

**PERDANA PETROLEUM BERHAD**

(Company No. 372113 - A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Current Quarter Ended 30-Sept-12 RM'000</b>	<b>Corresponding Quarter Ended 30-Sept-11 RM'000</b>	<b>Current Year-to-date Ended 30-Sept-12 RM'000</b>	<b>Corresponding Year-to-date Ended 30-Sept-11 RM'000</b>
Revenue	74,625	59,269	195,345	199,624
Cost of Sales	(47,661)	(65,117)	(155,164)	(196,701)
Gross Profit/(Loss)	<u>26,964</u>	<u>(5,848)</u>	<u>40,181</u>	<u>2,923</u>
Other income	5,333	4,331	10,282	14,829
Operating expenses	(10,673)	(6,495)	(26,746)	(19,538)
Finance costs	(5,490)	(6,276)	(14,651)	(14,399)
Share of results in an associate	-	(4,049)	4,373	(1,349)
Profit/(Loss) before taxation	<u>16,134</u>	<u>(18,337)</u>	<u>13,439</u>	<u>(17,534)</u>
Income tax expense	(811)	821	(1,150)	(113)
<b>Profit/(Loss) for the period</b>	<u>15,323</u>	<u>(17,516)</u>	<u>12,289</u>	<u>(17,647)</u>
<i>Other comprehensive income</i>				
<i>Foreign currency translation</i>	(11,836)	18,871	(9,163)	8,912
<i>Cash Flow Hedge</i>	452	(1,414)	929	(886)
<b>Total Comprehensive Expenses for the period</b>	<u>3,939</u>	<u>(59)</u>	<u>4,055</u>	<u>(9,621)</u>
<b>Profit/(Loss) for the period</b>				
Attributable to:				
Equity holders of the Company	15,225	(17,420)	12,147	(17,410)
Non-controlling interest	98	(96)	142	(237)
	<u>15,323</u>	<u>(17,516)</u>	<u>12,289</u>	<u>(17,647)</u>
<b>Total Comprehensive Expenses for the period</b>				
Attributable to:				
<i>Equity holders of the Company</i>	3,827	435	3,900	(9,147)
<i>Non-controlling interest</i>	112	(494)	155	(474)
	<u>3,939</u>	<u>(59)</u>	<u>4,055</u>	<u>(9,621)</u>
<b>Earnings/(Loss) per share of RM0.50 each (Sen)</b>				
a) Basic (based on weighted average)	3.07	(3.87)	2.45	(3.87)
b) Fully diluted	2.74	N/A	2.18	N/A

**(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011)**

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>(Unaudited) 30-Sept-12 RM'000</b>	<b>(Audited) 31-Dec-11 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	443,582	428,075
Investment in an associate	-	90,095
Intangible assets	27,507	27,507
Refundable deposits	107,098	95,724
Deferred tax assets	46	46
	<u>578,233</u>	<u>641,447</u>
<b>CURRENT ASSETS</b>		
Inventories	3,312	3,937
Trade receivables	75,803	59,101
Other receivables, deposits and prepayments	28,952	23,118
Tax recoverable	3,503	3,361
Fixed deposits with licensed banks	16,872	44,221
Cash and bank balances	12,625	22,791
	<u>141,067</u>	<u>156,529</u>
Non-current asset classified as held for sale	38,344	12,255
	<u>179,411</u>	<u>168,784</u>
<b>TOTAL ASSETS</b>	<u>757,644</u>	<u>810,231</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	247,566	247,566
Reserves	226,745	222,845
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	474,311	470,411
<b>NON-CONTROLLING INTEREST</b>	(63)	(218)
<b>TOTAL EQUITY</b>	<u>474,248</u>	<u>470,193</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred taxation	2,508	2,507
Long-term borrowings	175,935	174,853
Derivative liability	2,766	2,449
Other payables	260	260
	<u>181,469</u>	<u>180,069</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	28,582	34,110
Other payables	23,811	25,547
Short-term borrowings	48,968	99,539
Provision for taxation	566	773
	<u>101,927</u>	<u>159,969</u>
<b>TOTAL LIABILITIES</b>	<u>283,396</u>	<u>340,038</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>757,644</u>	<u>810,231</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>		
	0.96	0.95

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2011)

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>30-Sept-12</b>	<b>30-Sept-11</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from operating activities</b>		
Profit/(Loss) before taxation	13,439	(17,534)
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	18,961	26,210
Impairment loss on refundable deposits	981	-
Interest expense	13,801	12,472
Property, plant and equipment written off	-	93
Loss/(Gain) on disposal of property, plant and equipment	2,246	(1,036)
Unrealised loss/(gain) on foreign exchange	1,216	(918)
Accretion of refundable deposits	(3,709)	(11,353)
Gain on disposal of an associate	(379)	-
Gain on disposal of non-current asset classified as held for sale	(200)	-
Interest income	(605)	(900)
Share of results in an associate	(4,373)	1,349
Operating profit before working capital changes	<u>41,378</u>	<u>8,383</u>
Decrease in inventories	595	2,277
(Increase)/Decrease in trade and other receivables	(22,836)	27,536
(Decrease)/Increase in trade and other payables	(7,370)	272
Net cash from operations	<u>11,767</u>	<u>38,468</u>
Tax paid	<u>(1,503)</u>	<u>(1,292)</u>
Net cash from operating activities	<u>10,264</u>	<u>37,176</u>
<b>Cash flow from/(for) investing activities</b>		
Charterer deposits refunded	-	23,890
Interest received	605	900
Dividend received from an associate	-	288
Proceeds from disposal of an associate	94,558	-
Proceeds from disposal of property, plant and equipment	621	26,509
Proceeds from disposal of non-current asset classified as held for sale	5,314	-
Purchase of property, plant and equipment	(77,584)	(126,498)
Withdrawal of fixed deposits	24,177	21,648
Net cash from/(for) investing activities	<u>47,691</u>	<u>(53,263)</u>

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(Company No. 372113 - A)

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>30-Sept-12</b>	<b>30-Sept-11</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow (for)/from financing activities</b>		
Drawdown of bank borrowings	76,430	147,396
Interest paid	(13,801)	(12,472)
Repayment of bank borrowings	(121,898)	(112,885)
Repayment of hire purchase obligations	(60)	(56)
Security deposits paid	(11,856)	-
Share issue expenses	-	(151)
Net cash (for)/from financing activities	<u>(71,185)</u>	<u>21,832</u>
Net change in cash and cash equivalents	(13,230)	5,745
Effect of foreign exchange translation	(108)	278
Cash and cash equivalents at beginning of the financial period	<u>40,271</u>	<u>37,943</u>
Cash and cash equivalents at end of the financial period	<u>26,933</u>	<u>43,966</u>
<b>Cash and cash equivalents</b>		
Fixed deposits with licensed banks	16,872	38,828
Cash and bank balances	<u>12,625</u>	<u>15,028</u>
	29,497	53,856
Less: Fixed deposits pledged as security	<u>(2,564)</u>	<u>(9,890)</u>
	<u>26,933</u>	<u>43,966</u>

**(The Condensed Consolidated Statement of Cash Flows should be read in conjunction  
with the Annual Financial Report for the financial year ended 31 December 2011)**

**PERDANA PETROLEUM BERHAD**

(Company No. 372113 - A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2012****CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Share Capital RM'000	Share Premium RM'000	Warrant 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
<b>Financial period ended 31 December 2012</b>										
As at 1 January 2012	247,566	92,130	11,048	(1,913)	2,127	(56,438)	175,891	470,411	(218)	470,193
Total comprehensive expenses for the period	-	-	-	929	-	(9,176)	12,147	3,900	155	4,055
<b>Balance as at 30 September 2012</b>	<b>247,566</b>	<b>92,130</b>	<b>11,048</b>	<b>(984)</b>	<b>2,127</b>	<b>(65,614)</b>	<b>188,038</b>	<b>474,311</b>	<b>(63)</b>	<b>474,248</b>
<b>Financial year ended 31 December 2011</b>										
As at 1 January 2011, as previously stated	225,060	82,892	11,048	(1,311)	2,127	(56,579)	240,798	504,035	217	504,252
Prior year adjustment	-	-	-	-	-	-	4,264	4,264	-	4,264
As at 1 January 2011, as restated	225,060	82,892	11,048	(1,311)	2,127	(56,579)	245,062	508,299	217	508,516
Issuance of ordinary shares under private placement	22,506	9,452	-	-	-	-	-	31,958	-	31,958
Share issue expenses	-	(214)	-	-	-	-	-	(214)	-	(214)
Total comprehensive expenses for the year	-	-	-	(602)	-	141	(69,171)	(69,632)	(435)	(70,067)
<b>Balance as at 31 December 2011</b>	<b>247,566</b>	<b>92,130</b>	<b>11,048</b>	<b>(1,913)</b>	<b>2,127</b>	<b>(56,438)</b>	<b>175,891</b>	<b>470,411</b>	<b>(218)</b>	<b>470,193</b>

(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 2011)

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(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. Basis of Preparation**

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 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 2011. 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 2011.

The Group has adopted the MFRS framework and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards for the first time in these interim financial statements. The transition to MFRS framework does not have any material financial impact to the financial statements of the Group.

**2. Changes in Accounting Policies**

At the date of authorisation of the interim financial statements, the following MFRSs, Amendments to MFRS and IC Interpretation were issued but not yet effective and have not been applied by the Group.

**MFRSs, Amendments to MFRS and IC Interpretation issued but not yet effective**

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 Employee Benefits

MFRS 127 Separate Financial Statements

MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

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(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

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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 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.

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

**9. Segmental Information**

**Business Segment - Quarter**

<i>Current Quarter Ended 30 September 2012</i>	<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	74,625	-	-	74,625
Inter-segment revenue	-	382	(382)	-
	<u>74,625</u>	<u>382</u>	<u>(382)</u>	<u>74,625</u>
<b>Results</b>				
Segment results	23,270	74,683	(76,329)	21,624
Finance costs	(2,442)	(3,048)	-	(5,490)
	<u>20,828</u>	<u>71,635</u>	<u>(76,329)</u>	<u>16,134</u>
Share of results in an associate				-
<b>Profit before taxation</b>				<u>16,134</u>
<i>Corresponding Quarter Ended 30 September 2011</i>	<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	59,269	-	-	59,269
Inter-segment revenue	-	328	(328)	-
	<u>59,269</u>	<u>328</u>	<u>(328)</u>	<u>59,269</u>
<b>Results</b>				
Segment results	(6,244)	(1,644)	(124)	(8,012)
Finance costs	(3,545)	(2,731)	-	(6,276)
	<u>(9,789)</u>	<u>(4,375)</u>	<u>(124)</u>	<u>(14,288)</u>
Share of results in an associate				(4,049)
<b>Loss before taxation</b>				<u>(18,337)</u>



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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

**9. Segmental Information (Cont'd)**

**Business Segment – Year-to-date**

<i>Current Year-to-date Ended 30 September 2012</i>	<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	195,345	-	-	195,345
Inter-segment revenue	-	586	(586)	-
	<u>195,345</u>	<u>586</u>	<u>(586)</u>	<u>195,345</u>
<b>Results</b>				
Segment results	30,600	69,573	(76,456)	23,717
Finance costs	(7,785)	(6,866)	-	(14,651)
	<u>22,815</u>	<u>62,707</u>	<u>(76,456)</u>	<u>9,066</u>
Share of results in an associate				<u>4,373</u>
<b>Profit before taxation</b>				<u><u>13,439</u></u>
<i>Corresponding Year-to-date Ended 30 September 2011</i>	<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	199,624	-	-	199,624
Inter-segment revenue	-	407	(407)	-
	<u>199,624</u>	<u>407</u>	<u>(407)</u>	<u>199,624</u>
<b>Results</b>				
Segment results	3,031	(6,444)	1,627	(1,786)
Finance costs	(5,179)	(9,220)	-	(14,399)
	<u>(2,148)</u>	<u>(15,664)</u>	<u>1,627</u>	<u>(16,185)</u>
Share of results in an associate				<u>(1,349)</u>
<b>Loss before taxation</b>				<u><u>(17,534)</u></u>

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

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**10. 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 19 October 2012, Petra Marine Australia Pty Ltd (“PMA”), a 55% subsidiary of the Company which is incorporated in Australia, will be wound up by way of members’ voluntary winding-up. PMA which provides marine support services for the oil and gas industry has ceased business on February 2011.

**11. Changes in Composition of the Group**

There were no changes in the composition of the Group for the current quarter ended 30 September 2012 including business combination, acquisition or disposal of subsidiary and long-term investments, restructuring and discontinuing operation except on 3 September 2012, the Company announced that the divestment of 26.9% equity interest in Petra Energy Berhad has been completed.

**12. Changes in Contingent Liabilities**

	<b>Group RM'000</b>	<b>Company RM'000</b>
<u>Unsecured:-</u>		
Bank guarantee granted to third parties for the benefit of a subsidiary	715	715
Corporate guarantee given to licensed banks and financial institutions for credit facilities granted to a third party	9,740	9,740
Bank guarantee extended by subsidiaries to third parties	5	-
	<u>10,460</u>	<u>10,455</u>

**13. Capital Commitment**

As at 30 September 2012, the Group had the following capital commitments:

	<b>RM'000</b>
Approved and not contracted for	-
Approved and contracted for	<u>177,915</u>

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

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**14. Operating Lease Arrangements**

As at 30 September 2012, 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:

	<b>RM'000</b>
Not later than 1 year	71,320
Later than 1 year and not later than 5 years	233,904
Later than 5 years	59,118
	<u>364,342</u>

**15. Significant Related Party Transactions**

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

	<b>Quarter ended 30-Sept-12 RM'000</b>	<b>Quarter ended 30-Sept-11 RM'000</b>
Subsidiaries:		
Rental income from subsidiaries	93	40
Handling fee charged by a subsidiary	-	65
	<u>          </u>	<u>          </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.

- b. Compensation of key management personnel

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

	<b>Quarter ended 30-Sept-12 RM'000</b>	<b>Quarter ended 30-Sept-11 RM'000</b>
Short-term employee benefits	1,468	1,536
	<u>          </u>	<u>          </u>

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

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

**16. Review of Performance**

For the current quarter ended 30 Sept 2012, the Group recorded a turnover of RM74.6 million, an increase of 26% from RM59.3 million posted in the third quarter of year 2011. The increase is mainly due to improvement in vessel utilization and charter rates in the current quarter.

The Group registered a profit before taxation of RM16.1 million in the current quarter, as compared to a loss of RM18.3 million in the same quarter last year. The improvement in profit before taxation in the current quarter is mainly due to:-

- a) Higher operating profit contributed by the increase in vessel utilization and charter rates. The average vessel utilisation has improved from 65% in the same quarter last year to 92% in the current quarter.
- b) Share of associate's losses of RM4.0 million in the third quarter of year 2011, of which the associate is fully divested in the current quarter.

**17. Comparison with Immediate Preceding Quarter**

The Group recorded a turnover of RM74.6 million in the current quarter, an increase of 11% as compared to the previous quarter of year 2012 of RM67.3 million. The profit before taxation has tripled from RM5.1 million in the previous quarter to RM16.1 million in the current quarter.

The increase in turnover and profit is primarily driven by the improvement in vessels utilization and charter rates which lead to higher operating profit of the vessels in the current quarter. The average vessel utilisation has increased from 75% in previous quarter to 92% in the current quarter.

**18. Prospects**

The Board is optimistic on the prospect for oil and gas support services in the domestic and regional markets, on the back of the stable oil prices range from USD85 – USD95 per barrel, upsurge in offshore activities, tender and bidding processes and various development programmes spearheaded by our national oil company, PETRONAS.

With the improving marine charter outlook, our focus is to strive for longer-term charters for our new built assets. 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 for mid-size AHTS.

Our new-built workbarges and workboats, we believe, will continue to provide the longer-term charter opportunities and stability that we need. We have and will continue to leverage on our strong track record with mainly repeat major customers in the region.

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012****18. Prospects (Cont'd)**

Finally our strategic move to have a more balanced fleet between the mid-size AHTS and work barges/workboats will provide for further stability of growth. The Board thus expect a positive turnaround in year 2012 and the Group's offshore marine business will be in a position to provide a better result in the coming years.

**19. Profit for the Quarter/Period**

	<b>Current Quarter Ended 30-Sept-12 RM'000</b>	<b>Corresponding Quarter Ended 30-Sept-11 RM'000</b>	<b>Current Year-to-date Ended 30-Sept-12 RM'000</b>	<b>Corresponding Year-to-date Ended 30-Sept-11 RM'000</b>
<b>Profit/(Loss) for the quarter/period is arrived at after charging/(crediting):</b>				
Interest expense	5,450	4,821	13,801	12,472
Depreciation of property, plant and equipment	6,456	9,599	18,961	26,210
Gain on disposal of an associate	(379)	-	(379)	-
Loss/(Gain) on disposal of property, plant and equipment	2,134	55	2,246	(1,036)
Gain on disposal of non- current asset classified as held for sale	3	-	(200)	-
Loss/(Gain) on foreign exchange:				
- realized	83	23	57	(457)
- unrealized	1,085	458	1,216	(918)
Fair value gain on derivative financial instruments	-	330	-	-
Property, plant and equipment write off	-	-	-	93
Accretion of refundable deposits	(1,279)	(4,661)	(3,709)	(11,353)
Impairment loss on refundable deposits	-	-	981	-
Interest income	(141)	(481)	(605)	(900)
Dividend income from associate	-	-	(288)	(288)
Waiver of placement fee	(2,796)	-	(2,796)	-

Other than the above, there were no allowances for impairment and write off of receivables, allowance for and write off of inventories and exceptional items for the current quarter and financial period ended 30 September 2012.

**PERDANA PETROLEUM BERHAD**

(Company No: 372113-A)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012****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-12 RM'000</b>	<b>Corresponding Quarter Ended 30-Sept-11 RM'000</b>	<b>Current Year-to-date Ended 30-Sept-12 RM'000</b>	<b>Corresponding Year-to-date Ended 30-Sept-11 RM'000</b>
Current tax:				
Malaysian income tax	197	945	227	966
Foreign tax	614	(224)	923	689
	811	721	1,150	1,655
Deferred tax:				
Malaysian income tax	-	(1,542)	-	(1,542)
Total	811	(821)	1,150	113

The effective tax rate for current quarter and financial period to-date are 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.

**21. Corporate Proposals**

The utilisation of proceeds of RM96.936 million from the divestment of 26.9% equity interest in Petra Energy Berhad (which was completed on 3 September 2012) is as follows:-

	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Intended Timeframe for Utilisation</b>	<b>Deviation Amount (RM'000 and %)</b>
Repayment of the RM400 million nominal value secured serial bonds issued by the Company on 30 March 2006	65,500	64,685	Immediately upon receipt of the proceeds from the Divestment	-815 and 1.2%
Working capital of the PPB Group	28,436	29,874	Within 12 months from completion	1,438 and 5.1%
Expenses in relation to the Proposed Divestment	3,000	2,377	Within 3 months from completion	-623 and 20.8%
Total	96,936	96,936		

The differences of the actual utilisation from the proposed utilisation were adjusted to working capital.

**PERDANA PETROLEUM BERHAD**

(Company No: 372113-A)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

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

There were no other corporate proposals announced but not completed as of 20 November 2012 save for the above.

**22. Borrowings**

Total Group's borrowings as at 30 September 2012 were as follows:

	<b>As at 30-Sept-12 RM'000</b>	<b>As at 31-Dec-11 RM'000</b>
<b>Short term borrowings</b>		
Secured	38,968	89,539
Unsecured	10,000	10,000
	<hr/> 48,968	<hr/> 99,539
<b>Long term borrowings</b>		
Secured	175,935	174,853
<b>Total borrowings</b>	<hr/> <b>224,903</b>	<hr/> <b>274,392</b>

All borrowings are denominated in Ringgit Malaysia except for borrowings in US Dollars equivalent to RM159.7 million.

**PERDANA PETROLEUM BERHAD**

(Company No: 372113-A)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

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**23. Derivative Financial Instruments**

There are no outstanding derivative financial instruments as at 30 September 2012.

**24. Changes in Material Litigation**

The Group is not engaged in any material litigation as at 20 November 2012 except for the following:

- (a) 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 ("TASB"), Yap Hock Heng and TA First Credit Sdn Bhd ("TAFC") 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.

This suit is mounted on several causes of action, including breaches of fiduciary and statutory duties, accessory liability and conspiracy and the Company is seeking from the High Court, various declaratory reliefs, damages (general and/or fiduciary and/or aggravated) to be assessed, interest, account and disgorgement and costs.

The Trial initially scheduled for 26 March 2012 to 30 March 2012 has been adjourned and fixed for hearing on 4 June 2012 to 8 June 2012. The trial was heard on 4 and 5 June 2012. The next dates set down for the trial are 3 September 2012 to 7 September 2012.

On 7 September 2012, the Company has filed notices of discontinuance of the Suit pursuant to a negotiated settlement with TASB, Yap Hock Heng and TAFC with no admission of liability and with no liberty to file afresh. In this connection, TASB has also agreed to discontinue their suit against the Company in relation to a claim of approximately RM2.796 million as placement fees due to them ("TASB Suit") with no admission of liability and with no liberty to file afresh. With the discontinuance of the TASB Suit, the Company will reverse the provisions made earlier.

As regards to the Suit against Tengku Dato' Ibrahim Petra bin Tengku Indra Petra, Wong Fook Heng, Tiong Young Kong and Lee Mee Jiong, the next trial dates are 10 December to 14 December 2012.

- (b) On 21 November 2011, a wholly owned subsidiary of the Company, Intra Oil Services Berhad ("IOS") has filed a statement of defence and counterclaim in the High Court in relation to Team Marine Shipyard (M) Sdn Bhd's ("TMS") writ of summons and statement of claim dated 23 September 2011. TMS's letter of demand dated 22 July 2011 and statement of claim alleges that IOS had failed to make certain payments to TMS and IOS had also failed to move its ships as directed by TMS.



**PERDANA PETROLEUM BERHAD**

(Company No: 372113-A)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

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

IOS alleges vide its statement of defence that TMS is not the rightful party to demand for such payments described above and to demand that IOS move its ships. IOS's counterclaim is as follows:

1. Damages caused by TMS's unauthorized movement of two ships belonging to IOS amounting to RM80,000.00;
2. Cost of returning the said ships mentioned above to their original locations, amounting to RM4,800.00;
3. A claim of RM29,101,957.50 for loss of charter and maintenance of IOS's ships due to the barrier/fence erected by TMS; and
4. Recovery of all previous payments made by IOS to TMS amounting to RM721,809.00.

The counterclaim by IOS will not have a material impact on the operations and financials of the PPB Group.

On 25 November 2011, the Company informed that on a worst case scenario on the claim by TMS in their letter of demand dated 22 July 2011, IOS will have to pay RM7,617,724.00 and legal fees. However, if the Company is successful in its counterclaim of about RM30 million, this Counterclaim will have a material financial impact on the Group for the financial year ending 31 December 2012.

On 7 June 2012, the Company wishes to inform that TMS and IOS have both agreed to withdraw the claims and counterclaims respectively as per the sealed copy of the Consent Judgement dated 24 April 2012.

- (c) On 6 April 2012, the Company was served with a Writ of Summons together with the Statement of Claim both dated 5 April 2012 by Messrs T.S. Hariharan & Partners, acting for Tengku Dato' Ibrahim Petra bin Tengku Indra Petra ("Plaintiff"), claiming for injunctions against Perdana Petroleum Berhad (formerly known as Petra Perdana Berhad), Shamsul Bin Saad, Dato' Kho Poh Eng, Koh Pho Wat, Surya Hidayat Bin Abdul Malik, Ganesan A/L Sundaraj, Raja Anuar Bin Raja Abu Hassan, Idris Bin Zaidel, Hamdan Bin Rasid, Soon Fook Kian, Jeffrey Ng Chong Yau and Christopher Then Ted Loong from accessing in any way and in any manner the Plaintiff's email account, to refrain from using in any way and to return to the Plaintiff all information accessed in any manner and in any way from the Plaintiff's email account and claims for general and exemplary damages. The Suit will not have any operational impact on the Company.

**25. Dividends**

There was no dividend proposed in respect of the current quarter ended 30 September 2012.

**PERDANA PETROLEUM BERHAD**

(Company No: 372113-A)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012****26. Earnings/(Loss) Per Share****a.) Basic**

	<b>Current Quarter Ended 30-Sept-12</b>	<b>Corresponding Quarter Ended 30-Sept-11</b>	<b>Current Period-to-date Ended 30-Sept-12</b>	<b>Corresponding Period-to-date Ended 30-Sept-11</b>
Net profit/(loss) attributable to shareholders (RM'000)	15,225	(17,420)	12,147	(17,410)
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	495,132,000	450,120,000	495,132,000	450,120,000
Basic earnings/(loss) per ordinary share of RM0.50 each (Sen)	3.07	(3.87)	2.45	(3.87)

**b.) Diluted**

	<b>Current Quarter Ended 30-Sept-12</b>	<b>Corresponding Quarter Ended 30-Sept-11</b>	<b>Current Year-to-date Ended 30-Sept-12</b>	<b>Corresponding Year-to-date Ended 30-Sept-11</b>
Net profit/(loss) attributable to shareholders (RM'000)	15,225	(17,420)	12,147	(17,410)
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	495,132,000	450,120,000	495,132,000	450,120,000
Effects of outstanding warrants	61,379,785	61,379,785	61,379,785	61,379,785
Adjusted number of ordinary shares for calculating diluted earnings per ordinary share	556,511,785	511,499,785	556,511,785	511,499,785
Diluted earnings per ordinary share of RM0.50 each (Sen)	2.74	*N/A	2.18	*N/A

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

**PERDANA PETROLEUM BERHAD**

(Company No: 372113-A)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER  
ENDED 30 SEPTEMBER 2012**

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**27. 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:

	<b>As at 30 Sept 2012 RM'000</b>	<b>As at 31 Dec 2011 RM'000</b>
Total retained profits of the Group:		
- Realised	150,180	58,742
- Unrealised	(11,785)	(4,718)
	<hr/> 138,395	<hr/> 54,024
Total share of retained profits from associate		
- Realised	-	60,835
- Unrealised	-	(8,477)
	<hr/> 138,395	<hr/> 106,382
Less: Consolidation adjustments	49,643	69,509
Total retained profits as per statement of financial position	<hr/> <b>188,038</b>	<hr/> <b>175,891</b>

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.