

12. PROPERTIES AND MATERIAL PLANT AND EQUIPMENT (Cont'd)

- (d) No sublease affecting this land may be effected without the consent in writing of the Director of Lands and Surveys during the initial period of five (5) years from the date of registration of the lease.
- (e) The property is free from encumbrances.
- ^ (a) This land is to be used only as a double storey semi-detached building for industrial purposes in the following manner:
-ground floor – industrial
-first floor – office/watchman's quarters
- (b) The development or re-development of this land shall be in accordance with plans, sections and elevations approved by the Superintendent of Lands & Surveys, Miri Division and shall also be in accordance with detailed drawings;
- (c) The erection of a building shall be in accordance with detailed drawings and specifications approved by the Miri Municipal Council and shall be completed within eighteen (18) months from the date of registration of the lease;
- (d) No transfer affecting this land may be effected without the consent in writing of the Director of Lands and Surveys; rescinded vide L12353/97 on 12 December 1997;
- (e) No sublease affecting this land may be effected without the consent in writing of the Director of Lands and Surveys during the initial period of five (5) years from the date of registration of the lease.
- (f) The property is free from encumbrances.

Saved as disclosed below, there were no transactions relating to the acquisition of properties by the Group during the past two (2) years preceding the date of this Prospectus:

Transaction	Date	Amount paid
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Petra Fabricators had acquired from Petra Perdana the piece of leasehold land located at Lot 58, Jalan Utas 15/7, Kawasan Perusahaannya, Seksyen 15, 40400 Shah Alam, Selangor ("Land") on which Petra Fabricators' factory is located at via a sale and purchase agreement dated 24 July 2006. Further details of the Land are set out above.	24 July 2006	RM6,389,809
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12. PROPERTIES AND MATERIAL PLANT AND EQUIPMENT (Cont'd)

12.2 LOCATION OF OUR OPERATIONS

The following properties are leased by our Group

Registered owner	Lessee	Location	Description/ existing use	Approximate age of building (years)	Period of tenancy/ Date of expiry of lease	Issuance Date of Certificate of Fitness	Built-up area	Monthly Rental (RM)
Petra Perdana	Petra Energy	No.4, Jalan 3/3C, Batu 7 Jalan Ipoh 68100 Kuala Lumpur	4½ storey shop office / Headquarter	8	3 years expiring 31 July 2009 with options to renew for further 3 years	20 April 2004	1,000 square metres	15,000
Kho Chew Swan	Petra Resources	Block 9, Lot 1310-1311 Miri Concession Land District Miri Waterfront Commercial Centre Jalan Bendahara 98000 Miri Sarawak	2 blocks of four storey commercial building/Miri Project Office	4	5 years expiring 30 November 2009	10 September 2004	1,037 square metres	17,200
Kho Chew Swan	Petra Resources	Block 9, Lot 1312 Miri Concession Land District Miri Waterfront Commercial Centre Jalan Bendahara 98000 Miri Sarawak	1 block of four storey commercial building / Miri Project Office	4	5 years expiring 31 December 2009	10 September 2004	519 square metres	8,600
Pangkalan Bekalan Kemaman Sdn Bhd	Petra Resources	Petra Resources Sdn Bhd Letter Box 50 Admin Building B Warehouse 16, Door 9 & 10 Kemaman Supply Base 24007 Kemaman Terengganu	Single storey factory warehouse/ Workshop	26	1 year expiring 30 November 2007	*	1,059 square metres	11,320

12. PROPERTIES AND MATERIAL PLANT AND EQUIPMENT (Cont'd)

Registered owner	Lessee	Location	Description/ existing use	Approximate age of building (years)	Period of tenancy/ Date of expiry of lease	Issuance Date of Certificate of Fitness	Built-up area	Monthly Rental (RM)
Lay Kim Chin	Petra Resources	No.45, Lot 3331, 1 st Floor, Park City Commercial Square, 97000 Bintulu Sarawak	Three storey Shop House / Bintulu Project office	11	1 year expiring 31 December 2007	5 September 1997	122.61 square metres	700

Note:

* Petra Resources has written to the landlord, Pangkalan Bekalan Kemaman Sdn. Bhd. ("Landlord") in respect of the certificate of fitness for occupation ("CF"). The Landlord had yet to revert to Petra Resources on the CF for Warehouse No 16, which is currently being occupied by Petra Resources.

The Landlord is a subsidiary of Eastern Pacific Industrial Corporation Berhad and the Landlord is the owner and operator of Kemaman Supply Base ("KSB"), the leading petroleum supply base in Peninsular Malaysia. The whole of the KSB area is licensed under the Customs Act 1967 as customs bonded area and manufacturing warehouses, thus this tax free zone is conducive for manufacturing companies to operate therein and enjoy its benefits. (Source: <http://www.epicgroup.com.my/ksb.htm>). Petra Resources location at KSB is therefore ideal and supports its current services to the relevant oil majors.

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12. PROPERTIES AND MATERIAL PLANT AND EQUIPMENT (Cont'd)

We wish to highlight that to the best of our knowledge and belief, the properties stated in Sections 12.1 and 12.2 above (i) have not breached any of the land-use conditions/ permissible land use; and (ii) where buildings are involved, there has not been any material non-compliance with current statutory requirements, land rules or building regulations.

12.3 OUR MATERIAL PLANT AND EQUIPMENT

Details on the material plant and equipment (those with audited net book value as at 31 December 2006 exceeding RM500,000) used by our Group are as follows:

Equipment	Description	Number of sets	Audited net book value as at 31.12.06 RM
Scaffolding sets	Scaffolding is a temporary framework erected to provide support (to people/ material) for access to platforms/ structures during construction/ maintenance work.	650	2,440,117
Slings and Shackles	For lifting purposes (i.e. tied to metal containers/ racks/ trays for loading / unloading).	*	553,157
Complete Bolt Tensioning Set	Bolt Tensioning Set and Torque Wrench Equipment. Used for bolt tensioning.	2	526,264
Duetz Welding Machine	Machine used for welding.	20	500,883
Explosion Proof Distribution Junction Box	Lighting for work area at vessel/ platform.	34	608,034
Miller Watercooled Diesel Engine	Portable air compressor.	10	598,874

Note:

* Various sizes and quantities

12. PROPERTIES AND MATERIAL PLANT AND EQUIPMENT (Cont'd)**12.4 OUR EXISTING VESSELS**

Details on the 2 vessels that we own as at 31 December 2006 are as follows:

Vessel	Registered owner	Description by function	Registration	Classification	Year of Construction/Acquisition	Gross Registered Tonnage / Net Registered Tonnage	Audited NBV as at 31.12.06 (RM'000)
Petra Discovery	Petra Resources	Accommodation / Work barge	Malaysia	American Bureau of Shipping	2004	8,882/2,664 tons	57,735
Petra Challenger	Petra Resources	Accommodation / Work barge	Malaysia	American Bureau of Shipping	2003	8,882/2,664 tons	65,863

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13. PROFORMA HISTORICAL FINANCIAL INFORMATION

The following sections set out the summary of our proforma Group's financial statements based on the assumption that our current group structure has been in existence throughout the years under review. Our proforma Group's consolidated financial statements have been properly compiled on the basis consistent with those previously adopted in the preparation of the audited financial statements of Petra Resources, Petra Fabricators and Petra Boilers and the financial statements used in the preparation of our proforma Group's financial statements were prepared in accordance with the approved accounting standards in Malaysia.

13.1 CONSOLIDATED INCOME STATEMENTS OF OUR PROFORMA GROUP FOR THE PAST THREE (3) FYE 31 DECEMBER 2006

The following table sets out the summary of our proforma consolidated income statements for the past three (3) FYE 31 December 2006. The proforma consolidated income statements for the past two (2) FYE 31 December 2005 were prepared based on the assumption that the current structure of the Group has been in existence throughout the financial years under review. The consolidated income statement for the FYE 31 December 2006 was based on the audited financial statements of the Group. The consolidated income statements should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information for the three (3) FYE 31 December 2006 and the analysis on our past operating results and financial position in Sections 13.4 and 14 of this Prospectus respectively.

		FYE 31.12.2004 RM'000	FYE 31.12.2005 RM'000	FYE 31.12.2006 RM'000
Revenue		161,092	417,299	431,349
Gross profit		35,249	82,480	84,012
EBITDA		16,561	54,030	65,239
PBT	(A)	12,012	33,287	40,559
Tax expense		(3,476)	(9,091)	(11,825)
PAT	(B)	<u>8,536</u>	<u>24,196</u>	<u>28,734</u>
Gross profit margin (%)		21.9	19.8	19.5
PAT margin (%)		5.3	5.8	6.7
Assumed number of Shares in issue (before Public Issue and Bonus Issue) ('000)	(C)	84,000	84,000	84,000
- Gross EPS (sen)	(A)/(C)	14.3	39.6	48.3
- Net EPS (sen)	(B)/(C)	10.2	28.8	34.2

There were no exceptional and extraordinary items during the financial years under review. Ng & Co. is the appointed Auditors of our Company and our subsidiary companies and has reported on the financial statements for the 3 FYE 31 December 2006 without any audit qualification and/or emphasis of matter, except as follows:-

Petra Resources

The auditors' report of the ultimate holding company, Petra Perdana for the FYE 31 December 2004 contained an emphasis of matter on a disputed trade receivable balance in Petra Resources of approximately RM7.4 million in respect of a disputed unit of measurement for work completed in previous financial years.

The auditors' reports of Petra Resources for the financial years ended 31 December 2004 to 2006 were reported on without any qualification or emphasis of matter.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

Petra Fabricators

The auditors' reports for the FYE 31 December 2004 and 2005 contained an emphasis of matter on the following:-

- (a) a litigation undertaken by a supplier against Petra Fabricators for an amount of approximately RM1.1 million. Petra Fabricators initiated a counter claim against the third party for an amount of RM2.0 million for rectification work performed; and
- (b) an amount of approximately RM1.7 million included in other receivables, being rectification costs to replace defective parts supplied by a supplier referred to in paragraph (a) above.

The Directors are of the opinion that the rectification costs of RM1.7 million included in other receivables are recoverable in full from the supplier, and no provision is required to write down the amount.

The Directors, based on legal advice, are of the opinion that no liability will arise from the litigation. Additional information on this litigation is disclosed in Section 19.6 of this Prospectus.

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13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**13.2 CONSOLIDATED CASH FLOW STATEMENT OF OUR GROUP FOR THE FYE 31 DECEMBER 2006**

You should read the consolidated cash flow summary of our Group for the FYE 31 December 2006 together with the Reporting Accountants' Letter on the Proforma Consolidated Financial Information for the three (3) FYE 31 December 2006 and the analysis on our past operating results and financial position in Sections 13.4 and 14 of this Prospectus respectively.

	FYE 31.12.2006 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before taxation	40,559
Adjustments for:-	
Depreciation of property, plant and equipment	14,688
Bad debt	109
Property, plant and equipment written off	10
Interest expense	10,394
Interest income	(402)
Gain on disposal of property, plant and equipment	(99)
Operating profit before working capital changes	65,259
Increase in inventories	(10,012)
Increase in trade and other receivables	(39,611)
Decrease in trade and other payables	(5,722)
Increase in amount owing by customers on contracts	(9,363)
Increase in amount owing to customers on contracts	1,199
Decrease in amount owing to holding company	(57,855)
Net increase in amount owing by related companies	74,095
CASH FROM OPERATIONS	17,990
Tax paid	(2,999)
NET CASH FROM OPERATING ACTIVITIES	14,991
CASH FLOWS FOR INVESTING ACTIVITIES	
Proceeds from disposal of property, plant and equipment	388
Purchase of property, plant and equipment	(8,502)
Withdrawal of fixed deposits	1,197
Interest income	402
NET CASH FOR INVESTING ACTIVITIES	(6,515)
CASH FLOWS FOR FINANCING ACTIVITIES	
Repayment of hire purchase payables	(273)
Repayment of term loan	(687)
Drawdown from revolving credit	8,000
Dividend paid	(8,957)
Issuance of shares	*
Interest expense	(10,394)
NET CASH FOR FINANCING ACTIVITIES	(12,311)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,835)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	32,058
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	28,223

Note:

* RM2

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**13.3 PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2006 AFTER INCORPORATING THE EFFECTS OF THE FLOTATION SCHEME**

The following table sets out the consolidated balance sheets of our proforma Group as at 31 December 2006, assuming that the Repayment, Public Issue, Bonus Issue and utilisation of proceeds had been completed as at that date. The proforma consolidated balance sheets are presented for illustrative purposes only and you should read it in conjunction with the accompanying notes and assumptions to the proforma consolidated balance sheets included in the Reporting Accountants' Letter on the Proforma Consolidated Financial Information as set out in Section 13.4 of this Prospectus.

	As at 31 December 2006 RM'000	Proforma I Repayment RM'000	Proforma II Public Issue RM'000	Proforma III Bonus Issue RM'000	Proforma IV Utilisation of Proceeds RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	159,701	159,701	159,701	159,701	159,701
Deferred taxation	6	6	6	6	6
	<u>159,707</u>	<u>159,707</u>	<u>159,707</u>	<u>159,707</u>	<u>159,707</u>
CURRENT ASSETS					
Inventories	32,399	32,399	32,399	32,399	32,399
Trade and other receivables	184,676	184,676	184,676	184,676	184,676
Amount owing by customers for contract works	12,746	12,746	12,746	12,746	12,746
Amount owing by related companies	23	23	23	23	23
Tax refundable	2,489	2,489	2,489	2,489	2,489
Fixed deposits with licensed bank	15,051	-	-	-	-
Cash and bank balances	16,385	11,436	131,956	131,956	27,756
	<u>263,769</u>	<u>243,769</u>	<u>364,289</u>	<u>364,289</u>	<u>260,089</u>
TOTAL ASSETS	<u>423,476</u>	<u>403,476</u>	<u>523,996</u>	<u>523,996</u>	<u>419,796</u>
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
Share capital	42,000	42,000	65,000	97,500	97,500
Share premium	-	-	97,520	65,020	60,820
Merger deficit	(31,000)	(31,000)	(31,000)	(31,000)	(31,000)
Retained profits	77,092	77,092	77,092	77,092	77,092
	<u>88,092</u>	<u>88,092</u>	<u>208,612</u>	<u>208,612</u>	<u>204,412</u>
CURRENT LIABILITIES					
Trade and other payables	56,011	56,011	56,011	56,011	56,011
Amount owing to customers for contract works	7,365	7,365	7,365	7,365	7,365
Amount owing to holding company	181,991	161,991	161,991	161,991	61,991
Amount owing to related companies	55,112	55,112	55,112	55,112	55,112
Provision for taxation	235	235	235	235	235
Hire purchase payables	288	288	288	288	288
Short-term bank borrowings	14,159	14,159	14,159	14,159	14,159
	<u>315,161</u>	<u>295,161</u>	<u>295,161</u>	<u>295,161</u>	<u>195,161</u>
NON-CURRENT LIABILITIES					
Deferred taxation	19,513	19,513	19,513	19,513	19,513
Hire purchase payables	710	710	710	710	710
	<u>20,223</u>	<u>20,223</u>	<u>20,223</u>	<u>20,223</u>	<u>20,223</u>
TOTAL LIABILITIES	<u>335,384</u>	<u>315,384</u>	<u>315,384</u>	<u>315,384</u>	<u>215,384</u>
TOTAL LIABILITIES AND EQUITY	<u>423,476</u>	<u>403,476</u>	<u>523,996</u>	<u>523,996</u>	<u>419,796</u>
Number of Shares in issue ('000)	84,000	84,000	130,000	195,000	195,000
NTA (RM'000)	88,092	88,092	208,612	208,612	204,412
NTA per ordinary share (RM)	1.05	1.05	1.60	1.07	1.05

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)

13.4 REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED FINANCIAL INFORMATION FOR THE 3 FYE 31 DECEMBER 2006

(Prepared for inclusion in the Prospectus)



Horwath *AF No 1018*
Kuala Lumpur Office
Chartered Accountants

4 June 2007

The Board of Directors
Petra Energy Berhad
4, Jalan 3/3C,
Batu 7, Jalan Ipoh,
68100 Kuala Lumpur.

Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur

603.2166.0000 Main
603.2166.1000 Fax

www.horwath.com.my
horwath@po.jaring.my

Dear Sirs

**PETRA ENERGY BERHAD ("PETRA ENERGY")
PROFORMA CONSOLIDATED FINANCIAL INFORMATION
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2004 TO 2006**

We have reviewed the proforma consolidated financial information of Petra Energy and its subsidiaries ("Petra Energy Group" or "the Group") for the financial years ended 31 December 2004 to 2006, together with the accompanying notes thereto, for which the Directors are solely responsible, as set out in the accompanying statements (initialled by us for the purpose of identification only) prepared for illustrative purposes for inclusion in the Prospectus of Petra Energy to be dated 26 June 2007.

It is our responsibility to form an opinion on the proforma consolidated financial information as required by the Prospectus Guidelines in respect of Public Offerings issued by the Securities Commission and to report our opinion to you.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the audited financial statements, considering the evidence supporting the adjustments, and discussing the proforma consolidated financial information with the Directors of the Group.

As the proforma consolidated financial information has been prepared for illustrative purposes only, such information may not, because of its nature, reflect the actual financial position, results and cash flows of the Group. Further, such information does not purport to predict the future financial position, results and cash flows of the Group.

In our opinion,

- (a) the proforma consolidated financial information has been properly prepared on the basis set out in the accompanying notes to the proforma financial information and such basis are consistent with the accounting policies of Petra Energy Group;
- (b) the financial statements used in the preparation of the proforma consolidated financial information were prepared in accordance with applicable MASB approved accounting standards in Malaysia; and
- (c) each material adjustment made to the information used in the preparation of the proforma consolidated financial information is appropriate for the purposes of preparing such proforma consolidated financial information.

Horwath Offices in Malaysia:

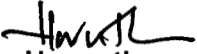
Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Melaka • Penang • Prai


13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



We understand that this letter will be used solely for the purpose stated above. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully


Horwath
Firm No : AF 1018
Chartered Accountants


Lee Kok Wai
Approval No : 2760/06/08 (J)
Partner

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION****1. PROFORMA GROUP AND BASIS OF PREPARATION****1.1 Proforma Group**

The proforma consolidated financial information of Petra Energy Group, comprising the financial information of Petra Energy, Petra Resources Sdn. Bhd. ("Petra Resources"), Petra Fabricators Sdn. Bhd. ("Petra Fabricators") and Petra Boilers Sdn. Bhd. ("Petra Boilers"), are presented for the purpose of illustration only.

The relevant financial periods for the purpose of this report ("Relevant Financial Periods") are as follows:-

Relevant Financial Periods**Company**

Petra Energy	Financial period ("FP") from 16 December 2005 to 31 December 2006
Petra Resources	Financial years ended ("FY") 31 December 2004 to 2006
Petra Fabricators	FY 31 December 2004 to 2006
Petra Boilers	FY 31 December 2004 to 2006

Group

Petra Energy Group	Financial year ("FY") ended 31 December 2006 *
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Note:-

- * - The Group's consolidated financial statements were consolidated using the merger method of consolidation. The 2006 consolidated financial statements included the financial statements of Petra Energy for the financial period ended 31 December 2006 and the financial statements of the subsidiaries for the financial year ended 31 December 2006.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

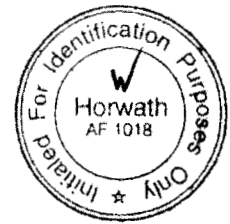
1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)

1.1 Proforma Group (Cont'd)

The proforma consolidated financial information of Petra Energy Group is prepared on the assumption that Petra Energy Group had been in existence throughout the financial years ended 31 December 2004 and 2005. The consolidated financial information for FY 31 December 2006 is based on the audited financial statements of the Group. The proforma consolidated financial information comprises the following:-

- Section 2 - Proforma Consolidated Income Statements for the Relevant Financial Periods;
- Section 3 - Proforma Consolidated Balance Sheets as at 31 December 2006;
- Section 4 - Proforma Statement of Assets and Liabilities; and
- Section 5 - Proforma Consolidated Cash Flow Statement for FY 2006.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



PETRA ENERGY BERHAD (“PETRA ENERGY”) AND ITS SUBSIDIARIES (“PETRA ENERGY GROUP”)

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1.1 Proforma Group (Cont'd)

The proforma consolidated financial information together with the accompanying notes thereto have been prepared solely for illustrative purposes, to show the effects of the following scheme had the scheme been implemented and completed throughout the Relevant Financial Periods.

The listing scheme comprises the following:-

- (a) repayment of the amount owing to its holding company, Petra Perdana Berhad (“Petra Perdana”) of RM20 million by way of cash prior to Petra Energy’s listing;
- (b) public issue of 46,000,000 new ordinary shares of RM0.50 each at an issue price of RM2.62 per ordinary share (“Public Issue”) which will be allocated and allotted in the following manner:-
 - (i) 6,535,000 new ordinary shares of RM0.50 each for application by the Malaysian public;
 - (ii) 26,200,000 new ordinary shares of RM0.50 each for placement to identified Bumiputera investors approved by the Ministry of International Trade and Industry;
 - (iii) 6,500,000 new ordinary shares of RM0.50 each for placement to identified investors;
 - (iv) 6,765,000 new ordinary shares of RM0.50 each for application by the shareholders of Petra Perdana;
- (c) bonus issue of 65,000,000 new ordinary shares of RM0.50 each to be issued to all existing shareholders of Petra Energy on the basis of 1 new ordinary share of RM0.50 each for every 2 existing ordinary shares of RM0.50 each held after the Public Issue (“Bonus Issue”); and
- (d) the listing of and quotation for the entire enlarged issued and paid-up share capital of Petra Energy comprising 195,000,000 ordinary shares of RM0.50 each on the Main Board of the Securities Exchange.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)



PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1. PROFORMA GROUP AND BASIS OF PREPARATION (CONT'D)

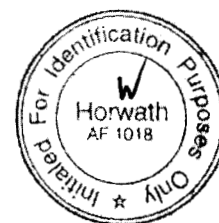
1.2 Basis of Preparation

The proforma consolidated financial information is prepared using the audited financial statements of Petra Energy, Petra Resources and Petra Fabricators for the Relevant Financial Periods. The financial statements of Petra Boilers have been included in the consolidated financial statements of Petra Fabricators.

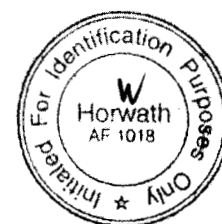
The proforma consolidated financial information has been prepared in accordance with applicable MASB approved accounting standards in Malaysia consistent with those previously adopted in the preparation of the audited financial statements of Petra Energy Group as at 31 December 2006, and after incorporating adjustments that are appropriate for the preparation of the proforma consolidated financial information.

The proforma consolidated financial statements have been prepared using the merger method. Under the merger method, the difference between the acquisition cost and the nominal value of the share capital of the subsidiary is taken to the merger reserve or deficit, as appropriate.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****2. PROFORMA CONSOLIDATED INCOME STATEMENTS OF PETRA ENERGY GROUP**

	Proforma		Audited
	FY 2004 RM'000	FY 2005 RM'000	FY 2006 RM'000
Revenue	161,092	417,299	431,349
Cost of sales	(125,843)	(334,819)	(347,337)
Gross profit ("GP")	35,249	82,480	84,012
Other operating income	1,055	1,229	1,906
	36,304	83,709	85,918
Operating expenses	(23,320)	(41,188)	(34,965)
Profit from operations	12,984	42,521	50,953
Finance costs	(972)	(9,234)	(10,394)
Profit before taxation ("PBT")	12,012	33,287	40,559
Depreciation	4,291	12,890	14,688
Interest expense	452	8,148	10,394
Interest income	(194)	(295)	(402)
Earnings before interest, depreciation and taxation	16,561	54,030	65,239
Depreciation	(4,291)	(12,890)	(14,688)
Interest expense	(452)	(8,148)	(10,394)
Interest income	194	295	402
PBT	12,012	33,287	40,559
Taxation	(3,476)	(9,091)	(11,825)
Profit after taxation ("PAT")	8,536	24,196	28,734

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****2. PROFORMA CONSOLIDATED INCOME STATEMENTS OF PETRA ENERGY GROUP (CONT'D)**

	Proforma		Audited
	FY 2004 RM'000	FY 2005 RM'000	FY 2006 RM'000
GP margin (%)	21.9	19.8	19.5
PBT margin (%)	7.5	8.0	9.4
PAT margin (%)	5.3	5.8	6.7
Effective tax rate (%)	28.9	27.3	29.2
Interest coverage ratio (times)	27.6	5.1	4.9
Cost of sales [^]	104,725	162,575	124,090
Inventories turnover period (months)	3.6	1.7	3.1
Trade receivables turnover period (months)	3.6	3.9	5.0
Purchases ^{^^}	116,874	207,256	211,142
Trade payables turnover period (months)	2.0	2.9	2.2
Total interest bearing borrowings (RM'000)	4,121	172,506	157,130
Gearing ratio (times)	0.1	2.9	1.8
Assumed number of ordinary shares in issue of RM0.50 each # ('000)	84,000	84,000	84,000
Gross earnings per share ("EPS") based on assumed number of shares in issue * (RM)	0.14	0.40	0.48
Net EPS based on assumed number of shares in issue * (RM)	0.10	0.29	0.34
Enlarged number of ordinary shares of RM0.50 each in issue ** ('000)	130,000	130,000	130,000
Gross EPS based on enlarged number of shares ## (RM)	0.09	0.26	0.31
Net EPS based on enlarged number of shares ## (RM)	0.07	0.19	0.22

Notes:-

- (i) [^] - Cost of sales comprised movement in inventories, purchases and consumables during the Relevant Financial Periods.
- (ii) ^{^^} - Purchases were in respect of total direct costs incurred, and excluded direct labour costs, depreciation charged and purchases from related companies/parties.
- (iii) # - Assumed number of ordinary shares in issue before the Public Issue and Bonus Issue.
- (iv) * - The Gross EPS and Net EPS were computed by dividing the PBT and PAT respectively by the assumed number of shares in issue during the Relevant Financial Periods.
- (v) ** - Enlarged number of ordinary shares in issue after the Public Issue but prior to the implementation of Bonus Issue.
- (iv) ## - The Gross EPS and Net EPS were computed by dividing the PBT and PAT respectively by the enlarged number of shares during the Relevant Financial Periods.

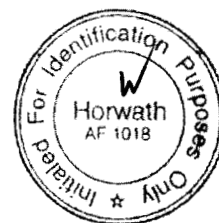
13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS OF PETRA ENERGY GROUP**

	Note	As at 31 December 2006 RM'000	Proforma I Repayment RM'000	Proforma II Public Issue RM'000	Proforma III Bonus Issue RM'000	Proforma IV Utilisation of Proceeds RM'000
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	3.5	159,701	159,701	159,701	159,701	159,701
Deferred taxation	3.6	6	6	6	6	6
		<u>159,707</u>	<u>159,707</u>	<u>159,707</u>	<u>159,707</u>	<u>159,707</u>
CURRENT ASSETS						
Inventories	3.7	32,399	32,399	32,399	32,399	32,399
Trade and other receivables	3.8	184,676	184,676	184,676	184,676	184,676
Amount owing by customers for contract works	3.9	12,746	12,746	12,746	12,746	12,746
Amount owing by related companies	3.10	23	23	23	23	23
Tax refundable		2,489	2,489	2,489	2,489	2,489
Fixed deposits with licensed bank	3.11	15,051	-	-	-	-
Cash and bank balances	3.12	16,385	11,436	131,956	131,956	27,756
		<u>263,769</u>	<u>243,769</u>	<u>364,289</u>	<u>364,289</u>	<u>260,089</u>
TOTAL ASSETS		<u>423,476</u>	<u>403,476</u>	<u>523,996</u>	<u>523,996</u>	<u>419,796</u>

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS OF PETRA ENERGY GROUP (CONT'D)**

	Note	As at 31 December 2006 RM'000	Proforma I Repayment RM'000	Proforma II Public Issue RM'000	Proforma III Bonus Issue RM'000	Proforma IV Utilisation of Proceeds RM'000
EQUITY AND LIABILITIES						
CAPITAL AND RESERVES						
Share capital	3.13	42,000	42,000	65,000	97,500	97,500
Share premium	3.14	-	-	97,520	65,020	60,820
Merger deficit	3.15	(31,000)	(31,000)	(31,000)	(31,000)	(31,000)
Retained profits		77,092	77,092	77,092	77,092	77,092
		<u>88,092</u>	<u>88,092</u>	<u>208,612</u>	<u>208,612</u>	<u>204,412</u>
CURRENT LIABILITIES						
Trade and other payables	3.16	56,011	56,011	56,011	56,011	56,011
Amount owing to customers for contract works	3.9	7,365	7,365	7,365	7,365	7,365
Amount owing to holding company	3.17	181,991	161,991	161,991	161,991	61,991
Amount owing to related companies	3.10	55,112	55,112	55,112	55,112	55,112
Provision for taxation		235	235	235	235	235
Hire purchase payables	3.18	288	288	288	288	288
Short-term bank borrowings	3.19	14,159	14,159	14,159	14,159	14,159
		<u>315,161</u>	<u>295,161</u>	<u>295,161</u>	<u>295,161</u>	<u>195,161</u>
NON-CURRENT LIABILITIES						
Deferred taxation	3.6	19,513	19,513	19,513	19,513	19,513
Hire purchase payables	3.18	710	710	710	710	710
		<u>20,223</u>	<u>20,223</u>	<u>20,223</u>	<u>20,223</u>	<u>20,223</u>
TOTAL LIABILITIES		<u>335,384</u>	<u>315,384</u>	<u>315,384</u>	<u>315,384</u>	<u>215,384</u>
TOTAL LIABILITIES AND EQUITY		<u>423,476</u>	<u>403,476</u>	<u>523,996</u>	<u>523,996</u>	<u>419,796</u>
Number of ordinary shares in issue of RM0.50 each ('000)		<u>84,000</u>	<u>84,000</u>	<u>130,000</u>	<u>195,000</u>	<u>195,000</u>
Net tangible assets ("NTA") (RM'000)		<u>88,092</u>	<u>88,092</u>	<u>208,612</u>	<u>208,612</u>	<u>204,412</u>
NTA per ordinary share (RM)		<u>1.05</u>	<u>1.05</u>	<u>1.60</u>	<u>1.07</u>	<u>1.05</u>

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)


PETRA ENERGY BERHAD (“PETRA ENERGY”) AND ITS SUBSIDIARIES (“PETRA ENERGY GROUP”)
PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
3. PROFORMA CONSOLIDATED BALANCE SHEETS OF PETRA ENERGY GROUP (CONT'D)
3.1 Proforma I

Proforma I incorporates a cash repayment by Petra Energy to its holding company, Petra Perdana Berhad of RM20 million.

3.2 Proforma II

Proforma II incorporates the effects of Proforma I and the Public Issue.

3.3 Proforma III

Proforma III incorporates the effects of Proforma II and the Bonus Issue.

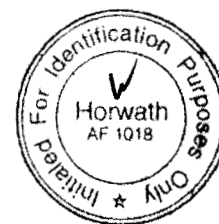
The Bonus Issue is to be capitalised from the share premium account arising from the Public Issue.

3.4 Proforma IV

Proforma IV incorporates the effects of Proforma III and the proposed utilisation of proceeds. The proceeds will be utilised as follows:-

	RM'000
Repayment of amount owing to the holding company, Petra Perdana Berhad	100,000
Working capital	16,320
Estimated listing expenses	4,200
	<u>120,520</u>

The estimated listing expenses of RM4.2 million have been debited against the share premium account.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS OF PETRA ENERGY GROUP (CONT'D)****3.5 PROPERTY, PLANT AND EQUIPMENT**

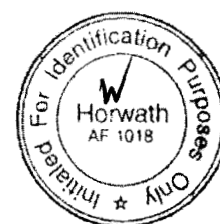
	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
At 31.12.2006			
Vessels	135,795	(12,197)	123,598
Leasehold land	7,721	(374)	7,347
Leasehold building	5,772	(2,859)	2,913
Plant and machinery	10,786	(7,883)	2,903
Cabin, field and workshop equipment	30,155	(11,577)	18,578
Motor vehicles	3,565	(2,016)	1,549
Furniture, fittings and office equipment	3,685	(2,840)	845
Others	7,606	(5,916)	1,690
Building-in-progress	278	-	278
	205,363	(45,662)	159,701

3.6 DEFERRED TAXATION

	RM'000
At 1.1.2006	9,035
Recognised in the income statement	10,472
At 31.12.2006	19,507

The deferred taxation is mainly in respect of accelerated capital allowances.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS OF PETRA ENERGY GROUP (CONT'D)****3.6 DEFERRED TAXATION (CONT'D)**

The following amounts, determined after appropriate offsetting, are shown in the balance sheet:-

	RM'000
Deferred tax assets	(6)
Deferred tax liabilities	19,513
	<u>19,507</u>

The component of deferred tax assets and liabilities at the end of the financial year are as follows:-

	RM'000
Deferred tax assets:-	
Accelerated capital allowances	2
Others	(8)
	<u>(6)</u>
Deferred tax liabilities:-	
Accelerated capital allowances	19,596
Others	(83)
	<u>19,513</u>

3.7 INVENTORIES

	RM'000
At costs:-	
Finished goods	3,695
Work-in-progress	19,410
Goods-in-transit	7,337
Raw materials	272
Consumables	1,685
	<u>32,399</u>

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS OF PETRA ENERGY GROUP (CONT'D)****3.8 TRADE AND OTHER RECEIVABLES**

	RM'000
Trade receivables	187,211
Allowances for doubtful debts	(7,478)
	<hr/>
	179,733
Other receivables, deposits and prepayments	4,943
	<hr/>
	184,676

The normal trade credit terms range from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

Included in gross trade receivables is an amount of approximately RM7.4 million which related to income recognised in the previous financial year by a subsidiary on disputed unit of measurement of work completed. Specific allowance for the full amount had been made in the previous financial year in the financial statements of the subsidiary.

Included in other receivables of the Group is an amount of approximately RM1.7 million for cost incurred on rectification work. Legal action was taken against the creditor for the recovery of cost incurred as stated in Note 3.20 below.

The foreign currency exposure profile of the trade and other receivables is as follows:-

	RM'000
United States Dollar	23,971
Singapore Dollar	48
Brunei Dollar	133
Pound Sterling	295
Euro	603
	<hr/>

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS OF PETRA ENERGY GROUP (CONT'D)****3.9 AMOUNT OWING BY/(TO) CUSTOMERS FOR CONTRACT WORKS**

	RM'000
Contract expenditure	36,548
Add: Attributable profits less losses	10,204
	<u>46,752</u>
Less: Progress billings	(41,371)
	<u>5,381</u>
Amount owing by customers for contract works	12,746
Amount owing to customers for contract works	(7,365)
	<u>5,381</u>

3.10 AMOUNT OWING BY/(TO) RELATED COMPANIES

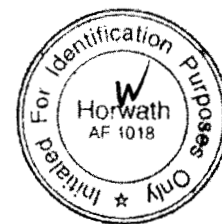
The amounts owing are unsecured, interest-free and not subject to fixed terms of repayments.

3.11 FIXED DEPOSITS WITH LICENSED BANKS

	RM'000
As at 31.12.2006	15,051
Repayment to holding company before listing	(15,051)
	<u>-</u>

The effective interest rates of the Group's fixed deposits range from 2.40% to 3.70% per annum. All deposits have maturity terms of less than one year.

Included in the Group's fixed deposits is an amount of RM320,948 charged to secure banking facilities granted to the Group.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD (“PETRA ENERGY”) AND ITS SUBSIDIARIES (“PETRA ENERGY GROUP”)****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS OF PETRA ENERGY GROUP (CONT'D)****3.12 CASH AND BANK BALANCES**

	RM'000
As at 31.12.2006	16,385
Repayment to holding company before listing	(4,949)
As per Proforma I	11,436
Proceeds from Public Issue	120,520
As per Proforma II/III	131,956
Listing expenses	(4,200)
Repayment to holding company	(100,000)
As per Proforma IV	<u>27,756</u>

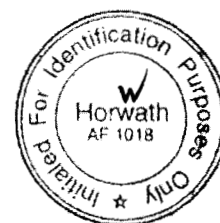
3.13 SHARE CAPITAL

As at the date of this letter, the authorised share capital of Petra Energy is RM500,000,000 comprising 1,000,000,000 ordinary shares of RM0.50 each.

The issued and paid-up share capital of Petra Energy as of the date of this letter is RM42,000,000 comprising 84,000,000 ordinary shares of RM0.50 each.

The movements in the issued and paid-up share capital of Petra Energy are as follows:-

	Number of Ordinary Shares '000	Amount of Share Capital RM'000
Issued and fully paid-up ordinary shares of RM0.50 each		
As at 31.12.2006/Proforma I	84,000	42,000
Public Issue	46,000	23,000
As per Proforma II	130,000	65,000
Bonus Issue	65,000	32,500
As per Proforma III/IV	<u>195,000</u>	<u>97,500</u>

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD (“PETRA ENERGY”) AND ITS SUBSIDIARIES (“PETRA ENERGY GROUP”)****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS OF PETRA ENERGY GROUP (CONT'D)****3.14 SHARE PREMIUM**

The movements in the share premium account are as follows:-

	RM'000
As per Proforma I	-
Public Issue	97,520
As per Proforma II	97,520
Bonus Issue	(32,500)
As per Proforma III	65,020
Estimated listing expenses	(4,200)
As per Proforma IV	<u>60,820</u>

The share premium is not distributable by way of cash dividends and may be utilised only in the manner set out in Section 60(3) of the Companies Act, 1965.

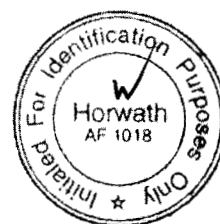
3.15 MERGER DEFICIT

The merger deficit arose from an internal reorganisation using the merger method of accounting.

3.16 TRADE AND OTHER PAYABLES

	RM'000
Trade payables	39,307
Other payables and accruals	16,704
	<u>56,011</u>

The normal trade credit terms granted to the Group range from 30 to 60 days.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS OF PETRA ENERGY GROUP (CONT'D)****3.16 TRADE AND OTHER PAYABLES (CONT'D)**

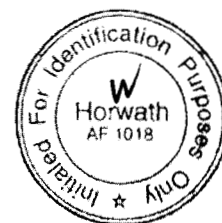
The foreign currency exposure profile of trade and other payables is as follows:-

	RM'000
United States Dollar	4,013
Singapore Dollar	494
Brunei Dollar	70
Pound Sterling	106
Euro	357
Australia Dollar	449
New Zealand Dollar	8
	<hr/>

3.17 AMOUNT OWING TO HOLDING COMPANY

	RM'000
As at 31.12.2006	181,991
Repayment before listing	(20,000)
	<hr/>
As per Proforma I/II/III	161,991
Repayment utilising proceeds from Public Issue	(100,000)
	<hr/>
As per Proforma IV	61,991
	<hr/>

The amount owing was unsecured, interest-free and not subject to fixed terms of repayment. Included in the amount owing to the holding company as at 31 December 2006 was an amount of approximately RM142.0 million which bore interest at rates ranging from 5.40% to 6.85% per annum.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS OF PETRA ENERGY GROUP (CONT'D)****3.18 HIRE PURCHASE PAYABLES**

	RM'000
Future minimum hire purchase payments	1,148
Less: Future finance charges	(150)
	<hr/>
Present value of hire purchase payables	998
	<hr/>
Present value of hire purchase payables are payable as follows:-	
Not later than one year	288
Later than one year and not later than five years	710
	<hr/>
	998
	<hr/>

The hire purchase payables at the balance sheet date were subject to interest at rates ranging from 2.80% to 5.90% per annum.

3.19 SHORT-TERM BANK BORROWINGS

	RM'000
Secured:-	
Bankers' acceptances	2,615
Revolving credit	8,000
Short-term loan	652
Bank overdraft	2,892
	<hr/>
	14,159
	<hr/>

The above banking facilities are secured by a corporate guarantee from the holding company, Petra Perdana Berhad.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD (“PETRA ENERGY”) AND ITS SUBSIDIARIES (“PETRA ENERGY GROUP”)****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS OF PETRA ENERGY GROUP (CONT'D)****3.19 SHORT-TERM BANK BORROWINGS (CONT'D)**

The effective interest rates per annum as at 31 December 2006 for borrowings were as follows:-

	%
Bankers' acceptances	4.32 to 4.60
Revolving credit	5.12 to 5.21
Short-term loan	8.00
Bank overdraft	8.00

3.20 CONTINGENT LIABILITIES

A third party has filed a Writ of Summons and Statement of Claims for a total sum of approximately RM1.1 million against Petra Fabricators, a subsidiary on 24 September 2003, for goods and services rendered.

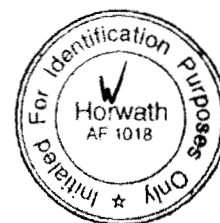
The subsidiary has filed a Defence and Counter-claim for a sum of approximately RM2.0 million being their rectification costs incurred against this third party.

The Board of Directors is of the opinion that the Group has a reasonably good prospect to succeed in the proceedings. Therefore, no provision was made for the rectification cost incurred as stated in Note 3.8 above.

4. PROFORMA STATEMENT OF ASSETS AND LIABILITIES

The proforma statement of assets and liabilities of Petra Energy Group as at 31 December 2006 are prepared based on the audited financial statements of Petra Energy Berhad as at 31 December 2006 and has been reflected in the Proforma Consolidated Balance Sheets of Petra Energy Group under Section 3.

The Proforma Group's statement of assets and liabilities should be read in conjunction with the accompanying notes on the Proforma Consolidated Balance Sheets of Petra Energy Group under Section 3.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****5. PROFORMA CONSOLIDATED CASH FLOW STATEMENT OF PETRA ENERGY GROUP FOR THE FY 2006**

	Note	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation		40,559
Adjustments for:-		
Depreciation of property, plant and equipment		14,688
Bad debt		109
Property, plant and equipment written off		10
Interest expense		10,394
Interest income		(402)
Gain on disposal of property, plant and equipment		(99)
Operating profit before working capital changes		65,259
Increase in inventories		(10,012)
Increase in trade and other receivables		(39,611)
Decrease in trade and other payables		(5,722)
Increase in amount owing by customers on contracts		(9,363)
Increase in amount owing to customers on contracts		1,199
Decrease in amount owing to holding company		(57,855)
Net increase in amount owing by related companies		74,095
CASH FROM OPERATIONS		17,990
Tax paid		(2,999)
NET CASH FROM OPERATING ACTIVITIES		14,991
CARRIED FORWARD		14,991

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)


PETRA ENERGY BERHAD (“PETRA ENERGY”) AND ITS SUBSIDIARIES (“PETRA ENERGY GROUP”)
PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
5. PROFORMA CONSOLIDATED CASH FLOW STATEMENT OF PETRA ENERGY GROUP FOR THE FY 2006 (CONT'D)

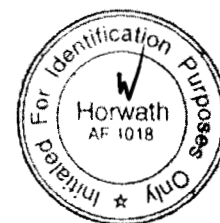
	Note	RM'000
NET CASH FROM OPERATING ACTIVITIES BROUGHT FORWARD		14,991
CASH FLOWS FOR INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment		388
Purchase of property, plant and equipment	5.1	(8,502)
Withdrawal of fixed deposits		1,197
Interest income		402
NET CASH FOR INVESTING ACTIVITIES		(6,515)
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of hire purchase payables		(273)
Repayment of term loan		(687)
Drawdown from revolving credit		8,000
Dividend paid		(8,957)
Issuance of shares		#
Interest expense		(10,394)
NET CASH FOR FINANCING ACTIVITIES		(12,311)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,835)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		32,058
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5.2	28,223

Notes:-

(i) # - RM2.

(ii) The consolidated cash flow statement of Petra Energy Group has been prepared based on the audited financial statements of Petra Energy Group for the FY 2006 and before taking into account the proceeds from the Public Issue, Bonus Issue and Utilisation of Proceeds.

13. PROFORMA HISTORICAL FINANCIAL INFORMATION (Cont'd)


PETRA ENERGY BERHAD ("PETRA ENERGY") AND ITS SUBSIDIARIES ("PETRA ENERGY GROUP")
PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)
5. PROFORMA CONSOLIDATED CASH FLOW STATEMENT OF PETRA ENERGY GROUP FOR THE FY 2006 (CONT'D)
5.1 PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	RM'000
Cost of property, plant and equipment purchased	9,357
Amount financed through hire purchase	(855)
	<hr/>
Cash disbursed for the purchase of property, plant and equipment	<u>8,502</u>

5.2 CASH AND CASH EQUIVALENTS

	RM'000
Cash in hand and at bank	16,385
Fixed deposits with licensed banks	15,051
Bank overdraft	(2,892)
	<hr/>
	28,544
Less: Fixed deposits on lien	(321)
	<hr/>
	<u>28,223</u>

14. MANAGEMENT DISCUSSION AND ANALYSIS OF PAST OPERATING RESULTS AND FINANCIAL POSITION

The following discussion and analysis of our Group's past operating results and financial position should be read in conjunction with the proforma historical financial information as set out in Section 13 and the Accountants' Report as set out in Section 16 of this Prospectus.

14.1 OVERVIEW

14.1.1 Revenue

Our Company is principally an investment holding company and we derive revenue through our 3 wholly-owned subsidiary companies which are mainly involved in the provision of integrated Brown Field services to the oil and gas industry. Please refer to Section 7 for further details on our principal business activities and in particular to Section 7.7 for details of the major customers that contributed to our performance for the past three (3) FYE 31 December 2006.

Factors affecting our Group's revenue

The main factors affecting our Group's revenue are as follows:

- (i) Level of expenditure by the Malaysian oil and gas industry which in turn, is dependent on the level of market prices of hydrocarbon and the Malaysian Government's initiatives and policies towards the oil and gas industry;
- (ii) Our ability to continue to penetrate new markets and secure new contracts;
- (iii) Our ability to complete our work orders as scheduled at competitive prices and at the same time fetching a good profit margin;
- (iv) Our ability to maintain our service quality and continuous commitment towards meeting the customers' unique specifications and requirement as well as the high standards of HSE policies; and
- (v) Our ability to compete effectively with existing competitors in and new entrants to the industry.

Please refer to Section 5 of this Prospectus for further details on other factors that could affect our revenue.

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14. MANAGEMENT DISCUSSION ANALYSIS OF PAST OPERATING RESULTS AND FINANCIAL POSITION (Cont'd)

14.1.2 Cost of sales

Our cost of sales mainly comprises the following:

- (i) direct labour costs which consist mainly of salaries, wages, bonuses and other staff-related costs of employees and skilled personnel who are directly involved in our contracts performed;
- (ii) rental of equipment such as workboats, marine vessel, welding machines and compressors required to carry out offshore maintenance services for the oil and gas industry; and
- (iii) materials and tools and consumables costs such as valves, paints and coatings, garnet, pipes and fittings and safety and personal protection equipment.

Factors affecting our Group's cost of sales

The main factors affecting our Group's cost of sales are as follows:

- (i) Increases in prices of key materials purchased and services procured

Any adverse global supply and demand conditions may result in unfavourable price fluctuations for our key materials purchased and services procured. Any failure to pass on the price increase to our customers will adversely affect our cost of sales.

- (ii) Delay in the completion of a contract

Any delay in the completion of a contract may result in additional direct labour costs and may disrupt the manpower scheduling of our contract workers, which in turn would increase our cost of sales only in respect of lump sum contracts. However, most of our contracts are unit rate reimbursable contract which does not expose us to fluctuations in labour costs.

- (iii) Increases in direct labour costs

The level of salaries and wages depend on labour market conditions. Generally, higher oil and gas activities in the region could result in the increase in demand for labour, which in turn, could drive the level of salaries and wages and our cost of sales upwards.

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14. MANAGEMENT DISCUSSION ANALYSIS OF PAST OPERATING RESULTS AND FINANCIAL POSITION (Cont'd)

14.2 ANALYSIS OF PAST OPERATING RESULTS AND KEY FINANCIAL RATIOS

14.2.1 Segmental Analysis of Revenue by Companies

The following table sets out the segmental analysis of our proforma Group's revenue and profit by companies for the past three (3) FYE 31 December 2006.

	FYE 31.12.2004		FYE 31.12.2005		FYE 31.12.2006	
	RM'000	%	RM'000	%	RM'000	%
Revenue						
Petra Energy	-	-	-	-	-	-
Petra Resources	150,382	93.35	396,140	94.93	404,833	93.86
Petra Fabricators	9,409	5.84	16,365	3.92	29,982	6.95
Petra Boilers	8,565	5.32	16,128	3.86	22,441	5.20
	168,356	104.51	428,633	102.71	457,256	106.01
Less: Inter-company transactions	(7,264)	(4.51)	(11,334)	(2.71)	(25,907)	(6.01)
	161,092	100.00	417,299	100.00	431,349	100.00
Gross Profit						
Petra Energy	-	-	-	-	-	-
Petra Resources	31,325	88.87	75,554	91.60	73,976	88.05
Petra Fabricators	3,057	8.67	3,133	3.80	7,701	9.17
Petra Boilers	1,659	4.71	2,986	3.62	1,870	2.23
	36,041	102.25	81,673	99.02	83,547	99.45
Less: Inter-company transactions	(792)	(2.25)	807	0.98	465	0.55
	35,249	100.00	82,480	100.00	84,012	100.00
PBT						
Petra Energy	-	-	-	-	*	*
Petra Resources	11,920	99.24	31,858	95.71	36,318	89.55
Petra Fabricators	69	0.57	808	2.43	4,155	10.24
Petra Boilers	23	0.19	621	1.86	86	0.21
	12,012	100.00	33,287	100.00	40,559	100.00
Less: Inter-company transactions	-	-	-	-	-	-
	12,012	100.00	33,287	100.00	40,559	100.00

Note:

* Negligible

14. MANAGEMENT DISCUSSION ANALYSIS OF PAST OPERATING RESULTS AND FINANCIAL POSITION (Cont'd)

14.2.2 Analysis of Petra Energy's Revenue by Business Activities

The following table sets out the segmental analysis of our proforma Group's revenue for the past three (3) FYE 31 December 2006.

Revenue	FYE 31.12.2004		FYE 31.12.2005		FYE 31.12.2006	
	RM'000	%	RM'000	%	RM'000	%
Retrofit, engineering and maintenance	102,435	63.59	305,891	73.30	292,289	67.76
Equipment packaging and fabrication	51,738	32.12	77,721	18.63	91,645	21.25
Domestic vessels recharter*	6,919	4.29	33,687	8.07	47,415	10.99
	161,092	100.00	417,299	100.00	431,349	100.00

Note:

* Consists of domestic vessels recharter from Holding Group and third parties

14.2.3 Analysis of Petra Energy's Revenue by Geographical Location

The following table sets out the segmental analysis of our proforma Group's revenue by geographical location for the past three (3) FYE 31 December 2006.

Revenue	FYE 31.12.2004		FYE 31.12.2005		FYE 31.12.2006	
	RM'000	%	RM'000	%	RM'000	%
Australia	502	0.31	271	0.06	221	0.05
Belgium	-	-	506	0.12	-	-
Brunei	-	-	226	0.05	651	0.15
Central America	2,896	1.80	1,601	0.38	5,667	1.31
India	-	-	-	-	2,664	0.62
Indonesia	1,933	1.20	2,699	0.65	900	0.21
Italy	-	-	-	-	4,463	1.03
Japan	-	-	2,979	0.72	2,192	0.51
Singapore	377	0.23	-	-	336	0.08
Thailand	-	-	-	-	3,109	0.72
China	-	-	36	0.01	86	0.02
Total export sales	5,708	3.54	8,318	1.99	20,289	4.70
Total domestic sales	155,384	96.46	408,981	98.01	411,060	95.30
	161,092	100.00	417,299	100.00	431,349	100.00

14. MANAGEMENT DISCUSSION ANALYSIS OF PAST OPERATING RESULTS AND FINANCIAL POSITION (Cont'd)

14.2.4 Commentary on Past Operating Results**FYE 31 December 2004**

The Group's revenue in FYE 31 December 2004 had further decreased by approximately RM37.28 million or 18.79% from RM198.38 million in FYE 31 December 2003 to RM161.09 million in FYE 31 December 2004. This was mainly due to further reduction of revenue generated from EMEPMI by approximately RM46.10 million as the project was completed in FYE 31 December 2003 and the extension work from this project was at a slower pace. In addition, Petra Fabricators had secured less contracts in that year as the management at that point of time, decided to focus on internal restructuring exercises which were aimed to maximise production capacity and reduce wastage.

The gross profit for the FYE 31 December 2004 had decreased in line with the lower revenue by approximately RM5.84 million or 14.21% from RM41.09 million in FYE 31 December 2003 to RM35.25 million in FYE 31 December 2004.

The PBT in FYE 31 December 2004 had decreased by approximately RM3.56 million or 22.86% from RM15.57 million in FYE 31 December 2003 to RM12.01 million in FYE 31 December 2004, mainly due to the lower gross profit coupled with an increase in financing cost by approximately RM0.21 million or 27.06% as a result of the higher utilisation of trade facilities during that year. The decrease of the Group's PBT was partially offset by the lower operating overheads by approximately RM1.80 million and an increase in other operating income by RM0.70 million mainly derived from the gain on disposal of 2 pieces of freehold lands.

The effective tax rate of 28.94% for FYE 31 December 2004 was slightly higher than the statutory rate mainly due to certain expenses being disallowed for taxation purposes.

FYE 31 December 2005

The Group's revenue in FYE 31 December 2005 had increased substantially by approximately RM256.21 million or 159.04% from RM161.09 million in FYE 31 December 2004 to RM417.30 million in FYE 31 December 2005. The increase was mainly due to a major project obtained from Sarawak Shell and Sabah Shell valued at approximately RM600.00 million for the provision of major maintenance, hook-up, commissioning and construction services for a primary term of 4 years with a 1 year extension. The revenue contributed from the Sarawak Shell project in FYE 31 December 2005, amounted to approximately RM192.40 million. In addition to the Sarawak Shell project, the Group also managed to derive additional revenue amounting to RM26.77 million through its domestic vessels recharter services to existing and new customers.

The gross profit for the FYE 31 December 2005 had increased significantly in line with the higher revenue of approximately RM47.23 million or 133.99% from RM35.25 million in FYE 31 December 2004 to RM82.48 million in FYE 31 December 2005.

The PBT in FYE 31 December 2005 had also increased by approximately RM21.28 million or 177.19% from RM12.01 million in FYE 31 December 2004 to RM33.29 million in FYE 31 December 2005. The increase in PBT was partially offset by an allowance for doubtful debts of RM7.50 million and a substantial increase in financing cost of RM8.26 million. The higher financing cost was mainly due to interest charges on advances given by its holding company, Petra Perdana for the acquisition of its 2 new vessels namely, Petra Discovery and Petra Challenger.

The effective tax rate of 27.31% for FYE 31 December 2005 was slightly lower than the statutory rate mainly due to certain non-taxable gains.

14. MANAGEMENT DISCUSSION ANALYSIS OF PAST OPERATING RESULTS AND FINANCIAL POSITION (Cont'd)

FYE 31 December 2006

Revenue of the Group for the FYE 31 December 2006 rose approximately 3.4% to RM431.35 million from the FYE 31 December 2005. The higher revenue was mainly due to an increase in integrated brown field activities as well as the work orders and demand from our existing and new customers. The revenue contributed from the Sarawak Shell project in FYE 31 December 2006, amounted to approximately RM229.81 million as compared to approximately RM192.40 million in previous year.

In tandem with the increase in revenue, PBT for FYE 31 December 2006 has also improved from approximately RM33.3 million to RM40.6 million, representing an increase of approximately 21.8% over the previous financial year mainly due to one-off allowance for doubtful debts of RM7.50 million incurred in the previous financial year. PAT for FYE 31 December 2006 increased from approximately RM24.2 million to RM28.7 million, representing approximately 18.8% higher as compared to the previous financial year.

The effective tax rate of 29.16% for FYE 31 December 2006 was slightly higher than the statutory rate mainly due to certain expenses being disallowed for taxation purposes.

14.2.5 Exceptional and Extraordinary Items

There were no exceptional and extraordinary items for the financial years under review.

14.2.6 Trend Information

For the past three (3) FYE 31 December 2006, and save for the risk factors as disclosed in Section 5 of this Prospectus, our financial conditions and operations are not affected by any of the following:

- (a) significant recent trends in production, sales and inventory, costs and selling prices of products and services, and
- (b) any known trends, demands, commitments, events or uncertainties that:
 - (i) have had, or that we would reasonably expect to have, a material favourable or unfavourable impact on the financial performance, position and operations of our Group; and
 - (ii) would cause the historical financial statements to be not necessarily indicative of future financial information.

14.3 LIQUIDITY AND CAPITAL RESOURCES**14.3.1 Working capital**

Our business growth has been financed through a combination of cash generated from our operations and external borrowings from financial institutions. Cash generated from operations is mainly from collections of progress billings from customers. Our cash were mainly used for trade payments to suppliers and to meet operating, administrative and financial expenses. As at 31 March 2007, we had RM27.56 million in cash and fixed deposits. As at 31 March 2007, we had RM106.30 million of available credit facilities comprising term loans, overdrafts and other working capital facilities, out of which approximately RM14.21 million was utilised.

14. MANAGEMENT DISCUSSION ANALYSIS OF PAST OPERATING RESULTS AND FINANCIAL POSITION (Cont'd)

After taking into consideration the funds generated from our existing operations, banking facilities currently available to us, our existing cash balance and the proceeds from the Public Issue, our Directors are of the opinion that we have sufficient working capital for a period of at least 12 months from the date of this Prospectus to meet our needs and foreseeable requirements.

14.3.2 Cash flows

The following table sets out a summary of our Group's cash flows for the FYE 31 December 2006:

	FYE 31.12.2006 RM'000
Net cash generated from operating activities	14,991
Net cash used in investing activities	(6,515)
Net cash used in financing activities	(12,311)
Net decrease in cash and cash equivalents	<u>(3,835)</u>
Cash and cash equivalents at beginning of the year	32,058
Cash and cash equivalents at end of the year	<u>28,223</u>

Cash flows generated from operating activities

For FYE 31 December 2006, approximately RM14.99 million was generated from operating activities after adjusting bad debts, depreciation charge, interest expense, merger debit and other non-cash items totaling to approximately RM24.70 million, and an amount of RM47.27 million which was utilised to finance the working capital requirements.

Cash flows used in investing activities

During the FYE 31 December 2006, the Group had withdrawal on fixed deposit of approximately RM1.20 million. These proceeds coupled with the interest income of approximately RM0.40 million were used to partially set off the acquisition of property, plant and equipment amounting to approximately RM8.50 million. Therefore, the net cash outflow from investing activities for the FYE 31 December 2006 amounted to RM6.51 million.

Cash flows used in financing activities

For the FYE 31 December 2006, the Group had drawdown revolving credit of RM8.0 million. The proceeds was partially used to repay bank borrowings amounting to approximately RM0.96 million which comprised term loans and hire purchase. The Group recorded a net cash outflow of approximately RM12.31 million after taking into account the dividend paid and interest expense of approximately RM8.96 million and RM10.39 million respectively.

The above gave rise to a net decrease in cash and cash equivalent amounting to approximately RM3.84 million for FYE 31 December 2006.

Further details pertaining to the proforma consolidated cash flow statement for the FYE 31 December 2006 are set out in Section 13.2 of this Prospectus.

14. MANAGEMENT DISCUSSION ANALYSIS OF PAST OPERATING RESULTS AND FINANCIAL POSITION (Cont'd)

14.3.3 Financial Ratios

Some of the proforma key financial ratios achieved for the FYE 31 December 2006 that are deemed material are as follows:

Financial Ratios	FYE 31 December 2006
Trade receivables' turnover period (months)	5.0
Trade payables' turnover period (months)	2.2
Current ratio (time)	0.8

14.3.4 Borrowings

As at 31 March 2007 (being the latest practicable date at which such amounts could be calculated prior to the registration of this Prospectus), our Group had total outstanding borrowings of RM260.98 million, details of which are set out below:

	RM'000
Long-term borrowings	
▪ Interest bearing	645
▪ Non-interest bearing	-
	645
Short-term borrowings*	
▪ Interest bearing	156,468
▪ Non-interest bearing	103,862
Total borrowings	260,975
Shareholders' equity as at 31 March 2007	102,069
Gearing ratio**	1.54

Notes:

* Out of total borrowing of RM260.98 million, approximately RM187.74 million and RM58.10 million were amounts due to holding company and related companies respectively, of which approximately RM141.97 million was interest bearing.

** Calculated based on total interest bearing borrowings over shareholders' equity.

To date, our Group has not defaulted on payments of either interest and/or principal sums in respect of any borrowing.

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14. MANAGEMENT DISCUSSION ANALYSIS OF PAST OPERATING RESULTS AND FINANCIAL POSITION (Cont'd)

14.4 Material litigation/ Arbitration

Save as disclosed in Section 19.6 of this Prospectus, as at the Latest Practicable Date, neither we nor any of our subsidiaries were engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect and/or adverse effect on our Group's financial position or business.

14.5 MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

14.5.1 Material capital commitments

As at 30 April 2007, (being the latest practicable date of which such amounts could be calculated prior to the registration of this Prospectus), there are no material capital commitments incurred or known to be incurred by our Group that may have a substantial impact on the results of our financial position.

14.5.2 Contingent liabilities

As at 30 April 2007 (being the latest practicable date of which such amounts could be calculated prior to the registration of this Prospectus), our Directors are not aware of any contingent liabilities which have become enforceable or are likely to become enforceable, which in the opinion of our Directors, will or may substantially affect the ability of our Group to meet our obligations as and when they fall due.

14.6 FINANCIAL INSTRUMENT FOR HEDGING PURPOSES

As at 30 April 2007, our Group does not have any financial instrument for hedging purposes.

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15. FUTURE FINANCIAL INFORMATION

15.1 CONSOLIDATED PROFIT FORECAST

Our Directors forecast that our Group's consolidated PAT for the FYE 31 December 2007 will be as follows:

	Forecast for FYE 31 December 2007
Revenue (RM'000)	450,871
Consolidated PBT (RM'000)	47,611
Taxation (RM'000)	(13,127)
Consolidated PAT (RM'000)	<u>34,484</u>
Issued and paid-up share capital	
- weighted average number of Shares in issue ('000)	135,395 ¹
- enlarged number of Shares in issue upon Listing ('000)	195,000
<i>Based on the weighted average number of Shares in issue</i>	
Basic EPS (sen)	25.47
PE Multiple (times)	6.83 ²
<i>Based on the enlarged number of Shares in issue upon Listing</i>	
Basic EPS (sen)	17.68
PE Multiple (times)	9.84 ²

Note:

1. *The weighted average number of Shares in issue for the FYE 31 December 2007 is computed based on the assumption that the Listing will be completed in mid July 2007.*
2. *Based on the theoretical ex-bonus price of RM1.74 per Share.*

The principal bases and assumptions upon which the above consolidated profit forecast have been prepared are set out below:

The details of the Flotation Scheme to be undertaken in relation to the listing of Petra Energy on the Main Board of the Securities Exchange are as follows:-

(1) Repayment

The Petra Energy Group will repay RM20 million amount owing to its holding company, Petra Perdana Berhad by way of cash prior to the listing.

(2) Listing Scheme

Petra Energy seeks the listing of and quotation for its entire enlarged issued and paid-up share capital on the Main Board of the Securities Exchange which comprise the following:-

15. FUTURE FINANCIAL INFORMATION (*Cont'd*)

- (a) public issue of 46,000,000 new ordinary shares of RM0.50 each at an issue price of RM2.62 per ordinary share (“Public Issue”) which will be allocated and allotted in the following manner:-
 - (i) 6,535,000 new ordinary shares of RM0.50 each for application by the Malaysian public;
 - (ii) 26,200,000 new ordinary shares of RM0.50 each for placement to identified Bumiputera investors approved by the MITI;
 - (iii) 6,500,000 new ordinary shares of RM0.50 each for placement to investors;
 - (iv) 6,765,000 new ordinary shares of RM0.50 each for application by the shareholders of Petra Perdana; and
- (b) bonus issue of 65,000,000 new ordinary shares of RM0.50 each to be issued to all existing shareholders of Petra Energy on the basis of 1 new ordinary share of RM0.50 each for every 2 existing ordinary share of RM0.50 each held after the Public Issue which will be completed prior to the Listing (“Bonus Issue”).

Please refer to Section 15.3 for the specific assumptions (including the level of secured contracts) made in the consolidated profit forecast FYE 31 December 2007.

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15. FUTURE FINANCIAL INFORMATION (Cont'd)

15.1.1 Directors' analysis and commentary on the consolidated profit forecast**Commentary on the achievability of the forecast revenue**

The Board had reviewed the consolidated profit forecast of the Petra Energy Group and the bases and assumptions used in arriving at the consolidated profit forecast of the Group for the FYE 31 December 2007. Accordingly, the Board confirmed that the consolidated profit forecast for the FYE 31 December 2007 is achievable under the prevailing business and economic environment after having taken into the account the following:

- prospects and outlook of the oil and gas industry as set out in Section 8.3 of this Prospectus;
- prospects of the global and Malaysian economy (including oil and gas industry) as set out in Sections 8.2 and 8.4 of this Prospectus;
- future plans and strategies to be adopted by Petra Energy Group as set out in Section 8.12 of this Prospectus;
- level of order book; and
- its forecasted level of gearing, liquidity and working capital requirement.

In addition to the above, the consolidated profit forecast for the FYE 31 December 2007 has been prepared on the basis consistent with the accounting principles adopted and disclosed in the audited consolidated financial statements for the FYE 31 December 2006.

Consolidated profit forecast for FYE 2007

The Board forecasts the consolidated revenue of approximately RM450.87 million for the FYE 31 December 2007, an increase of RM19.52 million or 4.53% as compared to previous year of approximately RM431.35. The increase in revenue is driven by an additional capital expenditure from the major oil player such as PETRONAS Carigali and Sarawak Shell in view of increasing demand in oil consumption. These factors are expected to support a higher turnover for the Group.

The Board forecasts a consolidated PAT of approximately RM34.48 million for the FYE 31 December 2007, an increase of approximately RM5.75 million or 20.01% as compared to the consolidated PAT of approximately RM28.73 million for FYE 31 December 2006. This is mainly attributed to a reduction of finance costs of approximately RM5.73 million (before taxation) upon repayment of borrowings from the Public Issue proceeds.

Nevertheless, these bases and assumptions cover future periods for which there are inherent risks, and therefore, should be treated with caution. These bases and assumptions are subject to significant uncertainties and contingencies, which are often beyond the Group's control. Therefore, certain assumptions used in the preparations of the consolidated profit forecast may differ significantly from the actual situation after the date of this profit forecast. Please refer to the "Sensitivity Analysis" which illustrates the impact of certain key assumptions used in the preparation of the consolidated profit forecast for the FYE 31 December 2007 as set out in Section 15.2 of this Prospectus.

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15. FUTURE FINANCIAL INFORMATION (Cont'd)**15.2 SENSITIVITY ANALYSIS**

The sensitivity analysis is prepared based on the forecast assumptions as set out in Section 15.1 of this Prospectus and on the assumption that all other variables remain unchanged except for the 5% and 10% upward and downward variation in key variables.

The following scenarios illustrate the impact of changes in revenue and cost of sales on our Group's financial performance.

Changes in revenue

(RM'000)	<-----Forecast for the FYE 31 December 2007 ----->				
	-10%	-5%	As forecasted	+5%	+10%
Revenue	405,784	428,327	450,871	473,414	495,958
Cost of sales	326,929	344,413	361,898	379,381	396,866
Gross profit	78,855	83,914	88,973	94,033	99,092
PBT	37,493	42,552	47,611	52,671	57,730
PAT	27,098	30,791	34,484	38,177	41,871

For the FYE 31 December 2007, an increase in revenue by 5% and 10% will result in the following:

- (a) an increase of our Group's cost of sales by 4.83% and 9.66% respectively;
- (b) an increase of our Group's gross profit by 5.69% and 11.37% respectively;
- (c) an increase of our Group's PBT by 10.63% and 21.25% respectively; and
- (d) an increase of our Group's PAT by 10.71% and 21.42% respectively.

For the FYE 31 December 2007, a decrease in revenue by 5% and 10% will result in the following:

- (a) a decrease of our Group's cost of sales by 4.83% and 9.66% respectively;
- (b) a decrease of our Group's gross profit by 5.69% and 11.37% respectively;
- (c) a decrease of our Group's PBT by 10.63% and 21.25% respectively; and
- (d) a decrease of our Group's PAT by 10.71% and 21.42% respectively.

Changes in cost of sales*

(RM'000)	<-----Forecast for the FYE 31 December 2007 ----->				
	-10%	-5%	As forecasted	+5%	+10%
Revenue	450,871	450,871	450,871	450,871	450,871
Cost of sales	346,665	354,281	361,898	369,514	377,131
Gross profit	104,206	96,590	88,973	81,357	73,740
PBT	62,844	55,228	47,611	39,995	32,378
PAT	45,604	40,044	34,484	28,924	23,364

Note:

- * The sensitivity analysis only affects direct variable cost. Fixed costs remain constant.

For the FYE 31 December 2007, an increase in cost of sales by 5% and 10% will result in the following:

- (a) a decrease of our Group's gross profit by 8.56% and 17.12% respectively;
- (b) a decrease of our Group's PBT by 16.00% and 31.99% respectively; and
- (c) a decrease of our Group's PAT by 16.12% and 32.25% respectively.

15. FUTURE FINANCIAL INFORMATION *(Cont'd)*

For the FYE 31 December 2007, a decrease in cost of sales by 5% and 10% will result in the following:

- (a) an increase of our Group's gross profit by 8.56% and 17.12% respectively;
- (b) an increase of our Group's PBT by 16.00% and 31.99% respectively; and
- (c) an increase of our Group's PAT by 16.12% and 32.25% respectively.

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15. FUTURE FINANCIAL INFORMATION (Cont'd)

15.3 REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST

(Prepared for inclusion in the Prospectus)



4 June 2007

The Board of Directors
Petra Energy Berhad
4, Jalan 3/3C,
Batu 7, Jalan Ipoh,
68100 Kuala Lumpur.

Horwath AF No 1018
Kuala Lumpur Office
Chartered Accountants

Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
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Dear Sirs/Madam

**PETRA ENERGY BERHAD ("PETRA ENERGY")
CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 31 DECEMBER
2007**

We have reviewed the consolidated profit forecast of Petra Energy and its subsidiaries ("Petra Energy Group" or "the Group") for the financial year ending 31 December 2007, as set out in the accompanying statements (which we have initialled for the purpose of identification) in accordance with International Standard on Assurance Engagements 3400 - The Examination of Prospective Financial Information, applicable to the review of forecast. The forecast has been prepared solely for the inclusion in the Prospectus of Petra Energy to be dated 26 June 2007, in connection with the proposed listing of and quotation for the entire enlarged issued and paid-up share capital of Petra Energy on the Main Board of the Bursa Malaysia Securities Berhad ("Securities Exchange") and should not be relied on for any other purposes.

The listing scheme comprises the following:-

- (a) repayment of the amount owing to its holding company, Petra Perdana Berhad ("Petra Perdana") of RM20 million by way of cash prior to Petra Energy's listing;
- (b) public issue of 46,000,000 new ordinary shares of RM0.50 each at an issue price of RM2.62 per ordinary share ("Public Issue") which will be allocated and allotted in the following manner:-
 - (i) 6,535,000 new ordinary shares of RM0.50 each for application by the Malaysian public;
 - (ii) 26,200,000 new ordinary shares of RM0.50 each for placement to identified Bumiputera investors approved by the Ministry of International Trade and Industry;
 - (iii) 6,500,000 new ordinary shares of RM0.50 each for placement to identified investors;
 - (iv) 6,765,000 new ordinary shares of RM0.50 each for application by the shareholders of Petra Perdana;

Horwath Offices in Malaysia:

Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Melaka • Penang • Prai

15. FUTURE FINANCIAL INFORMATION (Cont'd)



- (c) bonus issue of 65,000,000 new ordinary shares of RM0.50 each to be issued to all existing shareholders of Petra Energy on the basis of 1 new ordinary share of RM0.50 each for every 2 existing ordinary shares of RM0.50 each held after the Public Issue ("Bonus Issue"); and
- (d) the listing of and quotation for the entire enlarged issued and paid-up share capital of Petra Energy comprising 195,000,000 ordinary shares of RM0.50 each on the Main Board of the Securities Exchange.


Our review has been undertaken to enable us to form an opinion as to whether the forecast, in all material respects, is properly prepared on the basis of the assumptions made by the Directors and is presented on a basis consistent with the accounting policies adopted and disclosed by the Petra Energy Group in their audited financial statements for the financial year ended 31 December 2006. The Directors of Petra Energy are solely responsible for the preparation and presentation of the profit forecast and the assumptions on which the profit forecast is based.


Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which the Management expects to take place and the actions which the Management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which the forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.

In our opinion:-

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying statements, do not provide a reasonable basis for the preparation of the consolidated profit forecast; and
- (ii) the consolidated profit forecast so far as the calculations are concerned, is properly prepared on the basis of the assumptions made by the Directors and are presented on a basis consistent with the accounting policies adopted and disclosed by Petra Energy and its subsidiaries in their audited financial statements for the financial year ended 31 December 2006.

Yours faithfully

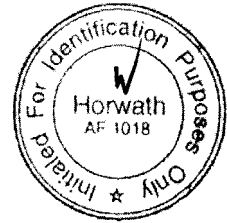

Horwath
Firm No : AF 1018
Chartered Accountants


Lee Kok Wai
Approval No : 2760/06/08(J)
Partner

Horwath Offices in Malaysia:

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15. FUTURE FINANCIAL INFORMATION (Cont'd)

**PETRA ENERGY BERHAD ("PETRA ENERGY")****A. Consolidated Profit Forecast For The Financial Year Ending 31 December 2007**

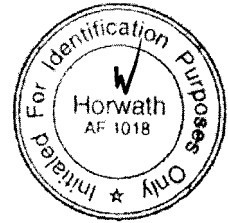
The Directors of Petra Energy forecast that, barring unforeseen circumstances and on the bases and assumptions set out below, the consolidated profit after taxation of Petra Energy and its subsidiaries ("Petra Energy Group" or "the Group") for the financial year ending 31 December 2007 will be as follows:-

	2007 RM'000
Revenue	450,871
Consolidated profit before taxation ("PBT")	47,611
Taxation	(13,127)
Consolidated profit after taxation ("PAT")	34,484
Enlarged number of ordinary shares in issue ('000)	195,000
Weighted average number of ordinary shares in issue ('000)	135,395 [^]
Basic net earnings per share ("EPS") (sen)	
- based on enlarged number of ordinary shares in issue	17.68
- based on weighted average number of ordinary shares in issue	25.47
Price-earnings multiple ("PE Multiple") calculated based on the theoretical ex-bonus price of RM1.74 per share	
- based on enlarged number of ordinary shares in issue	9.84
- based on weighted average number of ordinary shares in issue	6.83

Notes:-

[^] *Weighted average number of ordinary shares in issue assuming the Public Issue will be completed by mid July 2007.*

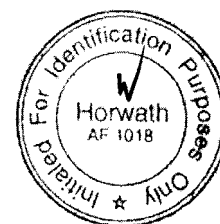
15. FUTURE FINANCIAL INFORMATION (Cont'd)

**PETRA ENERGY BERHAD ("PETRA ENERGY")****B. Principal Bases And Assumptions Relating To The Consolidated Profit Forecast**

The details of the transactions to be undertaken in relation to the listing of Petra Energy on the Main Board of the Securities Exchange are as follows:-

- (a) repayment of the amount owing to its holding company, Petra Perdana Berhad ("Petra Perdana") of RM20 million by way of cash prior to Petra Energy's listing;
- (b) public issue of 46,000,000 new ordinary shares of RM0.50 each at an issue price of RM2.62 per ordinary share ("Public Issue") which will be allocated and allotted in the following manner:-
 - (i) 6,535,000 new ordinary shares of RM0.50 each for application by the Malaysian public;
 - (ii) 26,200,000 new ordinary shares of RM0.50 each for placement to identified Bumiputera investors approved by the Ministry of International Trade and Industry;
 - (iii) 6,500,000 new ordinary shares of RM0.50 each for placement to identified investors;
 - (iv) 6,765,000 new ordinary shares of RM0.50 each for application by the shareholders of Petra Perdana;
- (c) bonus issue of 65,000,000 new ordinary shares of RM0.50 each to be issued to all existing shareholders of Petra Energy on the basis of 1 new ordinary share of RM0.50 each for every 2 existing ordinary shares of RM0.50 each held after the Public Issue which will be completed prior to the listing ("Bonus Issue"); and
- (d) the listing of and quotation for the entire enlarged issued and paid-up share capital of Petra Energy comprising 195,000,000 ordinary shares of RM0.50 each on the Main Board of the Securities Exchange.

15. FUTURE FINANCIAL INFORMATION (Cont'd)



PETRA ENERGY BERHAD ("PETRA ENERGY")

B. Principal Bases And Assumptions Relating To The Consolidated Profit Forecast (Cont'd)

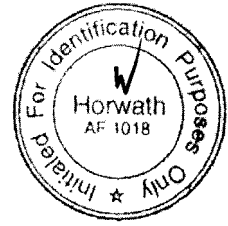
Specific Assumptions

1. There will be no major changes in the expected market demand for Petra Energy Group's services. The Group forecasts that revenue from its existing services in the financial year ending 31 December 2007 will be as follows:-

Revenue by Activity	Forecast revenue RM'000	Revenue recognised up to 31 March 2007 RM'000	Revenue to be secured/ recognised RM'000
Retrofit, engineering and maintenance	313,963	63,130	250,833
Equipment packaging and fabrication	100,046	28,226	71,820
Domestic vessels recharter	36,862	12,235	24,627
	<u>450,871</u>	<u>103,591</u>	<u>347,280</u>

The Group's forecast revenue is supported by existing secured contracts contributing approximately 93% of total forecast revenue.

2. Total depreciation charge of property, plant and equipment is expected to be approximately RM14.4 million with no material changes to the existing depreciation rates adopted by the Group.
3. The Public Issue and Bonus Issue are assumed to be completed by mid July 2007 and the proceeds from the Public Issue are expected to be received by mid July 2007. The estimated listing expenses of RM4,200,000 to be incurred in respect of the Public Issue will be set-off against the share premium account.

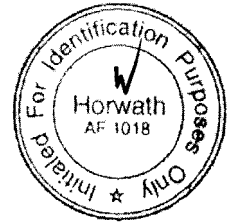
15. FUTURE FINANCIAL INFORMATION (Cont'd)**PETRA ENERGY BERHAD ("PETRA ENERGY")****B. Principal Bases And Assumptions Relating To The Consolidated Profit Forecast (Cont'd)**Specific Assumptions (Cont'd)

4. The proceeds from the Public Issue will be utilised as follows:-

	RM'000
Repayment of amount owing to the holding company	100,000
Working capital	16,320
Estimated listing expenses	4,200
	<u>120,520</u>

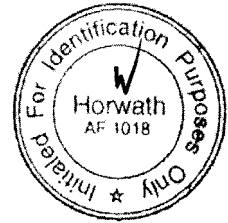
5. The daily charter hire rate will not vary significantly from the forecast.
6. There will be no major breakdown of the vessels or other abnormal circumstances, which will adversely affect the operations, income and expenditure of the Group.
7. The Group will undertake to commercialise the remaining amount owing to Petra Perdana Berhad after the completion of the Proposed Listing at an interest rate of 6.25% per annum.

15. FUTURE FINANCIAL INFORMATION (Cont'd)

**PETRA ENERGY BERHAD ("PETRA ENERGY")****B. Principal Bases And Assumptions Relating To The Consolidated Profit Forecast (Cont'd)**General Assumptions

1. There will be no significant changes in the principal activities and existing group structure of Petra Energy other than those incorporated in the forecast.
2. The existing contracts signed between Petra Energy Group and its suppliers and customers will be renewed upon expiration without any significant variation to the existing terms and conditions of the contracts.
3. There will not be any loss of the Group's existing customers and business alliances that will materially affect the revenue of the Group, and it is assumed that there will be no significant occurrences of bad and doubtful debts.
4. There will be no significant changes in the forecast selling prices or major changes in the expected market demand for Petra Energy Group's products and services.
5. There will be no significant changes in the purchase prices of major raw materials, labour and other operating costs other than those as provided. Any significant increase in the cost of raw materials will be compensated through an equivalent increase in selling prices.
6. There will be no significant changes in key management, technology and operating structure which will adversely affect the operations of Petra Energy Group.
7. There will be sufficient manpower and there will be no industrial disputes or disruption or any other abnormal factors which will adversely affect the operations of Petra Energy Group.
8. Inflation rate will not fluctuate significantly from the present and forecast level. With regard to inflation, administrative and other operating expenses were forecasted to increase in tandem with the level of operations of the Group. The effects of inflation, where applicable, have been incorporated in the forecast of administrative and other operating expenses.
9. Foreign currency exchange rate will not fluctuate significantly from the present and forecast level. The Malaysian Ringgit to the United States Dollar ("USD") will not fluctuate significantly from the assumed rate of RM3.50 per USD.
10. There will be no significant changes in the market conditions and in the lending guidelines and other operational regulations or restrictions or legislations or government regulations which will adversely affect the activities of Petra Energy Group or the market in which it operates.

15. FUTURE FINANCIAL INFORMATION (Cont'd)

**PETRA ENERGY BERHAD ("PETRA ENERGY")****B. Principal Bases And Assumptions Relating To The Consolidated Profit Forecast (Cont'd)**General Assumptions (Cont'd)

11. The existing financing facilities of the Group will remain available at the prevailing interest rates. There will be no material changes to the timing of repayment of these facilities. The Group will be able to obtain additional financing facilities whenever required at interest rates which approximate those currently available to the Group.
12. There will be no unusual circumstances, events or transactions that will materially affect the operations and financial results of the Petra Energy Group.
13. The economies of the respective countries in which the Group is dealing with or operating in, will perform in line with the forecast with minimal unfavourable global economic impact.
14. There will be no significant changes to the prevailing political conditions in the respective countries in which the Group is dealing with or operating in, that may have an adverse effect on the activities and performance of the Group.
15. There will be no material changes in the present legislation or government regulations, which will have a significant effect on Petra Energy. It is assumed that the statutory tax rate will be 27% throughout the periods under review and taxes on profits will be paid in the same year in which they are incurred.
16. There will be no major proceedings against the Group which will adversely affect the activities or performance of the Group or give rise to any contingent liabilities which will materially affect the financial position or the business of the Group.
17. Capital expenditure will be implemented and incurred as scheduled and there will be no material acquisition or disposal of property, plant and equipment or investments other than those planned.
18. There will be no significant changes in the accounting policies presently adopted by the Group. The adoption of the new Financial Reporting Standards ("FRS") by the Group for the financial year beginning 1 January 2007 will not have any significant effect on the profit forecast.

15. FUTURE FINANCIAL INFORMATION (Cont'd)

15.4 DIVIDEND POLICY

It is our policy to recommend dividends to allow shareholders to participate in the profits of our Group as well as to provide for adequate reserves for our future growth.

Based on the consolidated profit forecast of our Company as set out in Section 15.1 of this Prospectus and on the assumption that the present basis for calculating taxation and the taxation rates remain unchanged, our Directors propose to declare a net dividend of 2.96 sen per Share (based on the enlarged issued and paid-up share capital of 195,000,000 Shares) for the FYE 31 December 2007.

FYE 31 December	2007
Dividend per Share (sen)	
- Gross	4.00
- Net [^]	2.96
Dividend yield (%)	
- Gross [#]	2.30
- Net [#]	1.70
Gross dividend cover (times)	4.42
Net dividend cover (times)	5.97

Notes:

[^] 4 sen per share less 26% tax

[#] Computed based on the theoretical ex-bonus price of RM1.74 per Share.

Our ability to declare dividends or make other distributions in the future is subject to the Group achieving profits and having excess funds which are not required to be retained to fund the Group's operations and other obligations or business plans. As Petra Energy is an investment holding company, the ability to declare dividends is also dependent upon the receipt of funds and dividend income from its subsidiary companies.

Upon the recommendation by our Board, the level of dividend payments, if any, will depend on but not limited to the following factors including:

- (i) the level of our cash, gearing, ability to service debt, return on equity and retained earnings;
- (ii) our expected operational and financial condition;
- (iii) our projected level of capital expenditure and other investment plans; and
- (iv) restrictions on payment of dividends that may be imposed on us by our financing agreements.

Further, future dividend payments will not be considered if:

- (i) Our Group is in a loss position for the relevant financial year; or
- (ii) Our Group has insufficient cash flow to support any dividend payments; or
- (iii) Our Group has insufficient tax credit to support any dividend payments

Notwithstanding the above, our Directors may at their discretion reduce, raise or waive any future dividend payments as and when deemed necessary in the best interests of our Group.

16. ACCOUNTANTS' REPORT

(Prepared for inclusion in the Prospectus)



4 June 2007

The Board of Directors
Petra Energy Berhad
4, Jalan 3/3C,
Batu 7, Jalan Ipoh,
68100 Kuala Lumpur.

Horwath *AF No 1018*
Kuala Lumpur Office
Chartered Accountants

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Dear Sirs

**PETRA ENERGY BERHAD
ACCOUNTANTS' REPORT**

1. PURPOSE OF REPORT

This report has been prepared by Horwath, an approved company auditor, for inclusion in the Prospectus of Petra Energy Berhad ("Petra Energy" or "the Company") to be dated 26 June 2007 in connection with the listing of Petra Energy on the Main Board of Bursa Malaysia Securities Berhad ("Securities Exchange"). Details of the listing scheme are disclosed in paragraph 3 of this report.

2. DETAILS OF PETRA ENERGY

Petra Energy was incorporated on 16 December 2005 as a private company limited by shares under the Malaysian Companies Act, 1965 under the name of Portfolio Hitech Sdn. Bhd. On 1 June 2006, the company changed its name to Petra Energy Sdn. Bhd. On 24 July 2006, the company was converted into a public company and assumed its present name.



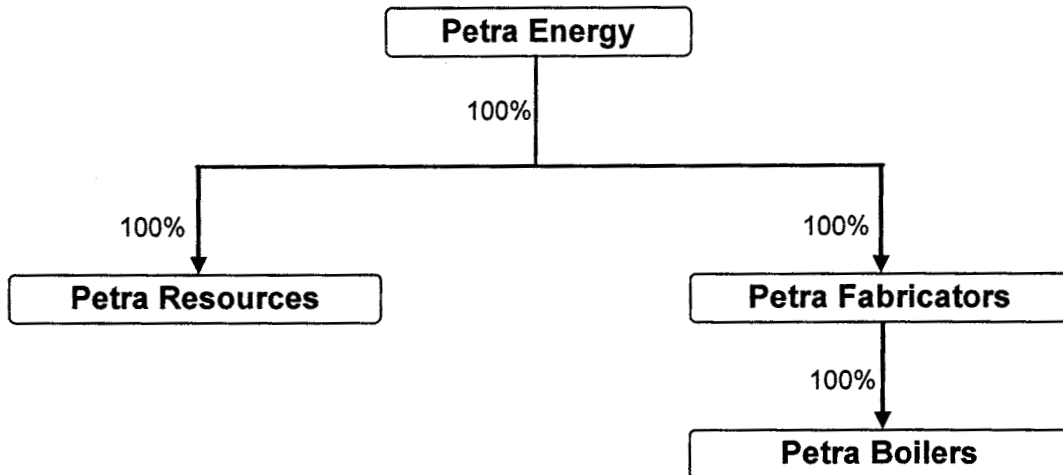
3. DETAILS OF THE RESTRUCTURING AND LISTING SCHEME

In conjunction with and as an integral part of the listing of Petra Energy on the Main Board of the Securities Exchange, the Company will undertake the following transactions which have been approved by the relevant authorities:-

- (a) repayment of the amount owing to its holding company, Petra Perdana Berhad ("Petra Perdana") of RM20 million by way of cash prior to Petra Energy's listing;
- (b) public issue of 46,000,000 new ordinary shares of RM0.50 each at an issue price of RM2.62 per ordinary share ("Public Issue") which will be allocated and allotted in the following manner:-
 - (i) 6,535,000 new ordinary shares of RM0.50 each for application by the Malaysian public;
 - (ii) 26,200,000 new ordinary shares of RM0.50 each for placement to identified Bumiputera investors approved by the Ministry of International Trade and Industry;
 - (iii) 6,500,000 new ordinary shares of RM0.50 each for placement to identified investors;
 - (iv) 6,765,000 new ordinary shares of RM0.50 each for application by the shareholders of Petra Perdana;
- (c) bonus issue of 65,000,000 new ordinary shares of RM0.50 each to be issued to all existing shareholders of Petra Energy on the basis of 1 new ordinary share of RM0.50 each for every 2 existing ordinary shares of RM0.50 each held after the Public Issue ("Bonus Issue"); and
- (d) the listing of and quotation for the entire enlarged issued and paid-up share capital of Petra Energy comprising 195,000,000 ordinary shares of RM0.50 each on the Main Board of the Securities Exchange.

16. ACCOUNTANTS' REPORT (Cont'd)**4. GROUP STRUCTURE**

Currently, the group structure of Petra Energy Group is as follows:-



Notes:-

Petra Resources - Petra Resources Sdn. Bhd.
 Petra Fabricators - Petra Fabricators Sdn. Bhd.
 Petra Boilers - Petra Boilers Sdn. Bhd.

5. RELEVANT FINANCIAL PERIODS AND AUDITORS

The relevant financial periods for the purpose of this report ("Relevant Financial Periods") and the auditors of the respective companies for the Relevant Financial Periods are as follows:-

Company	Relevant Financial Periods	Auditors	Auditors' Report
Petra Energy	Financial period ("FP") from 16 December 2005 to 31 December 2006	Ng & Co.	Appendix I
Petra Resources	Financial years ended ("FY") 31 December 2004 to 2006	Ng & Co.	Appendix II
Group			
Petra Energy Group	Financial year ("FY") ended 31 December 2006 *	Ng & Co.	Appendix I

Note:-

- * - The Group's consolidated financial statements were consolidated using the merger method of consolidation. The 2006 consolidated financial statements included the financial statements of Petra Energy for the financial period ended 31 December 2006 and the financial statements of the subsidiaries for the financial year ended 31 December 2006.

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5. RELEVANT FINANCIAL PERIODS AND AUDITORS (CONT'D)

The audited financial statements of Petra Energy Group for the Relevant Financial Periods were reported upon without any audit qualification or emphasis of matter except as follows:-

Petra Resources

The auditors' report of the ultimate holding company, Petra Perdana Berhad for the financial year ended 31 December 2004 contained an emphasis of matter on a disputed trade receivable balance in Petra Resources of approximately RM7.4 million in respect of a disputed unit of measurement for work completed in previous financial years.

The auditors' reports of Petra Resources for the financial years ended 31 December 2004 to 2006 were reported on without any qualification or emphasis of matter.

Petra Fabricators

The auditors' reports for the financial years ended 31 December 2004 and 2005 contained an emphasis of matter on the following:-

- (a) a litigation undertaken by a supplier against Petra Fabricators for an amount of approximately RM1.1 million. Petra Fabricators initiated a counter claim against the third party for an amount of RM2.0 million for rectification work performed; and
- (b) an amount of approximately RM1.7 million included in other receivables, being rectification costs to replace defective parts supplied by a supplier referred to in paragraph (a) above.

The Directors are of the opinion that the rectification costs of RM1.7 million included in other receivables are recoverable in full from the supplier, and no provision is required to write down the amount.

The Directors, based on legal advice, are of the opinion that no liability will arise from this litigation. Additional information of this litigation is disclosed in Section 19.6 of this Prospectus.

16. ACCOUNTANTS' REPORT (Cont'd)**6. ACCOUNTING STANDARDS AND POLICIES****6.1 BASIS OF PREPARATION**

The financial statements of Petra Energy Group and Petra Resources are prepared under the historical cost convention and modified to include other bases of valuation as disclosed under significant accounting policies below. The financial statements comply with applicable approved accounting standards in Malaysia for the Relevant Financial Periods.

In the FY 2006, Petra Energy Group and Petra Resources have adopted all the new and revised Financial Reporting Standards ("FRS") issued by the Malaysian Accounting Standards Board which are relevant to its operations and effective for financial periods beginning on or after 1 January 2006. The applicable FRS are set out below:-

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Accounting 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 132	Financial Instruments: Disclosure and Presentation
FRS 136	Impairment of Assets

The application of the revised FRS 101 has resulted in a change in the presentation of the income statements, balance sheets, statements of changes in equity and cash flow statements. The changes in the presentation have been applied retrospectively.

The adoption of the abovementioned revised FRSs did not result in substantial changes to Petra Energy Group and Petra Resources' accounting policies and does not have any financial effect on the profit after taxation of Petra Energy Group and Petra Resources for the current financial period.

As of 31 December 2006, the following new and revised FRSs have been issued but not yet effective until later periods:

FRS 117	Leases
FRS 124	Related Party Disclosures
FRS 139	Financial Instruments: Recognition and Measurement