

SONA PETROLEUM BERHAD

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

**REPORT ON
THE CONSOLIDATED FINANCIAL RESULTS
FOR THE FIRST HALF YEAR PERIOD ENDED
30 JUNE 2016
("Interim Financial Statement")**

(THE FIGURES HAVE NOT BEEN AUDITED)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	INDIVIDUAL 6 MONTHS		CUMULATIVE 6 MONTHS	
	UNAUDITED CURRENT 1ST HALF YEAR PERIOD TO 30-06-2016 RM	UNAUDITED PRECEDING CORRESPONDING 1ST HALF YEAR PERIOD TO 30-06-2015 RM	UNAUDITED 6 MONTHS TO 30-06-2016 RM	UNAUDITED 6 MONTHS TO 30-06-2015 RM
Other income	10,214,258	10,366,390	10,214,258	10,366,390
Operating expenses	(10,683,814)	(4,257,113)	(10,683,814)	(4,257,113)
Operating (loss)/profit	(469,556)	6,109,277	(469,556)	6,109,277
Finance costs	(10,752,505)	(11,113,370)	(10,752,505)	(11,113,370)
Loss before tax	(11,222,061)	(5,004,093)	(11,222,061)	(5,004,093)
Income tax expense	(2,175,588)	(1,868,772)	(2,175,588)	(1,868,772)
Net loss for the period, representing total comprehensive loss for the period	(13,397,649)	(6,872,865)	(13,397,649)	(6,872,865)
Loss after taxation attributable to:				
Owners of the Company	(13,397,649)	(6,872,865)	(13,397,649)	(6,872,865)
Total comprehensive loss attributable to:				
Owners of the Company	(13,397,649)	(6,872,865)	(13,397,649)	(6,872,865)
Loss for the period comprise the following:-				
- Realised	(13,397,649)	(6,872,865)	(13,397,649)	(6,872,865)
- Unrealised	-	-	-	-
	(13,397,649)	(6,872,865)	(13,397,649)	(6,872,865)
Loss per share				
- Basic (RM)	B18 (0.01)	(0.01)	(0.01)	(0.01)
- Dilutive (RM)	B18 (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 2015 and the accompanying notes attached to this Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

		UNAUDITED	AUDITED
		As at 30-06-2016	As at 31-12-2015
	Note	RM	RM
Non-current assets			
Plant and equipment	B8	78,054	333,005
Current assets			
Receivables	B10	208,153	5,059,846
Fixed deposits with licensed banks	B11	541,574,091	538,603,915
Cash and bank balances		733,033	1,796,105
		<u>542,515,277</u>	<u>545,459,866</u>
Total assets		<u>542,593,331</u>	<u>545,792,871</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		(65,794,125)	(52,396,476)
Total equity		<u>74,781</u>	<u>13,472,430</u>
Current liabilities			
Sundry payables		1,177,857	3,694,715
Amount due to directors		980,594	3,724
Provision for taxation		2,395,460	1,409,868
Financial liability component of the Public Issue Shares	B15	537,964,639	527,212,134
		<u>542,518,550</u>	<u>532,320,441</u>
Total equity and liabilities		<u>542,593,331</u>	<u>545,792,871</u>
Net Assets Per Share (RM)		0.00	0.01

The above should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying notes attached to this Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

	← Non-Distributable →			Accumulated losses	Total equity
	Share capital	Share premium	Other reserves		
	RM	RM	RM	RM	RM
AUDITED					
Balance as at 1 January 2015	14,107,143	13,261,746	38,500,017	(34,909,720)	30,959,186
Total comprehensive loss	-	-	-	(17,486,756)	(17,486,756)
Balance as at 31 December 2015	14,107,143	13,261,746	38,500,017	(52,396,476)	13,472,430
UNAUDITED					
Balance as at 1 January 2016	14,107,143	13,261,746	38,500,017	(52,396,476)	13,472,430
Total comprehensive loss	-	-	-	(13,397,649)	(13,397,649)
Balance as at 30 June 2016	14,107,143	13,261,746	38,500,017	(65,794,125)	74,781

The above should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying notes attached to this Interim Financial Statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD 30 JUNE 2016

	UNAUDITED CURRENT PERIOD ENDED 30-06-2016 RM	UNAUDITED PRECEDING PERIOD ENDED 30-06-2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(11,222,061)	(5,004,093)
<i>Adjustments for:-</i>		
Depreciation	291,018	46,912
Finance costs	10,752,505	11,113,370
Interest/profit from fixed deposits	<u>(10,185,512)</u>	<u>(10,358,929)</u>
Operating loss before working capital changes	(10,364,050)	(4,202,740)
Decrease in receivables	4,851,693	1,183,336
Decrease in sundry payables	(2,516,857)	(9,356,442)
Increase in amount due to related parties	<u>976,870</u>	<u>-</u>
Cash used in operations	(7,052,344)	(12,375,846)
Tax paid	<u>(1,189,996)</u>	<u>(1,873,330)</u>
Net cash used in operating activities	<u>(8,242,340)</u>	<u>(14,249,176)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(36,067)	(5,038)
Interest/profit received from fixed deposits	10,185,512	5,881,501
Placement of deposits which are restrictive in use	<u>(13,426,421)</u>	<u>(4,680,075)</u>
Net cash (used in)/generated from investing activities	<u>(3,276,976)</u>	<u>1,196,388</u>
Net decrease in cash and cash equivalents	(11,519,316)	(13,052,788)
Cash and cash equivalents at beginning of financial period	12,252,349	31,065,225
Cash and cash equivalents at end of financial period	<u>733,033</u>	<u>18,012,437</u>
Comprising of:-		
Cash and bank balances	733,033	891,905
Fixed deposits with licensed banks (Note B11)	<u>541,574,091</u>	<u>536,206,040</u>
	542,307,124	537,097,945
Less: Placement in deposits which are restrictive in use	<u>(541,574,091)</u>	<u>(519,085,508)</u>
Total cash and cash equivalents	<u>733,033</u>	<u>18,012,437</u>

The above should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 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 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 Standards 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 2015 and the accompanying explanatory notes attached to the unaudited condensed Interim Financial Statements.

For the financial period ended 30 June 2016, the Interim Financial Statements of Sona Petroleum Berhad (the "Company") are prepared on a basis of accounting other than as a going concern due to the following circumstances:-

- (i) the Company was not able to complete a Qualifying Acquisition ("QA") within the permitted timeframe (i.e. 36 months from the date of the listing of the Company which expired on 29 July 2016). As such, the Company must be delisted from the Main Market of Bursa Securities and be liquidated; and
- (ii) on 9 August 2016, the Company presented a petition ("Petition") to the High Court of Malaya at Kuala Lumpur (Commercial Division) ("High Court") pursuant to Section 218(1)(h) of the Companies Act 1965 ("Act") to among others, wind up the Company and to appoint liquidators. Accordingly, in accordance with Section 219(2) of the Act, the winding up proceedings of the Company have commenced on 9 August 2016.

Accordingly, where appropriate, the carrying values of the assets as at 30 June 2016 are written down to their recoverable amounts. Provision has also been made for any contractual commitments that have become onerous at 30 June 2016; and liabilities are recorded to the extent such costs were committed at the end of the reporting period.

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 the Company and its subsidiary companies ("Group") since the financial year ended 31 December 2015.

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 Group and effective from 1 January 2015 has no material effect to the Group'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 2016 will not have any material impact on the financial statements of the Group in the period of initial application, except as disclosed below:-

MFRS 9 Financial Instruments

The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurement of the Group's financial liabilities. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

A3 Auditors' Opinion on Preceding Annual Financial Statements

The Group's financial statements for the financial year ended 31 December 2015 were not subject to any audit qualification.

A4 Seasonality or Cyclicity of Operations

The Group's operations are not affected by any seasonal or cyclical factors as the Group 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 Group 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 Borrowing, Debt and Equity Securities

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

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 Group currently has no operation or income generating business.

A10 Valuation of Property, Plant and Equipment

There were 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

There were no material events subsequent to the end of the current interim period other than the Company, on 9 August 2016, presented a Petition to the High Court pursuant to Section 218(1)(h) of the Act to among others, wind up the Company and to appoint liquidators. Accordingly, in accordance with Section 219(2) of the Act, the winding up proceedings of the Company have commenced on 9 August 2016 as detailed in Note B3 to this Interim Financial Statements.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group in the current financial period.

A13 Contingent Liabilities or Contingent Assets

There were no material contingent liabilities or contingent assets as at the date of this Interim Financial Statements other than the Company has been served, on 12 July 2016, a Writ and a Statement of Claim dated 1 July 2016 by Messrs Shearn Delamore & Co filed by Law Asia Pte Ltd in the Kuala Lumpur Sessions Court. The claim is for the sum of USD 47,299.12, being fees for alleged work done in relation to a potential acquisition of a qualifying asset which the Group was considering at that time but did not materialise, due and owing as at 15 May 2015 together with interest and cost. The Board is of the view that the claim has no substance and will defend the claim as appropriate. This case has been fixed for case management on 23 August 2016.

A14 Operating Lease Commitments

During the financial year ended 2012, the Group 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 30-06-2016 RM	AUDITED 31-12-2015 RM
Not later than 1 year	-	302,389
Later than 1 year but not later than 5 years	-	-
	<u>-</u>	<u>302,389</u>

A15 Capital Commitment

Approved and contracted for:-

	UNAUDITED	AUDITED
	30-06-2016	31-12-2015
	USD	USD
Proposed Acquisition of Stag Oilfield	-	50,000,000

Details of the Proposed Acquisition of Stag Oilfield are described in Note B16.

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 2016

The Group, as a Special Purpose Acquisition Company ("SPAC"), will only generate operating income once it has completed the QA. For the financial period ended 30 June 2016, the Group's source of income are mainly 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 30-06-2016 RM	UNAUDITED PRECEDING CORRESPONDING 1ST HALF YEAR PERIOD TO 30-06-2015 RM	UNAUDITED 6 MONTHS TO 30-06-2016 RM	UNAUDITED 6 MONTHS TO 30-06-2015 RM
Finance costs	10,752,505	11,113,370	10,752,505	11,113,370
Expenses incurred in evaluating Qualifying Acquisition	5,424,305	1,052,597	5,424,305	1,052,597
Employees' remuneration	2,771,350	1,309,051	2,771,350	1,309,051
Directors' remuneration and allowances	439,423	521,731	439,423	521,731
Directors' fees	(435,000)	217,500	(435,000)	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 follows:-

	INDIVIDUAL 6 MONTHS		CUMULATIVE 6 MONTHS	
	UNAUDITED CURRENT 1ST HALF YEAR PERIOD TO 30-06-2016 RM	UNAUDITED PRECEDING CORRESPONDING 1ST HALF YEAR PERIOD TO 30-06-2015 RM	UNAUDITED 6 MONTHS TO 30-06-2016 RM	UNAUDITED 6 MONTHS TO 30-06-2015 RM
Interest/profit from fixed deposits held under custodian account	10,082,048	9,942,665	10,082,048	9,942,665
Less: tax arising from fixed Interest/profit from fixed deposits under custodian account	(2,536,947)	(1,792,353)	(2,536,947)	(1,792,353)
Amortisation of listing expenses	3,207,404	2,963,058	3,207,404	2,963,058
	<u>10,752,505</u>	<u>11,113,370</u>	<u>10,752,505</u>	<u>11,113,370</u>

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 RM947,092 (2015 – RM1,145,100).

The credit for directors' fees is due to the waiver of 2015 directors' fees by the Directors.

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

In the first half year period ended 30 June 2016, the Group recorded a loss before tax of RM11,222,061 compared with a loss of RM8,471,127 in the preceding half year (six month period ended 31 December 2015). The main difference are due to the additional expenses incurred for the annual and extraordinary general meeting held during the current financial period and the expenses in relation to the Evaluating of Qualifying Acquisition.

B3 Prospects of The Coming Year

At the date of this report, the Company was not able to complete a QA within the permitted timeframe (i.e. 36 months from the date of the listing of the Company which expired on 29 July 2016). As such, the Company must be delisted from the Main Market of Bursa Securities and 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 the Initial Investors, based on their respective shareholdings 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.

Pursuant to Section 218(1)(h) of the Act, the court may order a winding up upon the occurrence of events which the memorandum or articles provide that the company is to be dissolved. This is in line with the Company's Memorandum and Articles of Association which provides that the Company shall be dissolved, wound up and liquidated under the Act if the Company does not complete a qualifying acquisition within the permitted timeframe.

On 9 August 2016, the Company presented a Petition to the High Court pursuant to Section 218(1)(h) of the Act to among others, wind up the Company and to appoint liquidators. Accordingly, in accordance with Section 219(2) of the Act, the winding up proceedings of the Company have commenced on 9 August 2016.

B4 Profit Forecast/Guarantee

The Group 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 2016.

B6 Loss Before Tax

	INDIVIDUAL 6 MONTHS		CUMULATIVE 6 MONTHS	
	UNAUDITED CURRENT 1ST HALF YEAR PERIOD TO 30-06-2016 RM	UNAUDITED PRECEDING CORRESPONDING 1ST HALF YEAR PERIOD TO 30-06-2015 RM	UNAUDITED 6 MONTHS TO 30-06-2016 RM	UNAUDITED 6 MONTHS TO 30-06-2015 RM
Loss before taxation is arrived at after charging/(crediting):-				
Interest/profit from:-				
- bank	(4,385)	(31)	(4,385)	(31)
- fixed deposit under custodian account	(10,082,049)	(9,942,665)	(10,082,049)	(9,942,665)
- fixed deposit/bank repo	(100,016)	(416,233)	(100,016)	(416,233)
Auditors' remuneration:-				
- audit fees	-	12,900	-	12,900
Depreciation	291,018	46,912	291,018	46,912
Directors' fees	(435,000)	217,500	(435,000)	217,500
Directors' remuneration and allowances	439,423	521,731	439,423	521,731
Employees' remuneration	2,771,350	1,309,051	2,771,350	1,309,051
Expenses incurred in evaluating Qualifying Acquisition	5,424,305	1,052,597	5,424,305	1,052,597
Finance costs	10,752,505	11,113,370	10,752,505	11,113,370
Office rental	587,433	152,238	587,433	152,238

B7 Income Tax Expense

	INDIVIDUAL 6 MONTHS		CUMULATIVE 6 MONTHS	
	UNAUDITED CURRENT 1ST HALF YEAR PERIOD TO 30-06-2016 RM	UNAUDITED PRECEDING CORRESPONDING 1ST HALF YEAR PERIOD TO 30-06-2015 RM	UNAUDITED 6 MONTHS TO 30-06-2016 RM	UNAUDITED 6 MONTHS TO 30-06-2015 RM
Current income tax	2,175,588	1,868,772	2,175,588	1,868,772

The reconciliation between tax expenses and the product of accounting loss multiplied by the applicable corporate tax rate for the financial period ended 30 June 2016 and 30 June 2014 are as follows:-

	INDIVIDUAL 6 MONTHS		CUMULATIVE 6 MONTHS	
	UNAUDITED CURRENT 1ST HALF YEAR PERIOD TO 30-06-2016 RM	UNAUDITED	UNAUDITED 6 MONTHS TO 30-06-2016 RM	UNAUDITED 6 MONTHS TO 30-06-2015 RM
		PRECEDING		
		CORRESPONDING 1ST HALF YEAR PERIOD TO 30-06-2015 RM		
Loss before tax	(11,222,061)	(5,004,093)	(11,222,061)	(5,004,093)
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	(2,693,295)	(1,251,023)	(2,693,295)	(1,251,023)
Expenses not deductible for tax purposes	4,868,883	3,119,795	4,868,883	3,119,795
Income tax expense	2,175,588	1,868,772	2,175,588	1,868,772

B8 Plant and Equipment

	Renovation	Office equipment	Computer	Total
	RM	RM	RM	RM
<i>Cost</i>				
At 1 January 2016	422,798	37,452	122,576	582,826
Addition	-	36,067	-	36,067
At 30 June 2016	422,798	73,519	122,576	618,893
<i>Accumulated depreciation</i>				
At 1 January 2016	138,312	19,203	92,306	249,821
Charge for the financial period	269,507	3,745	17,766	291,018
At 30 June 2016	407,819	22,948	110,072	540,839
<i>Net Book Value</i>				
At 30 June 2016	14,979	50,571	12,504	78,054
At 31 December 2015	284,486	18,249	30,270	333,005

B9 Investment in Subsidiary Companies

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 acquire qualifying assets of the Group.

On 30 October 2015, the Company subscribed two (2) ordinary shares of RM 1.00 each in Sona Goldhill Sdn. Bhd. (formerly known as Nova Calibre Sdn. Bhd.) (Company No. 1161530-X) ("SGSB"), being the total issued share capital, and therefore, SGSB is a wholly-owned subsidiary of the Company. SGSB was incorporated as an investment holding company.

Concurrently, SGSB has on 30 October 2015, subscribed one (1) ordinary share of AUD 1.00 each in Sona E&P (Perth) Pty Ltd (Company No. 609 051 934) ("SAUS"), being the total issued share capital, and therefore, SAUS is an indirect wholly-owned subsidiary of the Company. SAUS was incorporated as an exploration and production of oil and gas company.

As at the date of this report, all these subsidiary companies are in the legal process of winding-up or strike-off.

B10 Receivables

	UNAUDITED 30-06-2016 RM	AUDITED 31-12-2015 RM
Deposits and prepayment	208,153	178,888
Interest/profit receivable from fixed deposits	-	21,960
Interest/profit receivable from fixed deposits under the custodian account	-	4,858,998
	<u>208,153</u>	<u>5,059,846</u>

B11 Fixed Deposits with Licensed Banks

	UNAUDITED 30-06-2016 RM	AUDITED 31-12-2015 RM
Fixed deposits with licensed banks	205,356	11,056,226
Fixed deposits with licensed banks under custodian account	541,368,735	527,547,689
	<u>541,574,091</u>	<u>538,603,915</u>

The remaining days to maturity and the effective interest rate for the fixed deposits with licensed banks as at 30 June 2016 for the Group is 1 day and 2.90% 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 2.90% per annum and have an average remaining day to maturity of 10 days as at the end of the financial period.

As at 30 June 2016, 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	46,368,735	541,368,735

As the Company was not able to complete a Qualifying Acquisition within the permitted timeframe, the amount held in the custodian account (net of any taxes payable and direct expenses related to the liquidation), will be distributed to the respective shareholders in a timely manner.

B12 Share Capital

	Number of ordinary shares		Amount	
	30-06-2016	31-12-2015	30-06-2016 RM	31-12-2015 RM
Authorised:-				
At 1 January/30 June	<u>4,970,000,000</u>	<u>4,970,000,000</u>	<u>49,700,000</u>	<u>49,700,000</u>
Issued and fully paid:-				
At 1 January/30 June	<u>1,410,714,300</u>	<u>1,410,714,300</u>	<u>14,107,143</u>	<u>14,107,143</u>

B13 Share Premium

	UNAUDITED 30-06-2016 RM	AUDITED 31-12-2015 RM
Share premium:-		
At 1 January/30 June	<u>13,261,746</u>	<u>13,261,746</u>

B14 Other Reserves

	UNAUDITED 30-06-2016 RM	AUDITED 31-12-2015 RM
Other reserves:-		
Warrants reserve		
At 1 January/30 June	40,202,158	40,202,158
Reserve arising from conversion of RCPS		
At 1 January/30 June	(1,702,141)	(1,702,141)
Total other reserves	38,500,017	38,500,017

B15 Financial Liability Component of Public Issue Shares

	UNAUDITED 30-06-2016 RM	AUDITED 31-12-2015 RM
90% of the IPO funds	495,000,000	495,000,000
Cumulative Interest earned for financial liability component	53,789,338	43,707,289
Less: Cumulative tax payable arising from interest earned for financial liability component	(10,274,427)	(7,737,479)
Financial liability component before set-off of listing expenses	538,514,911	530,969,810
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	17,022,654	13,815,250
	(550,272)	(3,757,676)
At 30 June/31 December	537,964,639	527,212,134

At the reporting date, the Financial Liability Component of the Public Issue Shares ("FLC") is secured against the monies in the custodian trust account as disclosed in Note B11 above. The maturity of FLC is three years from 30 July 2013 which is the initial public offering date ("Permitted Timeframe").

The Securities Commission Malaysia's Equity Guidelines requires inter alia the following:

- (i) the Group must place at least 90% of the gross proceeds from its initial public offering ("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 operating costs, fund the search for a target company or asset and completing the qualifying acquisition; and
- (iv) in the event the Group 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 and distribution), must be distributed to the respective shareholders 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 Group on the Bursa Securities.

Consequently, the Public Issue Share 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

Group's obligation to refund the IPO Custodian Trust Proceeds held in the custodian trust account to the IPO investors in the event the Group fails to complete a qualifying acquisition within the Permitted Timeframe.

B16 Status of Corporate Proposals

Proposed Acquisition of Stag Oilfield

On 2 November 2015, Sona E&P (Perth) Pty Ltd ("Sona Australia") as buyer and the Company as guarantor entered into a sale and purchase agreement with Quadrant Northwest Pty Ltd and Santos Offshore Pty Ltd as sellers ("SPA") in relation to Sona Australia acquiring 100% interest in the Production Licence WA-15-L and Pipeline Licence WA-6-PL and the associated assets ("Stag Oilfield"), along with the operatorship thereof, for total purchase consideration amounts to the base purchase price ("Base Purchase Price") of US\$50.0 million and adjustments to be made immediately following completion as set out in section 1.2 of Appendix I of the SPA ("Proposed Acquisition of Stag Oilfield").

The Proposed Acquisition of Stag Oilfield is conditional upon, inter alia, the following:

- (i) approval received from Securities Commission Malaysia ("SC") for the Proposed Acquisition of Stag Oilfield;
- (ii) approval received from the shareholders of the Company for the Proposed Acquisition of Stag Oilfield;
- (iii) notice of no objection received from the Australian Foreign Investment Review Board ("FIRB");
- (iv) Quadrant or Quadrant Energy Australia Limited ("QEAL") and Sona Australia having signed a transitional services agreement;
- (v) Dampier Spirit LLC having signed an assignment and assumption document in respect of the "Dampier Spirit" floating storage and offloading tanker contract with Sona Australia and QEAL; and
- (vi) the SPA is approved and registered as a dealing under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth).

On 2 November 2015, the Group submitted its application in relation to the Proposed Acquisition of Stag Oilfield to the FIRB and has received their statement of no objections on 27 November 2015.

On 2 December 2015, the Group submitted its application in relation to the Proposed Acquisition of Stag Oilfield to the SC.

On 12 February 2016, the Group obtained the approval of the SC in relation to the Proposed Acquisition of Stag Oilfield subject to the following conditions:-

- (i) the Group to utilise up to 80% of the amount in its trust account for the acquisition of the Stag Oilfield and to finance part of the Infill Development. The funds to be utilised for the Infill Development will be placed in another trust account specifically for this purpose with a proper approval process in place for the monitoring and disbursement of funds. The Group will also issue monthly and quarterly updates through announcements on Bursa Malaysia on the amount of cash drawn down and balance in the trust account;
- (ii) the Group to appoint an additional Independent Non-Executive Director who has the appropriate qualification and experience to effectively discharge the role of an independent director of a listed company, prior to the issuance of the circular to shareholders;
- (iii) the Group to fully comply with the requirements of the SC's Equity Guidelines, as applicable, pertaining to the implementation of the Proposed Acquisition of Stag Oilfield; and
- (iv) the Group to fully comply with the Main Market Listing Requirements of Bursa Malaysia, as applicable, pertaining to the implementation of the Proposed Acquisition of Stag Oilfield and the issuance of the circular to shareholders of the Group.

On 18 February 2016, the SPA was approved and registered as a dealing under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 (Cth) of Australia by NOPTA. The approval and registration of the SPA is one of the conditions precedent to the SPA.

On 29 February 2016, Sona Australia (as buyer) and the Company (as buyer guarantor) entered into a deed of variation with the Sellers ("Deed of Variation") to *inter alia*, reduce the Base Purchase Price from US\$50.0 million (or equivalent to RM206.5 million) to US\$25.0 million (or equivalent to RM103.2 million).

On 25 March 2016, the Company received a proposal from the Management Team of the Company that it plans to implement a proposed capital repayment of up to RM80.0 million to the shareholders of the Company, subject to the completion of the Proposed Acquisition of Stag Oilfield.

The Proposed Capital Repayment will involve a capital repayment of up to RM80.0 million, less such amounts to be paid for the repurchase of Sona Petroleum Shares from the dissenting shareholders who vote against the Proposed Acquisition of Stag Oilfield ("Share Repurchase") ("Distribution Amount"). Accordingly, the actual Distribution Amount will vary in accordance with the number dissenting shareholders and the amount that the Company has to pay under the Share Repurchase. The Distribution Amount will be made from the remaining monies in the Company's cash trust account, after taking into consideration the Company's working capital requirements and the 80% utilisation of the cash trust account for the purposes of the Proposed Acquisition of Stag Oilfield (as set out in the Circular). The Proposed Capital Repayment shall be subject to the total payment for the Share Repurchase not exceeding RM60.0 million. For the avoidance of doubt, in the event the total payment for Share Repurchase exceeds RM60.0 million, the Proposed Capital Repayment will not be implemented. The Proposed Capital Repayment shall be implemented by way of reduction of the share premium account of the Company under Section 64 of the Companies Act, 1965. Based on the pro forma statements of financial position of the Company as at 30 September 2015 as set out in the Circular, the pro forma share premium account after the completion of the Proposed Acquisition of Stag Oilfield will be approximately RM215.9 million

On 30 March 2016, the Company convened its Extraordinary General Meeting ("EGM") in relation to the Proposed Acquisition of Stag Oilfield. During the EGM, shareholders passed the motion to adjourn the EGM to a later date. Shareholders also provided their feedback on the Proposed Capital Repayment and requested the Company to consider further improving the proposal.

On 31 March 2016, the Company, in view of the adjournment of the Company's EGM and other pending Conditions Precedent, namely the execution of the Transitional Services Agreement and the Dampier Spirit FSO Assignment and Assumption Document, Sona Australia has agreed with the Sellers to extend the cut-off date to satisfy or waive the Conditions Precedent as stipulated in the SPA from 31 March 2016 to 30 April 2016.

On 13 April 2016, the Company received a revised proposal from the Management Team of the Company recommending that the Company undertakes a revised capital repayment of 8 sen per Share, after the completion of the Proposed Acquisition of Stag Oilfield.

The proposed amount of capital repayment of 8 sen per Share is not dependent on the level of Share Repurchase. All of Sona Petroleum's shareholders, excluding the Management Team (who holds their Shares via Platinum Autumn), whose names appear in the Company's Record of Depositors on an entitlement date to be announced after the completion of the Proposed Acquisition of Stag Oilfield, shall be entitled to receive the cash distribution under the Proposed Revised Capital Repayment. The entitled shareholders for the Proposed Revised Capital Repayment will also include holders of the free detachable warrants in the Company ("Warrants"), who exercise their Warrants prior to the entitlement date and whose names appear in the Company's Record of Depositors on that date, excluding holders of the Converted Shares (as defined in Section 2.1 of the Circular) ("Entitled Warrant Holders"). The Proposed Revised Capital Repayment shall be implemented by way of reduction of the share premium account of the Company under Section 64 of the Companies Act, 1965. Based on the pro forma statements of financial position of the Company as at 30 September 2015 as set out in the Circular, the pro forma share premium account after the completion of the Proposed Acquisition of Stag Oilfield will be approximately RM215.9 million.

On 26 April 2016, the Company convened its Adjourned EGM and the special resolution in relation to the Proposed Acquisition of Stag Oilfield was not passed by the shareholders of the Company.

On 27 April 2016, the Company announced that further to the outcome of the Adjourned EGM on 26 April 2016, the Company is considering the next steps and options with regards to its proposed qualifying acquisition. Accordingly, the Company will make an announcement in due course once these matters have been deliberated.

On 3 May 2016, the Company announced that the cut-off date to satisfy or waive the Conditions Precedent as stipulated in the SPA occurred on 30 April 2016. Conditions Precedent to the SPA that remained outstanding as at 30 April 2016 were:-

- (i) the approval of the shareholders of the Company to the Proposed Acquisition of Stag Oilfield;
- (ii) the execution of the Transitional Services Agreement; and
- (iii) the execution of the Dampier Spirit FSO Assignment and Assumption Document.

Sona Australia has notified the Sellers that the outstanding Conditions Precedent to the SPA have not been satisfied by 30 April 2016. The Company will make the appropriate announcements in due course on any material development on the Proposed Acquisition of Stag Oilfield.

On 2 June 2016, the Company announced that received letters from Santos and Quadrant to notify that the Sellers terminate the SPA with immediate effect. Accordingly, the SPA in relation to the Proposed Acquisition of Stag Oilfield is terminated with effect from 2 June 2016.

B17 Changes in Material Litigation

The Board of Directors of the Group is not aware of any pending material litigation as at the date of this Interim Financial Statements other than the Company has been served, on 12 July 2016, a Writ and a Statement of Claim dated 1 July 2016 by Messrs Shearn Delamore & Co filed by Law Asia Pte Ltd in the Kuala Lumpur Sessions Court. The claim is for the sum of USD 47,299.12, being fees for alleged work done in relation to a potential acquisition of a qualifying asset which the Group was considering at that time but did not materialise, due and owing as at 15 May 2015 together with interest and cost. The Board is of the view that the claim has no substance and will defend the claim as appropriate. This case has been fixed for case management on 23 August 2016.

B18 Loss Per Share

a) Basic loss per share

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

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30-06-2016 RM	30-06-2015 RM	30-06-2016 RM	30-06-2015 RM
Loss after tax attributable to the Owners of the Company	(13,397,649)	(6,872,865)	(13,397,649)	(6,872,865)
Weighted average number of shares in issue	1,410,714,300	1,410,714,300	1,410,714,300	1,410,714,300
Basic loss per share (RM)	(0.01)	(0.01)	(0.01)	(0.01)

b) Dilutive loss per share

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

	INDIVIDUAL 6 MONTHS ENDED		CUMULATIVE 6 MONTHS ENDED	
	30-06-2016 RM	30-06-2015 RM	30-06-2016 RM	30-06-2015 RM
Loss after tax attributable to the Owners of the Company	(13,397,649)	(6,872,865)	(13,397,649)	(6,872,865)
Weighted average number of shares in issue	1,410,714,300	1,410,714,300	1,410,714,300	1,410,714,300
Basic loss per share (RM)	(0.01)	(0.01)	(0.01)	(0.01)

The fully diluted loss per share of the Group in the current financial period/year 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 Group as at 30 June 2016 and 31 December 2015 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
	30-06-2016	31-12-2015
	RM	RM
Realised losses	(65,794,125)	(52,396,476)
Unrealised losses	-	-
Accumulated losses of the Company as per financial statements	<u>(65,794,125)</u>	<u>(52,396,476)</u>

BY THE ORDER OF THE BOARD

JASMINDAR KAUR A/P SARBAN SINGH
Company Secretary

Kuala Lumpur
23 August 2016