

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2006**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 31-Dec-06 RM'000	Corresponding Quarter Ended 31-Dec-05 RM'000	Current Year-to-date Ended 31-Dec-06 RM'000	Corresponding Year-to-date Ended 31-Dec-05 RM'000
Continuing Operations				
Revenue	147,559	137,359	544,036	494,380
Cost of Sales	(108,602)	(100,368)	(405,745)	(373,910)
Gross Profit	38,957	36,991	138,291	120,470
Other income	56	430	9,427	4,258
Operating expenses	(15,358)	(18,769)	(50,885)	(46,553)
Finance costs	(8,159)	(5,997)	(28,588)	(18,906)
Profit before taxation	15,496	12,655	68,245	59,269
Income tax expense	3,614	(3,153)	(10,524)	(16,169)
	19,110	9,502	57,721	43,100
Share of pre-acquisition profit	-	-		(760)
Profit for the period from continuing operations	19,110	9,502	57,721	42,340
Discontinued Operations				
Profit for the period from a discontinued operation	-	-	-	-
Profit for the period	19,110	9,502	57,721	42,340
Attributable to:				
Equity holders of the parent	18,869	9,325	57,395	41,323
Minority interest	241	177	326	1,017
	19,110	9,502	57,721	42,340
Earning per share of RM0.50 each (sen)				
a) Basic (based on weighted average)	6.97	*3.45	21.21	*15.27
b) Fully diluted	N/A	N/A	N/A	N/A

* Comparative figures are restated based on enlarged number of ordinary shares of 270,600,000.

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

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2006**

CONDENSED CONSOLIDATED BALANCE SHEET

	31-Dec-06	31-Dec-05
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	441,736	427,084
Non current asset held for sale	18,173	-
Intangible assets	26,117	25,750
Deferred tax assets	80	80
Current assets		
Inventories	39,345	25,306
Trade and other receivables	313,770	185,781
Tax recoverable	5,615	3,186
Fixed deposits with licensed bank	40,894	26,548
Cash and bank balances	24,016	24,443
	<u>423,640</u>	<u>265,264</u>
	<u>909,746</u>	<u>718,178</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	135,300	101,475
Reserves	93,600	76,244
	<u>228,900</u>	<u>177,719</u>
Minority interest	15,391	15,065
Total equity	<u>244,291</u>	<u>192,784</u>
Non-current liabilities		
Long term borrowings	450,710	870
Deferred taxation	35,378	26,252
	<u>486,088</u>	<u>27,122</u>
Current liabilities		
Trade and other payables	104,398	97,170
Borrowings	74,120	400,976
Proposed dividend	-	-
Provision for taxation	849	126
	<u>179,367</u>	<u>498,272</u>
Total liabilities	<u>665,455</u>	<u>525,394</u>
TOTAL EQUITY AND LIABILITIES	<u>909,746</u>	<u>718,178</u>
Net assets per share of RM0.50 each (RM)	0.85	*0.66

* Comparative figures are restated based on enlarged number of ordinary shares of 270,600,000.

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

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2006**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	31-Dec-06	31-Dec-05
	RM'000	RM'000
Cash flow from operating activities		
Profit before taxation	68,245	60,885
Less: Pre-acquisition profit & Mionrity interest	-	(1,436)
	<u>68,245</u>	<u>59,449</u>
Adjustment for:		
Doubtful debt	-	7,478
Depreciation of property, plant & equipment	42,199	32,386
Foreign currency translation difference	(2,297)	(288)
Gain on disposal of property, plant and equipment	(94)	(3,645)
Interest expense	28,588	18,896
Interest income	(987)	(579)
Gain on disposal of investment	-	(238)
Written off of property, plant & equipment	10	27
	<u>135,664</u>	<u>113,486</u>
Operating profit before working capital changes		
(Increase)/Decrease in inventories	(14,039)	8,751
Decrease in amount due to directors	-	(1,010)
Increase in trade and other receivables	(134,063)	(61,158)
Increase in trade and other payables	13,700	34,651
	<u>1,262</u>	<u>94,720</u>
Net cash generated from operation		
Tax paid	(3,387)	(3,530)
Net cash (used in)/generated from operating activities	<u>(2,125)</u>	<u>91,190</u>
Cash flow from investing activities		
Acquisition of subsidiaries, net of cash acquired	-	(45,946)
Purchase of property, plant & equipment	(76,356)	(265,828)
Proceeds from disposal of property, plant & equipment	306	14,146
Proceeds from disposal of investment	-	4,697
Payment of expenditure carried forward	-	(37)
Interest income received	987	579
(Placement)/Withdrawal of fixed deposits (with security)	(12,542)	102
	<u>(87,605)</u>	<u>(292,287)</u>
Net cash used in investing activities		
Cash flow from financing activities		
Share and bond issue expenses	(658)	(355)
Proceeds from borrowings	571,727	253,195
Proceeds from hire purchase loan	856	-
Repayment of borrowings	(449,310)	(726)
Repayment of finance lease loan	(18)	(19)
Repayment of hire purchase loan	(272)	(214)
Interest paid	(28,588)	(18,896)
Dividend paid	(2,630)	(2,435)
Net cash generated from financing activities	<u>91,107</u>	<u>230,550</u>
Net change in cash & cash equivalents	1,377	29,453
Cash & cash equivalents at beginning of year	<u>47,873</u>	<u>18,420</u>
Cash & cash equivalents at end of year	<u>49,250</u>	<u>47,873</u>
Cash and cash equivalent		
Cash in hand and at bank	40,894	24,443
Fixed deposits with licensed bank	24,016	26,548
	<u>64,910</u>	<u>50,991</u>
Less: Fixed deposits pledged as security	(15,660)	(3,118)
	<u>49,250</u>	<u>47,873</u>

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

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

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

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 ended 31 December 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	-	-	-	-	57,394	57,394	326	57,720
Bonus issue	33,825	-	-	-	(33,825)	-	-	-
Share issue cost	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	(3,583)	-	(3,583)	-	(3,583)
Dividend for the year ended 31 December 2005	-	-	-	-	(2,630)	(2,630)	-	(2,630)
	<u>135,300</u>	<u>-</u>	<u>-</u>	<u>(3,914)</u>	<u>97,514</u>	<u>228,900</u>	<u>15,391</u>	<u>244,291</u>
Balance as at 31 December 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)

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

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

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, 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.

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

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

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 first quarter ended 31 March 2006.

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

A first and final dividend of 1.8 sen per ordinary share of RM0.50 each less 28% of tax amounting to RM2,630,232 in respect of the financial year ended 31 December 2005 was paid on 21 July 2006.

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

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

9. Segmental information

Segment revenue

	Current Quarter Ended 31-Dec-06 RM'000	Corresponding Quarter Ended 31-Dec-05 RM'000	Current Year-to-date Ended 31-Dec-06 RM'000	Corresponding Year-to-date Ended 31-Dec-05 RM'000
Malaysia	133,852	123,233	490,018	449,905
Singapore	7,616	966	31,246	9,619
British Virgin Islands	6,091	12,713	22,772	34,409
Marshall Islands	-	-	-	-
	147,559	136,912	544,036	493,933

Segment results (Profit/(Loss) before tax)

Malaysia	16,421	11,399	72,006	54,814
Singapore	564	(76)	3,081	1,429
British Virgin Islands	(1,486)	2,948	(6,839)	4,642
Marshall Islands	(3)	-	(3)	-
	15,496	14,271	68,245	60,885

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 except as follows:

- a. On 30 January 2007, Petra Resources Sdn Bhd (“PRSB”), a wholly-owned subsidiary of Petra Energy Berhad (“Petra Energy”) (formerly known as Portfolio Hitech Sdn Bhd), which in turn is a wholly-owned subsidiary of Petra Perdana Berhad (“PPB”), has been awarded a contract by Sarawak Shell Berhad / Sabah Shell Petroleum Company Limited for the Provision of Mechanical and Rotating Equipment Maintenance Workshop and Services. The contract is estimated to be valued at approximately RM55 million for the primary term of five years and has commenced on 1 February 2007.
- b. As disclosed in Note 20.

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

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

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 Petra Energy.

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

On 14 August 2006, Petra Offshore Limited ("Petra Offshore") has been incorporated under the Offshore Companies Act 1990 as a wholly owned subsidiary of PPB, with an issued and paid-up share capital of 1 ordinary share of USD1.00. Subsequently, an additional 2,499,999 ordinary shares of USD1.00 each were allotted on 29 November 2006 to PPB, being fully paid up and satisfied by the transfer of ownership of a vessel to Petra Offshore.

On 4 October 2006, Perdana Mercury Limited ("Perdana Mercury") has been incorporated in the Republic of the Marshall Islands under the Marshall Islands Business Corporations Act 1990 as a wholly owned subsidiary of PPB, with an issued and paid-up share capital of 1,000 ordinary shares of USD1.00 each.

13. Changes in the contingent liabilities

As at 31 December 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 RM12.27 million as at the said date.

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

14. Review of performance

For the current quarter ended 31 December 2006, the Group's turnover recorded at RM147.6 million, a slight increase of 7.4% from RM137.4 million reported in the fourth quarter of year ended 31 December 2005. Correspondingly, the profit before taxation in the current quarter has improved from RM12.7 million in the fourth quarter of 2005 to RM15.5 million, representing an increase of 22.5%.

The higher profit growth in the current quarter is mainly affected by the specific doubtful debts provision of RM7.48 million made in the fourth quarter of 2005. Excluding the effect of the specific provision mentioned, the profit before taxation of the current quarter reflects an effective decline of 23.3%, which is resulted from higher financing cost and increased other operating expenses.

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

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

For the financial year ended 31 December 2006, the Group registered a profit before taxation of RM68.2 million on the back of turnover of RM544.0 million. This represents an increase of 10% in turnover and 15% growth in profit before taxation as compared to previous year ended 31 December 2005's turnover of RM494.4 million and profit before taxation of RM59.3 million.

The positive growth for the current year is attributed to higher integrated brownfield and marine activities, increased margin contribution, higher vessel utilization and improved charter rate as compared to corresponding year ended 31 December 2005.

15. Comparison with immediate preceding quarter

The Group's turnover in the fourth quarter has decreased slightly by 5.2% to RM147.6 million from the third quarter's RM155.6 million, while profit before taxation reported at RM15.5 million, a decrease of 28% from RM21.6 million recorded in the preceding quarter ended 30 September 2006. The decrease is due to lower offshore activities caused by monsoon seasons in the fourth quarter of 2006, coupled with higher financing cost due to increase in borrowings in the current quarter.

16. Prospects

Due to the hive of Exploration and Production activities in the region caused by favourable oil prices, the growth prospects of the integrated brownfield services remains strong. The Group is constantly exploring new business opportunities and is expected to secure more contracts in the near future.

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

17. Taxation

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

	Current Quarter Ended 31-Dec-06 RM'000	Corresponding Quarter Ended 31-Dec-05 RM'000	Current Year-to-date Ended 31-Dec-06 RM'000	Corresponding Year-to-date Ended 31-Dec-05 RM'000
Current tax:				
Malaysian income tax	301	17	1,166	973
Foreign tax	110	77	743	440
	411	94	1,909	1,413
Deferred tax:				
Malaysian income tax	(4,025)	3,059	8,615	14,756
Foreign tax	-	-	-	-
	(4,025)	3,509	8,615	14,756
Total	(3,614)	3,153	10,524	16,169

The debit tax balance for the current quarter is due to adjustment of deferred taxation that relates to previous quarters in 2006 recognized in a subsidiary company. The effective tax rate for the

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

current year to-date is 15.4%. The lower effective tax rate was lowered by the abovementioned adjustment of deferred taxation and also 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, save for the recently completed internal restructuring exercise.

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

There were no other corporate proposals announced but not completed as of 21 February 2006 except for the following:

- a. On 16 August 2006, Petra Energy has submitted an application to the Securities Commission to seek a listing on the Main Board of Bursa Malaysia Securities Berhad. The detail of the proposed flotation scheme ("The proposed flotation") entails the following proposals:

i. Proposed Repayment

The proposed repayment of RM20 million of amount owing by Petra Energy to the Company by way of cash prior to the proposed listing (as defined hereafter).

ii. Proposed Public Issue

The proposed public issue of 46,000,000 new ordinary shares of RM0.50 each in Petra Energy ("Petra Energy Shares"), representing 35.38% of the enlarged issued and paid-up share capital of Petra Energy before the proposed bonus issue (as defined hereafter), to be allocated in the following distribution:

- 6,535,000 Petra Energy Shares, representing approximately 5.03% of the enlarged issued and paid-up share capital of Petra Energy before the proposed bonus issue shall be reserved for application by the Malaysian public.
- 6,765,000 Petra Energy Shares, representing approximately 5.20% of the enlarged issued and paid-up share capital of Petra Energy before the proposed bonus issue shall be reserved for application by the PPB shareholders. The basis of allocation will be 1 Petra Energy share for every 40 existing PPB shares held in PPB as at the said entitlement date.
- 26,200,000 Petra Energy Shares, representing approximately 20.15% of the enlarged issued and paid-up share capital of Petra Energy before the proposed bonus issue shall be reserved for application by identified Bumiputera investors to be approved by MITI.

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

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

- 6,500,000 Petra Energy Shares, representing 5.0% of the enlarged issued and paid-up share capital of Petra Energy before the proposed bonus issue shall be reserved for application by identified investors.

iii. Proposed Bonus Issue

The proposed bonus issue of 65,000,000 Petra Energy Shares to be issued to the shareholders of Petra Energy on the basis of 1 Petra Energy Share for every 2 shares held in Petra Energy after the proposed public issue but before the proposed listing.

iv. Proposed Listing

Upon completion of the proposed public issue and proposed bonus issue, Petra Energy will seek admission to the Official List of Bursa Malaysia Securities Berhad and the listing of and quotation for the entire enlarged issue and paid-up share capital of Petra Energy of RM97,500,000 comprising 195,000,000 Petra Energy Shares on the Main Board of Bursa Malaysia Securities Berhad.

The proposed flotation scheme was approved by the Ministry of International Trade and Industry (“MITI”) on 12 December 2006, and the Securities Commission (“SC”) and the Equity Compliance Unit on 19 January 2007. The proposed flotation scheme is pending approval of the Company’s shareholders in a general meeting.

- b. On 8 February 2007, the Company has received an offer from HL Management Co Sdn Bhd (“HLMC”) to subscribe for 27,000,000 new ordinary shares of RM0.50 each in the Company, representing approximately 10% of the issued and paid-up share capital of PPB (“Placement Shares”) at an issue price of RM2.75 each share, which is a discount of approximately 10% from the 5-day weighted average market price of the Company’s shares ended 7 February 2007.

The Company proposes to undertake a placement of the Placement Shares to HLMC. The proposed placement shall be subject to the approval of the SC, the Equity Compliance Unit, the MITI, Bursa Malaysia Securities Berhad and the shareholders of the Company.

21. Borrowings

Total Group’s borrowings as at 31 December 2006 were as follows:

	As at 31-Dec-06 RM’000	As at 31-Dec-05 RM’000
Secured borrowings		
Short term	74,120	400,976
Long term	450,710	870
Total	<u>524,830</u>	<u>401,846</u>

Included in the short term borrowings as at 31 December 2006 are RM62.6 million drawn from RM100 million bridging term loan facility. The bridging loan bears interest of 1.25% p.a. above

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

UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006

the 1-month cost of funds and repayable monthly in arrears. The bridging loan will be repaid via the proceeds from the proposed floatation of Petra Energy.

Included in the long-term borrowings as at 31 December 2006 are 7-year RM400 million Nominal Value Secured Serial Bonds and 5-year RM50 million Medium Term Notes. The borrowings bears an interest rate that ranges from 5.60% to 6.90% p.a.

22. Off balance sheet financial instruments

The Group does not have any financial instruments with off-balance sheet risk as at 21 February 2006.

23. Changes in material litigation

The Group is not engaged in any material litigation as at 21 February 2006 except for the following:

- a. PFSB, a wholly owned subsidiary of Petra Energy, 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.

- b. PRSB, a wholly owned subsidiary of Petra Energy has on 4 July 2006 served a Notice of Arbitration on ExxonMobil Exploration and Production Malaysia Inc. for payment of a balance sum of RM8,973,366 on disputed unit of measurement of work completed. As at to-date, the parties are in the process of appointing arbitrators.

The Directors are of the opinion that PRSB has good grounds in demanding the payment and hence, has taken action in instituting the arbitration proceedings in the best interest of the Group.

24. Dividends

The Board of Directors has proposed a final dividend of 2.0 sen per ordinary share of RM0.50 each less 27% of tax amounting to RM3,950,760 in respect of the financial year ended 31 December 2006. The proposed dividend is subject to the shareholders’ approval at the forthcoming Annual General (“AGM”) Meeting and the notice of the AGM and the entitlement date will be notified in due course.

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

**UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2006**

25. Earnings per share

Weighted Average / Fully diluted

	Current Quarter Ended 31-Dec-06 RM'000	Corresponding Quarter Ended 31-Dec-05 RM'000	Current Year-to-date Ended 31-Dec-06 RM'000	Corresponding Year-to-date Ended 31-Dec-05 RM'000
Net profit attributable to shareholders	18,869	9,325	57,395	41,323
Number of ordinary shares of RM0.50 each	270,600,000	202,950,000	270,600,000	202,950,000
Earning per ordinary share (sen)	6.97	*3.45	21.21	*15.27

** Comparative figures are restated based on enlarged number of ordinary shares of 270,600,000.*

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 28 February 2006.