

PETRA ENERGY BERHAD (Company No. 718388-H)
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2011 RM'000	Preceding Year Corresponding Quarter 31/12/2010 RM'000	Twelve Months to 31/12/2011 RM'000	Twelve Months to 31/12/2010 RM'000
Revenue	217,708	150,036	650,403	633,935
Cost of sales	(192,238)	(147,086)	(573,107)	(562,158)
Gross profit	25,470	2,950	77,296	71,777
Other income	200	1,537	3,741	4,115
Operating expenses	(11,802)	(13,840)	(63,915)	(56,547)
Finance costs	(1,687)	(3,506)	(9,049)	(13,300)
Profit/(loss) before taxation	12,181	(12,859)	8,073	6,045
Income tax expense	(4,143)	5,046	(4,777)	(3,364)
Profit/(loss) net of tax, represent total comprehensive income/(loss) for the period/year	8,038	(7,813)	3,296	2,681
Attributable to:				
Owners of the Parent	8,081	(7,994)	3,522	2,585
Minority interests	(43)	181	(226)	96
	8,038	(7,813)	3,296	2,681
Earnings per share of RM0.50 each (sen)				
- Basic/diluted	3.87	(4.10)	1.77	1.33

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report)

PETRA ENERGY BERHAD (Company No. 718388-H)
(Incorporated in Malaysia)

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31/12/2011 RM'000	Preceding Year Corresponding Quarter 31/12/2010 RM'000	Twelve Months to 31/12/2011 RM'000	Twelve Months to 31/12/2010 RM'000
Profit/(loss) for the period/year	8,038	(7,813)	3,296	2,681
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss) for the period/year	8,038	(7,813)	3,296	2,681
Total comprehensive income/(loss) attributable to:				
Owners of the Parent	8,081	(7,994)	3,522	2,585
Minority interests	(43)	181	(226)	96
	8,038	(7,813)	3,296	2,681

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report)

PETRA ENERGY BERHAD (Company No. 718388-H)
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at end of current quarter 31/12/2011 RM'000	Audited As at preceding financial year ended 31/12/2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	336,092	353,141
Deferred tax assets	912	1,084
	<u>337,004</u>	<u>354,225</u>
Current assets		
Inventories	11,761	10,600
Trade and other receivables	180,480	191,542
Amount due from customers	68,917	82,119
Tax recoverable	6,241	7,614
Fixed deposits with licensed banks	51,170	44,047
Cash and bank balances	56,967	19,659
	<u>375,536</u>	<u>355,581</u>
Total Assets	<u>712,540</u>	<u>709,806</u>
Equity and Liabilities		
Equity attributable to owners of the Parent		
Share capital	107,250	97,500
Reserves	219,275	208,733
	<u>326,525</u>	<u>306,233</u>
Minority interest	554	780
Total equity	<u>327,079</u>	<u>307,013</u>
Non-current liabilities		
Long term borrowings	55,825	108,518
Deferred taxation	29,270	28,745
	<u>85,095</u>	<u>137,263</u>
Current liabilities		
Trade and other payables	198,260	165,916
Amount due to customers	2,308	3,153
Borrowings	99,798	95,608
Provision for taxation	-	853
	<u>300,366</u>	<u>265,530</u>
Total liabilities	<u>385,461</u>	<u>402,793</u>
Total equity and liabilities	<u>712,540</u>	<u>709,806</u>
Net assets per share of RM0.50 each (RM)	<u>1.52</u>	<u>1.57</u>

(The condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report)

PETRA ENERGY BERHAD (Company No. 718388-H)
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	Unaudited twelve months to 31/12/2011 RM'000	Audited twelve months to 31/12/2010 RM'000
Operating Activities		
Receipts from customers	677,457	621,124
Payments to suppliers and employee	(584,775)	(650,884)
Cash generated from operations/(used in)	92,682	(29,760)
Income taxes paid	(3,560)	(8,616)
Net cash flows generated from/(used in) operating activities	89,122	(38,376)
Investing Activities		
Purchase of property, plant and equipments	(5,193)	(11,479)
Proceeds from disposal of property, plant and equipments	92	355
Acquisition of minority interests	(49)	-
Interests received	943	956
Net cash flows used in investing activities	(4,207)	(10,168)
Financing Activities		
Repayment of loans and borrowings	(52,720)	(94,250)
Proceeds from borrowings	7,113	151,280
Proceeds from issuance of shares, net of issuance expense	17,745	-
Dividends paid on ordinary shares	(975)	(1,950)
Interest paid	(9,049)	(12,429)
Net cash flows (used in)/generated from financing activities	(37,886)	42,651
Net increase/(decrease) in cash and cash equivalents	47,029	(5,893)
Cash and cash equivalents at 1 January 2011	60,810	66,703
Cash and cash equivalents at 31 December 2011	107,839	60,810
Cash and cash equivalents		
Cash in hand and at bank	56,967	-
Fixed deposits	51,170	44,047
	108,137	44,047
Less: Bank overdraft	-	(2,896)
	108,137	41,151
Less: Fixed deposits pledged as security	(298)	(298)
	107,839	40,853

(The Condensed Consolidated Statement Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
 FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Company →					Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Retained Profits RM'000	Total RM'000		
Financial Year Ended 31 December 2011 (Unaudited)							
As at 1 January 2011	97,500	62,062	(31,000)	177,671	306,233	780	307,013
Total comprehensive loss for the year	-	-	-	3,522	3,522	(226)	3,296
Issuance of ordinary shares	9,750	7,995	-	-	17,745	-	17,745
Dividend for the year ended 31 December 2010	-	-	-	(975)	(975)	-	(975)
Balance as at 31 December 2011	107,250	70,057	(31,000)	180,218	326,525	554	327,079
Financial Year Ended 31 December 2010 (Audited)							
As at 31 December 2009	97,500	62,062	(31,000)	175,400	303,962	684	304,646
Effect arising from adoption of FRS 139	-	-	-	1,636	1,636	-	1,636
As at 1 January 2010, as restated	97,500	62,062	(31,000)	177,036	305,598	684	306,282
Total comprehensive income	-	-	-	2,585	2,585	96	2,681
Dividend for the year ended 31 December 2010	-	-	-	(1,950)	(1,950)	-	(1,950)
Balance as at 31 December 2010	97,500	62,062	(31,000)	177,671	306,233	780	307,013

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to this report)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2010. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

2. Changes in Accounting Policies

The Group and the Company have adopted the new and revised FRS, Amendments to FRS and IC Interpretations which are mandatory for financial periods beginning on or after 1 January 2011. The adoption of these standards and interpretations did not give rise to any significant effects on the financial statements of the Group and the Company in the period of initial application.

Effective for annual periods beginning on or after 1 July 2010:

FRS 1:	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2:	Share-based Payment
FRS 3:	Business Combinations
Amendments to FRS 5:	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127:	Consolidated and Separate Financial Statements
Amendments to FRS 138:	Intangible Assets
Amendments to IC Interpretation 9:	Reassessment of Embedded Derivatives
IC Interpretation 12:	Service Concession Arrangements
IC Interpretation 16:	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17:	Distributions of Non-cash Assets to Owners
Amendments to FRS 132:	Classification of Rights Issues
IC Interpretation 18:	Transfers of Assets from Customers
Amendments to FRS 7:	Improving Disclosures about Financial Instruments
Amendments to FRS 1:	Limited Exemptions for First-time Adopters
Amendments to FRS 1:	Additional Exemptions for First-time Adopters
IC Interpretation 4:	Determining Whether an Arrangement contains a Lease
Improvements to FRS issued in 2010	

PETRA ENERGY BERHAD (Company No: 718388-H)
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

3. Qualification of Financial Statements

The preceding annual financial statements of the Group were not subject to any qualification.

4. Seasonal or Cyclical Factors

Seasonal and cyclical factors do not have any material impact on the Group's business operations.

5. Unusual and Extraordinary Items

There are no unusual and extraordinary items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial year to-date.

6. Material Changes in Estimates

There are no material changes in the estimates of amounts reported in the current quarter and financial year to-date.

7. Issuance and Repayment of Debts and Equity Securities

On 27 October 2011, the Company has completed the Private Placement of 19,500,000 new ordinary shares of RM0.50 each following the listing of and quotation of the Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

Save as disclosed above, there have been no cancellation, repurchase, resale and repayment of debts and issuance of equity securities in the current quarter and financial year to-date.

8. Dividends Paid

A final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2010, of 0.5 sen per ordinary share of RM0.50 each on 195,000,000 ordinary shares amounting to RM975,000.00 was paid on 18 July 2011.

PETRA ENERGY BERHAD (Company No: 718388-H)
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

9. Segmental Information

Business Segment – Quarter

Current Quarter Ended 31 December 2011	Integrated Brown Field Maintenance and Onshore Civil Engineering Services RM'000	Engineering Services RM'000	Marine Offshore Support Services RM'000	Design, Fabrication, Supply and Installation Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue							
External revenue	184,544	-	23,394	9,770	-	-	217,708
Inter-segment revenue	23,854	-	-	902	19,840	(44,596)	-
	<u>208,398</u>	<u>-</u>	<u>23,394</u>	<u>10,672</u>	<u>19,840</u>	<u>(44,596)</u>	<u>217,708</u>
Results							
Segment results	24,409	-	2,141	(7,548)	17,713	(22,847)	13,868
Finance cost	(1,676)	-	40	(76)	-	25	(1,687)
Profit/(loss) before taxation	<u>22,733</u>	<u>-</u>	<u>2,181</u>	<u>(7,624)</u>	<u>17,713</u>	<u>(22,822)</u>	<u>12,181</u>

Corresponding Quarter Ended 31 December 2010	Integrated Brown Field Maintenance and Onshore Civil Engineering Services RM'000	Engineering Services RM'000	Marine Offshore Support Services RM'000	Design, Fabrication, Supply and Installation Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue							
External revenue	111,025	5,278	27,553	6,180	-	-	150,036
Inter-segment revenue	23,257	-	-	3,568	15,840	(42,665)	-
	<u>134,282</u>	<u>5,278</u>	<u>27,553</u>	<u>9,748</u>	<u>15,840</u>	<u>(42,665)</u>	<u>150,036</u>
Results							
Segment results	13,210	(22,698)	1,657	5	12,021	(13,548)	(9,353)
Finance cost	(3,293)	(194)	-	(18)	(1)	-	(3,506)
Profit/(loss) before taxation	<u>9,917</u>	<u>(22,892)</u>	<u>1,657</u>	<u>(13)</u>	<u>12,020</u>	<u>(13,548)</u>	<u>(12,859)</u>

PETRA ENERGY BERHAD (Company No: 718388-H)
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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

9. Segmental Information (cont'd.)

Business Segment – Year-to-date

Year-to-date Ended 31 December 2011	Integrated Brown Field Maintenance and Engineering Services RM'000	Onshore Civil Engineering Services RM'000	Marine Offshore Support Services RM'000	Design, Fabrication, Supply and Installation Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue							
External revenue	495,075	20,472	99,106	35,750	-	-	650,403
Inter-segment revenue	86,536	-	-	9,157	22,360	(118,053)	-
	581,611	20,472	99,106	44,907	22,360	(118,053)	650,403
Results							
Segment results	61,390	(27,411)	6,337	(14,029)	13,142	(22,307)	17,122
Finance cost	(8,403)	(278)	-	(162)	-	(206)	(9,049)
Profit/(loss) before taxation	52,987	(27,689)	6,337	(14,191)	13,142	(22,513)	8,073

Corresponding Year-to-date Ended 31 December 2010	Integrated Brown Field Maintenance and Engineering Services RM'000	Onshore Civil Engineering Services RM'000	Marine Offshore Support Services RM'000	Design, Fabrication, Supply and Installation Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue							
External revenue	454,473	34,314	107,450	37,698	-	-	633,935
Inter-segment revenue	94,737	-	-	10,559	18,360	(123,656)	-
	549,210	34,314	107,450	48,257	18,360	(123,656)	633,935
Results							
Segment results	49,096	(26,107)	7,253	(5,428)	14,524	(19,993)	19,345
Finance cost	(13,367)	(192)	-	(700)	(2,297)	3,256	(13,300)
Profit/(loss) before taxation	35,729	(26,299)	7,253	(6,128)	12,227	(16,737)	6,045

10. Valuation of Property, Plant and Equipment

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

PETRA ENERGY BERHAD (Company No: 718388-H)
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

11. Material Events Subsequent to the Balance Sheet Date

PRSB, a wholly-owned subsidiary of the Company had on 13 February 2012 entered into a Sale & Purchase Agreement with Jong Nyat Lian and Lee Wing Yim for the acquisition of two (2) parcels of leasehold land, measuring in total area of approximately 2.2946 hectares and described as Lot 205312634 and Lot 205312590 located at Kampung Sungai Keling, Wilayah Persekutuan Labuan, together with all the buildings and fixtures for a cash consideration of RM16,000,000.00.

Save as disclosed above, there was no other material subsequent event as at 17 February 2012.

12. Changes in Composition of the Group

On 21 October 2011, the Company had acquired the remaining 49,000 ordinary shares of RM1.00 each fully paid up in the capital of Petra AWT Sdn Bhd, ("Petra AWT") from Advanced Well Technologies (Malaysia) Pty. Ltd. for a total consideration of RM49,000.00. Following the acquisition, Petra AWT is now a wholly-owned subsidiary of the Company.

Save as disclosed above, there were no changes in the composition of the Group during the current financial year including business combination, acquisition or disposal of subsidiary and long-term investment, restructuring and discontinuing operation.

13. Changes in Contingent Liabilities and Contingent Assets

As at 31 December 2011, the Company has given corporate guarantees amounting to approximately RM348.4 million to licensed financial institutions for facilities granted to subsidiary companies. Arising from this, the Company is contingently liable for the amount utilized by its subsidiary companies of approximately RM44.1 million. As at the said date, the amount of performance guarantees extended to third parties is approximately RM63.37 million.

14. Significant Related Party Transactions

a. Related Party Transactions

	Current Quarter Ended 31 December 2011 RM'000	Corresponding Quarter Ended 31 December 2010 RM'000
Charter hire fee paid to related companies of a corporate shareholder	24,843	25,392

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

PETRA ENERGY BERHAD (Company No: 718388-H)
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

b. Compensation of key management personnel

The remuneration of Directors and other members of key management are as follows:

	Current Quarter Ended 31 December 2011 RM'000	Corresponding Quarter Ended 31 December 2010 RM'000
Directors and other members of key management	414	389

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

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

15. Review of Performance

Current quarter compared to the corresponding quarter of the preceding year (three months)

For the current quarter under review, the Group recorded a turnover of RM217.7 million, a significant increase by 45% compared with RM150.0 million reported in the fourth quarter of the financial year ended 2010. The increase in the turnover for the current quarter is principally due to the higher revenue from Integrated Brown Field Maintenance and Engineering Services and Design, Fabrication, Supply and Installation Services segments.

Integrated Brown Field Maintenance and Engineering Services segment contributed largely to the increase in revenue, mainly as a result of new income stream from Provision of Hook-Up and Commissioning of Petronas Carigali Sdn Bhd (PCSB) Facilities which was awarded in December 2010 and the timing of completion of its existing work orders. Design, Fabrication, Supply and Installation Services segment also recorded higher sales due to higher orders secured and performed this quarter as compared to the same quarter last year. As for Marine Offshore Support Services segment, lower revenue was recorded this quarter mainly as a result of revision of the daily charter rate for 2 vessels under charter. There was no revenue contribution from Onshore Civil Engineering Services due to completion of Kumang Project in the third quarter of this financial year.

The Group registered a profit before taxation of RM12.2 million in the current quarter, from a loss before taxation of RM12.9 million in the same quarter, 2010. The turnaround in the net result of RM25 million is mainly due to improvement in the profit margin for work orders performed this quarter for Integrated Brown Field Maintenance and Engineering Services segment. In addition, losses incurred in fourth quarter, 2010 were in respect of recognition of losses for Kumang Project totaling to RM22.9 million.

Current financial year compared to last financial year (twelve months)

Revenue increased slightly by 2.6% from RM633.9 million in the preceding year to RM650 million in the current financial year. All segments registered lower revenue this year except Integrated Brown Field Maintenance and Engineering Services segment. Despite lower utilisation of the Group's vessels during the 1st quarter (only 3 out of 5 vessels being utilised), the revenue picked up in subsequent quarters due to the timing of completion of its existing work orders and new income stream from Provision of Hook-Up and Commissioning of PCSB Facilities. As for Onshore Civil Engineering Services, revenue recognised during the year represented the remaining balance of contract revenue for Kumang Project. The revenue recorded for Marine Offshore Support Services segment is slightly lower principally due to the revision of the daily charter rate for 2 vessels currently under charter. Design, Fabrication, Supply and Installation Services segment also recorded lower revenue during this financial year mainly due to lower orders secured and performed this year as compared to the preceding year.

Higher loss before taxation recorded by Design, Fabrication, Supply and Installation Services segment this year was attributable to legal and arbitration fees incurred amounting to RM5.1 million for a legal case with United Palm Oil Industry Public Co. Ltd. ("UPOIC").

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(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

The overall Group's profit before taxation increased by 33.5% from RM6 million to RM8.1 million mainly due an improvement in the operating margin of Integrated Brown Field Maintenance and Engineering Services segment.

16. Material Change in the Profit Before Taxation for the Quarter Reported as Compared with Immediate Preceding Quarter

The Group registered a profit before taxation of RM12.2 million in the fourth quarter, 2011 compared against loss before taxation of RM16.9 million recorded in the third quarter, 2011. The losses recorded in the third quarter, 2011 were mainly attributable to the losses recognized in the Onshore Civil Engineering Services on completion of Kumang Project.

17. Prospects

The prospects for the Group in the oil and gas industry are positive. Given the robust growth of the industry, which is attributed to the Government's Economic Transformation Plan (ETP) and PETRONAS' capex of RM300 billion in developing the offshore fields over the next five years, Petra Energy Berhad, is positioning itself to leverage on more new brown field contracts, particularly in areas of top-side major maintenance, hook-up & commissioning, under water maintenance and sub-sea services.

The company is further strengthening its core competencies in human capital, fabrication and offshore marine services, and is simultaneously focused on unlocking existing revenue potentials and creating new ones to increase its market share in the oil & gas business.

18. Profit Forecast

No profit forecast or profit guarantee has been issued by the Group.

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**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

19. Profit for the period/year

	Current Year Quarter 31/12/2011 RM'000	Preceding Year Corresponding Quarter 31/12/2010 RM'000	Twelve Months to 31/12/2011 RM'000	Twelve Months to 31/12/2010 RM'000
Profit for the period/year is arrived after charging/(crediting):				
Interest income	(356)	(463)	(943)	(956)
Interest expense	1,687	2,547	9,049	13,300
Amortisation	-	-	-	97
Depreciation	6,088	6,256	22,181	25,290
Impairment/(write back) of receivables	(182)	2,142	(320)	3,882
Bad debts recovered	-	(43)	(36)	(43)
Inventories written off	-	568	-	568
Impairment of intangible assets	49	-	49	1,428
Foreign exchange loss/(gain)	667	(2,038)	1,836	(1,549)
Gain from disposal of property, plant equipment	-	(60)	(33)	(108)

Save as disclosed above, the other items required under Appendix 9B, Part A(16) of the Bursa Listing Requirements are not applicable.

20. Taxation

	Current Quarter Ended 31 December 2011 RM'000	Corresponding Quarter Ended 31 December 2010 RM'000	Current Year-to-date Ended 31 December 2011 RM'000	Corresponding Year-to-date Ended 31 December 2010 RM'000
Current tax charge	1,442	(3,640)	2,686	3,680
Deferred taxation	2,701	(1,406)	2,091	(316)
Total	<u>4,143</u>	<u>(5,046)</u>	<u>4,777</u>	<u>3,364</u>

The effective tax rate of the Group for the current quarter and financial year-to-date was higher than the statutory tax rate principally due to certain expenses that were not deductible for tax purposes and non-recognition of deferred tax assets arising from tax losses in certain subsidiary companies.

PETRA ENERGY BERHAD (Company No: 718388-H)
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

21. Corporate Proposal

On 13 June 2011, the Company announced a proposed private placement of up to 19,500,000 new ordinary shares of RM0.50 each in the Company, representing up to 10% of the existing issued and paid-up share capital of the Company ("Proposed Private Placement").

Bursa Malaysia Securities Berhad ("Bursa Securities") had, through its letter dated 7 July 2011 approved the listing of and quotation for up to 19,500,000 new ordinary shares of RM0.50 each in the Company to be issued pursuant to the Proposed Private Placement ("Placement Shares").

On 17 October 2011, the Board of Directors of the Company had resolved to fix the issue price per Placement Share at RM0.91 per share. The Private Placement was completed on 27 October 2011 following the listing of and quotation of the Placement Shares on the Main Market of Bursa Malaysia Securities Berhad.

The status of the utilisation of proceeds of approximately RM17.745 million from the private placement as at 17 February 2012 are as follows:

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Intended Timeframe for Utilisation
Part finance a proposed acquisition of an accommodation work barge	17,405	-	By August 2012
Expenses related to the Private Placement	340	340	N/A
Total	17,745	340	

22. Borrowings

a. Total Group's borrowings as at 31 December 2011 were as follows:

	As at 31 December 2011 RM'000
Short term	55,801
Long term	99,753
Total	155,554

The above borrowings are secured and denominated in Ringgit Malaysia.

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

23. Derivative Financial Instruments

There were no derivative financial instruments for the current quarter ended 31 December 2011.

24. Gains and Losses Arising from Fair Value Changes of Financial Liabilities

There were no financial liabilities measured at fair value through profit or loss for the current quarter ended 31 December 2011. All financial liabilities are measured at the amortised cost effective interest method. Hence, no gains or losses were recognised for changes in the fair values of these liabilities.

25. Changes in Material Litigation

- (a) Petra Fabricators Sdn Bhd (“PFSB”), a wholly-owned subsidiary of PEB, received a Writ of Summons and Statement of Claims dated 4 September 2003 for a total sum of RM1,071,899 from Kencana Bestwide (“KBW”) for goods and services rendered. PFSB files a Defence and Counter-Claim dated 1 September 2003 for a sum of approximately RM2 million being the rectification cost incurred against KBW. On January 2010, the Judge decided to allow the Plaintiff’s claim and dismissed PFSB’s counter claim with costs. However, an appeal has been filed to the Court of Appeal against the whole of the decision of the High Court Judge on 19 February 2010.

The hearing for a stay execution of the High Court Judge’s decision on 29 January 2010 filed by PFSB with the High Court of Malaya at Kuala Lumpur was fixed on 2 September 2010 where the High Court has disallowed PFSB’s application for stay of execution. The PFSB’s record of appeal to the Court of Appeal has been filed on 8 September 2010 and the Company has been advised by its Solicitors that the Solicitors is constantly sending reminder to the Court of Appeal to get a hearing date for the appeal.

- (b) On or about 1 December 2009, Petra Boilers Sdn Bhd (“PBSB”), a wholly owned subsidiary of PFSB, which is in turn is a wholly-owned subsidiary of PEB was served a Request of Arbitration dated the same by United Palm Oil Industry Public Co. Ltd. (“UPOIC”), a company incorporated under the laws of Thailand, for a claim of US\$11,258,334.55 for direct loss, damage and cost of rectification incurred (to be incurred) by UPOIC as a direct consequence of PBSB’s failure to perform its obligation under a Contract dated 31 July 2006 (“the Contract”) together with interest, costs and such further or other relief as may be amended or added. On 25 August 2010, UPOIC amended its Request for Arbitration increasing their claim to THB 712,780,664.33 (approximately USD\$21,582,481.10) together with additional continuing loss of profits, interest, costs and such further or other relief as may be amended or added. PBSB counter-claimed for a sum of US\$376,914.50 comprising of unpaid invoices for the balance 30% of the Contract Price.

The arbitral hearing was fixed on the following dates:

- a. 21 to 27 May 2011;
- b. 2 to 6 July 2011;
- c. 20 to 21 October 2011.

PETRA ENERGY BERHAD (Company No: 718388-H)
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

The Board of Directors has been advised by its solicitors that UPOIC's claims were grossly inflated. The Contract limits PBSB's liability to 20% of the Contract value of US\$1,256,381.00 and excludes claims for loss of profits, loss of use, loss of production, loss of contract and any other indirect or consequential damage that may be suffered by UPOIC as a result of a breach of contract by PBSB.

- (c) Petra Resources Sdn Bhd ("PRSB"), a wholly-owned subsidiary of PEB, received a Writ of Summons and Statement of Claims dated 7 October 2011 for a total sum of RM1,639,801.00 from Frontken Malaysia Sdn Bhd ("FMSB") for services rendered at Kemaman, Terengganu Darul Iman. PRSB filed a Defence and Counter-Claimed dated 8 November 2011 for a sum RM3,328,227.85 being payment made by PRSB arising out of misrepresentation by FMSB. The Court has scheduled 5 March 2012 as the case management date.
- (d) Petra Resources Sdn Bhd ("PRSB"), a wholly-owned subsidiary of PEB, received a Writ of Summons and Statement of Claims dated 7 October 2011 for a total sum of RM1,481,478.57 from Frontken Malaysia Sdn Bhd for services rendered at Shah Alam and Singapore. PRSB filed a Defence and Counter-Claimed dated 8 November 2011 for a sum RM3,328,227.85 being payment made by PRSB arising out of misrepresentation by FMSB. The Court has scheduled 5 March 2012 as the case management date.
- (e) PEB had on 6 January 2012 been served with Writ of Summons together with the Statement of Claim both dated 3 January 2012 from YM Tengku Dato' Ibrahim Petra Bin Tengku Indra Petra ("TIP"), claiming for PEB to pay the sum of gratuity payment of RM891,000.00 based on 1.5 months' salary for every year of service for a period of 22 years, transfer the ownership of the company car, interest at 4% per annum to be paid by PEB on the judgment sum from 18 June 2010 to the date of full settlement; and such further and/or other relief as the Court deem fit and proper to grant. The Court has scheduled 5 March 2012 as the case management date.

26. Dividends

The Board has recommended a final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2011, of 0.5 sen per ordinary share on 214,500,000 ordinary shares, amounting to dividend payable of RM1,072,500.00. This dividend will be proposed at the forthcoming Annual General Meeting for shareholders' approval.

PETRA ENERGY BERHAD (Company No: 718388-H)
(Incorporated in Malaysia)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

27. Earnings Per Share

Weighted Average	Current Quarter Ended 31 December 2011 RM'000	Corresponding Quarter Ended 31 December 2010 RM'000	Current Year-to-date Ended 31 December 2011 RM'000	Corresponding Year-to-date Ended 31 December 2010 RM'000
Net profit/(loss) attributable to owners of the Parent	8,081	(7,994)	3,522	2,585
Number of ordinary shares in issue at the beginning of the period/year	214,500,000	195,000,000	214,500,000	195,000,000
Weighted average number of ordinary shares in issue	208,989,000	195,000,000	198,526,000	195,000,000
Basic/diluted earnings per ordinary share of RM0.50 each (sen)	3.87	(4.10)	1.77	1.33

28. Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Group as at 31 December 2011, into realised and unrealised profits, is as follows:

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	208,969	207,725
- Unrealised	(27,913)	(26,816)
	<u>181,056</u>	<u>180,909</u>
Less: Consolidated adjustments	(838)	(3,238)
Total retained profits as per condensed consolidated statement of changes in equity	<u><u>180,218</u></u>	<u><u>177,671</u></u>

29. Authorisation For Issue

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 21 February 2012.