

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2008**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<b>Current Quarter Ended 30-Sep-08 RM'000</b>	<b>Corresponding Quarter Ended 30-Sep-07 RM'000</b>	<b>Current Year-to-date Ended 30-Sep-08 RM'000</b>	<b>Corresponding Year-to-date Ended 30-Sep-07 RM'000</b>
<b>Continuing Operations</b>				
Revenue	171,082	181,447	473,386	489,966
Cost of Sales	(123,562)	(128,293)	(338,612)	(352,697)
Gross Profit	47,520	53,154	134,774	137,269
Other income	1,925	34,690	9,540	37,985
Operating expenses	(12,604)	(12,650)	(39,016)	(33,113)
Finance costs	(7,904)	(7,995)	(22,986)	(22,994)
Profit before taxation	28,937	67,199	82,312	119,147
Income tax expense	(5,483)	(5,999)	(12,377)	(3,224)
<b>Profit for the period</b>	<b>23,454</b>	<b>61,200</b>	<b>69,935</b>	<b>115,923</b>
Attributable to:				
Equity holders of the parent	19,376	56,931	56,634	110,650
Minority interest	4,078	4,269	13,301	5,273
	23,454	61,200	69,935	115,923
<b>Earnings per share of RM0.50 each (sen)</b>				
a) Basic (based on weighted average)	6.51	19.13	19.03	38.86
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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**CONDENSED CONSOLIDATED BALANCE SHEET**

	<b>(Unaudited) 30-Sep-08 RM'000</b>	<b>(Audited) 31-Dec-07 RM'000</b>
<b>Non-current assets</b>		
Property, plant and equipment	380,677	395,017
Prepaid lease payments	7,307	7,404
Intangible assets	27,507	22,918
Deferred tax assets	47	47
	<u>415,538</u>	<u>425,386</u>
<b>Current assets</b>		
Inventories	54,507	46,653
Trade receivables	265,206	259,065
Other receivables	376,205	306,474
Amount owing by contract customers	21,527	25,681
Tax recoverable	7,436	7,817
Fixed deposits with licensed bank	263,330	172,593
Cash and bank balances	12,691	54,316
	<u>1,000,902</u>	<u>872,599</u>
Non current assets held for sale	6,334	-
	<u>1,007,236</u>	<u>872,599</u>
<b>Total Assets</b>	<u>1,422,774</u>	<u>1,297,985</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders</b>		
Share capital	148,800	148,800
Reserves	364,070	291,842
	<u>512,870</u>	<u>440,642</u>
<b>Minority interest</b>	114,276	109,091
<b>Total equity</b>	<u>627,146</u>	<u>549,733</u>
<b>Non-current liabilities</b>		
Deferred taxation	29,498	25,519
Long term borrowings	295,321	450,422
Retirement benefit obligation	474	334
	<u>325,293</u>	<u>476,275</u>
<b>Current liabilities</b>		
Trade payables	67,481	65,062
Other payables	28,428	35,738
Amount owing to contract customers	13,929	7,690
Short-term borrowings	357,718	158,134
Provision for taxation	2,779	5,353
	<u>470,335</u>	<u>271,977</u>
<b>Total liabilities</b>	<u>795,628</u>	<u>748,252</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,422,774</u>	<u>1,297,985</u>
Net assets per share of RM0.50 each (RM)	1.72	1.48

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

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>30-Sep-08</b>	<b>30-Sep-07</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from operating activities</b>		
Profit before taxation	82,312	119,147
<b>Adjustments for:</b>		
Amortisation of prepaid lease payments	97	97
Depreciation	31,508	32,960
Gain on disposal of property, plant and equipment	(2,463)	(2,277)
Gain on dilution of equity interest in a subsidiary	-	(34,132)
Unrealised loss on foreign exchange	899	-
Recovery of debts	(27)	-
Interest expense	22,986	22,994
Interest income	(5,312)	(2,538)
Provision for retirement benefits	140	-
Operating profit before working capital changes	<u>130,140</u>	<u>136,251</u>
Increase in inventories	(7,854)	(12,599)
Increase in trade and other receivables	(743)	(71,570)
Decrease in amount due from contract customers (net)	10,393	-
(Decrease)/Increase in trade and other payables	(3,738)	14,009
Net cash from operations	<u>128,198</u>	<u>66,091</u>
Tax paid	<u>(10,735)</u>	<u>(3,338)</u>
Net cash from operating activities	<u>117,463</u>	<u>62,753</u>
<b>Cash flow from investing activities</b>		
Prepayment of land lease	-	(186)
Deposits paid for property, plant & equipment	(66,474)	(178,763)
Purchase of property, plant & equipment	(31,726)	(20,458)
Proceeds from disposal of property, plant & equipment	20,581	22,477
Acquisition of additional interest in a subsidiary	(8,721)	-
Interest income received	5,312	2,538
Withdrawal of fixed deposits (with security)	(18,712)	61
Net cash used in investing activities	<u>(99,740)</u>	<u>(174,331)</u>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of share	-	74,250
Proceeds from issuance of share by a subsidiary to minority shareholders	49	120,520
Share issued expenses	-	(3,332)
Proceeds from borrowings	60,000	142,608
Repayment of borrowings	(15,406)	(63,189)
Repayment of hire purchase loan	(243)	(216)
Interest paid	(22,986)	(22,994)
Dividend paid to minority shareholders	(4,089)	(514)
Dividend paid	(5,510)	(4,336)
Net cash from financing activities	<u>11,815</u>	<u>242,797</u>
Net change in cash & cash equivalents	29,538	131,219
Effect of foreign exchange translation	862	(3,328)
Cash & cash equivalents at beginning of period	<u>135,817</u>	<u>48,958</u>
Cash & cash equivalents at end of period	<u>166,217</u>	<u>176,849</u>
<b>Cash and cash equivalents</b>		
Fixed deposits with licensed bank	263,330	25,849
Cash in hand and at bank	12,691	166,599
	<u>276,021</u>	<u>192,448</u>
Less: Fixed deposits pledged as security	<u>(109,804)</u>	<u>(15,599)</u>
	<u>166,217</u>	<u>176,849</u>

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

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2008**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	<b>Share Capital RM'000</b>	<b>Share Premium RM'000</b>	<b>Capital Reserve RM'000</b>	<b>Translation Reserve RM'000</b>	<b>Retained Profits RM'000</b>	<b>Total RM'000</b>	<b>Minority Interest RM'000</b>	<b>Total Equity RM'000</b>
<b>Financial year ending 31 December 2008</b>								
As at 31 December 2007	148,800	60,377	-	(15,956)	247,421	440,642	109,091	549,733
Net profit for the period	-	-	-	-	56,634	56,634	13,301	69,935
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	(4,083)	(4,083)
Currency translation difference	-	-	-	21,100	-	21,100	57	21,157
Dividend for the year ended 31 December 2007	-	-	-	-	(5,506)	(5,506)	(4,090)	(9,596)
<b>Balance as at 30 September 2008</b>	<b>148,800</b>	<b>60,377</b>	<b>-</b>	<b>5,144</b>	<b>298,549</b>	<b>512,870</b>	<b>114,276</b>	<b>627,146</b>
<b>Financial year ended 31 December 2007</b>								
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)
<b>Balance as at 31 December 2007</b>	<b>148,800</b>	<b>60,377</b>	<b>-</b>	<b>(15,956)</b>	<b>247,421</b>	<b>440,642</b>	<b>109,091</b>	<b>549,733</b>

**(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)**

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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 (“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.

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**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**

A first and final dividend of 2.0 sen per ordinary share of RM0.50 each, less tax at 26% and a special dividend of 0.5 sen per ordinary share of RM0.50 each, less tax at 26% for the financial year ended 31 December 2007 amounting to RM4,404,480 and RM1,101,122 respectively was paid on 25 July 2008.

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**9. Segmental information**

**Business Segment - Quarter**

<i>Current Quarter Ended 30 September 08</i>	<b>Integrated Brownfield Services RM'000</b>	<b>Marine Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>					
External revenue	109,255	61,827	-	-	171,082
Inter-segment revenue	-	46,279	5,170	(51,449)	-
	109,255	108,106	5,170	(51,449)	171,082
<b>Results</b>					
Segment results	15,723	21,247	7,221	(7,350)	36,841
Finance cost	(1,781)	(87)	(7,413)	1,377	(7,904)
<b>Profit before taxation</b>	13,942	21,160	(192)	(5,973)	28,937

<i>Corresponding Quarter Ended 30 September 07</i>	<b>Integrated Brownfield Services RM'000</b>	<b>Marine Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>					
External revenue	141,129	40,318	-	-	181,447
Inter-segment revenue	-	50,763	959	(51,722)	-
	141,129	91,081	959	(51,722)	181,447
<b>Results</b>					
Segment results	21,423	28,945	(7,845)	32,671	75,194
Finance cost	(2,293)	(3,276)	(4,519)	2,093	(7,995)
<b>Profit before taxation</b>	19,130	25,669	(12,364)	34,764	67,199

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**Business Segment –Year-to-date**

<i>Current Year-to-date Ended 30 September 08</i>	<b>Integrated Brownfield Services RM'000</b>	<b>Marine Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>					
External revenue	322,694	150,692	-	-	473,386
Inter-segment revenue	-	106,710	10,274	(116,984)	-
	<u>322,694</u>	<u>257,402</u>	<u>10,274</u>	<u>(116,984)</u>	<u>473,386</u>
<b>Results</b>					
Segment results	49,771	57,413	12,708	(14,594)	105,298
Finance cost	(5,421)	(428)	(21,664)	4,527	(22,986)
<b>Profit before taxation</b>	<u>44,350</u>	<u>56,985</u>	<u>(8,956)</u>	<u>(10,067)</u>	<u>82,312</u>
<i>Corresponding Year-to-date Ended 30 September 07</i>	<b>Integrated Brownfield Services RM'000</b>	<b>Marine Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>					
External revenue	357,812	132,154	-	-	489,966
Inter-segment revenue	-	119,204	4,212	(123,416)	-
	<u>357,812</u>	<u>251,358</u>	<u>4,212</u>	<u>(123,416)</u>	<u>489,966</u>
<b>Results</b>					
Segment results	61,827	57,911	(2,962)	25,365	142,141
Finance cost	(7,507)	(9,897)	(12,345)	6,755	(22,994)
<b>Profit before taxation</b>	<u>54,320</u>	<u>48,014</u>	<u>(15,307)</u>	<u>32,120</u>	<u>119,147</u>



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**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 that the disposal of 2 units of vessels by Petra Offshore Limited, a wholly-owned subsidiary of the Company, were completed on 10 October 2008 and 13 November 2008 respectively, generating a total gain on disposal of approximately RM21 million.

**12. Changes in composition of the group**

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

**13. Changes in contingent liabilities and contingent assets**

As at 30 September 2008, the Company has given corporate guarantees amounting to approximately RM141.3 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 RM0.6 million as at the said date.

**14. Capital commitment**

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

	<b>RM'000</b>
Approved and not contracted for	-
Approved and contracted for	<u>919,405</u>

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**15. Operating lease arrangements**

As at 30 September 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:

	<b>RM'000</b>
Not later than 1 year	38,007
Later than 1 year and not later than 5 years	272,785
Later than 5 years	317,397
	628,189
	628,189

**16. Significant related party transactions**

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

	<b>Quarter ended 30-Sept -08 RM'000</b>	<b>Quarter ended 30-Sept -07 RM'000</b>
i. Subsidiaries:		
Rental income	85	149
Loan interest	1,377	2,091
Management fee	405	810
Dividend income	4,680	-
ii. Legal fee paid to a director of a subsidiary	20	-
	20	-
	20	-

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:

	<b>Quarter ended 30-Sept -08 RM'000</b>	<b>Quarter ended 30-Sept -07 RM'000</b>
Short-term employee benefits	2,410	1,401
	2,410	1,401
	2,410	1,401

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**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 September 2008, the Group recorded a turnover of RM171.1 million, a decrease of 5.7% from RM181.4 million achieved in the 3<sup>rd</sup> quarter of 2007. The profit before taxation in the current quarter has decreased from RM67.2 million in 3<sup>rd</sup> quarter of 2007 to RM28.9 million, representing a reduction of 57.0%.

The lower turnover is primarily the result of the expected diminishing engineering and maintenance work from a major contract secured from Shell in year 2004 whilst the Marine Services has shown a growth contributed by the newly delivered vessels.

Excluding the effect of a gain on dilution of equity interest in Petra Energy Bhd of RM34.1 million recorded in 3<sup>rd</sup> quarter preceding year, the effective profit has reduced by 12.7%, mainly due to the softer engineering and maintenance activities and higher operating cost arising from the mobilization of the newly delivered vessels in the current quarter.

**18. Comparison with immediate preceding quarter**

The Group achieved a turnover of RM171.1 million in the current quarter, an increase of 11.3% as compared to last quarter of RM153.7 million. However, the profit before taxation has decreased by 5.2%, from RM30.5 million in the last quarter to RM28.9 million in the current quarter.

The higher turnover is mainly contributed by the expanded fleet of vessels with higher charter rates secured. However, the decrease in profits is mainly due to:

- a. inclusion of a gain on a vessel disposal in last quarter of RM2.9 million.
- b. lower margin contribution of sales mix in engineering and maintenance services in the current quarter.
- c. higher operating cost arising from the mobilization of the newly delivered vessels in the current quarter.

**19. Prospects**

Notwithstanding the current global financial crisis and the falling oil prices, the growth prospects of the offshore marine services and the integrated brownfield services remain positive. The Group is constantly exploring new business opportunities and is expected to secure more contracts in the near future.

In light of the Group's fleet expansion programme initiative, the new vessels which are scheduled for delivery up to the year 2010 will contribute positively to the financial performance of the Group. In addition, the recently secured 4 year contract with Shell by Petra Energy Berhad ("PEB") Group, for the provision of hook-up, commissioning, major maintenance and marine support services, worth approximately RM1.1 billion, is expected to ensure continued contributions to the Group's profit.

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

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**20. Taxation**

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

	<b>Current Quarter Ended 30-Sept-08 RM'000</b>	<b>Corresponding Quarter Ended 30-Sept-07 RM'000</b>	<b>Current Year-to-date Ended 30-Sept -08 RM'000</b>	<b>Corresponding Year-to-date Ended 30-Sept -07 RM'000</b>
Current tax:				
Malaysian income tax	3,588	5,461	7,909	13,289
Foreign tax	476	426	565	1,106
	<u>4,064</u>	<u>5,887</u>	<u>8,474</u>	<u>14,395</u>
Deferred tax:				
Malaysian income tax	1,419	112	3,903	(11,171)
Total	<u>5,483</u>	<u>5,999</u>	<u>12,377</u>	<u>3,224</u>

The effective tax rate for current quarter and the 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.

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**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 20 November 2008, the balance unutilized is as follows:

<b>Purpose</b>	<b>Proposed utilisation RM'000</b>	<b>Balance unutilised RM'000</b>
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 September 2008 were as follows:

	<b>As at 30-Sept-08 RM'000</b>	<b>As at 31-Dec-07 RM'000</b>
<b>Secured borrowings</b>		
Short term	357,718	158,134
Long term	295,321	450,422
Total	<u>653,039</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 and RM35 million Nominal Value Secured Serial Bonds which bear an interest rate of 6.24% and 5.75% p.a. repayable on 28 March 2009 and 30 September 2009 respectively.

Included in the long-term borrowings are RM245 million Nominal Value Secured Serial Bonds and RM50 million Medium Term Notes. The borrowings bear an interest rate that ranges from 5.90% 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 20 November 2008 except as disclosed in note 14 and 15.

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**26. Changes in material litigation**

The Group is not engaged in any material litigation as at 20 November 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. The appeal is fixed for hearing on 3 December 2008.

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 for hearing on 11 and 12 May 2009 as well as 13 and 14 July 2009 .

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 25 to 29 May 2009.

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 September 2008.

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**28. Earnings per share**

**Weighted Average**

	<b>Current Quarter Ended 30-Sept-08 RM'000</b>	<b>Corresponding Quarter Ended 30-Sept-07 RM'000</b>	<b>Current Year-to-date Ended 30-Sept-08 RM'000</b>	<b>Corresponding Year-to-date Ended 30-Sept-07 RM'000</b>
Net profit attributable to shareholders	19,376	56,931	56,634	110,650
Number of ordinary shares of RM0.50 each	297,600,000	297,600,000	297,600,000	284,742,857
Basic earnings per ordinary share of RM0.50 each (sen)	6.51	19.13	19.03	38.86

**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 27 November 2008.