

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 30-Jun-08 RM'000	Corresponding Quarter Ended 30-Jun-07 RM'000	Current Year-to-date Ended 30-Jun-08 RM'000	Corresponding Year-to-date Ended 30-Jun-07 RM'000
Continuing Operations				
Revenue	153,681	174,083	302,304	308,519
Cost of Sales	(108,014)	(129,556)	(215,050)	(224,404)
Gross Profit	45,667	44,527	87,254	84,115
Other income	6,013	1,096	7,615	3,295
Operating expenses	(13,698)	(10,998)	(26,412)	(20,463)
Finance costs	(7,494)	(7,446)	(15,082)	(14,999)
Profit before taxation	30,488	27,179	53,375	51,948
Income tax expense	(3,867)	(5,531)	(6,894)	2,775
Profit for the period	26,621	21,648	46,481	54,723
Attributable to:				
Equity holders of the parent	21,181	21,199	37,258	53,719
Minority interest	5,440	449	9,223	1,004
	26,621	21,648	46,481	54,723
Earnings per share of RM0.50 each (sen)				
a) Basic (based on weighted average)	7.12	7.12	12.52	18.05
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 2007)

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(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

CONDENSED CONSOLIDATED BALANCE SHEET

	(Unaudited)	(Audited)
	30-Jun-08	31-Dec-07
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	381,858	395,017
Prepaid lease payments	7,339	7,404
Intangible assets	27,507	22,918
Deferred tax assets	47	47
	<u>416,751</u>	<u>425,386</u>
Current assets		
Inventories	49,370	46,653
Trade receivables	225,588	259,065
Other receivables	368,998	306,474
Amount owing by contract customers	47,404	25,681
Tax recoverable	7,956	7,817
Fixed deposits with licensed bank	263,168	172,593
Cash and bank balances	24,697	54,316
	<u>987,181</u>	<u>872,599</u>
Total Assets	<u>1,403,932</u>	<u>1,297,985</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	148,800	148,800
Reserves	321,586	291,842
	<u>470,386</u>	<u>440,642</u>
Minority interest	<u>112,458</u>	<u>109,091</u>
Total equity	<u>582,844</u>	<u>549,733</u>
Non-current liabilities		
Deferred taxation	28,069	25,519
Long term borrowings	330,390	450,422
Retirement benefit obligation	409	334
	<u>358,868</u>	<u>476,275</u>
Current liabilities		
Trade payables	61,475	65,062
Other payables	25,160	35,738
Amount owing to contract customers	33,639	7,690
Short-term borrowings	338,624	158,134
Provision for taxation	3,322	5,353
	<u>462,220</u>	<u>271,977</u>
Total liabilities	<u>821,088</u>	<u>748,252</u>
TOTAL EQUITY AND LIABILITIES	<u>1,403,932</u>	<u>1,297,985</u>
Net assets per share of RM0.50 each (RM)	1.58	1.48

(The condensed Consolidated Balance Sheet should be read in conjunction with the annual financial report for the year ended 31 December 2007)

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	30-Jun-08 RM'000	30-Jun-07 RM'000
Cash flow from operating activities		
Profit before taxation	53,375	51,948
Adjustments for:		
Amortisation of prepaid lease payments	65	66
Depreciation	20,737	21,705
Gain on disposal of property, plant and equipment	(3,323)	(6)
Gain on disposal of non-current assets classified as held for sales	-	(2,329)
Unrealised loss on foreign exchange	899	-
Interest expense	15,082	14,999
Interest income	(3,141)	(1,365)
Loss on member's voluntary liquidation of a subsidiary	-	14
Provision for retirement benefits	75	247
Operating profit before working capital changes	<u>83,769</u>	<u>85,279</u>
Increase in inventories	(2,717)	(16,036)
Decrease/ (Increase) in trade and other receivables	29,520	(41,272)
Decrease/(Increase) in amount due from contract customers (net)	4,226	(13,894)
(Decrease)/Increase in trade and other payables	(17,183)	5,753
Net cash from operation	97,615	19,830
Tax paid	(6,638)	(1,495)
Net cash from operating activities	<u>90,977</u>	<u>18,335</u>
Cash flow from investing activities		
Prepayment of land lease	-	(186)
Deposits paid for property, plant & equipment	(60,401)	(46,146)
Purchase of property, plant & equipment	(19,386)	(11,958)
Proceeds from disposal of property, plant & equipment	12,817	2,335
Proceeds from disposal of non-current assets classified as held for sales	-	20,012
Acquisition of additional interest in a subsidiary	(8,721)	-
Interest income received	3,141	1,365
Withdrawal of fixed deposits (with security)	(10,899)	(22,234)
Net cash for investing activities	<u>(83,449)</u>	<u>(56,812)</u>
Cash flow from financing activities		
Proceeds from issuance of share	-	74,250
Share issued expenses	-	(374)
Proceeds from borrowings	62,800	38,208
Repayment of borrowings	(2,317)	(1,556)
Proceeds from hire purchase loan	132	-
Repayment of hire purchase loan	(157)	(136)
Interest paid	(15,082)	(14,999)
Dividend paid to minority shareholders	(1,781)	(499)
Dividend paid	(15)	(1)
Net cash from financing activities	<u>43,580</u>	<u>94,893</u>
Net change in cash & cash equivalents	51,108	56,416
Effect of foreign exchange translation	(1,051)	(308)
Cash & cash equivalents at beginning of period	135,817	48,958
Cash & cash equivalents at end of period	<u>185,874</u>	<u>105,066</u>
Cash and cash equivalents		
Fixed deposits with licensed bank	263,168	13,778
Cash in hand and at bank	24,697	129,182
	287,865	142,960
Less: Fixed deposits pledged as security	(101,991)	(37,894)
	<u>185,874</u>	<u>105,066</u>

(The condensed Consolidated Cash Flow Statement should be read in conjunction
with the annual financial report for the year ended 31 December 2007)

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2008

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 December 2008								
As at 31 December 2007	148,800	60,377	-	(15,956)	247,421	440,642	109,091	549,733
Net profit for the period	-	-	-	-	37,258	37,258	9,223	46,481
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	(5,913)	(5,913)
Currency translation difference	-	-	-	(7,514)	-	(7,514)	57	(7,457)
Dividend for the year ended 31 December 2007	-	-	-	-	-	-	-	-
Balance as at 30 June 2008	148,800	60,377	-	(23,470)	284,679	470,386	112,458	582,844
Financial year ended 31 December 2007								
As at 31 December 2006	135,300	-	-	(1,773)	96,057	229,584	15,631	245,215
Net profit for the year	-	-	-	-	155,709	155,709	9,992	165,701
Disposal of interest in a subsidiary	-	-	-	-	-	-	94,538	94,538
Acquisition of interest in a subsidiary	-	-	-	-	-	-	(11,070)	(11,070)
Issuance of ordinary share under private placement	13,500	60,750	-	-	-	74,250	-	74,250
Share issue expenses	-	(373)	-	-	-	(373)	-	(373)
Currency translation difference	-	-	-	(14,183)	-	(14,183)	-	(14,183)
Dividend for the year ended 31 December 2006	-	-	-	-	(4,345)	(4,345)	-	(4,345)
Balance as at 31 December 2007	148,800	60,377	-	(15,956)	247,421	440,642	109,091	549,733

(The condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual financial report for the year ended 31 December 2007)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

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 (“Bursa Malaysia”).

The interim financial statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007. 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 2007.

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 2007 except for the adoption of the following new/revised FRS effective for financial period beginning on or after 1 July 2007:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

The above FRSs align the MASB’s FRSs with the equivalent International Accounting Standards (“IAS’s”), both in terms of form and content. The adoption of these standards will only impact the form and content of disclosures presented in the financial statements. The Group and the Company will apply these FRSs from the financial year ending 31 December 2008 onwards.

FRS 134 – Interim Financial Reporting has been issued and is effective for the financial periods beginning on or after 1 July 2007. This FRS aligns the MASB’s FRS with the equivalent IAS, both in terms of form and content. The adoption of this standard will only impact the form and content of disclosures presented in the quarterly financial statements. The Group and the Company will apply this FRS from the financial year ending 31 December 2008 onwards.

Amendment to FRS 121 – The Effects of changes in Foreign Exchange Rates Net Investment in a Foreign Operation has been issued and is effective for the financial periods beginning on or after 1 July 2007. This amendment results in exchange differences arising from a monetary item that forms part of the Group’s net investment in a foreign operation to be recognized in equity irrespective of the currency in which the monetary item is denominated and whether the monetary item results from a transaction with the Company or any of its subsidiaries. Previously, exchange differences arising from such transactions between the Company and its subsidiaries would be accounted for in the income statement or in equity depending on the currency of the monetary item. The Group and the Company will apply this amendment from the financial year ending 31 December 2008 onwards.

The Group has not adopted FRS 139 Financial Instruments: Recognition and Measurement as its effective date has been deferred.

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008

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 are no 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 period to date.

8. Dividends paid

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

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

9. Segmental information

Business Segment - Quarter

<i>Current Quarter Ended 30 June 08</i>	Integrated Brownfield Services RM'000	Marine Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	105,317	48,364	-	-	153,681
Inter-segment revenue	-	30,345	489	(30,834)	-
	<u>105,317</u>	<u>78,709</u>	<u>489</u>	<u>(30,834)</u>	<u>153,681</u>
Results					
Segment results	18,668	20,132	816	(1,634)	37,982
Finance cost	(1,698)	(146)	(7,189)	1,539	(7,494)
Profit before taxation	<u>16,970</u>	<u>19,986</u>	<u>(6,373)</u>	<u>(95)</u>	<u>30,488</u>

<i>Corresponding Quarter Ended 30 June 07</i>	Integrated Brownfield Services RM'000	Marine Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	125,328	48,755	-	-	174,083
Inter-segment revenue	-	34,984	2,219	(37,203)	-
	<u>125,328</u>	<u>83,739</u>	<u>2,219</u>	<u>(37,203)</u>	<u>174,083</u>
Results					
Segment results	18,989	16,082	3,143	(3,589)	34,625
Finance cost	(2,561)	(4,095)	(3,121)	2,331	(7,446)
Profit before taxation	<u>16,428</u>	<u>11,987</u>	<u>22</u>	<u>(1,258)</u>	<u>27,179</u>

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

Business Segment –Year-to-date

<i>Current Year-to-date Ended 30 June 08</i>	Integrated Brownfield Services RM'000	Marine Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	231,439	88,865	-	-	302,304
Inter-segment revenue	-	60,431	5,104	(65,535)	-
	<u>231,439</u>	<u>149,296</u>	<u>5,104</u>	<u>(65,535)</u>	<u>302,304</u>
Results					
Segment results	34,048	36,166	5,487	(7,244)	68,457
Finance cost	(3,640)	(341)	(14,251)	3,150	(15,082)
Profit before taxation	<u>30,408</u>	<u>35,825</u>	<u>(8,764)</u>	<u>(4,094)</u>	<u>53,375</u>

<i>Corresponding Year-to-date Ended 30 June 07</i>	Integrated Brownfield Services RM'000	Marine Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	216,683	91,836	-	-	308,519
Inter-segment revenue	-	68,441	3,253	(71,694)	-
	<u>91,354</u>	<u>160,277</u>	<u>3,253</u>	<u>(71,694)</u>	<u>308,519</u>
Results					
Segment results	40,404	28,924	4,925	(7,306)	66,947
Finance cost	(5,214)	(6,621)	(7,826)	4,662	(14,999)
Profit before taxation	<u>35,190</u>	<u>22,303</u>	<u>(2,901)</u>	<u>(2,644)</u>	<u>51,948</u>

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

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 1 July 2008, a Joint Venture Company Shareholders Agreement was entered into between Petra Perdana Berhad ("PPB"), The Underwater Centre Fremantle Pty Ltd ("TUCF"), Siliqua Pty Ltd as trustee for CJES Trust ("CJES") and Petra Marine Australia Pty Ltd ("PMA").

For the purpose of the above Joint Venture, PMA was incorporated pursuant to the Australian Corporation Act, 2001 on 16 June 2008 as a proprietary company limited by shares with an issued and paid up of A\$500,000 divided into 500,000 shares of A\$1.00 each. The initial capital of PMA in the proportion for PPB, TUCF and CJES are 55%, 25% and 20% respectively. The main function of PMA is to market, manage and operate offshore support vessels for the oil and gas industry in Australia and New Zealand.

- b. On 4 July 2008, Perdana Mercury Limited ("PML"), a wholly-owned subsidiary of PPB, has entered into two separate time charter agreements with Petra Resources Sdn Bhd ("PRSB"), a wholly-owned subsidiary of Petra Energy Berhad ("PEB"), which in turn is a subsidiary of PPB, for the provision of two Anchor Handling Tug Supply Vessels ("AHTS"), namely MV Petra Voyager and MV Petra Horizon, to PRSB for the contracts as defined below.

On 2 July 2008, PRSB received letters of award from Petronas Carigali Sdn Bhd ("PCSB") for the provision of the aforesaid two AHTS to PCSB for its domestic drilling operations. Each contract is for a primary duration of three years with an extension option of one year effective from 23 June 2008 and 15 August 2008 respectively. PRSB estimated the total value of the contracts to be approximately RM280.32 million over the period of four years.

- c. On 17 July 2008, Petra AWT Sdn Bhd (formerly known as Energy Link Systems Sdn Bhd) was formed in Malaysia with an issued and paid up share capital of RM100,000 divided into 100,000 shares of RM1.00 each where PEB holds 51%, the balance 49% was allotted to Advanced Well Technologies (Malaysia) Pty Ltd, an Australian company.
- d. On 1 August 2008, the disposal of the vessel, "Topaz" by Ampangship Marine Sdn Bhd, a wholly-owned subsidiary of the Company, was completed upon delivery of the said vessel.

12. Changes in composition of the group

There were no changes in the composition of the Group for the current quarter ended 30 June 2008 including business combination, acquisition or disposal of subsidiary and long-term investments, restructuring and discontinuing operation except the following:

- a. On 3 April 2008, Petra Innotech Sdn Bhd was incorporated as a wholly owned subsidiary of PEB, with the issued share capital of 100 ordinary shares of RM1 each.
- b. On 14 April 2008, Petra Services Sdn Bhd was incorporated as a wholly owned subsidiary of PEB, with the issued share capital of 100 ordinary shares of RM1 each.

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

13. Changes in contingent liabilities and contingent assets

As at 30 June 2008, the Company has given corporate guarantees amounting to approximately RM166.9 million to licensed financial institutions for facilities granted to subsidiary companies. Arising from this, the Company is contingently liable for the amount utilized by its subsidiary companies of approximately RM1.8 million as at the said date.

14. Capital commitment

As at 30 June 2008, the Group has the following capital commitments:

	RM'000
Approved and not contracted for	-
Approved and contracted for	899,451

15. Operating lease arrangements

As at 30 June 2008, the Group has entered into non-cancellable operating lease agreements for the use of certain vessels. The future aggregate minimum lease payments are as follows:

	RM'000
Not later than 1 year	31,534
Later than 1 year and not later than 5 years	208,141
Later than 5 years	239,370
	479,045

16. Significant related party transactions

a. The Company had the following transactions with related parties during the financial quarter:

	Quarter ended 30 June 08 RM'000	Quarter ended 30 June 07 RM'000
i. Subsidiaries:		
Rental income	85	149
Loan interest	1,538	2,335
Management fee	405	810
Dividend income	4,125	1,260
ii. Legal fee paid to a director of a subsidiary	20	-
iii. Rental paid to a former substantial shareholder's company	* 92	92

* Ceased as a substantial shareholder of the Company effective from 9 August 2007.

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

In the opinion of the Directors, the above transactions have been entered into in the ordinary course of business and have been established under terms that were mutually agreed between the parties.

b. Compensation of key management personnel

The remuneration of Directors and other members of key management are as follows:

	Quarter ended 30 June 08 RM'000	Quarter ended 30 June 07 RM'000
Short-term employee benefits	1,108	1,027

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

17. Review of performance

For the current quarter ended 30 June 2008, the Group recorded a turnover of RM153.7 million, a decrease of 11.7% from RM174.1 million achieved in the second quarter of 2007. However, the profit before taxation in the current quarter has increased from RM27.2 million in second quarter of 2007 to RM30.5 million, representing an increase of 12.1%.

The lower turnover is mainly resulted from lower activities in integrated brownfield services while the higher profit before taxation recorded in the current quarter is contributed by higher margin contribution of sales mix in integrated brownfield services, higher charter rates secured in marine services and inclusion of a gain on disposal of vessel of RM2.9 million.

18. Comparison with immediate preceding quarter

The Group achieved a turnover of RM153.7 million in the current quarter, an increase of 3.4% as compared to last quarter of RM148.6 million. The profit before taxation has increased by 33.2%, from RM22.9 million in the last quarter to RM30.5 million in the current quarter.

The turnover in the current quarter is higher as last quarter's turnover was affected by monsoon and festive seasons. The higher profit growth in the current quarter is mainly due to higher margin contribution of sales mix in integrated brownfield services, improvement in vessel utilization and charter rates in marine services and inclusion of a gain on disposal of vessel of RM2.9 million.

19. Prospects

Due to the hike of Exploration and Production activities in the region caused by the increasing oil prices, the growth prospects of the offshore marine services and the Group's integrated brownfield services remain strong. The Group is constantly exploring new business opportunities and is expected to secure more contracts in the near future.

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

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

20. Taxation

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

	Current Quarter Ended 30-Jun-08 RM'000	Corresponding Quarter Ended 30-Jun-07 RM'000	Current Year-to-date Ended 30-Jun -08 RM'000	Corresponding Year-to-date Ended 30-Jun -07 RM'000
Current tax:				
Malaysian income tax	2,110	7,177	4,321	7,828
Foreign tax	463	371	89	680
	<u>2,573</u>	<u>7,548</u>	<u>4,410</u>	<u>8,508</u>
Deferred tax:				
Malaysian income tax	1,294	(2,017)	2,484	(11,283)
Total	<u>3,867</u>	<u>5,531</u>	<u>6,894</u>	<u>(2,775)</u>

The effective tax rate for the current quarter and current period to-date is lower than the statutory tax rate principally due to lower statutory rates and income not subject to tax for offshore subsidiary companies.

21. Unquoted investment and properties

There were no disposal of unquoted investment and properties for the current quarter and financial period to date.

22. Quoted securities

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

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

23. Corporate proposals

On 10 December 2007, the Company disposed of 9 million PEB shares raising a gross proceeds of RM31.5 million. As at 15 August 2008, the balance unutilized is as follows:

Purpose	Proposed utilisation RM'000	Balance unutilised RM'000
Part repayment of the RM400 million nominal value secured serial bonds issued by the Company on 30 March 2006	31,500	31,500

At the Annual General Meeting of the Company held on 26 June 2008, the shareholders of the Company have approved the renewal of general mandate for the Company to divest up to 19,500,000 ordinary shares of RM0.50 each in PEB, representing 10% of the enlarged issued and paid up share capital of PEB.

24. Borrowings

Total Group's borrowings as at 30 June 2008 were as follows:

	As at 30-Jun-08 RM'000	As at 31-Dec-07 RM'000
Secured borrowings		
Short term	338,624	158,134
Long term	330,390	450,422
Total	<u>669,014</u>	<u>608,556</u>

Included in the short-term borrowings are:

- i. RM140 million and RM60 million bridging term loan which bears an interest of 1.25% and 1.00% p.a. above the prevailing 1-month effective cost of funds respectively and repayable twelve months after the first drawdown.
- ii. RM120 million Nominal Value Secured Serial Bonds which bear an interest rate of 6.24% p.a. and repayable on 28 March 2009.

Included in the long-term borrowings are RM280 million Nominal Value Secured Serial Bonds and RM50 million Medium Term Notes. The borrowings bear an interest rate that ranges from 5.75% to 6.85% p.a.

25. Off balance sheet financial instruments

The Group does not have any financial instruments with off-balance sheet risk as at 15 August 2008 except as disclosed in note 14 and 15.

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008**

26. Changes in material litigation

The Group is not engaged in any material litigation as at 15 August 2008 except for the following:

Petra Perdana Berhad Group

- a. The Company and its wholly-owned subsidiary, Intra Oil Services Berhad (“IOS”), were each served a Writ of Summons and Statement of Claim by Harisul Bin Hussain, a ex-employee of IOS, for compensation totaling RM2,710,478.70 which includes interest and costs related to personal injury during employment with IOS. The application by the Company and IOS to strike out the suit pursuant to O.18 r.19 of the Rules of the High Court 1980 were, on 15 June 2008, dismissed with costs. The application to appeal to the Judge In Chambers against the said decisions has been filed.

Based on legal advice, the Directors are of the opinion that the lawsuit has no merit and is confident that the Company will be successful in countering the aforementioned claim

Petra Energy Berhad Group

- a. Petra Fabricators Sdn Bhd (“PFSB”), a wholly owned subsidiary of PEB, received a Writ of Summons and a Statement of Claims dated 24 September 2003 for a total sum of RM1,071,899 from Kencana Best Wide Sdn Bhd (“KBW”) (formerly known as Best Wide Matrix Sdn Bhd), for goods and services rendered.

PFSB filed a Defence and Counter-Claim dated 1 December 2003 for a sum of approximately RM2 million being the rectification cost incurred against KBW. KBW’s claim and PFSB’s counter-claim have been set down for hearing of the case on 8 to 11 September 2008.

Based on legal advice, 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 PEB 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 together with damages, interest and costs, on disputed unit of measurement of work completed. The matter is currently being heard and the next hearing dates are scheduled on 10 to 12 November 2008.

Based on legal advice, the Directors are of the opinion that PRSB has good grounds in demanding the payment of the outstanding amount.

27. Dividends

There was no dividend proposed in respect of the current quarter ended 30 June 2008.

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2008

28. Earnings per share

Weighted Average

	Current Quarter Ended 30-Jun-08 RM'000	Corresponding Quarter Ended 30-Jun-07 RM'000	Current Year-to-date Ended 30-Jun-08 RM'000	Corresponding Year-to-date Ended 30-Jun-07 RM'000
Net profit attributable to shareholders	21,181	21,199	37,258	53,719
Number of ordinary shares of RM0.50 each	297,600,000	297,600,000	297,600,000	297,600,000
Basic earnings per ordinary share of RM0.50 each (sen)	7.12	7.12	12.52	18.05

29. 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 22 August 2008.