

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

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2008**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 31-Dec-08 RM'000	Corresponding Quarter Ended 31-Dec-07 RM'000	Current Year-to-date Ended 31-Dec-08 RM'000	Corresponding Year-to-date Ended 31-Dec-07 RM'000
Continuing Operations				
Revenue	196,242	175,217	669,628	665,183
Cost of Sales	(157,179)	(122,998)	(495,791)	(475,695)
Gross Profit	39,063	52,219	173,837	189,488
Other income	27,990	32,467	37,530	70,452
Operating expenses	(20,305)	(27,642)	(59,321)	(60,755)
Finance costs	(9,725)	(7,508)	(32,711)	(30,502)
Profit before taxation	37,023	49,536	119,335	168,683
Income tax expense	(5,300)	242	(17,677)	(2,982)
Profit for the year	31,723	49,778	101,658	165,701
Attributable to:				
Equity holders of the parent	28,272	45,059	84,906	155,709
Minority interest	3,451	4,719	16,752	9,992
	31,723	49,778	101,658	165,701
Earnings per share of RM0.50 each (sen)				
a) Basic (based on weighted average)	9.50	15.14	28.53	54.00
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

	(Unaudited)	(Audited)
	31-Dec-08	31-Dec-07
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	651,944	395,017
Prepaid lease payments	7,275	7,404
Intangible assets	27,507	22,918
Deferred tax assets	47	47
	<u>686,773</u>	<u>425,386</u>
Current assets		
Inventories	52,210	46,653
Trade receivables	247,117	259,065
Other receivables	98,363	306,474
Amount owing by contract customers	23,763	25,681
Tax recoverable	5,108	7,817
Fixed deposits with licensed bank	333,694	172,593
Cash and bank balances	36,197	54,316
	<u>796,452</u>	<u>872,599</u>
Non current assets held for sale	4,501	-
	<u>800,953</u>	<u>872,599</u>
Total Assets	<u>1,487,726</u>	<u>1,297,985</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	148,800	148,800
Reserves	394,270	291,842
	<u>543,070</u>	<u>440,642</u>
Minority interest	118,003	109,091
Total equity	<u>661,073</u>	<u>549,733</u>
Non-current liabilities		
Deferred taxation	30,918	25,519
Long term borrowings	295,244	450,422
Retirement benefit obligation	511	334
	<u>326,673</u>	<u>476,275</u>
Current liabilities		
Trade payables	93,079	65,062
Other payables	29,369	35,738
Amount owing to contract customers	10,251	7,690
Short-term borrowings	365,167	158,134
Provision for taxation	2,114	5,353
	<u>499,980</u>	<u>271,977</u>
Total liabilities	<u>826,653</u>	<u>748,252</u>
TOTAL EQUITY AND LIABILITIES	<u>1,487,726</u>	<u>1,297,985</u>
Net assets per share of RM0.50 each (RM)	1.82	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

	31-Dec-08	31-Dec-07
	RM'000	RM'000
Cash flow from operating activities		
Profit before taxation	119,335	168,683
Adjustments for:		
Allowance for doubtful debts	1,312	1,288
Amortisation of prepaid lease payments	129	130
Bad debts written off	-	339
Depreciation	42,392	44,422
Gain on disposal of property, plant and equipment	(25,747)	(10,737)
Gain on dilution of equity interest in a subsidiary	-	(34,126)
Gain on disposal of interest in a subsidiary	-	(19,352)
Unrealised loss on foreign exchange	3,085	2,936
Recovery of debts	(27)	-
Interest expense	32,711	28,739
Inventories written off	780	73
Interest income	(8,139)	(3,877)
Loss on member's voluntary liquidation of a subsidiary	-	14
Property, plant and equipment written off	123	-
Provision for retirement benefits	177	334
Operating profit before working capital changes	<u>166,131</u>	<u>178,866</u>
Increase in inventories	(6,336)	(10,918)
Decrease/(Increase) in trade and other receivables	68,344	(65,327)
Decrease/(Increase) in amount due from contract customers (net)	4,479	(12,609)
Increase in trade and other payables	22,379	8,295
Net cash from operations	<u>254,997</u>	<u>98,307</u>
Tax paid	(12,959)	(9,261)
Net cash from operating activities	<u>242,038</u>	<u>89,046</u>
Cash flow from investing activities		
Prepayment of land lease	-	(186)
Deposits paid for property, plant & equipment	(21,999)	(205,561)
Purchase of property, plant & equipment	(296,898)	(28,420)
Proceeds from disposal of property, plant & equipment	210,228	16,756
Proceeds from disposal of non-current assets classified as held for sales	-	22,687
Acquisition of additional interest in a subsidiary	(8,721)	(7,950)
Proceeds from disposal of interest in a subsidiary	-	31,058
Interest income received	8,139	3,877
Placement of fixed deposits (with security)	(55,424)	(75,432)
Net cash used in investing activities	<u>(164,675)</u>	<u>(243,171)</u>

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CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	31-Dec-08	31-Dec-07
	RM'000	RM'000
Cash flow from financing activities		
Proceeds from issuance of share	-	74,250
Proceeds from issuance of share by a subsidiary to minority shareholders	317	120,520
Share issued expenses	-	(373)
Listing expenses of subsidiary	-	(2,958)
Proceeds from borrowings	100,267	184,666
Repayment of borrowings	(48,216)	(100,652)
Repayment of hire purchase loan	(328)	(288)
Interest paid	(32,711)	(28,739)
Dividend paid to minority shareholders	(4,089)	(645)
Dividend paid	(5,514)	(4,333)
Net cash from financing activities	<u>9,726</u>	<u>241,448</u>
Net change in cash & cash equivalents	87,089	87,323
Effect of foreign exchange translation	469	(464)
Cash & cash equivalents at beginning of the financial year	<u>135,817</u>	<u>48,958</u>
Cash & cash equivalents at end of the financial year	<u>223,375</u>	<u>135,817</u>
Cash and cash equivalents		
Fixed deposits with licensed bank	333,694	172,593
Cash in hand and at bank	<u>36,197</u>	<u>54,316</u>
	369,891	226,909
Less: Fixed deposits pledged as security	<u>(146,516)</u>	<u>(91,092)</u>
	<u>223,375</u>	<u>135,817</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 FOURTH QUARTER ENDED 31 DECEMBER 2008

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Capital Redemption 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 2008								
As at 31 December 2007	148,800	60,377	-	(15,956)	247,421	440,642	109,091	549,733
Net profit for the year	-	-	-	-	84,906	84,906	16,752	101,658
Acquisition of additional interest in a subsidiary	-	-	-	-	-	-	(3,815)	(3,815)
Currency translation difference	-	-	-	23,028	-	23,028	65	23,093
Redemption of preference shares	-	-	2,127	-	(2,127)	-	-	-
Dividend for the year ended 31 December 2007	-	-	-	-	(5,506)	(5,506)	(4,090)	(9,596)
Balance as at 31 December 2008	148,800	60,377	2,127	7,072	324,694	543,070	118,003	661,073
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 FOURTH QUARTER
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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 except that an amount of RM277.2 million in respect of progress payments for the construction of vessels being transferred from deposits to capital work-in-progress under property, plant and equipment.

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 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 were paid on 25 July 2008.

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9. Segmental information

Business Segment - Quarter

<i>Current Quarter Ended 31 December 08</i>	Integrated Brownfield Services RM'000	Marine Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	134,038	62,204	-	-	196,242
Inter-segment revenue	72	42,997	30,261	(73,330)	-
	<u>134,110</u>	<u>105,201</u>	<u>30,261</u>	<u>(73,330)</u>	<u>196,242</u>
Results					
Segment results	9,106	35,247	44,033	(41,638)	46,748
Finance cost	(1,529)	(57)	(22,109)	13,970	(9,725)
Profit before taxation	<u>7,577</u>	<u>35,190</u>	<u>21,924</u>	<u>(27,668)</u>	<u>37,023</u>

<i>Corresponding Quarter Ended 31 December 07</i>	Integrated Brownfield Services RM'000	Marine Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	123,109	52,108	-	-	175,217
Inter-segment revenue	-	30,534	25,701	(56,235)	-
	<u>123,109</u>	<u>82,642</u>	<u>25,701</u>	<u>(56,235)</u>	<u>175,217</u>
Results					
Segment results	9,748	11,514	72,225	(36,443)	57,044
Finance cost	(1,849)	(3,283)	(16,431)	14,055	(7,508)
Profit before taxation	<u>7,899</u>	<u>8,231</u>	<u>55,794</u>	<u>(22,388)</u>	<u>49,536</u>

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Business Segment –Year-to-date

<i>Current Year-to-date Ended 31 December08</i>	Integrated Brownfield Services RM'000	Marine Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	456,732	212,896	-	-	669,628
Inter-segment revenue	72	149,707	40,535	(190,314)	-
	<u>456,804</u>	<u>362,603</u>	<u>40,535</u>	<u>(190,314)</u>	<u>669,628</u>
Results					
Segment results	58,877	92,660	56,741	(56,232)	152,046
Finance cost	(6,950)	(485)	(43,773)	18,497	(32,711)
Profit before taxation	<u>51,927</u>	<u>92,175</u>	<u>12,968</u>	<u>(37,735)</u>	<u>119,335</u>

<i>Corresponding Year-to-date Ended 31 December07</i>	Integrated Brownfield Services RM'000	Marine Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue					
External revenue	480,921	184,262	-	-	665,183
Inter-segment revenue	-	149,738	29,913	(179,651)	-
	<u>480,921</u>	<u>334,000</u>	<u>29,913</u>	<u>(179,651)</u>	<u>665,183</u>
Results					
Segment results	71,575	69,425	69,263	(11,078)	199,185
Finance cost	(9,356)	(13,180)	(28,776)	20,810	(30,502)
Profit before taxation	<u>62,219</u>	<u>56,245</u>	<u>40,487</u>	<u>9,732</u>	<u>168,683</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 Petra Offshore Limited, a wholly-owned subsidiary of the Company, has entered into 2 separate Memoranda of Agreements to dispose 2 crew boats namely IOS Comfort 1 and IOS Comfort 2 for the consideration of USD1,125,000 and USD1,000,000 respectively. Both disposals are expected to complete upon delivery between 1 March 2009 to 31 March 2009. The Company expected to realise a total gain of approximately RM1.9 million upon the completion of the disposal.

12. Changes in composition of the Group

There were no changes in the composition of the Group for the current quarter ended 31 December 2008 including business combination, acquisition or disposal of subsidiary and long-term investments, restructuring and discontinuing operation except that the Company has entered into Joint Venture Agreement with The Underwater Centre Fremantle Pty Ltd (“TUCF”) and Siliqua Pty Ltd as trustee for CJES Trust (“CJES”) on 1 July 2008.

For the purpose of the Joint Venture, Petra Marine Australia Pty Ltd (“PMA”) was incorporated pursuant to Australian Corporations Act, 2001 with an authorized share capital of A\$1,000,000 divided into 1 million shares of A\$1.00 each of which 500,000 shares have been issued. The Company holds 55% shares and the balance were allotted to TUCF 25% and CJES 20%.

The principal purpose of PMA is to market, manage and operate offshore supply vessels for the oil and gas industry in Australia and New Zealand including any of their joint-development areas and any other countries to be mutually agreed upon including but not limited to arranging crewing, maintenance, insurance and payment of costs.

13. Changes in contingent liabilities and contingent assets

As at 31 December 2008, the Company has given corporate guarantees amounting to approximately RM831.5 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 RM680.6 million as at the said date.

14. Capital commitment

As at 31 December 2008, the Group has the following capital commitments:

	RM'000
Approved and not contracted for	-
Approved and contracted for	<u>796,799</u>

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15. Operating lease arrangements

As at 31 December 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	63,145
Later than 1 year and not later than 5 years	296,787
Later than 5 years	320,142
	680,074

16. Significant related party transactions

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

	Quarter ended 31-Dec-08 RM'000	Quarter ended 31-Dec-07 RM'000
i. Subsidiaries:		
Rental income	85	149
Loan interest	1,203	14,058
Management fee	405	810
Dividend income	29,771	26,109
ii. Legal fee paid to a director of a subsidiary		
	20	-

In the opinion of the Directors, the above transactions have been entered into in the ordinary course of business and have been established on terms that are not more favourable to the related parties than those generally available to the public.

b. Compensation of key management personnel

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

	Quarter ended 31-Dec-08 RM'000	Quarter ended 31-Dec-07 RM'000
Short-term employee benefits	1,358	1,255

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
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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 31 December 2008, the Group recorded a turnover of RM196.2 million, an increase of 12.0% from RM175.2 million achieved in the fourth quarter of 2007. The profit before taxation in the current quarter has decreased from RM49.5 million in fourth quarter of 2007 to RM37.0 million, representing a reduction of 25.3%.

The higher turnover is mainly attributed to higher activities in integrated brownfield and growth in marine services contributed by the newly delivered vessels.

Excluding the effect of a gain on disposal on Petra Energy shares of RM19.4 million and net gain on disposal of vessels of RM8.6 million in fourth quarter preceding year and RM22.5 million in current quarter 2008, the effective profit has reduced by 32.6%, 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.

For the financial year ended 31 December 2008, the Group registered a profit before taxation of RM119.3 million on the back of turnover of RM669.6 million. This represents a decrease of 29.3% in profit before taxation with slight increase in revenue as compared to previous year ended 31 December 2007's turnover of RM665.2 million and profit before taxation of RM168.7 million.

The decrease in profit for the current year is due to the following factors:

- a. Inclusion of a gain on dilution of equity interest in Petra Energy of RM34.1 million, gain on disposal on Petra Energy shares of RM19.4 million and net gain on disposal of vessels of RM10.7 million in 2007.
- b. Lower margin contribution of sales mix in engineering and maintenance services offsetting the gain on disposal of vessels of RM24.8 million in 2008.

18. Comparison with immediate preceding quarter

The Group achieved a turnover of RM196.2 million in the current quarter, an increase of 14.7 % as compared to last quarter of RM171.1 million. The profit before taxation has increased by 28.0% , from RM28.9 million in the last quarter to RM37.0 million in the current quarter.

The higher turnover is mainly contributed by the higher activities in integrated brownfield services. The increase in profits is mainly due to the gain on vessels disposal of RM22.5 million in the current quarter offsetting lower margin contribution of sales mix in engineering and maintenance services and higher operating cost arising from the mobilization of the newly delivered vessels in the current quarter.

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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 stable. The Group is constantly exploring new business opportunities and hopes to secure new 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.

20. Taxation

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

	Current Quarter Ended 31-Dec-08 RM'000	Corresponding Quarter Ended 31-Dec-07 RM'000	Current Year-to-date Ended 31-Dec-08 RM'000	Corresponding Year-to-date Ended 31-Dec -07 RM'000
Current tax:				
Malaysian income tax	3,179	(376)	11,088	12,913
Foreign tax	831	181	1,396	1,287
	4,010	(195)	12,484	14,200
Over provision in the previous financial year	(131)	-	(131)	-
	3,879	(195)	12,353	14,200
Deferred tax:				
Malaysian income tax	1,745	(47)	5,648	(11,218)
Foreign tax	(324)	-	(324)	-
	1,421	(47)	5,324	(11,218)
Total	5,300	(242)	17,677	2,982

The effective tax rate for current quarter and the current year 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 year to date.

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22. Quoted securities

There were no purchase or disposal 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.

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 19 February 2009, 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. With the abovementioned disposal of 9 million PEB shares, there is a balance of 10.5 million PEB shares remaining mandated for divestment.

24. Borrowings

Total Group's borrowings as at 31 December 2008 were as follows:

	As at 31-Dec-08 RM'000	As at 31-Dec-07 RM'000
Secured borrowings		
Short term	365,167	158,134
Long term	295,244	450,422
Total	660,411	608,556

Included in the short-term borrowings are:

- i. RM108 million and RM100 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.

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25. Off balance sheet financial instruments

The Group does not have any financial instruments with off-balance sheet risk as at 19 February 2009 except as disclosed in notes 14 and 15.

26. Changes in material litigation

The Group is not engaged in any material litigation as at 19 February 2009 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 Summon 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 Kuala Terengganu High Court has, on 19 January 2009, given its decision that the appeal against the dismissal to strike out the above suit was allowed with costs. In addition, the above suit has been struck out against IOS and the Company.

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 Bestwide Sdn Bhd (“KBW”) (formerly known as Bestwide 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

The Board of Directors has proposed a final dividend of 2.0 sen per ordinary share of RM0.50 each less 25% of tax amounting to RM4,464,000 in respect of the financial year ended 31 December 2008. The proposed dividend is subject to the shareholders’ approval at the forthcoming Annual General Meeting (“AGM”) 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)

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28. Earnings per share

Weighted Average

	Current Quarter Ended 31-Dec-08 RM'000	Corresponding Quarter Ended 31-Dec-07 RM'000	Current Year-to-date Ended 31-Dec-08 RM'000	Corresponding Year-to-date Ended 31-Dec-07 RM'000
Net profit attributable to shareholders	28,272	45,059	84,906	155,709
Number of ordinary shares of RM0.50 each	297,600,000	297,600,000	297,600,000	288,279,452
Basic earnings per ordinary share of RM0.50 each (sen)	9.50	15.14	28.53	54.00

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 26 February 2009.