

**PETRA PERDANA BERHAD (Company No. 372113 - A)
(Incorporated in Malaysia)**

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FINANCIAL PERIOD ENDED 31 MARCH 2006**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 31-Mar-06 RM'000	Corresponding Quarter Ended 31-Mar-05 RM'000	Current Year-to-date Ended 31-Mar-06 RM'000	Corresponding Year-to-date Ended 31-Mar-05 RM'000
Continuing Operations				
Revenue	98,317	69,760	98,317	69,760
Cost of Sales	(72,967)	(49,516)	(72,967)	(49,516)
Gross Profit	25,350	20,244	25,350	20,244
Other income	7,658	343	7,658	343
Operating expenses	(11,116)	(6,871)	(11,116)	(6,871)
Finance costs	(7,397)	(3,594)	(7,397)	(3,594)
Profit before taxation	14,495	10,122	14,495	10,122
Income tax expense	(2,979)	(2,488)	(2,979)	(2,488)
Profit for the period from continuing operations	11,516	7,634	11,516	7,634
Discontinued Operations				
(Loss)/Profit for the period from a discontinued operation	-	-	-	-
Profit for the period	11,516	7,634	11,516	7,634
Attributable to:				
Equity holders of the parent	11,174	7,634	11,174	7,634
Minority interest	342	-	342	-
	11,516	7,634	11,516	7,634
Earning per share of RM0.50 each (sen)				
a) Basic (based on weighted average)	5.51	5.64	5.51	5.64
b) Fully diluted	N/A	N/A	N/A	N/A

**(The condensed Consolidated Income Statements should be read in conjunction with the annual
financial report for the year ended 31 December 2005)**

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CONDENSED CONSOLIDATED BALANCE SHEET

	31-Mar-06	31-Dec-05
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	425,077	427,084
Intangible assets	25,459	25,750
Deferred tax assets	35	80
Current assets		
Inventories	28,667	25,306
Trade and other receivables	186,308	182,398
Amount due from customers	371	3,383
Fixed deposits with licensed bank	21,134	26,548
Tax recoverable	3,967	3,186
Cash and bank balances	22,142	24,443
	<u>262,589</u>	<u>265,264</u>
	<u>713,160</u>	<u>718,178</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	101,475	101,475
Other reserves	(1,109)	3,687
Reserves	87,749	72,557
	<u>188,115</u>	<u>177,719</u>
Minority interest	<u>15,407</u>	<u>15,065</u>
Total equity	<u>203,522</u>	<u>192,784</u>
Non-current liabilities		
Long term borrowings	401,284	870
Deferred taxation	29,379	26,252
	<u>430,663</u>	<u>27,122</u>
Current liabilities		
Trade and other payables	72,645	91,005
Amount due to customers	4,162	6,165
Borrowings	1,823	400,976
Provision for taxation	345	126
	<u>78,975</u>	<u>498,272</u>
Total liabilities	<u>509,638</u>	<u>525,394</u>
TOTAL EQUITY AND LIABILITIES	<u>713,160</u>	<u>718,178</u>
Net assets per share of RM0.50 each (RM)	0.93	0.88

(The condensed Consolidated Balance Sheet should be read in conjunction with the annual financial report for the year ended 31 December 2005)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	31-Mar-06	31-Mar-05
	RM'000	RM'000
Cash flow from operating activities		
Profit before taxation	14,495	10,122
Adjustment for:		
Depreciation of property, plant & equipment	9,751	5,823
Foreign currency translation difference	(814)	(97)
Gain on disposal of property, plant and equipment	(3)	-
Interest expense	7,397	3,594
Interest income	(184)	(105)
Gain on disposal of investment	-	(238)
Written off of property, plant & equipment	-	1
Gain on foreign exchange	(7,734)	-
Operating profit before working capital changes	<u>22,908</u>	<u>19,100</u>
Increase in inventories	(3,361)	(3,630)
Increase in trade and other receivables	(4,071)	(44,754)
Decrease/(Increase) in amount due from customers	3,012	(3,057)
(Decrease)/Increase in trade and other payables	(18,361)	13,009
Decrease in amount due to customers	(2,003)	(407)
Net cash generated from operation	<u>(1,876)</u>	<u>(19,739)</u>
Tax paid	(440)	(768)
Net cash generated from operating activities	<u>(2,316)</u>	<u>(20,507)</u>
Cash flow from investing activities		
Purchase of property, plant & equipment	(7,941)	(161,180)
Proceeds from disposal of property, plant & equipment	18	-
Proceeds from disposal of investment	-	4,697
Interest income received	184	105
Withdrawal of fixed deposits (with security)	-	138
Net cash used in investing activities	<u>(7,739)</u>	<u>(156,240)</u>
Cash flow from financing activities		
Bond issue expenses	(1,684)	-
Proceeds from borrowings	399,307	206,928
Proceeds from hire purchase loan	821	-
Repayment of borrowings	(388,572)	(750)
Repayment of finance lease loan	(17)	-
Repayment of hire purchase loan	(112)	(40)
Interest paid	(7,397)	(3,594)
Net cash generated from financing activities	<u>2,346</u>	<u>202,544</u>
Net change in cash & cash equivalents	(7,709)	25,797
Cash & cash equivalents at beginning of period	47,873	18,420
Cash & cash equivalents at end of period	<u>40,164</u>	<u>44,217</u>
Cash and cash equivalent		
Cash in hand and at bank	22,142	42,624
Overdraft	-	(392)
Fixed deposits with licensed bank	21,134	5,067
	<u>43,276</u>	<u>47,299</u>
Less: Fixed deposits pledged as security	(3,112)	(3,082)
	<u>40,164</u>	<u>44,217</u>

**(The condensed Consolidated Cash Flow Statement should be read in conjunction
with the annual financial report for the year ended 31 December 2005)**

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Minority Interest RM'000	Total Equity RM'000
Financial year ending 31 March 2006								
As at 31 December 2005	101,475	-	4,018	(331)	72,557	177,719	15,065	192,784
Add / (Less): / Prior year adjustment - effects of adopting FRS 3	-	-	(4,018)	-	4,018	-	-	-
	<u>101,475</u>	<u>-</u>	<u>-</u>	<u>(331)</u>	<u>76,575</u>	<u>177,719</u>	<u>15,065</u>	<u>192,784</u>
Add / (Less): Net profit for the period	-	-	-	-	11,174	11,174	342	11,516
Private placement/Bonus issue	-	-	-	-	-	-	-	-
Share issue cost	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	(778)	-	(778)	-	(778)
Dividend for the year ended 31 December 2005	-	-	-	-	-	-	-	-
	<u>101,475</u>	<u>-</u>	<u>-</u>	<u>(1,109)</u>	<u>87,749</u>	<u>188,115</u>	<u>15,407</u>	<u>203,522</u>
Balance as at 31 March 2006								
Financial year ended 31 December 2005								
As at 31 December 2004	67,650	27,254	4,018	80	41,049	140,051	-	140,051
Add / (Less): Audit Adjustments	-	-	-	96	(36)	60	-	60
	<u>67,650</u>	<u>27,254</u>	<u>4,018</u>	<u>176</u>	<u>41,013</u>	<u>140,111</u>	<u>-</u>	<u>140,111</u>
Add / (Less): Net profit for the year	-	-	-	-	40,651	40,651	15,065	55,716
Bonus issue	33,825	(27,153)	-	-	(6,672)	-	-	-
Share issue cost	-	(101)	-	-	-	(101)	-	(101)
Currency translation difference	-	-	-	(507)	-	(507)	-	(507)
Dividend for the year ended 31 December 2004	-	-	-	-	(2,435)	(2,435)	-	(2,435)
	<u>101,475</u>	<u>-</u>	<u>4,018</u>	<u>(331)</u>	<u>72,557</u>	<u>177,719</u>	<u>15,065</u>	<u>192,784</u>
Balance as at 31 December 2005								

(The condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual financial report for the year ended 31 December 2005)

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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of Preparation

The interim financial statements have been prepared in accordance with Financial Reporting Standards (“FRS”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005. These explanatory notes attached to the interim financial statement 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 December 2005.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised FRS effective for financial period beginning 1 January 2006:

FRS 3	Business Combinations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

The adoption of FRS 102, 108, 110, 116, 121, 127, 131, 132, 133, 136 and 138 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are disclosed below:

a. FRS 3: Business Combinations

FRS 3 requires that, after assessment, any excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities over the cost of the acquisitions (previously referred to as “negative goodwill”) should be recognised immediately in income statements. FRS 3 prohibits the recognition of negative goodwill in the balance sheet. Previously, the Group has reflected the negative goodwill as reserves on consolidation under equity. In accordance with the transition provision of FRS 3, the Group has applied the new accounting policy prospectively from 1 January 2006. Therefore, the change has had no impact on amounts reported for 2005 or prior periods.

In accordance with the transitional provisions of FRS 3, the negative goodwill as at 1 January 2006 RM 4,017,676 was derecognised with a corresponding increase in retained earnings.

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b. FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statements, minority interests are presented as an allocation of the total profit and loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

3. Qualification of financial statements

The preceding annual financial statements of the Group were not subject to any qualification.

4. Seasonal or cyclical factors

Seasonal and cyclical factors do not have any material impact on the Group's business operations.

5. Unusual and extraordinary items

There is a net gain of RM5.7 million arising from the foreign exchange after deducting the one off Bonds issuance expenses. The foreign exchange gain is resulted from the repayment of short-term bridging loans of USD105 million in the current quarter.

There are no other unusual and extraordinary items affecting assets, liabilities, equity, net income, or cash flows during the current quarter.

6. Material changes in estimates

There are no material changes in the estimates of amounts reported in the current quarter.

7. Issuance and repayment of debts and equity securities

There have been no cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter and financial year to date.

8. Dividends paid

No dividend was paid during the current quarter and financial period to date.

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9. Segmental information

Segment revenue

	Current Quarter Ended 31-Mar-06 RM'000	Corresponding Quarter Ended 31-Mar-05 RM'000	Current Year-to-date Ended 31-Mar-06 RM'000	Corresponding Year-to-date Ended 31-Mar-05 RM'000
Malaysia	87,689	66,876	87,689	66,876
Singapore	7,630	871	7,630	871
British Virgin Islands	2,998	2,013	2,998	2,013
	98,317	69,760	98,317	69,760

Segment results

Malaysia	15,767	8,891	15,767	8,891
Singapore	723	(116)	723	(116)
British Virgin Islands	(1,995)	1,347	(1,995)	1,347
	14,495	10,122	14,495	10,122

10. Valuation of property, plant and equipment

There is no valuation of property, plant and equipment during the current quarter.

11. Material events subsequent to the balance sheet date

There were no material events subsequent to the end of the interim period reported which have not been reflected in the financial statements.

12. Changes in composition of the group

On 8 March 2006, the Company has completed its internal re-organisation exercise for the purpose of consolidating and streamlining all the Group's Integrated Brown Field services under one single wholly-owned subsidiary company, namely Portfolio Hitech Sdn Bhd ("PHSB").

The said exercise resulted in Petra Resources Sdn Bhd and Petra Fabricators Sdn Bhd ("PFSB") being wholly owned by PHSB, and Petra Resources (S) Pte Ltd being wholly owned by the Company.

13. Changes in the contingent liabilities

As at 31 March 2006, the Company has given corporate guarantees amounting to approximately RM124.2 million to licensed banks and finance companies for facilities granted to subsidiary companies. Hence, the Company is contingently liable for the amount utilized by its subsidiary companies of approximately RM3.1 million as at the said date.

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

14. Review of performance

The Group recorded a turnover of RM98.3 million, compared to RM69.8 million achieved in the corresponding quarter ended March 2005. The profit before taxation in the current quarter has also increased from RM10.1 million to RM14.5 million.

The higher turnover and profit before taxation were mainly due to higher contribution from both Maintenance and Retrofit Division and Offshore Marine Services Division.

The profit before taxation has also included a net gain of RM5.7 million arising from the foreign exchange after deducting the one off Bonds issuance expenses as mentioned in Note 5 and also affected by higher financing cost by RM3.8 million.

15. Comparison with immediate preceding quarter

The Group registered a lower turnover of RM98.3 million for the current quarter as compared to RM137.4 million in the preceding quarter ended 31 December 2005. This was mainly due to the monsoon in Malaysia which reduced offshore activities in the current quarter under review as compared to the immediate preceding quarter.

The profit before taxation for the current quarter has increased to RM14.5 million from RM12.7 million accounted in the preceding quarter mainly due to a net gain of RM5.7 million arising from foreign exchange after deducting the one off Bonds issuance expenses as mentioned in Note 5 and also higher financing cost by RM1.4 million.

The profit before taxation was also affected by lower contribution from Geophysical Division, mainly due to long lay up period for scheduled maintenance and thus leading to lower utilization rate of the vessel for the quarter under review.

16. Prospects

The Company has recently secured three more new long term contracts valued at approximately RM120 million for the provision of Electrical and Instrumentation and Offshore Crane Operations and Maintenance Services due to the hike in exploration and production activities caused by rising oil prices.

Given the strong growth prospects of the services sector in the domestic and regional market, the demand for the Group's services is expected to remain very encouraging.

Barring any unforeseen circumstances, the Board of Directors is confident that the prospect of the Group remains positive and bright.

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17. Taxation

The provisions of taxation for the current quarter and financial year to date under review are as follows:

	Current Quarter Ended 31-Mar-06 RM'000	Corresponding Quarter Ended 31-Mar-05 RM'000	Current Year-to-date Ended 31-Mar-06 RM'000	Corresponding Year-to-date Ended 31-Mar-05 RM'000
Current tax:				
Malaysian income tax	173	42	173	42
Foreign tax	121	-	121	-
	294	42	294	42
Deferred tax:				
Malaysian income tax	2,685	2,446	2,685	2,446
Foreign tax	-	-	-	-
	2,685	2,446	2,685	2,446
Total	2,979	2,488	2,979	2,488

The effective tax rate for the current quarter and current year to-date is 20.5%. The lower effective tax rate was mainly due to the capital gain on foreign exchange as highlighted in Note 5.

18. Unquoted investment and properties

There were no purchase or disposal of unquoted investment and properties for the financial year to date.

19. Quoted securities

There were no purchases or disposals of quoted securities for the current quarter and financial year to date and the Group did not hold any quoted securities as at the end of financial year to date.

20. Corporate proposals

On 30 March 2006, RM400 million Nominal Value Secured Serial Bonds (“Bonds”) were issued and the proceeds from the Bonds were used to repay the short term bridging loans of USD105 million.

There were no other corporate proposals announced but not completed as of 23 May 2006.

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21. Borrowings

Total Group's borrowings as at 31 March 2006 were as follows:

	As at 31-Mar-06 RM'000	As at 31-Mar-05 RM'000
Secured borrowings		
Short term	1,823	400,976
Long term	401,284	870
Total	<u>403,107</u>	<u>401,846</u>

Included in the long-term borrowings as at 31 March 2006 is a 7-year RM400 million Nominal Value Secured Serial Bonds.

22. Off balance sheet financial instruments

The Group does not have any financial instruments with off-balance sheet risk as at 23 May 2006.

23. Changes in material litigation

The Group is not engaged in any material litigation as at 23 May 2006 except for PFSB, a wholly owned subsidiary of PHSB, which has received a Writ of Summons and a Statement of Claims for a total sum of RM1,071,899 from Best Wide Matrix Sdn Bhd ("BWM"), for goods and services rendered.

PFSB has filed a Defence and Counter-Claim for a sum of approximately RM2 million being the rectification cost incurred against Best Wide Matrix Sdn Bhd. As at to-date, the claims and counter-claims are still on-going. The Directors are of the opinion that the prospect of success in the defence and counter-claim is high.

24. Dividends payable

There is no dividend proposed in respect of the current quarter ended 31 March 2006.

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25. Earnings per share

Weighted Average / Fully diluted

	Current Quarter Ended 31-Mar-06 RM'000	Corresponding Quarter Ended 31-Mar-05 RM'000	Current Year-to-date Ended 31-Mar-06 RM'000	Corresponding Year-to-date Ended 31-Mar-05 RM'000
Net profit attributable to shareholders	11,174	7,634	11,174	7,634
Number of ordinary shares of RM0.50 each	202,950,000	135,300,000	202,950,000	135,300,000
Earning per ordinary share (sen)	5.51	5.64	5.51	5.64

26. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the Directors on 30 May 2006.