



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2011

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31/3/2011 (Unaudited) RM '000	PRECEDING YEAR QUARTER 31/3/2010 (Unaudited) RM '000	CURRENT YEAR TO DATE 31/3/2011 (Unaudited) RM '000	PRECEDING YEAR TO DATE 31/3/2010 (Unaudited) RM '000
Continuing Operations				
Revenue	7,553	8,984	22,720	21,538
Cost of sales	(8,700)	(6,785)	(30,779)	(17,052)
Gross (Loss)/profit	(1,147)	2,199	(8,059)	4,486
Other income	5	(14)	102	3,185
Administration expenses	(1,523)	(1,215)	(4,511)	(4,196)
Finance costs	(897)	(921)	(2,907)	(2,742)
Gain on disposal of subsidiaries	-	-	3,030	-
(Loss)/Profit before tax	(3,562)	49	(12,345)	733
Income tax expense	(278)	-	724	-
(Loss)/Profit for the period from continuing operations	(3,840)	49	(11,621)	733
Discontinued Operations				
Profit/(Loss) for the period from discontinued operations	-	86	87	(99)
Net (loss)/profit for the period	(3,840)	135	(11,534)	634
Attributable to:				
Equity holders of the Company	(3,840)	(342)	(11,160)	12
Minority interest	-	477	(374)	622
	(3,840)	135	(11,534)	634
Other comprehensive income :				
Foreign currency translation	(86)	-	(35)	-
Total comprehensive income for the period	(3,926)	135	(11,569)	634
Total comprehensive income attributable to:				
Equity holders of the Company	(3,926)	(342)	(11,195)	12
Minority interest	-	477	(374)	622
Total comprehensive income for the period	(3,926)	135	(11,569)	634



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FOR THE QUARTER ENDED 31 MARCH 2011

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	31/3/2011	31/3/2010	31/3/2011	31/3/2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM '000	RM '000	RM '000	RM '000
(Loss)/Earning per share (sen) attributed to equity holder of the Company :				
Basic, for (loss)/profit from continuing operations	(7.94) *	(0.74)	(23.09) *	0.03
Basic, for profit/(loss) from discontinued operations	- *	0.19	0.18 *	(0.21)
Basic, for (loss)/profit for the period	<u>(7.94) *</u>	<u>(0.55)</u>	<u>(22.91) *</u>	<u>(0.19)</u>
Diluted	N/A	N/A	N/A	N/A
Dividends per share (sen)	-	-	-	-

* Based on 48,338,845 ordinary shares

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statement for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE QUARTER ENDED 31 MARCH 2011

	AS AT 31/3/2011 (Unaudited) RM '000	AS AT 30/06/2010 (Audited) RM '000
ASSETS		
Non-current assets		
Property, plant and equipment	161,844	186,369
Goodwill	27,917	27,917
	<u>189,761</u>	<u>214,286</u>
Current assets		
Trade and other receivables	6,989	10,212
Tax recoverables	153	467
Cash and bank balances	1,019	107
Assets classified as held for sale	-	46,453
	<u>8,161</u>	<u>57,239</u>
TOTAL ASSETS	<u>197,922</u>	<u>271,525</u>
EQUITY AND LIABILITIES		
Share capital	48,339	46,199
Share premium	11,690	10,834
Reserve	(26,049)	1,669
Equity attributable to equity holders of the Company	<u>33,980</u>	<u>58,702</u>
Minority interest	-	9,850
Total equity	<u>33,980</u>	<u>68,552</u>
Non-current liabilities		
Borrowings	31,711	97,362
Amount due to a director	15,802	13,168
Deferred tax liabilities	4,875	5,612
	<u>52,388</u>	<u>116,142</u>
Current liabilities		
Borrowings	91,624	47,346
Trade and other payables	19,930	17,665
Liabilities classified as held for sale	-	21,820
	<u>111,554</u>	<u>86,831</u>
Total liabilities	<u>163,942</u>	<u>202,973</u>
TOTAL EQUITY AND LIABILITIES	<u>197,922</u>	<u>271,525</u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	<u>0.7030</u>	<u>1.2706</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statement for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2011

	<i><----- Attributable to Equity Holders of the Company -----></i>						
	<i><----- Non-distributable -----></i>			<i>Distributable</i>			
(Unaudited)	Share Capital	Share Premium	Translation reserve	Retained earnings/ Accumulated losses	Total	Minority Interest	Total Equity
	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000	RM '000
At 1 July 2009	41,999	9,532	-	6,125	57,656	10,694	68,350
Issue of shares	4,200	1,302	-	-	5,502	-	5,502
Total comprehensive income	-	-	-	12	12	622	634
At 31 March 2010	<u>46,199</u>	<u>10,834</u>	<u>-</u>	<u>6,137</u>	<u>63,170</u>	<u>11,316</u>	<u>74,486</u>
(Unaudited)							
At 1 July 2010	46,199	10,834	(1,757)	3,426	58,702	9,850	68,552
Issue of shares	2,140	856	-	-	2,996	-	2,996
Total comprehensive income	-	-	(35)	(11,160)	(11,195)	(374)	(11,569)
Acquisition of minority interest	-	-	-	(16,523)	(16,523)	(9,476)	(25,999)
At 31 March 2011	<u>48,339</u>	<u>11,690</u>	<u>(1,792)</u>	<u>(24,257)</u>	<u>33,980</u>	<u>-</u>	<u>33,980</u>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 MARCH 2011

	9 months ended	
	31/3/2011	31/3/2010
	(Unaudited)	(Unaudited)
	RM '000	RM '000
Net cash generated from operating activities	8,900	16,220
Net cash used in investing activities	-	(71,973)
Net cash (used in)/generated from financing activities	(7,988)	52,004
Net increase/(decrease) in cash and cash equivalents	912	(3,749)
Cash and cash equivalents at beginning of financial period	107	4,004
Cash and cash equivalents at end of financial period	1,019	255

Cash and cash equivalents at the end of the financial period comprise the following:

	As at	As at
	31/3/2011	31/3/2010
	(Unaudited)	(Unaudited)
	RM '000	RM '000
Cash and bank balances	1,019	269
Bank overdrafts	-	(14)
Total cash and cash equivalents	1,019	255

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statement for the year ended 30 June 2010 and the accompanying explanatory notes attached to the interim financial statements.



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 31 MARCH 2011**

A1. BASIS OF PREPARATION

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 30 June 2010. These 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 30 June 2010.

The interim financial statements have been prepared on the assumption that the Group is a going concern. The Group incurred a net loss of RM11.53 million for the nine months ended 31 March 2011 and, as of the date, the current liabilities of the Group exceeded its current assets by RM103.39 million.

As disclosed in the previous year's financial statements, Arus Dermaga Sdn Bhd ("ADSB"), a subsidiary, entered into negotiations with its lender to restructure its term loan as it was unable to meet its loan principal installment amounting to USD3 million in March 2010. The lender had agreed to keep the abovementioned USD3 million repayment in abeyance pending the decision by the lender on ADSB' application to restructure the loan. On 20 August 2010, the lender subsequently agreed to restructure the term loan, of which the new terms include the requirement to repay USD6 million of the term loan by 31 December 2010.

ADSB was unable to meet the abovementioned USD6 million restructured repayment on 31 December 2010 and had, on 31 March 2011, obtained a further agreement from the lender to keep the USD6 million repayment in abeyance pending the ongoing negotiations to restructure the loan facility.

Petrol One Resources Berhad ("PORB") also entered into negotiations with its lender to restructure its term loan as it was unable to meet its bridging loan principal repayment amounting to RM8.5 million due as at 31 January 2011. On 31 March 2011, PORB obtained an agreement from the lender to keep the RM8.5 million repayment in abeyance pending the ongoing negotiations to restructure the loan facility.

In order to meet its loan obligations, the Group is planning various capital fund raising exercises, which include share placement and rights issue.

PORB had on 17 January 2011 proposed private placement of up to 4,619,884 new ordinary shares of RM1.00 each in PORB representing up to 10% of the existing issued and paid-up capital of the Company.

Approval from Bursa Malaysia Securities Berhad ("Bursa Securities") was obtained on 1 March 2011 for the proposed private placement.

On 31 March 2011, PORB allotted 2,140,000 new ordinary shares of RM1.00 each fully paid up to increase the Share Capital by RM2,140,000 and Share Premium Account by RM856,000.

The private placement was completed after PORB further allotted 2,074,000 and 392,000 new ordinary shares of RM1.00 each fully paid up on 21 April 2011 and 6 May 2011 respectively to increase the Share Capital by RM2,466,000 and Share Premium Account by RM978,560.

On 20 May 2011, PORB proposed to undertake the following: -

- (i) proposed renounceable rights issue of up to 50,804,845 new ordinary shares of RM1.00 each in PORB ("**PORB Shares**") ("**Rights Shares**") at an issue price of RM1.00 per share together with up to 50,804,845 free detachable warrants in PORB ("**Rights Warrants**") on the basis of one (1) Rights Share and one (1) free Rights Warrant for every one (1) existing PORB Share held as at an entitlement date to be determined later ("**Proposed Rights Issue with Warrants**");



PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 31 MARCH 2011

- (ii) proposed private placement of up to 10,160,969 new PORB Shares, representing up to 10% of the enlarged issued and paid-up share capital of PORB after the Proposed Rights Issue with Warrants, at an issue price to be determined later (“**Proposed Private Placement**”);
- (iii) proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 100,000,000 PORB Shares to RM500,000,000 comprising 500,000,000 PORB Shares (“**Proposed Increase in Authorised Share Capital**”); and
- (iv) proposed amendments to the Memorandum and Articles of Association of PORB (“**M&A**”) pursuant to the Proposed Increase in Authorised Share Capital (“**Proposed M&A Amendments**”).

The above conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and Company to continue as a going concern and therefore the Group and Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The validity of the going concern assumption is dependent upon the successful implementation of its planned capital fund raising exercises, the continuous financial support from the lenders and the ability of the Group and Company to attain profitable operations in the future. The interim financial statements do not include any adjustments that may be necessary should the going concern assumption not be appropriate.

A2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and method of computation adopted by the Group in the interim financial statements are consistent with those adopted in the financial statements for the year ended 30 June 2010 except for the adoption of the following new/revised Financial Reporting Standards (FRSs), Amendments to FRSs and Interpretations, which were effective for this financial period beginning 1 July 2010:

- FRS 4, Insurance Contracts
- FRS 7, Financial Instruments: Disclosures
- FRS 101, Presentation of Financial Statements (revised)
- FRS 123, Borrowing Costs (revised)
- FRS 139, Financial Instruments: Recognition and Measurement
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
- Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations
- Amendments to FRS 7, Financial Instruments: Disclosures
- Amendments to FRS 101, Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 132, Financial Instruments: Presentation
 - Puttable Financial Instruments and Obligations Arising on Liquidation
 - Separation of Compound Instruments
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement
 - Reclassification of Financial Assets
 - Collective Assessment of Impairment for Banking Institutions
- Improvements to FRSs (2009)
- IC Interpretation 9, Reassessment of Embedded Derivatives
- IC Interpretation 10, Interim Financial Reporting and Impairment
- IC Interpretation 11, FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13, Customer Loyalty Programmes
- IC Interpretation 14, FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction



PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 31 MARCH 2011

Amendments to FRS 132, Financial Instruments: Presentation – Classification of Rights Issues
FRS 1: First-time Adoption of Financial Reporting Standards
FRS 3: Business Combinations (revised)
FRS 127: Consolidated and Separate Financial Statements (amended)
Amendments to FRS 2: Share-based Payment - Vesting Conditions and Cancellations
Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138: Intangible Assets
IC Interpretation 12: Service Concession Arrangements
IC Interpretation 15: Agreements for the Construction of Real Estate
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17 Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
- Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
- Additional Exemptions for First-time Adopters
Amendments to FRS 7, Financial Instrument: Disclosure - Improving Disclosures
about Financial Instruments
Amendments to FRS 2, Group Cash-settled Share-based Payment Transactions
IC Interpretation 4 Determining whether an Arrangement contains a Lease
IC Interpretation 18 Transfers of Assets from Customers

The adoption of the above new/revised FRSS, Amendments to FRSS and interpretations will not have significant impact on the financial statements of the Group and Company. The principal effects of the changes in accounting policies resulting from the adoption of the above new/revised FRSS, Amendments to FRSS and Interpretations are summarized below:

FRS 101: Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the financial statements presented will consist of a statement of comprehensive income, a statement of financial position, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The gains/(losses) that were recognised directly in equity in the preceding year/corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income is presented separately in the statement of comprehensive income and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests.

The total comprehensive income is presented as a one-line item in the statement of changes in equity and the comparative information has been re-presented in order to conform with the revised standard. This standard only affects the presentation aspects and will not have any impact on the earnings per share.

FRS 139, Financial Instruments: Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives and their corresponding gains/(losses) were only recognized on their settlement dates. Outstanding derivatives at the reporting date were not recognized. With the adoption of FRS 139, such financial derivatives will be recognized at contract dates as financial assets or financial liabilities and the measurement of such contracts would be at fair value through profit and loss. In accordance with the transitional provisions of this standard, the required changes are applied prospectively and the comparative information are not restated. This standard has no significant impact on the financial position and results of the Group.



PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 31 MARCH 2011

Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs, Interpretations, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRS and Interpretations	Effective for financial periods beginning on or after
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124 Related Party Disclosures (Revised)	1 January 2012
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012

The new FRSs, Interpretations, Amendments to FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The financial statements of the Company and its subsidiaries for the financial year ended 30 June 2010 were not qualified.

A4. SEGMENTAL INFORMATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR TO DATE	CURRENT YEAR TO DATE
	31/3/2011	31/3/2010	31/3/2011	31/3/2010
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Revenue from continuing operations:				
Oil and gas	7,553	8,984	22,720	21,538
Revenue from discontinued operation	-	8,419	3,229	29,723
Total	<u>7,553</u>	<u>17,403</u>	<u>25,949</u>	<u>51,261</u>
Segment Results				
Results from continuing operations:				
Oil and gas	(2,485)	214	(13,896)	1,681
Others	(1,355)	(165)	2,275	(948)
	<u>(3,840)</u>	<u>49</u>	<u>(11,621)</u>	<u>733</u>
Results from discontinued operation	-	86	87	(99)
Total	<u>(3,840)</u>	<u>135</u>	<u>(11,534)</u>	<u>634</u>

A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 March 2011.



**PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
FOR THE QUARTER ENDED 31 MARCH 2011**

A6. CHANGES IN ESTIMATES

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

A7. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The business of the Group was not affected by any significant seasonal or cyclical fact in the current quarter with the exception of the current global economic downturn.

A8. DIVIDENDS PAID

There is no dividend paid during the quarter under review.

A9. DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the current quarter under review except for the following:

On 31 March 2011, the Company allotted 2,140,000 new ordinary shares of RM1.00 each fully paid up to increase the Share Capital by RM2,140,000 and Share Premium Account by RM856,000.

A10. CAPITAL COMMITMENTS

There were no changes in capital commitments since the last annual balance sheet as at 30 June 2010.

A11. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

As at 31 March 2011, the group has given corporate guarantees to banks and financial institutions for subsidiaries banking facilities totalling to RM123 million.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter under review.

A13. DISCONTINUED OPERATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR 31/3/2011 (Unaudited) RM'000	QUARTER 31/3/2010 (Unaudited) RM'000	CURRENT YEAR TO DATE 31/3/2011 (Unaudited) RM'000	CURRENT YEAR TO DATE 31/3/2010 (Unaudited) RM'000
Revenue	-	8,419	3,229	29,723
Profit before tax	-	86	87	(99)
Income tax expense	-	-	-	-
Profit for the period from discontinued operations	-	86	87	(99)



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 31 MARCH 2011**

B1. PERFORMANCE REVIEW

The Group revenue from continuing operation reduced by RM1.4 million as compared to the corresponding quarter of the last financial year.

The Group net loss from continuing operation in the current quarter is RM4.4 million as compared to profit of RM49,000 reported in the corresponding quarter of the last financial year. The loss was mainly due to reduced contribution from oil and gas division.

B2. VARIANCE OF QUARTERLY RESULTS COMPARED TO PRECEDING QUARTER

The Group recorded a turnover of RM7.55 million for the current quarter under review compared to the immediate preceding quarter of RM7.53 million.

The Group loss before tax decreased to RM3.56 million for the current quarter from RM7.20 million registered in the immediate preceding quarter. The decrease was mainly due to lower vessel repair and maintenance costs.

B3. COMMENTARY ON PROSPECTS

The demand for floating storage for oil and oil products remain positive in the coming quarter due to the rising fuel prices.

Barring any unforeseen circumstances, the Group is optimistic that the performance for the year 2011 will be satisfactory.

B4. VARIANCE OF ACTUAL AND PROFIT FORECAST

Not applicable to the Group did not issue any profit forecast for the current financial year.

B5. TAXATION

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	QUARTER	CURRENT YEAR	TO DATE
	31/3/2011	31/3/2010	31/3/2011	31/3/2010
	RM '000	RM '000	RM '000	RM '000
Deferred tax				
- origination and reversal of temporary differences	278	-	(724)	-
Total	<u>278</u>	<u>-</u>	<u>(724)</u>	<u>-</u>

B6. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sales of unquoted investments and properties during the current quarter under review.

B7. QUOTED SECURITIES

There were no purchase and disposal of quoted securities during the current quarter under review.



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 31 MARCH 2011**

B8. STATUS OF CORPORATE PROPOSAL

Petrol One Resources Berhad ("PORB") had on 17 January 2011 proposed private placement of up to 4,619,884 new ordinary shares of RM1.00 each in PORB representing up to 10% of the existing issued and paid-up capital of the Company.

Approval from Bursa Malaysia Securities Berhad ("Bursa Securities") was obtained on 1 March 2011 for the proposed private placement.

On 31 March 2011, PORB allotted 2,140,000 new ordinary shares of RM1.00 each fully paid up to increase the Share Capital by RM2,140,000 and Share Premium Account by RM856,000.

The private placement was completed after PORB further allotted 2,074,000 and 392,000 new ordinary shares of RM1.00 each fully paid up on 21 April 2011 and 6 May 2011 respectively to increase the Share Capital by RM2,466,000 and Share Premium Account by RM978,560.

On 20 May 2011, PORB proposed to undertake the following: -

- (i) proposed renounceable rights issue of up to 50,804,845 new ordinary shares of RM1.00 each in PORB ("**PORB Shares**") ("**Rights Shares**") at an issue price of RM1.00 per share together with up to 50,804,845 free detachable warrants in PORB ("**Rights Warrants**") on the basis of one (1) Rights Share and one (1) free Rights Warrant for every one (1) existing PORB Share held as at an entitlement date to be determined later ("**Proposed Rights Issue with Warrants**");
- (ii) proposed private placement of up to 10,160,969 new PORB Shares, representing up to 10% of the enlarged issued and paid-up share capital of PORB after the Proposed Rights Issue with Warrants, at an issue price to be determined later ("**Proposed Private Placement**");
- (iii) proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 100,000,000 PORB Shares to RM500,000,000 comprising 500,000,000 PORB Shares ("**Proposed Increase in Authorised Share Capital**"); and
- (iv) proposed amendments to the Memorandum and Articles of Association of PORB ("**M&A**") pursuant to the Proposed Increase in Authorised Share Capital ("**Proposed M&A Amendments**").



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 31 MARCH 2011**

B9. GROUP BORROWINGS

	As at 31/3/2011 (Unaudited) RM '000	As at 30/06/2010 (Audited) RM '000
Short term borrowings		
Secured	91,624	47,346
Long term borrowings		
Secured	31,711	97,362
Total	<u>123,335</u>	<u>144,708</u>

As disclosed in Note A1, Arus Dermaga Sdn Bhd ("ADSB"), a subsidiary, was unable to meet its USD6 million loan repayment due on 31 December 2010. Accordingly, ADSB's term loan balance amounting RM72,299,932 was classified as current as at the balance sheet date. On 31 March 2011, the lender agreed to keep the loan repayment in abeyance pending the ongoing negotiations to restructure the loan facility.

Petrol One Resources Berhad ("PORB") also entered into negotiations with its lender to restructure its term loan as it was unable to meet its bridging loan principal repayment amounting to RM8.5 million due as at 31 January 2011. On 31 March 2011, PORB obtained an agreement from the lender to keep the RM8.5 million repayment in abeyance pending the ongoing negotiations to restructure the loan facility.

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

B11. CHANGES IN MATERIAL LITIGATION

The Group does not have any material litigation at the date of this quarterly report.

B12. LOSS PER SHARE

a) Basic

Basic loss per share amounts are calculated by dividing loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue of 48,338,845 during the reporting period.

b) Diluted

There is no dilution in loss per share as the Company does not have any convertible financial instrument as at the end of the current quarter under review.



**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD
FOR THE QUARTER ENDED 31 MARCH 2011**

**B13. SUPPLEMENTAL INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES
BERHAD LISTING REQUIREMENTS**

The following analysis of realised and unrealised retained profits at the legal entity level is 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*, issued by Malaysian Institute of Accountants whilst the disclosure at the group level is based on the prescribed format by the Bursa Malaysia Securities Berhad.

	As at 31/3/2011 (Unaudited)	
	Group RM '000	Company RM '000
Total accumulated losses of the Company and its subsidiaries:		
- realised	(4,495)	7,312
- unrealised	(6,734)	-
	<u>(11,229)</u>	<u>7,312</u>
Consolidated adjustments	(13,028)	-
Total accumulated losses / earnings	<u>(24,257)</u>	<u>7,312</u>

B14. AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 27 May 2011.

By Order of the Board

MOHAMAD REEZAL SIDDIQ
Executive Director
Date : 31 May 2011