

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<b>Current Quarter Ended 30-Sep-09 RM'000</b>	<b>Corresponding Quarter Ended 30-Sep-08 RM'000</b>	<b>Current Year-to-date Ended 30-Sep-09 RM'000</b>	<b>Corresponding Year-to-date Ended 30-Sep-08 RM'000</b>
<b>Continuing Operations</b>				
Revenue	156,737	171,082	486,265	473,386
Cost of Sales	(137,086)	(123,562)	(380,603)	(338,612)
Gross Profit	19,651	47,520	105,662	134,774
Other income	2,414	1,925	13,221	9,540
Operating expenses	(18,154)	(12,604)	(48,733)	(39,016)
Finance costs	(6,798)	(7,904)	(26,102)	(22,986)
(Loss)/Profit before taxation	(2,887)	28,937	44,048	82,312
Income tax expense	(5,193)	(5,483)	(12,048)	(12,377)
<b>(Loss)/Profit for the period</b>	<b>(8,080)</b>	<b>23,454</b>	<b>32,000</b>	<b>69,935</b>
Attributable to:				
Equity holders of the parent	(8,938)	19,376	25,267	56,634
Minority interest	858	4,078	6,733	13,301
	<b>(8,080)</b>	<b>23,454</b>	<b>32,000</b>	<b>69,935</b>
<b>(Loss)/Earnings per share of RM0.50 each (sen)</b>				
a) Basic (based on weighted average)	(3.00)	6.51	8.49	19.03
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 2008)

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

**CONDENSED CONSOLIDATED BALANCE SHEET**

	(Unaudited) 30-Sep-09 RM'000	(Audited) 31-Dec-08 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	767,885	659,068
Prepaid lease payments	7,178	7,275
Investment in associate	40	-
Intangible assets	28,940	27,507
Deferred tax assets	62	62
	<u>804,105</u>	<u>693,912</u>
<b>CURRENT ASSETS</b>		
Inventories	61,568	50,299
Trade receivables	229,985	260,726
Other receivables	136,716	101,827
Amount owing by contract customers	19,416	6,471
Tax recoverable	6,284	7,145
Fixed deposits with licensed banks	83,061	337,423
Cash and bank balances	36,988	33,348
	<u>574,018</u>	<u>797,239</u>
Non-current asset classified as held for sale	22,254	4,501
	<u>596,272</u>	<u>801,740</u>
<b>TOTAL ASSETS</b>	<u>1,400,377</u>	<u>1,495,652</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	148,800	148,800
Reserves	418,313	396,820
<b>SHAREHOLDERS' EQUITY</b>	<u>567,113</u>	<u>545,620</u>
<b>MINORITY INTERESTS</b>	<u>140,582</u>	<u>118,162</u>
<b>TOTAL EQUITY</b>	<u>707,695</u>	<u>663,782</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred taxation	30,508	30,908
Long term borrowings	345,361	295,280
Retirement benefit obligations	539	511
	<u>376,408</u>	<u>326,699</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	90,211	84,960
Other payables	32,245	42,851
Amount owing to contract customers	8,818	9,625
Short-term borrowings	183,362	366,023
Provision for taxation	1,638	1,712
	<u>316,274</u>	<u>505,171</u>
<b>TOTAL LIABILITIES</b>	<u>692,682</u>	<u>831,870</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,400,377</u>	<u>1,495,652</u>
<b>NET ASSETS PER ORDINARY SHARE (RM)</b>	1.91	1.83

(The condensed Consolidated Balance Sheet should be read in conjunction with the annual financial report for the year ended 31 December 2008)

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>30-Sep-09</b>	<b>30-Sep-08</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from operating activities</b>		
Profit before taxation	44,048	82,312
<b>Adjustments for:</b>		
Allowance for doubtful debts	243	-
Amortisation of prepaid lease payments	97	97
Depreciation	35,603	31,508
Gain on disposal of property, plant and equipment	(2,546)	(2,463)
Gain on disposal of non-current asset classified as held for sale	(1,952)	-
Loss on disposal of interest in a subsidiary	574	-
Unrealised (gain)/loss on foreign exchange	(1,008)	899
Recovery of debts	-	(27)
Interest expense	26,102	22,986
Inventories written off	2	-
Interest income	(3,070)	(5,312)
Provision for retirement benefits	28	140
Operating profit before working capital changes	<u>98,121</u>	<u>130,140</u>
Increase in inventories	(11,211)	(7,854)
Increase in trade and other receivables	(131)	(66,140)
(Increase)/Decrease in amount due from contract customers (net)	(13,752)	10,393
Decrease in trade and other payables	(4,755)	(3,738)
Net cash from operations	<u>68,272</u>	<u>62,801</u>
Tax refund	1,489	-
Tax paid	(13,342)	(10,735)
Net cash from operating activities	<u>56,419</u>	<u>52,066</u>
<b>Cash flow for investing activities</b>		
Deposits paid for property, plant & equipment	(1,846)	(1,077)
Purchase of property, plant & equipment	(261,658)	(31,726)
Investment in associate	(40)	-
Proceeds from disposal of interest in a subsidiary	15,847	-
Proceeds from disposal of property, plant & equipment	97,892	20,581
Proceeds from disposal of non-current asset classified as held for sale	6,656	-
Net cash outflow for acquisition of a subsidiary	(2,635)	-
Acquisition of additional interest in subsidiaries	-	(8,721)
Interest income received	3,070	5,312
Withdrawal/(placement) of fixed deposits (with security)	135,403	(18,712)
Net cash for investing activities	<u>(7,311)</u>	<u>(34,343)</u>

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**

	<b>30-Sep-09</b>	<b>30-Sep-08</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow (for)/from financing activities</b>		
Proceeds from issuance of share by a subsidiary to minority shareholders	322	49
Proceeds from borrowings	233,101	60,000
Repayment of borrowings	(364,905)	(15,406)
Repayment of hire purchase loan	(197)	(243)
Interest paid	(26,102)	(22,986)
Dividend paid to minority shareholders	(1,893)	(4,089)
Dividend paid	(4,457)	(5,510)
Net cash (for)/from financing activities	<u>(164,131)</u>	<u>11,815</u>
Net change in cash and cash equivalents	(115,023)	29,538
Effect of foreign exchange translation	595	862
Cash and cash equivalents at beginning of the financial period	<u>223,358</u>	<u>135,817</u>
Cash and cash equivalents at end of the financial period	<u>108,930</u>	<u>166,217</u>
<b>Cash and cash equivalents</b>		
Fixed deposits with licensed banks	83,061	263,330
Cash and bank balances	<u>36,988</u>	<u>12,691</u>
	120,049	276,021
Less: Fixed deposits pledged as security	<u>(11,119)</u>	<u>(109,804)</u>
	<u>108,930</u>	<u>166,217</u>

**(The condensed Consolidated Cash Flow Statements should be read in conjunction  
with the annual financial report for the year ended 31 December 2008)**

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009**

**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
<b>Financial year ending 31 December 2009</b>								
As at 31 December 2008/1 January 2009	148,800	60,377	2,127	6,860	327,456	545,620	118,162	663,782
Net profit for the period	-	-	-	-	25,267	25,267	6,733	32,000
Acquisition of a subsidiary	-	-	-	-	-	-	562	562
Disposal of interest in a subsidiary	-	-	-	-	-	-	16,421	16,421
Issuance of share by a subsidiary to minority shareholders	-	-	-	-	-	-	322	322
Currency translation difference	-	-	-	*690	-	690	275	965
Dividend	-	-	-	-	(4,464)	(4,464)	(1,893)	(6,357)
<b>Balance as at 30 September 2009</b>	<b>148,800</b>	<b>60,377</b>	<b>2,127</b>	<b>7,550</b>	<b>348,259</b>	<b>567,113</b>	<b>140,582</b>	<b>707,695</b>
<b>Financial year ended 31 December 2008</b>								
As at 1 January 2008	148,800	60,377	-	(15,956)	247,421	440,642	109,091	549,733
Net profit for the year	-	-	-	-	87,668	87,668	16,910	104,578
Acquisition of interest in subsidiaries	-	-	-	-	-	-	(3,815)	(3,815)
Redemption of Redeemable Non-Cumulative Non-Voting Preference Shares ("RNCPS")	-	-	*2,127	-	(2,127)	-	-	-
Currency translation difference	-	-	-	*22,816	-	22,816	65	22,881
Dividend	-	-	-	-	(5,506)	(5,506)	(4,089)	(9,595)
<b>Balance as at 31 December 2008</b>	<b>148,800</b>	<b>60,377</b>	<b>2,127</b>	<b>6,860</b>	<b>327,456</b>	<b>545,620</b>	<b>118,162</b>	<b>663,782</b>

\* - Represent gains/(losses) not taken to income statements.

**(The condensed Consolidated Statements of Changes in Equity should be read in conjunction with the annual financial report for the year ended 31 December 2008)**

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

---

**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 statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim financial statements 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 2008.

**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 2008. The Group has not adopted the following FRSs and IC Interpretations that have been issued but yet to be effective for the Group:

- (i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

FRS 8            Operating Segments

FRS 8 replaces FRS 114<sub>2004</sub> Segment Reporting and requires a “management approach”, under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material impact on the financial statements of the Group upon its initial application.

- (ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

FRS 4            Insurance Contracts  
FRS 7            Financial Instruments: Disclosures  
FRS 123        Borrowing Costs  
FRS 139        Financial Instruments: Recognition and Measurement

The Group considers financial guarantee contracts entered to be insurance arrangements and accounts for them under FRS 4. In this respect, the Group treats the guarantee contract as a contingent liability until such a time as it becomes probable that the Group will be required to make a payment under the guarantee. The adoption of FRS 4 is expected to have no material impact on the financial statements of the Group.

The possible impacts of FRS 7 and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

The possible impact of FRS 123 on the financial statements upon its initial application is not disclosed as the existing accounting policies of the Group are consistent with the requirements under this new standard.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

---

**2. Changes in Accounting Policies (Cont'd)**

(iii) Amendments issued and effective for financial periods beginning on or after 1 January 2010:

Amendments to FRS 1 and FRS 127	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Vesting Conditions and Cancellations

The above amendments are not relevant to the Group's operations.

(iv) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The above IC interpretations are not relevant to the Group's operations except for IC Interpretation 10.

IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill, investments equity instruments and financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

**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 and financial period to-date.

**6. Material Changes in Estimates**

There are no material changes in the estimates of amounts reported in the current quarter and financial period to-date.

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

**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 of 25% in respect of the financial year ended 31 December 2008 amounting to RM4,464,000 was paid on 27 July 2009.

**9. Segmental Information**

**Business Segment - Quarter**

<i>Current Quarter Ended 30 September 2009</i>	<b>Integrated Brownfield, Engineering and Maintenance Services RM'000</b>	<b>Marine Offshore Support 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	110,309	46,428	-	-	156,737
Inter-segment revenue	20	52,345	14,340	(66,705)	-
	110,329	98,773	14,340	(66,705)	156,737
<b>Results</b>					
Segment results	8,308	(959)	26,255	(29,693)	3,911
Finance costs	(1,915)	(50)	(7,202)	2,369	(6,798)
<b>Profit before taxation</b>	6,393	(1,009)	19,053	(27,324)	(2,887)
<b>Corresponding Quarter Ended 30 September 2008</b>					
	<b>Integrated Brownfield, Engineering and Maintenance Services RM'000</b>	<b>Marine Offshore Support 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 costs	(1,781)	(87)	(7,413)	1,377	(7,904)
<b>Profit before taxation</b>	13,942	21,160	(192)	(5,973)	28,937



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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

**Business Segment – Year-to-date**

<i>Current Year-to-date Ended 30 September 2009</i>	<b>Integrated Brownfield, Engineering and Maintenance Services RM'000</b>	<b>Marine Offshore Support 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	309,070	177,195	-	-	486,265
Inter-segment revenue	159	135,034	19,054	(154,247)	-
	309,229	312,229	19,054	(154,247)	486,265
<b>Results</b>					
Segment results	32,719	44,162	31,040	(37,771)	70,150
Finance costs	(6,616)	(576)	(26,021)	7,111	(26,102)
<b>Profit before taxation</b>	26,103	43,586	5,019	(30,660)	44,048

<i>Corresponding Year-to-date Ended 30 September 2008</i>	<b>Integrated Brownfield, Engineering and Maintenance Services RM'000</b>	<b>Marine Offshore Support 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)	-
	322,694	257,402	10,274	(116,984)	473,386
<b>Results</b>					
Segment results	49,771	57,413	12,708	(14,594)	105,298
Finance costs	(5,421)	(428)	(21,664)	4,527	(22,986)
<b>Profit before taxation</b>	44,350	56,985	(8,956)	(10,067)	82,312

**10. Valuation of Property, Plant and Equipment**

There is no valuation of property, plant and equipment during the current quarter and financial period to-date.

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

**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:

- (i) On 25 September 2009, Perdana Marine Offshore Ltd (“PMO”) entered into a Memoranda of Agreement with PT Pelayaran Tamarin Samudra (“Buyer”) to dispose the workbarge, namely Petra Charlie for the consideration of USD2.65 million. The disposal is expected to complete by end of November 2009.
- (ii) On 19 October 2009, Petra Resources Sdn Bhd had received a letter of award from Petronas Carigali Sdn Bhd for the provision for procurement, construction and commissioning of Kumang Cluster onshore tie-in at MLNG-2 and Bintulu Integrated facilities (“BIF”) onshore upgrading and modification.

The contract is effective from 19 October 2009, with a duration of one year, and worth approximately RM52 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 2009 including business combination, acquisition or disposal of subsidiary and long-term investments, restructuring and discontinuing operation except as follows:

- (i) On 12 August 2009, Perdana Saturn Limited and Perdana Pluto Limited were incorporated under the Labuan Offshore Companies Act, 1990 with an issued and paid up capital of USD1.00 each divided into 1 ordinary share of USD1.00 for the intended purpose of operating as vessel owner and undertaking the business of leasing of vessels.
- (ii) On 10 September 2009, the Company has disposed of 10.5 million ordinary shares of RM0.50 each in Petra Energy Berhad at the price of RM1.53 per share via private placement. The aggregate sale consideration amounting to RM16.1 million.

**13. Changes in Contingent Liabilities**

	NOTE	The Group RM'000	The Company RM'000
Unsecured:-			
Bank guarantee granted to third parties for the benefit of a subsidiary		42,618	42,618
Corporate guarantee given to licensed banks and financial institutions for credit facilities granted to subsidiaries		-	40,505
Performance guarantee extended by subsidiaries to third parties		56,203	-
Claim for goods and services rendered	26(a)	1,072	-
		99,893	83,123

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

**14. Capital Commitment**

As at 30 September 2009, the Group had the following capital commitments:

	<b>RM'000</b>
Approved and not contracted for	-
Approved and contracted for	<u>582,461</u>

**15. Operating Lease Arrangements**

As at 30 September 2009, the Group has entered into operating lease agreements for the use of certain vessels, office, warehouse and apartment. The future aggregate minimum lease payments are as follows:

	<b>RM'000</b>
Not later than 1 year	99,053
Later than 1 year and not later than 5 years	378,443
Later than 5 years	<u>371,009</u>
	<u>848,505</u>

**16. Significant Related Party Transactions**

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

	<b>Quarter ended 30-Sept-09 RM'000</b>	<b>Quarter ended 30-Sept-08 RM'000</b>
i. Subsidiaries:		
Rental income from subsidiaries	85	85
Interest and finance charges from subsidiaries	2,369	1,377
Management fee from a subsidiary	405	405
Dividend income from subsidiaries	16,190	4,680
Handling fee charged by a subsidiary	155	-
ii. Legal fee paid to a Director of a subsidiary		
	<u>20</u>	<u>20</u>

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.

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

---

**16. Significant Related Party Transactions (Cont'd)**

b. Compensation of key management personnel

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

	<b>Quarter ended 30-Sept -09 RM'000</b>	<b>Quarter ended 30-Sept -08 RM'000</b>
Short-term employee benefits	1,853	2,410

**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 2009, the Group recorded a turnover of RM156.7 million, a decrease of 8.4% from RM171.1 million achieved in the third quarter of 2008. The profit before taxation in the current quarter has decreased from RM28.9 million in the third quarter of 2008 to a loss of RM2.9 million.

The decrease in turnover and profit before taxation is mainly attributed to:

- a. Lower vessels utilization and decrease in charter rates resulted from the slow down in regional drilling activities causing reduced charter opportunities, coupled with the increase of new offshore support vessels by other offshore marine competitors, have affected the continuance of contract renewal upon vessels expiry term's fixture in the current quarter.
- b. Fixed lease charter and higher mobilization cost due to new deliveries of vessels for the period.
- c. Lower margin contribution from top side major maintenance sector as a result of the delay in the delivery of vessels to service the planned projects, coupled with the incurrence of dry docking expenses and expenses related for the proposed acquisition of 3 new vessels.
- d. Foreign exchange losses of RM1.8 million due to weakening in USD and increase in operating expenses.

**18. Comparison with Immediate Preceding Quarter**

The Group achieved a turnover of RM156.7 million in the current quarter, a marginal decrease of 6% as compared to last quarter of RM166.3 million. The profit before taxation has decreased from RM21.2 million in the last quarter to loss of RM2.9 million in the current quarter.

The decrease in turnover and profit before taxation is mainly attributed to the abovementioned factors in note 17.

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

**19. Prospects**

**Marine Division**

The marine division performance for the current quarter is very much affected by the slow down in regional drilling activities and the increase of new offshore support vessels by other offshore marine competitors.

However, with the oil price stabilized between US\$70 to US\$80 per barrel, the Company expects the drilling activities to increase in the near future and hence improve the utilization of our fleets.

Meanwhile, the company is continuing its fleet renewal program. For the first three quarters of 2009, the group has taken delivery of 6 vessels and expected to take delivery of another 3 vessels for the last quarter of 2009. With the total 14 new vessels under the current fleet, we expect the utilization and operation efficiency will further improve in the coming quarter.

**Brownfield Division**

The prospects for the integrated brown field services look promising in the years ahead. Considering the increasing number of mature oil fields and aged platforms that require rejuvenation to extend their productive lives, there are ample growth opportunities for brown field services.

Barring any unforeseen circumstances, the Board of Directors is confident that the prospects of the Group remain positive and bright. While the Directors are optimistic on the future prospects, they are also aware of the adverse impact of the current global economic crisis. The Directors in preserving shareholders' value, will exercise extra prudence and caution in facing the challenging economic environment.

**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-09 RM'000</b>	<b>Corresponding Quarter Ended 30-Sept-08 RM'000</b>	<b>Current Year-to-date Ended 30-Sept-09 RM'000</b>	<b>Corresponding Year-to-date Ended 30-Sept-08 RM'000</b>
Current tax:				
Malaysian income tax	1,184	3,588	8,156	7,909
Foreign tax	3,376	476	4,343	565
	4,560	4,064	12,499	8,474
Under provision in previous year	414	-	12	-
	4,974	4,064	12,511	8,474
Deferred tax:				
Malaysian income tax	219	1,419	(463)	3,903
Total	5,193	5,483	12,048	12,377

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

---

**20. Taxation (Cont'd)**

The effective tax rate for current quarter and the financial 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.

Included in the current quarter and financial period to-date are withholding taxes arising from the foreign source income.

**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.

**23. Corporate Proposals**

There were no corporate proposals announced but not completed as of 9 November 2009, except for the followings:

- i) At the Annual General Meeting of the Company held on 25 June 2009, 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 disposal of 9 million PEB shares on 10 December 2007, there is a balance of 10.5 million PEB shares remaining mandated for divestment.
- ii) On 29 June 2009, PPB has announced the following:
  - a. Proposed disposal by Perdana Venus Limited (“PVL”), a wholly-owned subsidiary of PPB of a new offshore support vessel and a new work barge to Petra Innotech Sdn Bhd (“PISB”), a wholly-owned subsidiary of PEB, for a consideration of RM155 million.
  - b. Proposed novation of shipbuilding contract dated 3 September 2007 between Shin Yang Shipyard Sdn Bhd and PVL for the building and delivery of a new offshore support vessel by PVL to PISB for a consideration of RM58.4 million to be satisfied by cash.

Further to the above, an announcement was made on 25 September 2009 on the following agreements which had been entered into by PPB and Petra Teknik Sdn Bhd (“PTSB”), a wholly-owned subsidiary of PPB, to facilitate the registration of the Vessels in Malaysia pursuant to the requirements of the contract awarded by Sarawak Shell Berhad/Sabah Shell Petroleum Company Limited (“SHELL”) to PRSB, a wholly-owned subsidiary of PEB, for the hook-up, commissioning and major maintenance to SHELL for its offshore oil and gas facilities located in Sabah and Sarawak waters:

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

---

**23. Corporate Proposals (Cont'd)**

- a. Memorandum of Agreement between PTSB and PISB, in relation to the proposed acquisition of Petra Orbit ("Orbit MOA"). The Orbit MOA was entered into subsequent to the termination of the earlier MOA and deed of assignment entered into on 26 June 2009 between PVL and PISB for the proposed acquisition of Petra Orbit by PISB from PVL which was mutually agreed upon by PVL and PISB subject to the repayment to PISB of all payments made pursuant thereto with no costs and liability to each other;
- b. Memorandum of Agreement between PTSB and PISB in relation to the proposed acquisition of Petra Galaxy ("Galaxy MOA"). The Galaxy MOA was entered into subsequent to the termination of the novation agreement entered into on 26 June 2009 between PVL and PISB for the novation by PVL to PISB of such part of the Shin Yang Shipbuilding Contract for the building and delivery of Petra Galaxy which was mutually agreed upon by PVL and PISB with no cost and liability to each other; and
- c. Memorandum of Agreement between PTSB and PISB in relation to the proposed acquisition of Petra Endeavour ("Endeavour MOA"). The Endeavour MOA was entered into subsequent to the termination of the MOA and deed of assignment entered into on 26 June 2009 between PVL and PISB for the proposed acquisition of Petra Endeavour by PISB from PVL which was mutually agreed upon by PVL and PISB subject to repayment to PISB of all payments made pursuant thereto with no costs and liability to each other.

The proposed acquisition was approved by the shareholders at the EGM held on 9 November 2009.

**24. Borrowings**

Total Group's borrowings as at 30 September 2009 were as follows:

	<b>As at 30-Sept-09 RM'000</b>	<b>As at 31-Dec-08 RM'000</b>
<b>Secured borrowings</b>		
Short term	183,362	366,023
Long term	345,361	295,280
Total	<u>528,723</u>	<u>661,303</u>

Included in the short-term borrowings are:

- i. 2 series of RM35 million each Nominal Value Secured Serial Bonds which bear an interest rate of 5.90% and 6.10% p.a. repayable on 30 March 2010 and 30 September 2010 respectively.
- ii. RM15 million Syndicated Transferable Term Loan which bears an interest rate of 1.50% p.a. above the prevailing 1-month effective cost of funds and repayable on 12 March 2010.
- iii. RM15 million Medium Term Notes which bears an interest rate of 5.75% p. a. and repayable on 3 May 2010.

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

---

**24. Borrowings (Cont'd)**

Included in the long-term borrowings are:

- i. RM175 million Nominal Value Secured Serial Bonds and RM35 million Medium Term Notes. The borrowings bear an interest rate that ranges from 5.90% to 6.85% p.a.
- ii. RM135 million Syndicated Transferable Term Loan which bears interest of 1.75% to 2.25% above the prevailing 1-month effective cost of funds.

**25. Off Balance Sheet Financial Instruments**

**Foreign Currency Contracts**

The Group enters into forward foreign exchange contracts as a hedge for its confirmed sales and purchases in foreign currencies. The purpose of hedging is to protect the Group against unfavourable movements in exchange rate. Gains or losses from changes in the fair value of foreign currency contracts offset the corresponding losses or gains on the receivables and payables covered by the instrument and where the foreign exchange contracts are used to hedge against anticipated future transactions, gains and losses are not recognized until the transaction occurs.

As at 30 September 2009, the Group's outstanding foreign currency contracts were as follows:-

<b>Currency</b>	<b>Contract Amount '000</b>	<b>Equivalent Amount RM'000</b>
<u>Forward Contracts Sold</u>		
USD	1,500	5,333

These contracts are short term in nature and the majority are due to mature within the next two months.

There is minimal credit risk as these contracts are entered into with licensed financial institutions. There is no cash requirement for these instruments other than a minimal fee.

**26. Changes in Material Litigation**

The Group is not engaged in any material litigation as at 9 November 2009 except for the followings:

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.



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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2009**

**26. Changes in Material Litigation (Cont'd)**

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. Our counsel has closed the case on 5 October 2009 and the Judge has given directions for written submissions. The tentative date for the Judge's decision is on 26 November 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. Petra Resources Sdn Bhd ("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 4, 5 and 6 January 2010.

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 2009.

**28. (Loss)/Earnings Per Share**

**Weighted Average**

	<b>Current Quarter Ended 30-Sept-09 RM'000</b>	<b>Corresponding Quarter Ended 30-Sept-08 RM'000</b>	<b>Current Year-to-date Ended 30-Sept-09 RM'000</b>	<b>Corresponding Year-to-date Ended 30-Sept-08 RM'000</b>
Net (loss)/profit attributable to shareholders	(8,938)	19,376	25,267	56,634
Number of ordinary shares of RM0.50 each	297,600,000	297,600,000	297,600,000	297,600,000
Basic (loss)/earnings per ordinary share of RM0.50 each (sen)	(3.00)	6.51	8.49	19.03

**29. Authorisation for Issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 16 November 2009.