

SONA PETROLEUM BERHAD

(Company no.: 945626-P)
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL RESULTS FOR THE FIRST HALF YEAR PERIOD ENDED 30 JUNE 2014 ("INTERIM FINANCIAL STATEMENTS")

(THE FIGURES HAVE NOT BEEN AUDITED)

**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014**

	INDIVIDUAL 6 MONTHS		CUMULATIVE 6 MONTHS	
	UNAUDITED CURRENT 1ST HALF YEAR PERIOD TO 30-06-2014	UNAUDITED PRECEDING CORRESPONDING 1ST HALF YEAR PERIOD TO 30-06-2013	UNAUDITED 6 MONTHS TO 30-06-2014	UNAUDITED 6 MONTHS TO 30-06-2013
Note	RM	RM	RM	RM
Other income	8,911,119	103,276	8,911,119	103,276
Operating expenses	(6,839,347)	(846,004)	(6,839,347)	(846,004)
Operating profit/(loss)	2,071,772	(742,728)	2,071,772	(742,728)
Finance costs	(9,538,922)	-	(9,538,922)	-
Loss before tax	(7,467,150)	(742,728)	(7,467,150)	(742,728)
Income tax expense	(1,552,091)	(20,376)	(1,552,091)	(20,376)
Net loss for the period, representing total comprehensive loss for the period	(9,019,241)	(763,104)	(9,019,241)	(763,104)
Loss after taxation attributable to:				
Owners of the Company	(9,019,241)	(763,104)	(9,019,241)	(763,104)
Total comprehensive loss attributable to:				
Owners of the Company	(9,019,241)	(763,104)	(9,019,241)	(763,104)
Loss for the period comprise the following:-				
- Realised	(9,019,241)	(763,104)	(9,019,241)	(763,104)
- Unrealised	-	-	-	-
	(9,019,241)	(763,104)	(9,019,241)	(763,104)
Loss per share				
- Basic (RM)	(0.01)	(0.01)	(0.01)	(0.01)
- Dilutive (RM)	(0.01)	(0.01)	(0.01)	(0.01)

The above should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying notes attached to this Interim Financial Statements.

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

		UNAUDITED	AUDITED
		As at 30-06-2014	As at 31-12-2013
	Note	RM	RM
Non-current assets			
Plant and equipment	B8	455,691	494,838
Investment in subsidiary company	B9	3	-
		<u>455,694</u>	<u>494,838</u>
Current assets			
Receivables	B10	1,837,015	2,621,682
Fixed deposits with licensed banks	B11	548,589,474	541,933,704
Cash and bank balances		530,522	1,904,350
		<u>550,957,011</u>	<u>546,459,736</u>
Total assets		<u>551,412,705</u>	<u>546,954,574</u>
Equity and liabilities			
Share capital	B12	14,107,143	14,107,143
Share premium	B13	13,261,746	13,261,746
Other reserves	B14	38,500,017	38,500,017
Accumulated losses		(15,437,842)	(6,418,601)
Total equity		<u>50,431,064</u>	<u>59,450,305</u>
Non-current liability			
Financial liability component of the Public Issue Shares	B15	<u>494,677,270</u>	<u>485,138,348</u>
Current liabilities			
Sundry payables		3,675,830	1,106,874
Amount due to directors		14,872	17,469
Provision for taxation		2,613,669	1,241,578
		<u>6,304,371</u>	<u>2,365,921</u>
Total equity and liabilities		<u>551,412,705</u>	<u>546,954,574</u>
Net Assets Per Share (RM)		0.04	0.04

The above should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying notes attached to this Interim Financial Statements.

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

	← Non-Distributable →			Accumulated losses RM	Total equity RM
	Share capital RM	Share premium RM	Other reserves RM		
AUDITED					
Balance as at 1 January 2013	2	-	-	(78,710)	(78,708)
Total comprehensive loss	-	-	-	(6,339,891)	(6,339,891)
Transactions with owners:-					
Issuance of ordinary shares to initial investors	285,715	3,114,293	6,600,017	-	10,000,025
Conversion of Redemable Convertible Preference Shares ("RCPS")	2,821,426	-	-	-	2,821,426
Issuance of ordinary shares to public investors through Initial Public Offering ("IPO")	11,000,000	10,147,453	31,900,000	-	53,047,453
Balance as at 31 December 2013	14,107,143	13,261,746	38,500,017	(6,418,601)	59,450,305
UNAUDITED					
Balance as at 1 January 2014	14,107,143	13,261,746	38,500,017	(6,418,601)	59,450,305
Total comprehensive loss	-	-	-	(9,019,241)	(9,019,241)
Balance as at 30 June 2014	14,107,143	13,261,746	38,500,017	(15,437,842)	50,431,064

The above should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying notes attached to this Interim Financial Statements.

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	UNAUDITED CURRENT YEAR ENDED 30-06-2014 RM	UNAUDITED PRECEDING YEAR ENDED 30-06-2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(7,467,150)	(742,728)
<i>Adjustments for:-</i>		
Depreciation	44,627	25,344
Finance costs	9,538,922	-
Interest/profit from fixed deposits	(8,908,128)	(101,880)
Operating loss before working capital changes	<u>(6,791,729)</u>	<u>(819,264)</u>
Decrease/(Increase) in receivables	2,443,449	(25,190)
Increase in deferred expenditures	-	(1,276,400)
Increase in sundry payables	2,568,956	496,600
Decrease in amount due to related parties	(2,597)	(553,576)
Cash used in operations	<u>(1,781,921)</u>	<u>(2,177,830)</u>
Tax paid	(180,000)	-
Net cash used in operating activities	<u>(1,961,921)</u>	<u>(2,177,830)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of a subsidiary	(3)	-
Purchase of plant and equipment	(5,480)	(465,776)
Interest/profit received from fixed deposits	7,249,347	101,880
Placement of deposits which are restrictive in use	(9,032,329)	(365,163)
Net cash used in investing activities	<u>(1,788,465)</u>	<u>(729,059)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from issuance of shares to initial investors	-	10,000,025
Proceed from issuance of RCPS	-	2,821,700
Net cash generated from financing activities	<u>-</u>	<u>12,821,725</u>
Net (decrease)/increase in cash and cash equivalents	(3,750,386)	9,914,836
Cash and cash equivalents at beginning of financial period	44,358,260	457,667
Cash and cash equivalents at end of financial period	<u>40,607,874</u>	<u>10,372,503</u>
Comprising of:-		
Cash and bank balances	530,522	466,722
Fixed deposits with licensed banks (Note B11)	548,589,474	10,270,944
	<u>549,119,996</u>	<u>10,737,666</u>
Less: Placement in deposits which are restrictive in use	(508,512,122)	(365,163)
Total cash and cash equivalents	<u>40,607,874</u>	<u>10,372,503</u>

The above should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying notes attached to this Interim Financial Statements.

PART A - EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

A1 Basis of Preparation

The Interim Financial Statements are unaudited and have been prepared based on the same accounting policies adopted in the Company's financial statements for the financial year ended 31 December 2013 and is in accordance with the reporting requirements as set out in the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standard Board ("MASB") and Paragraph 9.22 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Interim Financial Statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the unaudited condensed Interim Financial Statements.

The explanatory notes attached to the unaudited condensed 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 Sona Petroleum Berhad ("Company") since the financial year ended 31 December 2013.

A2 Changes in Accounting Policies

- (i) Save as disclosed in this Interim Financial Statements, the adoption of the revised MFRSs and Amendments to MFRSs that are applicable to the Company and effective from 1 January 2014 has no material effect to the Company's Interim Financial Statements.
- (ii) At the date of this report, the adoption of the new MFRS, Amendments to MFRS and IC Interpretations which are issued but not yet effective for the financial period ended 30 June 2014 will not have any material impact on the financial statements of the Company in the period of initial application, except as disclosed below:-

MFRS 9 Financial Instruments

MFRS 9 addresses the classification and measurement of financial instruments. MFRS 9 defines criteria for financial assets that can be measured at amortised costs subsequent to its initial recognition and also requires changes of fair value attributable to credit risk change for financial liabilities to be presented in statement of other comprehensive income.

A3 Auditors' Opinion on Preceding Annual Financial Statements

The Company's financial statements for the financial year ended 31 December 2013 were not subject to any audit qualification.

A4 Seasonality or Cyclicity of Operations

The Company's operations are not affected by any seasonal or cyclical factors as the Company currently has no operations or income-generating business.

A5 Individually Significant Items

There were no significant items that affect the assets, liabilities, equity, net income or cash flows of the Company for the current financial period.

A6 Material Changes in Estimates

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

A7 Borrowings, Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of borrowings, debt and equity securities during the financial period ended 30 June 2014.

A8 Dividend Paid

There was no dividend declared or paid during the current financial period.

A9 Segmental Reporting

No segmental reporting is provided as the Company currently has no operation or income-generating business.

A10 Valuation of Property, Plant and Equipment

There was no valuation of the property, plant and equipment performed for the current financial period.

A11 Material Events Subsequent to the End of the Interim Period

The material events subsequent to the end of the current interim period are as disclosed in Note B16 below.

A12 Changes in the Composition of the Company

There were no changes in the composition of the Company in the current financial period other than the acquisition of a subsidiary company as described in Note B9 below.

A13 Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets as at the date of this Interim Financial Statements.

A14 Operating Lease Commitments

During the financial year ended 2012, the Company entered into an operating lease for the rental of an office premise. The rental tenure is for 3 years with the option for renewal of two terms of 3 years each.

Future minimum rentals payable under the non-cancellable operating lease at the reporting date are as follows:-

	UNAUDITED	AUDITED
	30-06-2014	31-12-2013
	RM	RM
Not later than 1 year	306,864	306,864
Later than 1 year but not later than 5 years	127,860	281,292
	<u>434,724</u>	<u>588,156</u>

A15 Capital Commitment

Approved but not contracted

	UNAUDITED	AUDITED
	30-06-2014	31-12-2013
	USD	USD
Proposed Transaction	<u>281,200,000</u>	<u>-</u>

PART B: ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of Results

For 1st half year period ended 30 June 2014

The Company, as a Special Purpose Acquisition Company ("SPAC"), will only generate operating income once it has completed the Qualifying Acquisition ("QA"). For the financial period ended 30 June 2014, the Company's source of income are mainly derived from interest/profit earned from fixed deposit placements while major expenses were finance costs, expenses incurred in evaluating qualifying acquisitions and employees' and directors' remuneration detailed as follows:-

	INDIVIDUAL 6 MONTHS		CUMULATIVE 6 MONTHS	
	UNAUDITED CURRENT 1ST HALF YEAR PERIOD TO 30-06-2014 RM	UNAUDITED PRECEDING CORRESPONDING 1ST HALF YEAR PERIOD TO 30-06-2013 RM	UNAUDITED 6 MONTHS TO 30-06-2014 RM	UNAUDITED 6 MONTHS TO 30-06-2013 RM
Finance costs	9,538,922	-	9,538,922	-
Expenses incurred in evaluating Qualifying Acquisition	3,921,082	-	3,921,082	-
Employees' remuneration	1,299,150	-	1,299,150	-
Directors' remuneration and allowances	524,634	-	524,634	-
Directors' fees	217,500	-	217,500	-

The finance costs represent the interest/profit earned from amount held in the custodian account placed in fixed deposits with licensed banks as described in Note B11 below and less the applicable tax(es); and the amortisation of the listing expenses as detailed in Note B15 below.

The expenses incurred in QA primarily comprise fees for technical, legal, finance and corporate advisory services and their direct expenses incurred for the due diligence exercise for evaluating QA under assessment during the current financial period.

The remuneration for Directors and Employees comprise salaries, allowances and all other related payroll costs. Included in the employees' remuneration is payroll and its related costs relating to the Management Team amounting to RM1,172,726 (2013 – RM Nil).

B2 Material Change in Loss Before Taxation in Comparison to the Preceding Half-Year

In the 1st half year period ended 30 June 2014, the Company recorded a loss before tax of RM7,467,150, compared with a net loss of RM4,355,586 in the preceding half year (six month period ended 31 December 2013). The main difference is due to the expenses incurred in evaluating qualifying acquisitions of RM3,921,082 as compared to the six-month period ended 31 December 2013 of RM1,011,935.

B3 Prospects

On 5 June 2014, the Company had entered into a Heads of Agreement ("HOA") with Salamander Energy PLC ("Salamander") in relation to the Proposed Transaction (as defined below).

Following the signing of the HOA, on 18 July 2014, the Company and its wholly owned subsidiary, Sona Exploration & Production (Thailand) Ltd. ("SEPT"), entered into a Sale and Purchase Agreement ("SPA") with Salamander Energy (Bualuang Holdings) Limited ("SEBHL") and Salamander for the Proposed Transaction.

The Proposed Transaction will entail SEPT acquiring a 40.00% effective participating interest in the Bualuang field within the B8/38 concession ("B8/38") and the G4/50 concession ("G4/50") (B8/38 and G4/50 are collectively referred to as "Target Interests") via the acquisition of a participating equity interest in Salamander Energy (Bualuang) Limited ("SEBG").

B3 Prospects - continued

The Proposed Transaction involves the acquisition of an on-going production asset and a near term development asset, the B8/38 concession, and a high potential exploration asset, the G4/50 concession, with plans for drilling exploration wells in 2014 and 2015. This Proposed Transaction will enable the Company to immediately be involved in all stages of the upstream activities of exploration, development and production.

The Bualuang field, an oilfield with low associated gas, is a producing asset with significant development upside. It has been in production since 2008 and has undergone 2 phases of development (via the Alpha and Bravo wellhead platforms) which has increased the average daily production from about 7,000 barrels of oil per day ("bopd") to 12,300 bopd in 2013. Based on the indicative assessment by Gaffney, Cline & Associates (Consultants) Pte Ltd ("GCA"), the independent technical and asset valuation expert appointed by the Company, production in 2014 will be at about the same level.

A third development phase is in progress on the field, where 4 additional well slots and topsides are being added to the Bravo platform to allow replacement of the floating, production, storage and offloading vessel ("FPSO") with a floating, storage and offloading vessel ("FSO"). This is due for completion later in 2014 and is expected to reduce the annual field operating costs from approximately USD76.0 million (RM241.9 million) in 2014 to about USD50.0 million (RM159.2 million) in 2015, as estimated by GCA.

A fourth development phase involving the installation of a third platform ("Charlie Development") is targeted for approval in the fourth quarter of 2014 with first oil targeted in 2016 to increase and sustain production in the longer term. On sanction of the Charlie Development, the management of the Company expects that 12.8 million barrels of oil ("MMbo") of contingent ("2C") resources should be converted to reserves. The successful implementation of the Charlie Development is expected to increase the total Bualuang field production to around 16,000 bopd by 2017.

Beyond the Charlie Development, the management of the Company believes there is potential for side-tracks to existing wells, from the platforms, into producing zones to exploit the remaining 4.4 MMbo of 2C resources, as existing and planned wells water out and are shut-in. The assessment of the Bualuang field's proved and probable ("2P") reserves and 2C resources as at 31 December 2013 by GCA are as follows:-

	Gross (100%), MMbo	Net to Sona Petroleum (40%), MMbo
2P reserves	31.2	12.5
2C resources	17.2	6.9
<i>including volumes associated with the Charlie Development</i>	12.8	5.1

Source: GCA

The G4/50 concession, an exploration asset, was acquired by Salamander from Mitsubishi Oil Exploration Co Ltd ("MOECO") in 2010, and is subject to, amongst others, MOECO having back-in rights of up to 50% in G4/50 during the back-in period as agreed between the parties ("Farmout"). The concession for G4/50 is still in the exploration stage, with 5 exploration wells drilled to date. Salamander plans to drill 2 exploration wells in 2014 and up to 4 more exploration wells in 2015, contingent upon receipt of environmental impact assessment ("EIA") approval.

GCA has reviewed Salamander's structure mapping on G4/50 and validated over 60 structures. Of these, 10 have been high-graded as potential prospects. Based on these data, the cumulative volumes in respect of the unrisks recoverable prospective resources associated with the prospects are about 75.9MMbo (best case) and 144.5 MMbo (mean).

The Proposed Transaction is expected to contribute positively to the Company's earnings per share ("EPS") from the financial year ending 31 December 2014 as B8/38, a production asset, is currently cash flow positive and income-generating.

The Board of Directors, after having considered all aspects of the Proposed Transaction (including but not limited to the risks, rationale of the Proposed Transaction, independent valuations of 40.00% of the participating interest in the Target Interests and the industry outlook and prospects), is of the opinion that the Proposed Transaction will be positive for the future performance of the Company.

B4 Profit Forecast/Guarantee

The Company has not announced or disclosed any profit forecast or profit guarantee in any public documents.

B5 Purchase or Disposal of Quoted Securities

There were no purchase or disposal of quoted securities during the financial period ended 30 June 2014.

B6 Loss Before Tax

	INDIVIDUAL 6 MONTHS		CUMULATIVE 6 MONTHS	
	UNAUDITED CURRENT 1ST HALF YEAR PERIOD TO 30-06-2014 RM	UNAUDITED PRECEDING CORRESPONDING 1ST HALF YEAR PERIOD TO 30-06-2013 RM	UNAUDITED 6 MONTHS TO 30-06-2014 RM	UNAUDITED 6 MONTHS TO 30-06-2013 RM
Loss before taxation is arrived at after charging/(crediting):-				
Interest/profit from:-				
- bank	(2,889)	(101,880)	(2,889)	(101,880)
- fixed deposit under custodian account	(8,241,243)	-	(8,241,243)	-
- fixed deposit/bank repo	(663,996)	-	(663,996)	-
Auditors' remuneration	12,000	-	12,000	-
Depreciation	44,627	25,344	44,627	25,344
Directors' fees	217,500	-	217,500	-
Directors' remuneration and allowances	524,634	-	524,634	-
Employees' remuneration	1,299,150	-	1,299,150	-
Expenses incurred in evaluating Qualifying Acquisition	3,921,082	-	3,921,082	-
Finance costs	9,538,922	-	9,538,922	-
Listing expenses charged out	-	39,000	-	39,000
Office rental	144,906	144,906	144,906	144,906

B7 Income Tax Expense

	INDIVIDUAL 6 MONTHS		CUMULATIVE 6 MONTHS	
	UNAUDITED CURRENT 1ST HALF YEAR PERIOD TO 30-06-2014 RM	UNAUDITED PRECEDING CORRESPONDING 1ST HALF YEAR PERIOD TO 30-06-2013 RM	UNAUDITED 6 MONTHS TO 30-06-2014 RM	UNAUDITED 6 MONTHS TO 30-06-2013 RM
Current income tax	1,552,091	20,376	1,552,091	20,376

B7 Income Tax Expense - continued

The reconciliation between tax expenses and the product of accounting loss multiplied by the applicable corporate tax rate for the financial year ended 30 June 2014 and 30 June 2013 are as follows:-

	INDIVIDUAL 6 MONTHS		CUMULATIVE 6 MONTHS	
	UNAUDITED CURRENT 2ND HALF YEAR PERIOD TO 30-06-2014 RM	UNAUDITED PRECEDING CORRESPONDING 2ND HALF YEAR PERIOD TO 30-06-2013 RM	UNAUDITED 6 MONTHS TO 30-06-2014 RM	UNAUDITED 6 MONTHS TO 30-06-2013 RM
Loss before tax	(7,467,150)	(742,728)	(7,467,150)	(742,728)
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	(1,865,898)	(148,546)	(1,865,898)	(148,546)
Effect of tax saving on the first RM500,000 at 20% (2013: 20%)	-	(25,000)	-	(25,000)
Expenses not deductible for tax purposes	3,417,989	193,922	3,417,989	193,922
Income tax expense	1,552,091	20,376	1,552,091	20,376

B8 Plant and Equipment

	Renovation	Office equipment	Computer	Total
	RM	RM	RM	RM
<i>Cost</i>				
At 1 January 2014	422,798	33,215	103,374	559,387
Additions	-	-	5,480	5,480
At 30 June 2014	422,798	33,215	108,854	564,867
<i>Accumulated depreciation</i>				
At 1 January 2014	44,399	4,930	15,220	64,549
Charge for the financial period	23,478	3,321	17,828	44,627
At 30 June 2014	67,877	8,251	33,048	109,176
<i>Net Book Value</i>				
At 30 June 2014	354,921	24,964	75,806	455,691
At 31 December 2013	378,399	28,285	88,154	494,838

B9 Investment in Subsidiary Company

On 3 June 2014, the Company subscribed one (1) ordinary share of USD 1.00 in Sona Exploration & Production (Thailand) Ltd. (Company No. 1826534) ("SEPT") and therefore, SEPT is a wholly-owned subsidiary of the Company.

SEPT was incorporated as a Special Purpose Vehicle to undertake the QA of the Company. In view of this and as SEPT has yet to commence operation or have any transaction as at the financial period ended 30 June 2014, no consolidation accounts have been drawn-up as the financial effect is immaterial.

B10 Receivables

	UNAUDITED	AUDITED
	30-06-2014	31-12-2013
	RM	RM
Deposits and prepayment	178,234	173,601
Interest/profit receivable from fixed deposits	7,564	10,333
Interest/profit receivable from fixed deposits under the custodian account	1,651,217	2,437,748
	<u>1,837,015</u>	<u>2,621,682</u>

B11 Fixed Deposits with Licensed Banks

	UNAUDITED	AUDITED
	30-06-2014	31-12-2013
	RM	RM
Fixed deposits with licensed banks	40,446,392	42,817,364
Fixed deposits with licensed banks under custodian account	508,143,082	499,116,340
	<u>548,589,474</u>	<u>541,933,704</u>

The remaining days to maturity and the effective interest rate for the fixed deposits with licensed banks as at 30 June 2014 for the Company ranges from 7 to 38 days and 3.00% to 3.35% per annum, respectively.

Fixed deposits with licensed banks under custodian account

The SC Guidelines require that the amount held in custodian account be placed in permitted investments namely Malaysian Government Securities, money market instruments and AAA-rated papers. The amount held in custodian account is invested in Islamic fixed deposits which are considered as relatively secure and liquid at profit sharing rate of approximately 3.30% per annum and have an average remaining day to maturity of 38 days as at the end of the financial period.

As at 30 June 2014, the amount held in custodian account placed in Islamic fixed deposits and its corresponding profit are as follows:-

	Placement amount RM	Profit earned RM	Total RM
Fixed deposit with Islamic banks held under custodian account	495,000,000	13,143,082	508,143,082

In the event the Company fails to complete the QA within the permitted timeframe, the amount then held in custodian account (net of any taxes payable and direct expenses related to the liquidation), will be distributed to the respective shareholders.

B12 Share Capital

	Number of ordinary shares		Amount	
	30-06-2014	31-12-2013	30-06-2014 RM	31-12-2013 RM
Authorised:-				
At 1 January	4,970,000,000	100,000	49,700,000	100,000
Subdivided during the financial period/year	-	9,900,000	-	-
Created during the financial period/year	-	4,960,000,000	-	49,600,000
At 30 June/31 December	4,970,000,000	4,970,000,000	49,700,000	49,700,000
Issued and fully paid:-				
At 1 January	1,410,714,300	2	14,107,143	2
Subdivided during the financial period/year	-	198	-	-
Issued during the financial period/year	-	1,128,571,500	-	11,285,715
Conversion of RCPS	-	282,142,600	-	2,821,426
At 30 June/31 December	1,410,714,300	1,410,714,300	14,107,143	14,107,143

B13 Share Premium

	UNAUDITED 30-06-2014 RM	AUDITED 31-12-2013 RM
Share premium:-		
At 1 January	13,261,746	-
Pursuant to the subscription by initial investors	-	3,114,293
Pursuant to the initial public offering, net off related expenses	-	10,147,453
At 30 June/31 December	13,261,746	13,261,746

B14 Other Reserves

	UNAUDITED 30-06-2014 RM	AUDITED 31-12-2013 RM
Other reserves:-		
Warrants reserve		
At 1 January	40,202,158	-
Pursuant to the first conversion of RCPS	-	542,141
Pursuant to the subscription by initial investors	-	6,600,017
Pursuant to the second conversion of RCPS	-	1,160,000
Pursuant to the initial public offering	-	31,900,000
At 30 June/31 December	40,202,158	40,202,158
Reserve arising from conversion of RCPS		
At 1 January	(1,702,141)	-
Pursuant to the first conversion of RCPS	-	(542,141)
Pursuant to the second conversion of RCPS	-	(1,160,000)
At 30 June/31 December	(1,702,141)	(1,702,141)
Total other reserves	38,500,017	38,500,017

B15 Financial Liability Component of Public Issue Shares

	UNAUDITED	AUDITED
	30-06-2014	31-12-2013
	RM	RM
90% of the IPO funds	495,000,000	495,000,000
Interest income for financial liability component	14,795,332	6,554,088
Less: Tax payable	<u>(2,471,077)</u>	<u>(1,035,941)</u>
Financial liability component before set-off of listing expenses	<u>507,324,255</u>	<u>500,518,147</u>
Listing expenses recognised in financial liability component:-		
Capitalised during the financial period/year	(17,572,926)	(17,572,926)
Amortised during the financial period/year	4,925,941	2,193,127
	<u>(12,646,985)</u>	<u>(15,379,799)</u>
	<u>494,677,270</u>	<u>485,138,348</u>

At the reporting date, the financial liability component is secured against the monies in the custodian trust account as disclosed in Note B11 above. The maturity of the Financial Liability Component of the Public Issue Shares ("FLC") is three years from the IPO date.

The Equity Guidelines requires inter alia the following:

- (i) the Company must place at least 90% of the gross proceeds from its IPO in a custodian trust account immediately upon receipt of all proceeds ("IPO Custodian Trust Proceeds"). The monies in the custodian trust account may only be released by the custodian upon termination of the custodian trust account;
- (ii) the proceeds in the custodian trust account may be invested in permitted investments. Any income generated by the funds held in the custodian trust account, including interest/dividend income derived from the permitted investments, must accrue to the custodian trust account;
- (iii) the balance of the proceeds from the IPO, being 10% of the proceeds, may be utilised to defray expenses related to the IPO and for working capital purposes including but not limited to financing day-to-day administrative and operating expenses which include office rental and expenses associated with the qualifying acquisition; and
- (iv) in the event the Company fails to complete a qualifying acquisition within the permitted timeframe, it must be liquidated. The amount then held in the custodian trust account (net of any taxes payable and direct expenses related to the liquidation), must be distributed to the respective shareholders except for Platinum Autumn Sdn. Bhd. and initial investors on a pro-rata basis as soon as practicable, as permissible by the relevant laws and regulations ("Liquidation Distribution"). Platinum Autumn Sdn. Bhd. and initial investors may not participate in the Liquidation Distribution, except for securities purchased by them after the date of listing of the Company on the Bursa Securities.

Consequently, the IPO shares is a compound financial instrument with a financial liability and equity component in accordance with MFRS 132 Financial Instruments: Presentation and FRSIC Consensus 20 Classification of the IPO Investor Securities of a Special Purpose Acquisition Company. The financial liability component being the fair value of the 90% of the gross proceeds represents the Company's obligation to refund the IPO Custodian Trust Proceeds held in the custodian trust account to the IPO investors in the event the Company fails to complete a qualifying acquisition within the permitted timeframe.

B16 Status of Corporate Proposals

The Company had on 5 June 2014 entered into a Heads of Agreement (“HOA”) with Salamander Energy Plc (“Salamander”) in relation to the proposed acquisition of the following:-

- (i) 66.67% of the class “A” shares without attaching any voting rights but attaching economic rights (including rights to dividends or other distribution) in Salamander Energy (Bualuang) Limited (“SEBG”), a 100% owned subsidiary of Salamander; and
 - (ii) 49.00% of the class “B” ordinary shares which carry one vote per share but without attaching any economic rights in SEBG.
- (collectively known as “SEBG Shares”)

resulting in the Company owning an effective working interest of 40.00% in the Thai oil and gas blocks owned by SEBG for a cash consideration of USD281.2 million (“Proposed Transaction”).

On 18 July 2014, the Company and its wholly-owned subsidiary, Sona Exploration & Production (Thailand) Ltd. (“SEPT”), had entered into a Sale and Purchase Agreement (“SPA”) with Salamander Energy (Bualuang Holdings) Limited and Salamander for the Proposed Transaction.

The Proposed Transaction is conditional upon, inter alia, the following:-

- (i) the Company obtaining approval of the Securities Commission Malaysia for the Proposed Transaction;
- (ii) the Company obtaining approval of its shareholders at an extraordinary general meeting to be convened for the Proposed Transaction;
- (iii) Salamander obtaining approval of its shareholders; and
- (iv) the entry into full form documentation implementing SEPT’s financing.

The application to the relevant authorities in relation to the Proposed Transaction is expected to be made by the Company within the month of August 2014.

B17 Changes in Material Litigation

The Board of Directors of the Company is not aware of any pending material litigation as at the date of this Interim Financial Statements.

B18 Loss Per Share

a) Basic loss per share

The basic loss per share is calculated by dividing the Company’s loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial period.

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30-06-2014 RM	30-06-2013 RM	30-06-2014 RM	30-06-2013 RM
Loss after tax attributable to the Owners of the Company	(9,019,241)	(763,104)	(9,019,241)	(763,104)
Weighted average number of shares in issue	1,410,714,300	80,584,121	1,410,714,300	80,584,121
Basic loss per share (RM)	(0.01)	(0.01)	(0.01)	0.01

B18 Loss Per Share - continued

b) Dilutive loss per share

The dilutive loss per share is calculated by dividing the Company's loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial period/year have been adjusted for the effects of dilutive potential ordinary shares from Warrants.

	INDIVIDUAL 6 MONTHS		CUMULATIVE 6 MONTHS	
	ENDED		ENDED	
	30-06-2014	30-06-2013	30-06-2014	30-06-2013
	RM	RM	RM	RM
Loss after tax attributable to the Owners of the Company	(9,019,241)	(763,104)	(9,019,241)	(763,104)
Weighted average number of shares in issue	1,410,714,300	80,584,121	1,410,714,300	80,584,121
Basic loss per share (RM)	(0.01)	(0.01)	(0.01)	(0.01)

The fully diluted loss per share of the Company in the current financial period is the basis loss per share as the assumed conversion from the exercise of Warrants would be anti-dilutive.

B19 Breakdown of Accumulated Losses Into Realised and Unrealised

The breakdown of the accumulated losses of the Company as at 30 June 2014 and 31 December 2013 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	UNAUDITED	AUDITED
	30-06-2014	31-12-2013
	RM	RM
Realised losses	(15,437,842)	(6,418,601)
Unrealised losses	-	-
Accumulated losses of the Company as per financial statements	(15,437,842)	(6,418,601)

BY THE ORDER OF THE BOARD

JASMINDAR KAUR A/P SARBAN SINGH

Company Secretary

Kuala Lumpur
18 August 2014