

PETRONAS Gas Berhad
(Company No.: 101671-H)
Condensed Group Balance Sheet
as at 30 June 2009 - Unaudited



	As at 30-Jun-09 RM'000	As at 31-Mar-09 RM'000
Assets		
Property, plant and equipment	6,650,085	6,759,762
Prepaid lease payments	451,112	452,563
Investment in associate	182,124	169,341
Investment in jointly controlled entity	3,362	3,162
Total non-current assets	7,286,683	7,384,828
Trade and other inventories	151,488	146,413
Trade and other receivables	321,617	319,810
Fund and other investments	100,991	70,863
Cash and cash equivalents	2,195,294	1,945,136
Total current assets	2,769,390	2,482,222
TOTAL ASSETS	10,056,073	9,867,050
Equity		
Share Capital	1,978,732	1,978,732
Reserves	6,329,171	6,060,231
Total equity attributable to the shareholders of the Company	8,307,903	8,038,963
Minority shareholder's interests	(914)	(662)
Total equity	8,306,989	8,038,301
Liabilities		
Borrowings	433,383	449,625
Deferred tax liabilities	1,142,000	1,146,000
Deferred income	15,561	15,331
Total non-current liabilities	1,590,944	1,610,956
Trade and other payables	124,315	195,262
Taxation	33,825	22,531
Total current liabilities	158,140	217,793
Total liabilities	1,749,084	1,828,749
TOTAL EQUITY AND LIABILITIES	10,056,073	9,867,050
Net Assets per Share Attributable to the Shareholders of the Company (RM)	4.199	4.063

The condensed Group balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

PETRONAS Gas Berhad
(Company No.: 101671-H)
Condensed Group Income Statement
for the three months ended 30 June 2009 - Unaudited



	Three months and year-to-date ended	
	30-Jun-09	30-Jun-08
	RM'000	RM'000
Revenue	785,559	796,699
Cost of revenue	(461,803)	(413,002)
Gross profit	<u>323,756</u>	<u>383,697</u>
Administration expenses	(12,509)	(15,571)
Other expenses	(1,652)	(35,709)
Other income	36,839	47,952
Operating profit	<u>346,434</u>	<u>380,369</u>
Financing costs	(5,118)	(4,021)
Share of profit after tax of equity accounted associate and jointly controlled entity	12,982	12,380
Profit before taxation	<u>354,298</u>	<u>388,728</u>
Tax expense	(85,610)	(93,144)
Profit for the period	<u><u>268,688</u></u>	<u><u>295,584</u></u>
Attributable to:		
Shareholders of the company	268,940	295,584
Minority interest	(252)	-
Profit for the period	<u><u>268,688</u></u>	<u><u>295,584</u></u>
Basic Earnings Per Share (sen)	<u>13.59</u>	<u>14.94</u>

The condensed Group income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

PETRONAS Gas Berhad
(Company No.: 101671-H)
Condensed Group Cash Flow Statement
for the three months ended 30 June 2009 - Unaudited



	Three months and year-to-date ended	
	30-Jun-09	30-Jun-08
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	795,394	775,993
Cash paid to suppliers and employees	(325,193)	(271,812)
	470,201	504,181
Interest income from fund and other investments	7,315	10,943
Taxation paid	(78,317)	(114,545)
Net cash generated from operating activities	399,199	400,579
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fund and other investments	(30,033)	-
Dividends received	-	19,686
Purchase of property, plant and equipment	(118,934)	(90,949)
Proceeds from disposal of property, plant and equipment	126	-
Purchase of prepaid lease	(200)	(15,619)
Proceeds from sale of prepaid lease	-	-
Net cash used in investing activities	(149,041)	(86,882)
Net Increase in Cash and Cash Equivalents	250,158	313,697
Cash and Cash Equivalents at beginning of the year	1,945,136	1,707,805
Cash and Cash Equivalents at end of the period	2,195,294	2,021,502

The condensed Group cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

PETRONAS Gas Berhad
 (Company No.: 101671-H)
 Condensed Group Statement of Changes in Equity
 for the three months ended 30 June 2009 - Unaudited



	Share Capital Ordinary shares RM'000	Non Distributable Share premium RM'000	Distributable Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Balance at 1 April 2008						
- as previously reported	1,978,732	1,186,472	4,757,191	7,922,395		7,922,395
- effects of adopting FRS 139	-	-	28,837	28,837	-	28,837
Balance at 1 April 2008, restated	1,978,732	1,186,472	4,786,028	7,951,232	-	7,951,232
Profit for the period	-	-	295,584	295,584		295,584
Balance at 30 June 2008	1,978,732	1,186,472	5,081,612	8,246,816	-	8,246,816
Balance at 1 April 2009	1,978,732	1,186,472	4,873,759	8,038,963	(662)	8,038,301
Profit for the period	-	-	268,940	268,940	(252)	268,688
Balance at 30 June 2009	1,978,732	1,186,472	5,142,699	8,307,903	(914)	8,306,989

The condensed Group statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

PETRONAS GAS BERHAD

(Company No.: 101671-H)

Incorporated in Malaysia

Part A – Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The interim financial statements have been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134, *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

Within the context of these financial statements, the Group comprises the Company and its subsidiary, and the Group's interest in an associate and a jointly controlled entity as at and for the quarter ended 30 June 2009.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2009. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2009.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2009.

3. Auditor's Report on Preceding Annual Financial Statements

The auditor's report on the financial statements for the year ended 31 March 2009 was not qualified.

4. Comments about Seasonal or Cyclical Factors

The Group's operations are not significantly affected by seasonal or cyclical fluctuations.

5. Unusual Items Due to Their Nature, Size or Incidence

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

6. Changes in Estimates

There were no changes in estimates that have had material effect in the current quarter results.

7. Debt and Equity Securities

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year-to-date ended 30 June 2009.

8. Dividends Paid

There were no dividends paid during the current quarter.

9. Segmental Information

Segment information is presented in respect of the Group's business segments which are based on the internal reporting structure presented to the management of the Company.

The Group's principal business segments are services rendered for separating natural gas into its components and the storing, transporting and distributing such components, and sale of industrial utilities.

The Group operates only in Malaysia and accordingly, information by geographical location of the Group's operations is not presented.

The segmental information in respect of the associate and jointly controlled entity is not presented as the contribution of the associate and jointly controlled entity and the carrying amount of investment in the associate and jointly controlled entity are not material and have been reflected in the income statement and balance sheet of the Group.

Business Segments	-----30 June 2009-----			-----30 June 2008-----		
	Throughput Services RM'000	Utilities RM'000	Total RM'000	Throughput Services RM'000	Utilities RM'000	Total RM'000
Revenue	619,285	166,274	785,559	637,415	159,284	796,699
Segment results	290,786	32,970	323,756	331,484	52,213	383,697
Unallocated income/(expense)			22,678			(3,328)
Operating profit			346,434			380,369
Financing costs			(5,118)			(4,021)
Share of profit after tax of equity accounted associate and jointly controlled entity			12,982			12,380
Profit before taxation			354,298			388,728

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated income / (expense) mainly comprise interest from fund investment, administration expenses and unrealised gain / (loss) from retranslation of term loan and revaluation of Currency Exchange Agreement (CEA).

10. Property, Plant and Equipment

Freehold lands are stated at cost and are not depreciated. Projects-in-progress are stated at cost and are not depreciated. Other property, plant and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

11. Subsequent Events

There were no material events subsequent to the end of the current quarter.

12. Changes in the Composition of the Group

There were no material events subsequent to the end of the current quarter.

13. Contingent Liabilities and Contingent Assets

There were no material contingent liabilities or contingent assets since the last annual balance sheet as at 31 March 2009.

14. Capital Commitments

The commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2009 were as follows:-

	30.06.2009
	RM'000
Property, plant and equipment:	
Approved and contracted for	175,640
Approved but not contracted for	163,623
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	339,263
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Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

15. Performance Review

Revenue for the quarter ended 30 June 2009 was RM785.6 million (quarter ended 30 June 2008: RM796.7 million). The decrease was due to lower throughput revenue.

Profit before tax for the quarter ended 30 June 2009 was RM354.3 million (quarter ended 30 June 2008: RM388.7 million). The decrease in profit was mainly due to higher cost of revenue and lower revenue.

Profit after tax for the quarter ended 30 June 2009 was RM268.7 million (quarter ended 30 June 2008: RM295.6 million) and the decrease in profit was due to lower profit before tax.

16. Material Change in Profit Before Taxation of Current Quarter Compared With Preceding Quarter

Revenue for the current quarter was RM785.6 million, a decrease of RM150.3 million from the preceding quarter due to lower utilities sales and throughput revenue.

Profit before tax for the current quarter of RM354.3 million was RM7.4 million higher than the preceding quarter mainly due to lower cost of revenue and other expenses.

17. Commentary on Prospects

While revenue prospects for gas processing and transmission business would be dependent on demand for gas as well as upstream gas production levels, the margin for the gas processing and transmission business would not be impacted as any variation in the cost of gas would be passed through.

Prospects for the utilities business will depend on the pace of economic recovery. Any variation in gas price will be reflected in the pricing to customers.

18. Profit Forecast

Not applicable as no profit forecast was published.

19. Tax Expense

Taxation comprises the following:

	3 months and year-to-date ended	
	30.06.2009	30.06.2008
	RM'000	RM'000
In respect of current period:		
- income tax	89,610	102,000
- deferred tax	(4,000)	(8,856)
	<hr/>	<hr/>
	85,610	93,144

The effective tax rate was 25.05% for the current quarter.

20. Unquoted Investments and Properties

Investments in unquoted securities as at 30 June 2009 are as follows:

	30.06.2009 RM'000	30.06.2008 RM'000
<u>Fair value through profit or loss – financial assets</u>		
- Current	100,991	-

21. Quoted Investments

There was no purchase or disposal of quoted securities during the current quarter and financial year-to-date and there were no investments in quoted shares as at the end of the current quarter.

22. Status of Corporate Proposal Announced

There was no corporate proposal announced as at the date of this report.

23. Borrowings

Particulars of Company's borrowings are as follows:

	30.06.2009 RM'000	30.06.2008 RM'000
<u>Long term</u>		
- Unsecured term loan	593,084	488,627
- Derivative asset – CEA	(159,701)	(65,552)
Borrowings	433,383	423,075

With the adoption of FRS 139, the underlying Yen 16 billion term loan and the CEA are valued and accounted separately at each reporting date. The term loan is translated at the spot rate at the reporting date whereas the CEA, being a derivative asset, is fair valued. The fair value of the CEA is determined based on the difference in discounted cash flow using forward exchange rate and contracted rate. Any increase or decrease in the translation or valuation is recorded accordingly in the financial statements. The volatility and the impact to the financial statements are dependent on the exchange rate and interest rate movement.

For the purpose of presentation of the financial statements, both the term loan and the CEA are netted off since the conditions of legally enforceable right and the intention to settle on net basis are met.

The net unrealised gain arising from retranslation of term loan and revaluation of CEA for the year-to-date ended 30 June 2009 was RM16.2 million (year-to-date ended 30 June 2008: net unrealised loss of RM7.4 million).

24. Off Balance Sheet Financial Instruments

There are no off balance sheet financial instruments as at the date of this report.

25. Material Litigation

There has been no material litigation as at the date of this report.

26. Dividends Proposed

On 21 May 2009, the Directors proposed a final dividend of 20% per share tax exempt, 5.1% per share less 25% tax and 9.9% per share tax exempt under the single tier tax system, altogether amounting to RM667,180,000 in respect of the financial year ended 31 March 2009.

The final dividend was approved by the shareholders during the Annual General Meeting held on 22 July 2009. On 19 August 2009, the dividend was paid to the depositors registered in the Record of Depositors at the close of business on 30 July 2009.

27. Earnings per Share

Basic earnings per share (EPS) is derived based on the net profit attributable to ordinary shareholders and based on the number of ordinary shares outstanding during the period.

	3 months and year-to-date ended	
	30.06.2009	30.06.2008
Net profit for the period attributable to ordinary shareholders (RM '000)	268,940	295,584
Number of ordinary shares in issue ('000)	1,978,732	1,978,732
EPS (sen)	13.59	14.94

Diluted EPS is derived based on the profit attributable to ordinary shareholders after adjustment for the effect of all dilutive potential ordinary shares. The Company has not issued any dilutive potential ordinary shares, hence, the diluted EPS is the same as the basic EPS.

28. Authorised for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 August 2009.

BY ORDER OF THE BOARD

Noryati Mohd Noor (LS0008877)
Yeap Kok Leong (MAICSA0862549)
Company Secretaries
Kuala Lumpur
24 August 2009