PERDANA PETROLEUM BERHAD

(formerly known as Petra Perdana Berhad)

(Company No. 372113 - A)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter Ended 30-Jun-11 RM'000	Corresponding Quarter Ended 30-Jun-10 RM'000	Current Year-to-date Ended 30-Jun-11 RM'000	Corresponding Year-to-date Ended 30-Jun-10 RM'000
Revenue	73,357	57,351	140,355	108,279
Cost of Sales	(62,052)	(73,263)	(131,584)	(124,719)
Gross Profit/(Loss)	11,305	(15,912)	8,771	(16,440)
Other income *	6,899	4,845	10,498	19,626
Operating expenses	(6,740)	(17,180)	(13,043)	(24,058)
Finance costs	(3,842)	(5,911)	(8,123)	(11,142)
Share of results in an associate	1,292	(689)	2,700	1,344
Profit/(Loss) before taxation	8,914	(34,847)	803	(30,670)
Income tax expense	(598)	1,778	(934)	1,229
Profit/(Loss) for the period	8,316	(33,069)	(131)	(29,441)
Other comprehensive income				
Foreign currency translation	450	(319)	(9,959)	(27,155)
Cash Flow Hedge	419	(1,185)	528	(1,185)
Total Comprehensive Income/(Expenses) for the period	9,185	(34,573)	(9,562)	(57,781)
Profit/(Loss) for the period				
Attributable to:				
Equity holders of the Company	8,374	(32,979)	10	(29,380)
Non-controlling interest	(58)	(90)	(141)	(61)
	8,316	(33,069)	(131)	(29,441)
Total Comprehensive Income/(Expenses) for the period				
Attributable to:				
Equity holders of the Company	9,080	(34,440)	(9,582)	(57,665)
Non-controlling interest	105	(133)	20	(116)
	9,185	(34,573)	(9,562)	(57,781)
Earnings/(Loss) per share of RM0.50 each (Sen)				
a) Basic (based on weighted average)	1.86	(11.08)	0.00	(9.87)
b) Fully diluted	1.64	N/A	N/A	N/A

** Included in other income for the current quarter and financial period-todate ended 30 June 2011 are accretion of refundable deposits of RM5.6 million and RM6.7 million respectively.*

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010)

PERDANA PETROLEUM BERHAD

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) 30-Jun-11 RM'000	(Audited) 31-Dec-10 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	458,883	400,934
Investment in an associate	90,832	88,420
Intangible assets	27,507	27,507
Refundable deposits	82,587	90,930
Deferred tax assets	46	46
	659,855	607,837
CURRENT ASSETS		
Inventories	6,145	6,908
Trade receivables	53,474	46,019
Other receivables, deposits and prepayments	38,560	53,274
Amount owing by related parties	38,087	36,614
Tax recoverable	3,781	3,758
Derivative financial asset	330	-
Fixed deposits with licensed banks	42,631	51,188
Cash and bank balances	15,843	18,293
	198,851	216,054
TOTAL ASSETS	858,706	823,891
EQUITY AND LIABILITIES		
EQUITY		
Share capital	225,060	225,060
Reserves	269,241	278,975
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	494,301	504,035
NON-CONTROLLING INTEREST	237	217
TOTAL EQUITY	494,538	504,252
NON-CURRENT LIABILITIES		
Deferred taxation	4,048	4,048
Long-term borrowings	151,156	146,088
Derivative liability	3,462	3,070
Other payables	260	260
	158,926	153,466
CURRENT LIABILITIES		
Trade payables	55,926	36,186
Other payables and accruals	31,853	30,286
Amount owing to related parties	33	33
Short-term borrowings	116,560	98,808
Provision for taxation	870	860
	205,242	166,173
TOTAL LIABILITIES	364,168	319,639
TOTAL EQUITY AND LIABILITIES	858,706	823,891
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	1.10	1.12

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010)

PERDANA PETROLEUM BERHAD

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30-Jun-11 RM'000	30-Jun-10 RM'000
Cash flow from/(for) operating activities		
Profit/(Loss) before taxation	803	(30,670)
Adjustments for:		
Depreciation of property, plant and equipment	16,611	17,896
Gain on disposal of property, plant and equipment	(1,091)	(2,021)
Gain on disposal of non-current asset classified as held for sale	-	(8,316)
Unrealised gain on foreign exchange	(1,376)	(3,645)
Share of results in an associate	(2,700)	(1,344)
Interest expense	7,659	9,926
Fair value adjustment on borrowings	-	115
Fair value (gain)/loss on derivative financial instruments	(330)	91
Property, plant and equipment written off	1	-
Accretion of refundable deposits	(6,692)	7,921
Interest income	(419)	(2,468)
Provision for retirement contributions	-	23
Operating profit/(loss) before working capital changes	12,466	(12,492)
Decrease/(Increase) in inventories	774	(1,987)
Decrease in trade and other receivables	7,092	4,362
Net decrease in amount owing by related parties	23	(8,648)
Increase/(Decrease) in trade and other payables	20,555	(45,126)
Net cash from/(for) operations	40,910	(63,891)
Tax paid	(969)	(1,309)
Tax refund	-	1,336
Net cash from/(for) operating activities	39,941	(63,864)
Cash flow (for)/from investing activities		
Charterer deposits refunded/(paid)	13,205	(42,535)
Purchase of property, plant and equipment	(103,563)	(176,665)
Proceeds from disposal of property, plant and equipment	25,562	140,378
Proceeds from disposal of non-current asset classified as held for sale	-	94,501
Repayment from associate	-	3,249
Repayment (to)/from related parties	(1,548)	7,913
Interest received	419	2,468
Withdrawal of fixed deposits	3,007	119,391
Net cash (for)/from investing activities	(62,918)	148,700

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30-Jun-11 RM'000	30-Jun-10 RM'000
Cash flow from/(for) financing activities		
Drawdown of bank borrowings	74,793	71,408
Repayment of bank borrowings	(51,923)	(173,000)
Share issue expenses	(152)	-
Repayment of hire purchase obligations	(38)	(9)
Interest paid	(7,659)	(9,926)
Repayment from/(to) related parties	20	(203)
Net cash from/(for) financing activities	15,041	(111,730)
Net change in cash and cash equivalents	(7,936)	(26,894)
Effect of foreign exchange translation	(64)	(513)
Cash and cash equivalents at beginning of the financial period	37,943	35,419
Cash and cash equivalents at end of the financial period	29,943	8,012
Cash and cash equivalents		
Fixed deposits with licensed banks	42,631	26,657
Cash and bank balances	15,843	6,270
	58,474	32,927
Less: Fixed deposits pledged as security	(28,531)	(24,915)
	29,943	8,012

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010)

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Capital Redemption Reserve RM'000	Cash Flow Hedge Reserve RM'000	Other Capital Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non-Controlling Interest RM'000	Total Equity RM'000
Financial period ended 31 December 2011											
As at 1 January 2011	225,060	82,892	11,048	-	(1,311)	2,127	(56,579)	240,798	504,035	217	504,252
Share issue expenses	-	(152)	-	-	-	-	-	-	(152)	-	(152)
Total comprehensive income for the period	-	-	-	-	528	-	(10,120)	10	(9,582)	20	(9,562)
Balance as at 30 June 2011	225,060	82,740	11,048	-	(783)	2,127	(66,699)	240,808	494,301	237	494,538
Financial year ended 31 December 2010											
As at 1 January 2010, as previously stated	148,800	60,377	-	2,127	-	-	56	352,309	563,669	580	564,249
Effect of adopting FRS 139	-	-	-	-	-	-	-	(35,045)	(35,045)	-	(35,045)
As at 1 January 2010, as restated	148,800	60,377	-	2,127	-	-	56	317,264	528,624	580	529,204
Amendment of Labuan Companies Act 1990 on share capital	-	-	-	(2,127)	-	2,127	-	-	-	-	-
Issuance of ordinary shares under private placement	14,880	24,403	-	-	-	-	-	-	39,283	-	39,283
Issuance of ordinary shares under rights issue	61,380	-	11,048	-	-	-	-	-	72,428	-	72,428
Share issue expenses	-	(1,888)	-	-	-	-	-	-	(1,888)	-	(1,888)
Total comprehensive income for the year	-	-	-	-	(1,311)	-	(56,635)	(72,002)	(129,948)	(363)	(130,311)
Dividend	-	-	-	-	-	-	-	(4,464)	(4,464)	-	(4,464)
Balance as at 31 December 2010	225,060	82,892	11,048	-	(1,311)	2,127	(56,579)	240,798	504,035	217	504,252

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2010)

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 financial year ended 31 December 2010. 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 2010.

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 2010 except for the adoption of the following new accounting standards and interpretations (including the consequential amendments) effective for annual periods beginning on or after 1 July 2010 as disclosed below:

FRSs and IC Interpretations (Including the Consequential Amendments)

FRS 1 (Revised) First-time Adoption of Financial Reporting Standards

FRS 3 (Revised) Business Combinations

FRS 127 (Revised) Consolidated and Separate Financial Statements

Amendments to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters

Amendments to FRS 1: Additional Exemptions for First-time Adopters

Amendments to FRS 2: Scope of FRS 2 and FRS 3 (Revised)

Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions

Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRS 138: Consequential Amendments Arising from FRS 3(Revised)

Amendments to IC Interpretation 9: Scope of IC Interpretation 9 and FRS 3 (Revised)

IC Interpretation 4 Determining Whether An Arrangement Contains a Lease

2. Changes in Accounting Policies (Cont'd)

FRSs and IC Interpretations (Including the Consequential Amendments)

IC Interpretation 12 Service Concession Arrangements

IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17 Distributions of Non-cash Assets to Owners

IC Interpretation 18 Transfers of Assets from Customers

Annual Improvements to FRSs (2010)

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

(i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial period but may impact the accounting for future transactions or arrangements.

(ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the non-controlling interest to be absorbed by the non-controlling interest instead of by the parent. The Group will apply the major changes of FRS 127 (Revised) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial period but may impact the accounting of its future transactions or arrangements.

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:

FRSs/IC Interpretations (including the Consequential Amendments)

FRS 124 (Revised) Related Party Disclosures

Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

IC Interpretation 15 Agreements for the Construction of Real Estate

IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments

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 Items

There are no unusual 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.

7. Issuance and Repayment of Debts and Equity Securities

There have been no issuance, 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.

9. Segmental Information

Business Segment - Quarter

Current Quarter Ended 30 June 2011	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	73,357	-	-	73,357
Inter-segment revenue	-	39	(39)	-
	73,357	39	(39)	73,357
Results				
Segment results	14,024	(2,557)	(3)	11,464
Finance costs	(895)	(2,947)	-	(3,842)
	13,129	(5,504)	(3)	7,622
Share of results in an associate				1,292
Profit before taxation				8,914

Corresponding Quarter Ended 30 June 2010	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	57,351	-	-	57,351
Inter-segment revenue	-	10,365	(10,365)	-
	57,351	10,365	(10,365)	57,351
Results				
Segment results	(16,720)	8,103	(19,630)	(28,247)
Finance costs	(445)	(5,111)	(355)	(5,911)
	(17,165)	2,992	(19,985)	(34,158)
Share of results in an associate				(689)
Loss before taxation				(34,847)

Business Segment – Year-to-date

Current Year-to-date Ended 30 June 2011	**Marine Offshore Support Services RM'000**	**Investment Holding RM'000**	**Elimination RM'000**	**Group RM'000**
Revenue				
External revenue	140,355	-	-	140,355
Inter-segment revenue	-	79	(79)	-
	140,355	79	(79)	140,355
Results				
Segment results	9,275	(4,800)	1,751	6,226
Finance costs	(1,634)	(6,489)	-	(8,123)
	7,641	(11,289)	1,751	(1,897)
Share of results in an associate				2,700
Profit before taxation				803

Corresponding Year-to-date Ended 30 June 2010	**Marine Offshore Support Services RM'000**	**Investment Holding RM'000**	**Elimination RM'000**	**Group RM'000**
Revenue				
External revenue	108,279	-	-	108,279
Inter-segment revenue	-	10,405	(10,405)	-
	108,279	10,405	(10,405)	108,279
Results				
Segment results	(13,483)	7,630	(15,019)	(20,872)
Finance costs	(642)	(10,767)	267	(11,142)
	(14,125)	(3,137)	(14,752)	(32,014)
Share of results in an associate				1,344
Loss before taxation				(30,670)

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.

11. Material Events Subsequent to the reporting period

There were no material events subsequent to the end of the interim period reported which have not been reflected in the financial statements except on 12 July 2011, Perdana Mercury Limited had mutually agreed to terminate the bareboat charter arrangement with Mount Tahan LLC (“Mount Tahan”) on the anchor handling tug & supply (AHTS) vessel, “Petra Admiral” (“the AHTS Vessel”) as well as the option to purchase the AHTS Vessel at agreed times with Mount Tahan.

12. Changes in Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 30 June 2011 including business combination, acquisition or disposal of subsidiary and long-term investments, restructuring and discontinuing operation.

13. Changes in Contingent Liabilities

	Group RM'000	Company RM'000
Unsecured:-		
Bank guarantee granted to third parties for the benefit of a subsidiary	2,448	2,448
Corporate guarantee given to licensed banks and financial institutions for credit facilities granted to related parties	9,512	9,512
Bank guarantee extended by subsidiaries to third parties	5	-
	11,965	11,960

14. Capital Commitment

As at 30 June 2011, the Group had the following capital commitments:

	RM'000
Approved and not contracted for	-
Approved and contracted for	70,658

15. Operating Lease Arrangements

As at 30 June 2011, the Group has entered into operating lease agreements for the use of certain vessels, office and warehouse. The future aggregate minimum lease payments are as follows:

	RM'000
Not later than 1 year	73,605
Later than 1 year and not later than 5 years	254,660
Later than 5 years	118,817
	447,082

16. Significant Related Party Transactions

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

	Quarter ended 30-June-11 RM'000	**Quarter ended 30-June-10 RM'000**
i. Subsidiaries:		
Rental income from subsidiaries	40	40
Interest and finance charges from subsidiaries	-	177
Dividend income from a subsidiary	-	10,325
Handling fee charged by a subsidiary	64	64
Secondment fee charged by a subsidiary	-	110
		-
ii. Related parties:		
Charter income from related parties	25,534	21,944
Interest and finance charges from an associate	-	857
Dividend income from an associate	288	577

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 30-June-11 RM'000	**Quarter ended 30-June-10 RM'000**
Short-term employee benefits	1,267	1,295

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 2011, the Group recorded a turnover of RM73.3 million, an increase of 28% from RM57.4 million in the second quarter of 2010 with improvement in vessels utilisation and charter rates. The higher turnover has enabled the Group to register a profit before taxation of RM8.9 million in the current quarter, as compared to loss of RM34.9 million in the same quarter last year.

The profit before taxation turnaround is mainly attributed to:

a. Higher operating profit corresponding to the better vessel utilization and charter rates.

b. Accretion of refundable deposit of RM5.6 million which mainly resulted from termination of vessels under sales and leaseback arrangement, as compared to impairment loss of charter deposits of RM8.7 million in second quarter of 2010.

c. High mobilisation cost due to new deliveries of vessels and high repair and maintenance cost for old vessels in second quarter of 2010.

18. Comparison with Immediate Preceding Quarter

The Group achieved a turnover of RM73.3 million in the current quarter, an increase of 9% as compared to last quarter of RM67.0 million. The company recorded a profit before taxation of RM8.9 million in the current quarter, as compared to loss of RM8.1 million in last quarter.

The increase in turnover is mainly due to improvement in vessels utilization and charter rates.

The improvement in profit before taxation is mainly due to:

a. Higher operating profits due to improvement in utilization and charter rates.

b. Gain on vessel’s disposal of RM1.2 million.

c. Accretion of refundable deposit of RM4.6 million on termination of vessels under sales and leaseback arrangement.

19. Prospects

The increase in demand within the region and the pull of lucrative external markets on competition especially for medium-to-deepwater capable AHTS, are fair reasons for us to be cautiously optimistic that the rise in AHTS charter rates seen in 2011 is set to continue. The much smaller number of deliveries into the global market for our range of mid-class AHTS expected within 2011 and 2012 -- as a result of later constructions after the financial meltdown of late 2008 had dried up new orders -- makes for a comforting scenario moving forward. Our lower construction cost compared to any newer deliveries and even new orders would put the Group's new-built AHTS fleet in a more competitive position. The commercial advantage of our AHTS would be much bigger relative to new constructions, as the new regulations coming into effect in 2011 will push up construction costs.

Viewed in that light, we believe that we are poised to see charter rates move in earnest in the second half of 2011 as more mid-size vessels are absorbed into work regionally while a significant number would move out to fulfill greater demands in high-activity areas such as West Africa and Brazil.

As at to-date, all of our new-built assets are already in place except for one new work barge expected for delivery in the second half of 2011. The 11 new-built vessels in our fleet are on charter. Our focus will be to strive for longer-term charters for this fleet.

With our new-built fleet targeting on long-term chartering and on the markets we have firmly established within the region, its utilisation rate is definitely trending upwards. A utilisation rate in excess of 80% seems achievable by the second half of the year in a rising rate regime for mid-size AHTS, which is more limited in supply relative to smaller AHTS and more in demand relative to much larger AHTS. This provides us the indication that AHTS charter rates for our segment of 10,000 BHP to 12,000 BHP will be more than on the mend to boost the business segment's top and bottom lines in 2012.

Our new-built work barges and work boats, we believe, will continue to provide the longer-term charter buffer and stability that we need, albeit with slightly lower charter rates relative to previous highs with more competition. We have and will continue to leverage on our strong track record with mainly repeat major customers in the region.

The Board is cautiously optimistic that 2011 will be a turnaround year for us, with the improvement in utilization and charter rates, and without the burden of FY2010's massive one-off mobilisation costs and the write-down impact of implementing FRS 139 accounting standards, the large chunk of last year's losses will be absent this year.

The Board is of the view that the Group's offshore marine business will see an improvement in performance in the coming years.

20. Taxation

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

	Current Quarter Ended 30-June-11 RM'000	Corresponding Quarter Ended 30-June-10 RM'000	Current Year-to-date Ended 30-June-11 RM'000	Corresponding Year-to-date Ended 30-June-10 RM'000
Current tax:				
Malaysian income tax	(68)	(2,235)	21	(1,908)
Foreign tax	666	455	913	677
	598	(1,780)	934	(1,231)
(Over)/under provision in previous year	-	2	-	2
Total	598	(1,778)	934	(1,229)

The effective tax rate for current quarter is lower than the statutory tax rate principally due to lower statutory tax rates, utilisation of unabsorbed capital allowances in subsidiary companies and income not subject to tax for offshore subsidiary companies. However, the effective tax rate for the financial period to-date is higher than the statutory tax rate mainly due to the losses which cannot be set-off against taxable profits made by subsidiaries.

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

As at 25 July 2011, the proposed utilization from the total proceeds of RM39.28 million from Private Placement were fully utilised with the remaining proposed utilization of RM19.20 million being utilised for taking delivery of a vessel.

24. Borrowings

Total Group's borrowings as at 30 June 2011 were as follows:

	As at 30-June-11 RM'000	As at 31-Dec-10 RM'000
Secured borrowings		
Short term	116,560	98,808
Long term	151,156	146,088
Total	267,716	244,896

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 6.55% and 6.65% p.a. repayable on 30 September 2011 and 30 March 2012 respectively.

ii. RM10 million Medium Term Notes which bears an interest rate of 6.30% p. a. and repayable on 3 November 2011.

iii. RM4.2 million of Commodity Muharabah Term Loan bears an interest rate of 5.58% which repayable within 12 months.

iv. RM25 million of revolving credit bears an interest rate of 2% p.a. above cost of funds.

v. RM7.2 million of Term Loan bears an interest rate of base rate plus 4.35% which repayable within 12 months.

Included in the long-term borrowings are:

i. 2 series of RM35 million each Nominal Value Secured Serial Bonds which bear an interest rate of 6.75% and 6.85% p.a. repayable on 28 September 2012 and 29 March 2013 respectively.

ii. RM37.6 million of Commodity Muharabah Term Loan bears an interest rate of 5.58% p.a.

iii. RM43.5 million of Term Loan bears an interest rate of base rate plus 4.35%.

25. 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 recognised until the transaction occurs.

As at 30 June 2011, the Group's outstanding foreign currency contracts were as follows:

Currency	Contract Amount '000	Notional Value RM'000	Fair Value RM'000	Gain/(Loss) arising from fair value changes RM'000
Forex Option Contract				
USD - sell	12,500	38,165	38,495	330

These contracts are short term in nature and the majority is due to mature within the next six 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 11 August 2011 except for the followings:

i) On 22 June 2011, the Company has filed a suit in the High Court against Tengku Dato' Ibrahim Petra bin Tengku Indra Petra, Wong Fook Heng, Tiong Young Kong, Lee Mee Jiong, TA Securities Holdings Berhad, Yap Hock Heng and TA First Credit Sdn Bhd ("Parties") to claim for losses and damages suffered by the Company in respect of, inter alia, the divestment of 10,500,000 ordinary shares of RM0.50 each in Petra Energy Berhad (PEB) by PPB to the Parties on 10 September 2009 and the divestment of 48,800,000 ordinary shares of RM0.50 each in PEB by PPB as conducted by the TA Securities Holdings Berhad and Yap Hock Heng on 11 December 2009. The Suit is based upon, inter alia, breach of fiduciary duties and/or statutory duties and/or duty of care and/or trust obligations. The Company also alleges that the divestments of the shares were not bona fide and/or in the interest of the Company.

27. Dividends

There was no dividend proposed in respect of the current quarter ended 30 June 2011.

28. Earnings/(Loss) Per Share

a.) Basic

	Current Quarter Ended 30-June-11	Corresponding Quarter Ended 30-June-10	Current Year-to-date Ended 30-June-11	Corresponding Year-to-date Ended 30-June-10
Net profit/(loss) attributable to shareholders (RM'000)	8,374	(32,979)	10	(29,380)
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	450,120,000	297,600,000	450,120,000	297,600,000
Basic earnings/(loss) per ordinary share of RM0.50 each (Sen)	1.86	(11.08)	0.00	(9.87)

b.) Diluted

	Current Quarter Ended 30-June-11	Corresponding Quarter Ended 30-June-10	Current Year-to-date Ended 30-June-11	Corresponding Year-to-date Ended 30-June-10
Net profit/(loss) attributable to shareholders (RM'000)	8,374	(32,979)	10	(29,380)
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	450,120,000	297,600,000	450,120,000	297,600,000
Effects of outstanding warrants	61,379,785	-	61,379,785	-
Adjusted number of ordinary shares for calculating diluted earnings per ordinary share	511,499,785	297,600,000	511,499,785	297,600,000
Diluted earnings per ordinary share of RM0.50 each (Sen)	1.64	*N/A	*N/A	*N/A

* Diluted loss per share was not presented as there is an anti-dilutive effect arising from the assumed conversion of the Warrants.

29. Disclosure of Realised and Unrealised Profits

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraph 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group into realised and unrealised profits, pursuant to the directive, is as follows:

	As at 30 June 2011 RM'000	As at 31 Dec 2010 RM'000
Total retained profits of the Group:		
- Realised	158,267	189,677
- Unrealised	(9,091)	(29,406)
	149,176	160,271
Total share of retained profits from associate		
- Realised	63,059	60,508
- Unrealised	(7,786)	(7,935)
	204,449	212,844
Less: Consolidation adjustments	36,358	27,954
Total retained profits as per statement of financial position	240,807	240,789

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.