



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER ENDED
30 JUNE 2024**

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

Condensed Consolidated Statements of Comprehensive Income

	Note	<i>Current quarter</i>		<i>Cumulative period</i>	
		<i>3 months ended</i>		<i>6 months ended</i>	
		30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000	30 June 2024 Unaudited RM'000	30 June 2023 Audited RM'000
Revenue		162,551	184,787	281,369	266,290
Cost of sales		(116,357)	(159,089)	(226,963)	(240,112)
Gross profit		46,194	25,698	54,406	26,178
Other income		1,838	903	2,306	1,672
Other gain/(losses)		32	(25)	(1,450)	134
Administrative expenses		(11,326)	(6,168)	(18,440)	(11,645)
Profit from operations		36,738	20,408	36,822	16,339
Finance income		1,171	839	2,421	1,454
Finance costs		(1,693)	(1,962)	(3,339)	(3,509)
Profit before taxation	11	36,216	19,285	35,904	14,284
Income expense	12	(6,688)	(3,050)	(8,740)	(3,940)
Profit for the financial period, representing total comprehensive income for the financial period		29,528	16,235	27,164	10,344
Profit per share (sen)					
Basic/ diluted	13	9.20	5.06	8.46	3.22

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	30 June 2024 Unaudited RM'000	31 December 2023 Audited RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		146,928	147,613
Exploration and evaluation		134,527	70,497
Right-of-use assets		24,232	44,072
Investment in associate		-	473
Deferred tax asset		9,827	9,827
		315,514	272,482
Current assets			
Inventories		14,549	4,777
Trade and other receivables		75,287	58,586
Amount due from JV partners		15,122	24,642
Contract assets		106,655	85,690
Tax recoverable		1,065	5,216
Cash and bank balances	14	167,036	224,973
		379,714	403,884
Total Assets		695,228	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		144,284	129,958
Total equity		422,280	407,954
Non-current liabilities			
Lease liabilities		4,925	5,397
		4,925	5,397
Current liabilities			
Lease liabilities		6,837	26,585
Loans and borrowings	15	59,249	25,529
Trade and other payables		199,377	183,151
Contract liabilities		375	2,373
Income tax payable		2,185	2,910
Dividend payable		-	22,467
		268,023	263,015
Total liabilities		272,948	268,412
Total equity and liabilities		695,228	676,366
Net assets per share of RM0.50 each		1.31	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
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	-	27,164	27,164
Transactions with owners:					27,164	27,164
Interim dividends in respect of the financial year ended 31 December 2023	-	-	-	-	(12,838)	(12,838)
As at 30 June 2024	299,809	(31,000)	(840)	10,027	144,284	422,280
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
Transactions with owners:					52,722	52,722
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>6 months ended</i>	
	30 June 2024	30 June 2023
	Unaudited	Unaudited
	RM'000	RM'000
Profit before tax	35,904	14,284
Adjustments for:		
Finance income	(2,421)	(1,454)
Finance costs	3,339	3,509
Depreciation charge		
- Property, plant and equipment	15,280	14,595
- Right-of-use asset	19,840	19,722
Gain on disposal of property, plant and equipment	(386)	-
Unrealised foreign exchange loss	808	35
Total adjustments	36,460	36,407
Operating cash flows before changes in working capital	72,364	50,691
Changes in working capital:		
Inventories	(9,772)	(2,571)
Trade and other receivables	(16,701)	(38,464)
Amount due to joint venture partners	9,520	(12,068)
Contract assets	(20,965)	(35,983)
Contract liabilities	(1,998)	4,744
Trade and other payables	15,722	25,185
Total changes in working capital	(24,194)	(59,157)
Cash flows generated from/(used in) operations	48,170	(8,466)
Net income tax paid	(5,314)	(2,235)
Net cash flows generated from/(used in) operating activities	42,856	(10,701)
Net cash flows used in investing activities	(75,345)	(9,704)
Net cash flows used in financing activities	(772)	(12,392)
Net changes in cash and cash equivalents	(33,261)	(32,797)
Effects of exchange rate changes	(305)	(120)
Cash and cash equivalents at 1 January	187,990	148,234
Cash and cash equivalents at 30 June	154,424	115,317
Cash and bank balances, representing cash and cash equivalents	167,036	151,907
Less: Cash restricted in use		
- Debt Service Reserve Account	(12,209)	(36,187)
- Fixed deposits pledged for borrowing	(403)	(403)
Net cash and cash equivalents	154,424	115,317

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 30 June 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

30 June 2024 RM'000
26,370
11,650
38,020

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information

(i) Current Quarter Ended 30 June 2024 (3 months)

	Services		Marine Assets		Production and Development		Adjustments and eliminations		Group	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Revenue (RM'000)										
External customers	88,158	127,201	74,393	57,586	-	-	-	-	162,551	184,787
Inter-segment	3,263	5,631	58,440	37,907	-	-	(61,703)	(43,538)	-	-
Total revenue	91,421	132,832	132,833	95,493	-	-	(61,703)	(43,538)	162,551	184,787
Results (RM'000)										
Segment results	19,587	7,812	27,707	18,877	-	-	(9,385)	(5,442)	37,909	21,247
Finance costs	(1,690)	(1,955)	(3)	(7)	-	-	-	-	(1,693)	(1,962)
Segment profit/(loss) before tax	17,897	5,857	27,704	18,870	-	-	(9,385)	(5,442)	36,216	19,285

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information

(ii) Current Quarter Ended 30 June 2024 (6 months)

	Services		Marine Assets		Production and Development		Adjustments and eliminations		Group	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Revenue (RM'000)										
External customers	167,750	186,275	113,619	80,015	-	-	-	-	281,369	266,290
Inter-segment	6,210	7,134	78,653	57,600	-	-	(84,863)	(64,734)	-	-
Total revenue	173,960	193,409	192,272	137,615	-	-	(84,863)	(64,734)	281,369	266,290
Results (RM'000)										
Segment results	27,313	14,232	24,992	11,689	-	-	(13,062)	(8,128)	39,243	17,793
Finance costs	(3,330)	(3,500)	(9)	(9)	-	-	-	-	(3,339)	(3,509)
Segment profit/(loss) before tax	23,983	10,732	24,983	11,680	-	-	(13,062)	(8,128)	35,904	14,284

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information

(iii) Total Assets as at 30 June 2024

	Services		Marine Assets		Production and Development		Adjustments and eliminations		Group	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Total assets										
Segment assets	334,133	382,193	30,329	13,374	-	-	-	-	364,462	395,567
Property, plant and equipment	7,815	5,040	138,375	168,486	-	-	-	-	146,190	173,526
Exploration and evaluation	-	-	-	-	134,527	20,896	-	-	134,527	20,896
Right-of-use assets	22,813	61,168	-	-	-	-	-	-	22,813	61,168
Inventory	3,490	-	-	-	11,059	-	-	-	14,549	-
	368,251	448,401	168,704	181,860	145,586	20,896	-	-	682,541	651,157
Unallocated corporate asset										
Property, plant and equipment									738	580
Right-of-use assets									1,419	1,642
Cash and bank balances									9,506	6,327
Others									1,024	1,546
Total									695,228	661,252

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 RM162.6 million, as compared to RM184.8 million reported in corresponding quarter of the preceding year. The Group recorded profit before taxation of RM36.2 million in Q2 2024 as compared to RM19.3 million in the preceding year's corresponding quarter.

- Services Segment

The segment recorded revenue of RM91.4 million in Q2 2024 as compared to RM132.8 million in Q2 2023. The segment recorded profit before taxation of RM17.9 million in Q2 2024 as compared to RM5.9 million in Q2 2023 due to product mix margin between the quarters.

- Marine Assets Segment

The segment recorded revenue of RM132.8 million in the current quarter due to higher vessel utilisation as compared to RM95.5 million in Q2 2023. The segment recorded profit before taxation of RM27.7 million in Q2 2024 as compared to RM18.9 million in Q2 2023.

- Production and Development Segment

Petra Energy Development Sdn. Bhd. ("PEDSB"), a wholly-owned subsidiary of the Group received a Letter of Award from Petroliaam Nasional Berhad ("PETRONAS") on the Banang Late Life Assets Production Sharing Contract ("Banang LLA PSC") for a period of 10 years from 1 June 2024. The results of Banang LLA PSC will be recognised in this segment.

The cost of crude oil is recognised as inventory on a weighted average basis. Subsequently, inventory becomes an expenses when the crude oil is sold.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. Segment Information (cont'd)

Current period compared with the corresponding period of the preceding year (six-months)

For the six-month period under review, the Group recorded revenue of RM281.4 million, as compared to RM266.3 million reported in the preceding year's corresponding period. The Group recorded profit before taxation of RM35.9 million in the current period as compared to RM14.3 million in the preceding year's corresponding period.

- Services Segment

The segment recorded revenue of RM174.0 million in the current period as compared to RM193.4 million in the preceding year's corresponding period. The segment recorded profit before taxation of RM24.0 million in the current period as compared to RM10.7 million in the preceding year's corresponding period due to product mix margin between the period.

- Marine Assets Segment

The segment recorded revenue of RM192.3 million in the current period due to higher vessel utilisation as compared to RM137.6 million in the preceding year's corresponding period. As a result, the segment recorded higher profit before taxation of RM25.0 million in the current period as compared to RM11.7 million in the preceding year's corresponding period.

- Production and Development Segment

Petra Energy Development Sdn. Bhd. ("PEDSB"), a wholly-owned subsidiary of the Group received a Letter of Award from Petroliaam Nasional Berhad ("PETRONAS") on the Banang Late Life Assets Production Sharing Contract ("Banang LLA PSC") for a period of 10 years from 1 June 2024. The results of Banang LLA PSC will be recognised in this segment.

The cost of crude oil is recognised as inventory on a weighted average basis. Subsequently, inventory becomes an expenses when the crude oil is sold.

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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>Cumulative period</i>	
	<i>3 months ended</i>		<i>6 months ended</i>	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest income	(1,171)	(839)	(2,421)	(1,454)
Interest expense	1,693	1,962	3,339	3,509
Loss/(gain) on foreign exchange - realised	466	(24)	1,028	(183)
Loss on foreign exchange - unrealised	(111)	35	808	35
Gain on disposal of property, plant and equipment	(386)	-	(386)	-
Depreciation charges				
- Property, plant and equipment	7,553	7,349	15,280	14,595
- Right-of-use asset	9,959	9,834	19,840	19,722

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>Cumulative period</i>	
	<i>3 months ended</i>		<i>6 months ended</i>	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysia income tax	6,688	3,196	8,740	4,086
Under provision in prior year	-	262	-	262
Deferred tax	-	(408)	-	(408)
	6,688	3,050	8,740	3,940

13. Earnings per share (sen)

The calculation of basic earnings per share as at 30 June 2024 and 30 June 2023 was based on the profit for the financial year and a weighted average numbers of ordinary shares outstanding, calculated as follows:

	30 June	30 June
	2024	2023
	RM'000	RM'000
Profit for the financial period	27,164	10,344
Weighted average numbers of shares ('000)	320,942	320,942
Basic/diluted earnings per share (sen)	8.46	3.22

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

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

14. Cash and bank balances

	30 June 2024 RM'000	31 December 2023 RM'000
Short term deposits with licensed banks	72,548	76,099
Cash at banks and on hand	94,488	148,874
	167,036	224,973

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

	30 June 2024 RM'000	31 December 2023 RM'000
Cash and bank balances, representing cash and cash equivalents	167,036	224,973
Less: Cash restricted in use		
- Debt Service Reserve Account	(12,209)	(36,580)
- Fixed deposits pledged for borrowing	(403)	(403)
Net cash and cash equivalents	154,424	187,990

15. Loans and borrowings

	30 June 2024 RM'000	31 December 2023 RM'000
Short term borrowings		
Secured	59,249	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 30 June 2024 and 30 June 2023:

	30 June 2024 RM'000	30 June 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 RM162.6 million was higher by RM43.8 million or 36.9% compared to immediate preceding quarter of RM118.8 million. This is mainly due to higher activities executed in the existing contract during the quarter. As a result, the Group recorded profit before taxation of RM36.2 million as compared to loss before taxation of RM0.3 million in Q1 2024.

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 capital expenditure in response to prolonged lack of investment in the past.

This positive outlook augurs well for the Group's financial performance. The Group remains guarded and will continue to pursue other opportunities capitalising on its financial strength. Barring any unforeseen circumstances, the Group is optimistic that it will continue to deliver good results 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 30 June 2024 nor for the previous year ended 31 December 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 30 June 2024.

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

25. Changes in Material Litigations

As at 30 June 2024, there was no material litigation against the Group.

26. Dividend Payable

The Board has declared a single tier interim dividend of 3 sen per ordinary shares of RM0.50 each on 320,942,200 ordinary shares for the period ending 31 December 2024, amounting to a dividend payable of RM9,628,266. The dividend will be paid on 18 October 2024 to shareholders whose name appear in the Record of Depositors at the close business on 27 September 2024.

27. 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 22 August 2024.