



PETRA ENERGY BERHAD
200501036241 (718388-H)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED
31 MARCH 2024**

PETRA ENERGY BERHAD
200501036241 (718388-H)
(Incorporated in Malaysia)

Condensed Consolidated Statements of Comprehensive Income

		<i>Current quarter</i> <i>3 months ended</i>	
		31 March 2024	31 March 2023
Note		Unaudited RM'000	Unaudited RM'000
Revenue		118,818	81,503
Cost of sales		(110,606)	(81,023)
Gross profit		8,212	480
Other income		468	769
Other (losses)/gain		(1,482)	159
Administrative expenses		(7,114)	(5,477)
Profit/(Loss) from operations		84	(4,069)
Finance income		1,250	615
Finance costs		(1,646)	(1,547)
Loss before taxation	11	(312)	(5,001)
Income tax expense	12	(2,052)	(890)
Loss for the financial period, representing total comprehensive expense for the financial period		(2,364)	(5,891)
Loss per share (sen)			
Basic/ diluted	13	(0.74)	(1.84)

These condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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Condensed Consolidated Statements of Financial Position

	Note	31 March 2024 Unaudited RM'000	31 December 2023 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		145,795	147,613
Exploration and evaluation		82,019	70,497
Right-of-use assets		34,139	44,072
Investment in associate		473	473
Deferred tax asset		9,827	9,827
		272,253	272,482
Current assets			
Inventories		4,587	4,777
Trade and other receivables		52,663	58,586
Amount due from JV partners		12,708	24,642
Contract assets		84,995	85,690
Tax recoverable		4,150	5,216
Cash and bank balances	14	198,249	224,973
		357,352	403,884
Total Assets		629,605	676,366
EQUITY AND LIABILITIES			
Share capital		299,809	299,809
Treasury shares		(840)	(840)
Merger reserve		(31,000)	(31,000)
Currency translation reserve		10,027	10,027
Retained earnings		114,756	129,958
Total equity		392,752	407,954
Non-current liabilities			
Lease liabilities		4,949	5,397
		4,949	5,397
Current liabilities			
Lease liabilities		16,751	26,585
Loans and borrowings	15	44,835	25,529
Trade and other payables		168,237	183,151
Contract liabilities		239	2,373
Income tax payable		1,842	2,910
Dividend payable		-	22,467
		231,904	263,015
Total liabilities		236,853	268,412
Total equity and liabilities		629,605	676,366
Net assets per share of RM0.50 each		1.22	1.27

These condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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Condensed Consolidated Statements of Changes in Equity

	← Attributable to Equity Holders of the Company →					→
	← Non-distributable →			Distributable		
	Share Capital RM'000	Merger Reserve RM'000	Treasury Shares RM'000	Currency Translation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
As at 1 January 2024	299,809	(31,000)	(840)	10,027	129,958	407,954
Loss for the financial period, representing total comprehensive expense for the financial period	-	-	-	-	(2,364)	(2,364)
	-	-	-	-	(2,364)	(2,364)
<u>Transactions with owners:</u>						
Interim dividends in respect of the financial year ended 31 December 2023	-	-	-	-	(12,838)	(12,838)
As at 31 March 2024	299,809	(31,000)	(840)	10,027	114,756	392,752
As at 1 January 2023	299,809	(31,000)	(840)	10,027	109,332	387,328
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	52,722	52,722
	-	-	-	-	52,722	52,722
<u>Transactions with owners:</u>						
Interim dividends in respect of the financial year ended 31 December 2022	-	-	-	-	(9,629)	(9,629)
Interim dividends in respect of the financial year ended 31 December 2023	-	-	-	-	(9,629)	(9,629)
Special dividends in respect of the financial year ended 31 December 2023	-	-	-	-	(12,838)	(12,838)
As at 31 December 2023	299,809	(31,000)	(840)	10,027	129,958	407,954

These condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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Condensed Consolidated Statements of Cash Flows

	<i>3 months ended</i>	
	31 March 2024	31 March 2023
	Unaudited	Unaudited
	RM'000	RM'000
Loss before tax	(312)	(5,001)
Adjustments for:		
Finance income	(1,250)	(615)
Finance costs	1,646	1,547
Depreciation charge		
- Property, plant and equipment	7,727	7,246
- Right-of-use asset	9,881	9,888
Unrealised foreign exchange loss	919	-
Total adjustments	18,923	18,066
Operating cash flows before changes in working capital	18,611	13,065
Changes in working capital:		
Inventories	190	(949)
Trade and other receivables	5,923	(13,310)
Amount due to joint venture partners	11,934	(1,853)
Contract assets	695	6,337
Contract liabilities	(2,134)	172
Trade and other payables	(15,789)	(20,184)
Total changes in working capital	819	(29,787)
Cash flows generated from/(used in) operations	19,430	(16,722)
Net income tax paid	(2,054)	(442)
Net cash flows generated from/(used in) operating activities	17,376	(17,164)
Net cash flows used in from investing activities	(16,182)	(846)
Net cash flows used in financing activities	(27,875)	(4,073)
Net changes in cash and cash equivalents	(26,681)	(22,083)
Effects of exchange rate changes	(43)	(38)
Cash and cash equivalents at 1 January	187,990	148,234
Cash and cash equivalents at 31 March	161,266	126,113
Cash and bank balances, representing cash and cash equivalents	198,249	162,703
Less: Cash restricted in use		
- Debt Service Reserve Account	(36,580)	(36,187)
- Fixed deposits pledged for borrowing	(403)	(403)
Net cash and cash equivalents	161,266	126,113

These condensed consolidated statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of preparation

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board and paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad. The unaudited condensed consolidated interim financial statements are in compliance with IAS 34 “Interim Financial Reporting”.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2023. These explanatory notes attached to the unaudited condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year ended 31 December 2023.

The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the year ended 31 December 2023.

The following MFRS and Amendments to MFRS have been issued by the Malaysian Accounting Standards Board but are not yet effective to the Group:

Description	Effective for financial periods beginning on or after
Amendments to MFRS 101 “Classification of liabilities as current or non-current” (‘2020 amendments’) and “Non-current Liabilities with Covenants” (‘2022 amendments’)	1 January 2024
Amendments to MFRS 16 “Lease Liability in a Sale and Leaseback”	1 January 2024
Amendments to MFRS 107 and MFRS 7 “Supplier Finance Arrangements”	1 January 2024
Amendments to MFRS 121 “Lack of Exchangeability”	1 January 2025

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the audited annual financial statements for the financial year ended 31 December 2023 was not qualified.

3. Seasonal or Cyclical Factors

Seasonal and cyclical factors do not have any material impact on the Group’s business operations except for severe weather conditions.

4. Unusual and Extraordinary Items

There were no unusual and extraordinary items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 March 2024.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

5. Material Changes in Estimates

There were no changes in estimates that have had a material effect in the current financial period.

6. Changes in Composition of the Group

There were no changes in the composition of the Group for the financial period under review.

7. Valuation of Property, Plant and Equipment

The Group states its property, plant and equipment at cost less any accumulated depreciation and any accumulated impairment losses, and does not adopt a policy to revalue its property, plant and equipment.

8. Contingencies

There were no contingencies as at the end of the reporting period.

9. Commitments

Capital expenditure

Approved but not contracted for:

- Exploration and evaluation assets
- Property, plant and equipment

31 March 2024 RM'000
78,878
29,700
108,578

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information

(i) Current Quarter Ended 31 March 2024 (3 months)

	Services		Marine Assets		Production and Development		Adjustments and eliminations		Group	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Revenue (RM'000)										
External customers	79,592	59,074	39,226	22,429	-	-	-	-	118,818	81,503
Inter-segment	2,947	1,503	20,212	19,693	-	-	(23,159)	(21,196)	-	-
Total revenue	82,539	60,577	59,438	42,122	-	-	(23,159)	(21,196)	118,818	81,503
Results (RM'000)										
Segment results	8,726	5,420	(2,715)	(5,188)	-	-	(4,677)	(3,686)	1,334	(3,454)
Finance costs	(1,640)	(1,545)	(6)	(2)	-	-	-	-	(1,646)	(1,547)
Share of results of associate	-	-	-	-	-	-	-	-	-	-
Segment profit/(loss) before tax	7,086	3,875	(2,721)	(5,190)	-	-	(4,677)	(3,686)	(312)	(5,001)

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information

(iii) Total Assets as at 31 March 2024

	Services		Marine Assets		Production and Development		Adjustments and eliminations		Group	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Total assets										
Segment assets	307,908	313,807	20,365	13,896	-	-	-	-	328,273	327,703
Property, plant and equipment	6,298	5,629	148,238	173,260	-	-	-	-	154,536	178,889
Exploration and evaluation	-	-	-	-	82,019	7,400	-	-	82,019	7,400
Right-of-use assets	32,616	70,269	-	-	-	-	-	-	32,616	70,269
Investment in associate	-	-	-	-	473	3,331	-	-	473	3,331
Unallocated corporate asset	346,822	389,705	168,603	187,156	82,492	10,731	-	-	597,917	587,592
Property, plant and equipment									780	328
Right-of-use assets									1,523	1,853
Cash and bank balances									23,456	10,156
Others									5,929	1,731
Total									629,605	601,660

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information (cont'd)

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

For the current quarter under review, the Group recorded revenue of RM118.8 million, as compared to RM81.5 million reported in corresponding quarter of the preceding year. The Group recorded loss before taxation of RM0.3 million in Q1 2024 as compared to RM5.0 million in the preceding year's corresponding quarter.

- Services Segment

The segment recorded revenue of RM82.5 million in Q1 2024 as compared to RM60.6 million in Q1 2023. As a result, the segment recorded higher profit before taxation of RM7.1 million in Q1 2024 as compared to RM3.9 million in Q1 2023.

- Marine Assets Segment

The segment recorded revenue of RM59.4 million in the current quarter due to higher vessel utilisation as compared to RM42.1 million in Q1 2023. The segment recorded loss before taxation of RM2.7 million in Q1 2024 as compared to RM5.2 million in Q1 2023.

- Production and Development Segment

The associate has ceased its operations and is under the Member's Voluntary Liquidation (MVL) which is in progress.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. Profit before taxation

Included in the profit before taxation are the following items:

	<i>Current quarter</i> <i>3 months ended</i>	
	31 March 2024 RM'000	31 March 2023 RM'000
Interest income	(1,250)	(615)
Interest expense	1,646	1,547
Loss/(Gain) on foreign exchange - realised	562	(159)
Loss on foreign exchange - unrealised	919	-
Depreciation charge		
- Property, plant and equipment	7,727	7,246
- Right-of-use asset	9,881	9,888

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

12. Income tax expense

	<i>Current quarter</i> <i>3 months ended</i>	
	31 March 2024 RM'000	31 March 2023 RM'000
Current income tax:		
Malaysian income tax	2,052	890

13. Loss per share (sen)

The calculation of basic loss per share as at 31 March 2024 and 31 March 2023 was based on the profit for the financial year and a weighted average numbers of ordinary shares outstanding, calculated as follows:

	31 March 2024 RM'000	31 March 2023 RM'000
Loss for the financial period	(2,364)	(5,891)
Weighted average numbers of shares ('000)	320,942	320,942
Basic/diluted loss per share (sen)	(0.74)	(1.84)

The Group has no potential ordinary shares in issue as at reporting date and therefore, diluted loss per share are the same as basic loss per share.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

14. Cash and bank balances

	31 March 2024 RM'000	31 December 2023 RM'000
Short term deposits with licensed banks	88,644	76,099
Cash at banks and on hand	109,605	148,874
	198,249	224,973

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	31 March 2024 RM'000	31 December 2023 RM'000
Cash and bank balances, representing cash and cash equivalents	198,249	224,973
Less: Cash restricted in use		
- Debt Service Reserve Account	(36,580)	(36,580)
- Fixed deposits pledged for borrowing	(403)	(403)
Net cash and cash equivalents	161,266	187,990

15. Loans and borrowings

	31 March 2024 RM'000	31 December 2023 RM'000
Short term borrowings		
Secured	44,835	25,529

The Group is not exposed to any transactional currency risk as the borrowings are denominated in RM.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

16. Related Party Transactions

The following table provides information on the transactions which have been entered into with related parties during the three-month period ended 31 March 2024 and 31 March 2023:

	31 March 2024 RM'000	31 March 2023 RM'000
Rental of buildings paid to parties related to a Corporate Shareholder	411	411

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.

17. Material Events After the Reporting Period

There was no material event subsequent to the end of the interim period reported which has not been reflected in the financial statements.

**PART B: EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING
REQUIREMENTS: CHAPTER 9, APPENDIX 9B**

18. Performance review

Explanatory comment on the performance of each of the Group's business segments is provided in Note 10.

19. Comment on material change in profit before taxation for the quarter reported as compared with immediate preceding quarter

The Group revenue of RM118.8 million was lower by RM19.4 million or 14.0% compared to immediate preceding quarter of RM138.2 million. This is mainly due to lower activities executed in the existing contract during the quarter. As a result, the Group recorded loss before taxation of RM0.3million as compared to profit before taxation of RM24.5 million in Q4 2023.

20. Commentary on prospects

The outlook on the oil & gas industry remains positive evidenced by the favourable oil price level. Major oil producers continue to increase their CAPEX in response to prolonged lack of investment in the past.

This positive outlook augurs well for the Group's financial performance. The Group remain guarded and will continue to pursue other opportunities capitalising on it's financial strength. Barring any unforeseen circumstances, the Group is optimistic that it will continue to deliver for the financial year 2024.

21. Profit Forecast

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

22. Corporate Proposals

There were no corporate proposals announced but not completed as at the reporting date.

23. Derivative Financial Instruments

The Group did not enter into any derivatives during the period ended 31 March 2024 nor for the previous year ended 31 March 2023.

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

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 March 2024.

**PART B: EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING
REQUIREMENTS: CHAPTER 9, APPENDIX 9B**

25. Changes in Material Litigations

As at 31 March 2024, there was no material litigation against the Group.

26. Authorisation For Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 May 2024.