREWITH.

HOWEVER, OUR COMPANY RESERVES THE RIGHT, IN ITS ABSOLUTE DISCRETION TO TREAT ANY ACCEPTANCE AS INVALID IF OUR COMPANY BELIEVES THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE MADE TO COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR WITH OR BY ANY REGULATORY AUTHORITY OR OTHER RELEVANT BODY OF ANY JURISDICTION OTHER THAN MALAYSIA.

THE DISTRIBUTION OF THIS PROSPECTUS AND THE ACCOMPANYING DOCUMENTS ARE SUBJECT TO MALAYSIAN LAWS. OUR COMPANY AND ITS ADVISERS TAKE NO RESPONSIBILITY FOR THE DISTRIBUTION OF THIS PROSPECTUS (IN PRELIMINARY OR FINAL FORM) OUTSIDE MALAYSIA. OUR COMPANY AND ITS ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT A PUBLIC ISSUE OF ITS SHARES BASED ON THIS PROSPECTUS OR THE DISTRIBUTION OF THIS PROSPECTUS OUTSIDE MALAYSIA. THIS PROSPECTUS MAY NOT BE USED FOR ANY OFFER TO SELL OR INVITATION TO BUY PETRA ENERGY SHARES IN ANY JURISDICTION OR IN ANY CIRCUMSTANCE IN WHICH SUCH AN OFFER OR INVITATION IS NOT AUTHORISED OR UNLAWFUL. THIS PROSPECTUS SHALL ALSO NOT BE USED TO MAKE AN OFFER OR INVITATION OF OUR COMPANY'S SHARE TO ANY PERSON TO WHOM IT IS UNLAWFUL TO DO SO. OUR COMPANY AND ITS ADVISERS REQUIRE POTENTIAL INVESTORS TO INFORM THEMSELVES OF AND TO OBSERVE SUCH RESTRICTIONS.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” in this Prospectus are to Petra Energy Berhad, while references to “our Group” are to our Company and our subsidiary companies. References to “we”, “us”, “our” and “ourselves” are to our Company and our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Directors and key management as at the date of this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Certain acronyms, technical terms and other abbreviations used are defined in “Definitions” and “Glossary of Technical Terms” appearing after this section. Words denoting the singular only shall include the plural and vice versa. Reference to persons shall include companies and corporations.

All references to dates and times are references to dates and times in Malaysia.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Prospectus includes statistical data provided by various parties (including our Company and Frost & Sullivan in the Independent Market Research Report) and cites third-party projections regarding growth and performance of the industry in which we operate. Some of this data is taken or derived from information published by industry sources. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us. We believe that the statistical data and projections cited in this Prospectus are useful in helping prospective investors understand the major trends in the industry in which we operate. However, neither ourselves nor our advisers have verified these third-party figures.

We and our advisers do not make any representation as to the correctness, accuracy or completeness of such third-party data. You should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third-party projections, cited in this Prospectus are subject to uncertainties that could cause actual data to differ materially from the projected figures. We give no assurance that the projected figures will be achieved.

The information on our website, or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on it.

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FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements which include all statements other than those of historical facts, including among others, those regarding our Group's financial position, business strategies, plans and objectives of our Management for future operations. Some of these statements can be identified by words that have a bias towards or are forward-looking such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our Group's control that could cause the actual results, performance or achievements of our Group to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Group's present and future business strategies and the environment in which our Group will operate in the future.

Among the important factors that could cause our Group's actual results, performance or achievements to differ materially from those in the forward-looking statements are those in Section 5, Section 8, Section 14 and Section 15 of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

These forward-looking statements speak only as at the date of this Prospectus. We expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statements contained in this Prospectus to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based.

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TENTATIVE TIMETABLE

The tentative timing of events in relation to the Public Issue is set out below:

Event	Tentative date / time
Opening date and time of application	26 June 2007 at 10.00 a.m.
Commencement date and time of trading for the provisional allotment of Restricted Issue Shares	28 June 2007 at 9.00 a.m.
Tentative last date and time for: <ul style="list-style-type: none"> • Sale of provisional allotment of Restricted Issue Shares • Transfer of provisional allotment of Restricted Issue Shares • Closing date and time of application, acceptance and payment 	4 July 2007 at 5.00 p.m. 9 July 2007 at 4.00 p.m. 12 July 2007 at 5.00 p.m.
Tentative balloting date of new Petra Energy Shares	16 July 2007
Tentative allotment date of new Petra Energy Shares	19 July 2007
Listing of and quotation for our Company's entire enlarged issued and paid-up share capital on the Main Board of Bursa Malaysia Securities Berhad	23 July 2007

Our Directors, the Directors of Petra Perdana and Alliance may mutually decide at their absolute discretion, to extend the closing date and time for applications for the Public Issue to any later date and time. If the date of the closing of applications is extended, the dates of the balloting, allotment and listing would be extended accordingly. We will announce any extension of the date of closing of application for the Public Issue in a widely circulated Bahasa Malaysia and English daily newspapers within Malaysia not less than one (1) market day before the original date of the closing of applications. **Late applications will not be accepted.**

The success of the Public Issue is also exposed to the risk that it may fail or be delayed should any of the following events occur:

- (i) the placees for the Bumiputera Placement Tranche and Placement Tranche fail to subscribe for their portion of the Public Issue Shares allocated to them; and/or
- (ii) the Company is unable to meet the public spread requirement of at least 25% of the Company's total number of shares for which listing is sought is in the hands of a minimum number of 1,000 public shareholders holding not less than 100 Shares each.

Although Petra Energy and Alliance will endeavour to secure the listing and ensure compliance with the Listing Requirements of the Securities Exchange, no assurance can be given that the abovementioned factors will not cause a delay in or failure of the listing. In the event of a failure of the listing, monies received from the application for the Public Issue Shares will be subsequently refunded without interest to the applicants.

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DEFINITIONS

Unless the context otherwise requires, the following definitions shall apply throughout this Prospectus and the Application Forms:

1 st Systems	:	1 st Systems Technology Sdn Bhd (<i>Company No.: 464536-H</i>)
Act	:	Companies Act, 1965 and any amendments thereto
ADA	:	Authorised Depository Agent
Alliance	:	Alliance Investment Bank Berhad (<i>formerly known as Alliance Merchant Bank Berhad</i>) (<i>Company No.: 21605-D</i>)
Application	:	Application for the Public Issue Shares by way of Application Form, by way of Electronic Share Application or Internet Share Application
Application Form(s)	:	Printed application form(s) for the application of the Public Issue Shares accompanying this Prospectus
ATM	:	Automated teller machine
Board	:	Board of Directors of Petra Energy
Bonus Issue	:	Bonus issue of 65,000,000 new Petra Energy Shares to be issued to the shareholders of Petra Energy after the Public Issue on the basis of 1 new Petra Energy Share for every 2 existing Petra Energy Shares held after the Public Issue
Bonus Shares	:	65,000,000 new Petra Energy Shares to be issued pursuant to the Bonus Issue, subject to the terms and conditions of this Prospectus
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (<i>Company No.: 165570-W</i>)
CDS	:	Central Depository System
CDS Account	:	Account established for a depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the depositor
CIDB	:	Construction Industry Development Board, Malaysia
Cosmos Time	:	Cosmos Time Sdn Bhd (<i>Company No.: 490670-T</i>)
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Eight Kris	:	Eight Kris Sdn Bhd (<i>Company No.: 437745-W</i>)
Electronic Share Application(s)	:	Application(s) for the Public Issue Shares through a Participating Financial Institution's ATM
EMEPMI	:	ExxonMobil Exploration and Production Malaysia Inc.
EPS	:	Earnings per share
FIC	:	Foreign Investment Committee
FIC Guidelines	:	Guidelines on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests issued by the FIC as amended or expanded from time to time

DEFINITIONS (*Cont'd*)

Flotation Scheme	:	The Repayment, Public Issue, Bonus Issue and Listing, collectively
Frost & Sullivan	:	Frost & Sullivan Malaysia Sdn Bhd (<i>Company No.: 52293-W</i>)
FYE	:	Financial year(s) ended/ending
GDP	:	Gross domestic product
HLMC	:	HL Management Co Sdn Bhd (<i>Company No.: 93631-V</i>)
HLMC Placement Shares	:	27,000,000 Petra Perdana Shares issued to HLMC, at an issue price of RM2.75 per Petra Perdana Shares which was announced completed on 11 May 2007
Independent Market Research Report	:	The independent market research report issued by Frost & Sullivan entitled "The Strategic Analysis of the Malaysian Integrated Brown Field Services Market" dated 28 May 2007
Holding Group	:	Petra Perdana Group excluding the Petra Energy Group
Internet Participating Financial Institution(s)	:	The participating organisation(s) in the Internet Share Applications
Internet Share Application(s)	:	The application(s) for the Public Issue Shares through an online share application service provided by the Internet Participating Financial Institutions
Intra Oil	:	Intra Oil Services Bhd (<i>Company No.: 61696-V</i>)
Issue Price	:	Issue price of RM2.62 per Public Issue Share
Issuing House	:	Malaysian Issuing House Sdn Bhd (<i>Company No.: 258345-X</i>)
Latest Practicable Date	:	As at 21 May 2007, being the latest practicable date prior to the printing of this Prospectus
Listing	:	Admission of Petra Energy to the Official List of the Securities Exchange and the listing of and quotation for the entire enlarged issued and paid-up share capital of Petra Energy of RM97,500,000 comprising 195,000,000 Petra Energy Shares on the Main Board of the Securities Exchange
Market Day	:	Any day on which the Securities Exchange is open for the trading of securities
MITI	:	Ministry of International Trade and Industry
MOF	:	Ministry of Finance
NTA	:	Net tangible assets
Participating Financial Institution(s)	:	Participating financial institution(s) for Electronic Share Application as listed in Section 20 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
Petra Energy/ Company	:	Petra Energy Berhad (<i>Company No.: 718388-H</i>)

DEFINITIONS (*Cont'd*)

Petra Energy Group/ Group	:	Petra Energy and its subsidiary companies, namely Petra Resources, Petra Fabricators and Petra Boilers (through Petra Fabricators)
Petra Energy Share(s)/ Share(s)	:	Ordinary share(s) of RM0.50 each in Petra Energy
PE Multiple	:	Price earnings multiple
Petra Boilers	:	Petra Boilers Sdn Bhd (<i>Company No.: 452660-P</i>)
Petra Fabricators	:	Petra Fabricators Sdn Bhd (<i>Company No.: 425817-H</i>)
Petra Perdana	:	Petra Perdana Berhad (<i>Company No.: 372113-A</i>)
Petra Perdana Group	:	Petra Perdana and its subsidiary companies
Petra Perdana Shareholders	:	The shareholders of Petra Perdana (save for holders of HLMC Placement Shares) whose names appear in the Record of Depositors of Petra Perdana as at 5.00 p.m. on 25 June 2007
Petra Perdana Share(s)	:	Ordinary share(s) of RM0.50 each in Petra Perdana
Petra Resources	:	Petra Resources Sdn Bhd (<i>Company No.: 172962-D</i>)
Petra Resources (S)	:	Petra Resources (S) Pte Ltd (<i>Company No.: 199903615Z</i>), which upon its own application, has been de-registered from the register of the Accounting and Corporate Regulatory Authority of Singapore effective 22 February 2007
PETRONAS	:	Petroleum Nasional Bhd (<i>Company No.: 20076-K</i>), Malaysia's national oil corporation
PETRONAS Carigali	:	PETRONAS Carigali Sdn Bhd (<i>Company No.: 39275-U</i>), the exploration, development and production arm of PETRONAS
Promoters	:	Collectively, Petra Perdana and Tengku Ibrahim Petra
Public Issue	:	Public issue of 46,000,000 new Petra Energy Shares at the Issue Price payable in full upon application to be allocated in the manner set out in Section 4.3.1 of this Prospectus, subject to the terms and conditions of this Prospectus
Public Issue Share(s)	:	46,000,000 new Petra Energy Shares to be issued pursuant to the Public Issue, subject to the terms and conditions of this Prospectus
Repayment	:	The repayment of RM20 million owed to its holding company, Petra Perdana, by way of cash
Restricted Issue Shares	:	6,765,000 new Petra Energy Shares to be issued pursuant to the Restricted Issue Tranche, subject to the terms and conditions of this Prospectus
Restricted Issue Tranche	:	Renounceable restricted issue of 6,765,000 new Petra Energy Shares by Petra Energy to the Petra Perdana Shareholders (save for HLMC Placement Shares) on the basis of 1 new Petra Energy Share for every 40 existing Petra Perdana Shares held as at 5.00 p.m. on 25 June 2007, at the Issue Price
RM and sen	:	Ringgit Malaysia and sen, respectively

DEFINITIONS *(Cont'd)*

Sabah Shell	:	Sabah Shell Petroleum Company Limited (<i>Company No.: 993229-W</i>)
SAC	:	Syariah Advisory Council
Sarawak Shell	:	Sarawak Shell Berhad (<i>Company No.: 71978-W</i>)
SC	:	Securities Commission
SC Guidelines	:	Policies and Guidelines on Issue/ Offer of Securities of the SC as amended or expanded from time to time
Securities Exchange	:	Bursa Malaysia Securities Berhad (<i>Company No.: 635998-W</i>)
SGD	:	Singapore Dollars
Tengku Ibrahim Petra	:	Yang Mulia Tengku Dato' Ibrahim Petra bin Tengku Indra Petra
TI Equity	:	TI Equity Sdn Bhd (<i>Company No.: 492313-U</i>)
UK	:	United Kingdom
Underwriting Agreement	:	The underwriting agreement dated 25 May 2007 made between the Company and the Sole Underwriter for the underwriting of 10,948,540 Public Shares for an underwriting commission and management fee of 1.5% and 0.5% of the issue price of RM2.62 per Public Issue Share respectively.
US	:	United States of America
USD	:	US Dollars

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GLOSSARY OF TECHNICAL TERMS

The following glossary of technical terms is extracted from the Independent Market Research Report.

Abandonment	:	To cease all efforts to produce oil or gas from a well. Once the oil well reaches a stage where it can no longer produce hydrocarbons cost effectively, it is plugged and the structures are dismantled
Appraisal	:	The phase of petroleum operations that immediately follows successful exploratory drilling. The value of the reserves are estimated and if the field is found feasible, activities shift to the development phase
Barrel	:	Standard Unit to measure crude oil. Equal to 42 US gallons or 159 litres
Bbl/d	:	Barrels per day
Bio-Fuel	:	Gas or liquid fuel derived from organic material (biomass)
BOE	:	Barrels of Oil Equivalent. The barrel of oil equivalent is a unit of energy approximately equal to 5.8×10^6 BTU (British Thermal Units) or 6.12×10^9 Joules, based on the approximate energy released by burning one barrel of crude oil
Brown Field	:	An oil or gas field that has matured to a production plateau or even progressed to a stage of declining production
Brown Field Services	:	The support activities provided to a Brown Field site are termed Brown Field services. The Brown Field stage consists of production, operations, maintenance and abandonment
Coal to Oil Technology	:	Technology that converts coal to oil. The oil so produced is called synthetic oil
Crude Oil	:	Unrefined petroleum obtained from an oil well
Development	:	In this stage, structures for production of oil are constructed. Associated facilities are also built. All this involves detailed engineering and project management. The duration of exploration and development phase may last around 5 to 7 years
Distillates	:	Products obtained from distillation
Downstream	:	The downstream oil and gas industry processes the extracted oil or gas to finished products that are then supplied to end-users. The downstream industry consists of refineries and petrochemical complexes
EIA	:	Energy Information Administration, US
Exploration	:	Exploration involves interpreting seismic data for potential hydrocarbon deposits. Test wells are drilled for further investigation
Gas to Oil Technology	:	Technology that converts natural gas to oil, also termed Gas to Liquids technology
Green Field	:	When the oil field is in the stages of exploration and development, it is called a Green Field
Green Field Services	:	The support activities provided to a green field site is termed green field services. Green Field stage consists of two phases of the lifecycle- exploration and development

GLOSSARY OF TECHNICAL TERMS (*Cont'd*)

HSE	:	Health, Safety and Environment
Hydrocarbon	:	An organic compound containing hydrogen and carbon
ISO 9001	:	An internationally accepted standard which specifies the requirements for Quality Management System applicable to any industry to assist organisations in meeting customer and applicable regulatory requirements
Offshore	:	Located at a distance from the shore
Oil Field	:	An area with reserves of recoverable petroleum, especially one with several oil-producing wells
Oil Refinery	:	An industrial plant that purifies crude oil into value added products such as Naptha, Motor Spirit and Kerosene
Oil shale	:	Low-grade petroleum admixed with mineral and other matter (kerogen). Oil shale is generally processed by thermal methods
Onshore	:	Located on the shore
OPEC	:	Organization of Petroleum Exporting Countries
Petroleum	:	The general term given to crude oil, oil shale, tar sands and natural gas and associated liquids
Production	:	The extraction of hydrocarbons (oil or gas) is termed as production
PSC	:	Production Sharing Contracts. A Production Sharing Contract is an agreement between a contractor and a host government whereby the contractor bears all exploration risks, development and production costs in return for a stipulated share of the production resulting from this effort. National oil company, PETRONAS, carries out exploration, development and production activities in Malaysia through Production Sharing Contracts with a number of international oil and gas companies and with its wholly owned subsidiary, PETRONAS Carigali
QA/ QC	:	Quality Assurance/ Quality Control
Reserves	:	The amount of oil or gas in a particular reservoir that is available for production
Retrofits	:	Modifications and upgrades done to existing oil and gas production facilities such as offshore platforms and onshore crude oil terminals in order to increase the production throughput capacities and extend the useful life of the facilities
Tar sands	:	Heavy oil-like material found in Canada, Venezuela and other regions. Tar sands are generally very hard to process into fuel
Upstream	:	The upstream oil and gas industry is involved in the exploration, appraisal and production (extraction) of oil or gas from onshore or offshore oil or gas fields

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