

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



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter Ended 30-Sept-14 RM'000	Corresponding Quarter Ended 30-Sept-13 RM'000	Current Year-to-date Ended 30-Sept-14 RM'000	Corresponding Year-to-date Ended 30-Sept-13 RM'000
Revenue	93,824	68,174	269,668	196,609
Cost of Sales	(46,240)	(45,872)	(141,803)	(134,890)
Gross Profit	47,584	22,302	127,865	61,719
Other income	979	6,458	4,849	16,655
Operating expenses	(13,792)	(8,738)	(35,307)	(23,510)
Finance costs	(7,053)	(4,236)	(23,183)	(10,602)
Profit before taxation	27,718	15,786	74,224	44,262
Income tax expense	(706)	86	(1,185)	(3,576)
Profit for the period	27,012	15,872	73,039	40,686
<i>Other comprehensive income</i>				
<i>Foreign currency translation</i>	10,103	1,500	(2,408)	16,533
<i>Cash Flow Hedge</i>	114	145	270	274
Total Comprehensive Income for the period	37,229	17,517	70,901	57,493
Profit for the period				
Attributable to:				
Equity holders of the Company	27,013	15,514	73,041	39,774
Non-controlling interest	(1)	358	(2)	912
	27,012	15,872	73,039	40,686
Total Comprehensive Income for the period				
Attributable to:				
Equity holders of the Company	37,238	17,164	70,901	56,423
Non-controlling interest	(9)	353	-	1,070
	37,229	17,517	70,901	57,493
Earnings per share of RM0.50 each (Sen)				
a) Basic (based on weighted average)	3.66	3.03	9.92	7.94
b) Fully diluted	3.57	2.91	9.67	7.62

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2013)

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	(Audited)
	30-Sept-14	31-Dec-13
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,019,443	961,556
Intangible assets	27,507	27,507
Refundable deposits	50,700	52,697
Deferred tax asset	46	46
Other investment	-	150
Derivative asset	-	421
	<u>1,097,696</u>	<u>1,042,377</u>
CURRENT ASSETS		
Inventories	1,517	1,310
Trade receivables	54,014	31,769
Other receivables, deposits and prepayments	17,045	18,055
Amount owing by a related party	35,828	19,953
Tax recoverable	3,067	3,231
Fixed deposits with licensed banks	22,907	26,098
Cash and bank balances	28,466	34,928
	<u>162,844</u>	<u>135,344</u>
Non-current asset classified as held for sale	4,551	4,576
	<u>167,395</u>	<u>139,920</u>
TOTAL ASSETS	<u>1,265,091</u>	<u>1,182,297</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	369,215	363,611
Reserves	270,672	198,569
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	<u>639,887</u>	<u>562,180</u>
NON-CONTROLLING INTEREST	<u>(248)</u>	<u>(248)</u>
TOTAL EQUITY	<u>639,639</u>	<u>561,932</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	4,531	4,559
Long-term borrowings	430,033	459,783
Derivative liability	424	-
Other payables	258	260
	<u>435,246</u>	<u>464,602</u>
CURRENT LIABILITIES		
Trade payables	12,173	14,088
Other payables	29,424	27,153
Short-term borrowings	147,943	114,140
Provision for taxation	666	382
	<u>190,206</u>	<u>155,763</u>
TOTAL LIABILITIES	<u>625,452</u>	<u>620,365</u>
TOTAL EQUITY AND LIABILITIES	<u>1,265,091</u>	<u>1,182,297</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	0.87	0.77

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2013)

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30-Sept-14	30-Sept-13
	RM'000	RM'000
Cash flow from operating activities		
Profit before taxation	74,224	44,262
Adjustments for:		
Accretion of refundable deposits	(2,193)	(5,853)
Bad debt written off	7	-
Depreciation of property, plant and equipment	38,399	19,936
Loss/(Gain) on disposal of property, plant and equipment	161	(47)
Interest expense	22,318	10,111
Interest income	(406)	(820)
Loss on disposal of other investment	150	100
Property, plant and equipment written off	-	1
Unrealised gain on foreign exchange	(97)	(2,296)
Operating profit before working capital changes	<u>132,563</u>	<u>65,394</u>
(Increase)/Decrease in inventories	(209)	893
Increase in trade and other receivables	(21,591)	(2,286)
(Decrease)/Increase in trade and other payables	39	18,507
Increase in amount owing by a related party	(15,875)	-
Net cash from operations	<u>94,927</u>	<u>82,508</u>
Tax paid	(765)	(1,437)
Net cash from operating activities	<u>94,162</u>	<u>81,071</u>
Cash flow for investing activities		
Charterer deposits refunded	3,854	43,170
Interest received	406	820
Proceeds from disposal of non-current asset classified as held for sale	-	6,707
Proceeds from disposal of property, plant and equipment	15	7,165
Purchase of property, plant and equipment	(101,338)	(232,202)
Placement of fixed deposits	(5,473)	(172)
Net cash for investing activities	<u>(102,536)</u>	<u>(174,512)</u>

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	30-Sept-14	30-Sept-13
	RM'000	RM'000
Cash flow (for)/from financing activities		
Drawdown of bank borrowings	82,660	133,461
Interest paid	(22,318)	(10,111)
Proceeds from issuance of share by a subsidiary to minority shareholders	-	180
Proceeds from issuance of shares through warrant exercise	6,811	21,445
Proceeds from share application monies	-	821
Repayment of bank borrowings	(73,958)	(31,875)
Repayment of hire purchase obligations	(96)	(70)
Share issuance expenses	(5)	-
Net cash (for)/from financing activities	<u>(6,906)</u>	<u>113,851</u>
Net change in cash and cash equivalents	(15,280)	20,410
Effect of foreign exchange translation	154	357
Cash and cash equivalents at beginning of the financial period	<u>60,445</u>	<u>37,254</u>
Cash and cash equivalents at end of the financial period	<u>45,319</u>	<u>58,021</u>
Cash and cash equivalents		
Fixed deposits with licensed banks	22,907	44,262
Cash and bank balances	<u>28,466</u>	<u>17,495</u>
	51,373	61,757
Less: Fixed deposits pledged as security	<u>(6,054)</u>	<u>(3,736)</u>
	<u>45,319</u>	<u>58,021</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 2013)**

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Share Application Monies 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
Financial year ended 31 December 2014											
As at 1 January 2014	363,611	1,146	4,562	6,672	(321)	1,635	(49,007)	233,882	562,180	(248)	561,932
Issuance of shares - Exercise of Warrants 2010/2015	5,604	(1,146)	3,789	(1,441)	-	-	-	-	6,806	-	6,806
Total comprehensive income for the period	-	-	-	-	270	-	(2,410)	73,041	70,901	-	70,901
Balance as at 30 September 2014	369,215	-	8,351	5,231	(51)	1,635	(51,417)	306,923	639,887	(248)	639,639
Financial year ended 31 December 2013											
As at 1 January 2013	247,566	-	92,130	11,048	(802)	2,127	(65,079)	172,222	459,212	(237)	458,975
Bonus issue	103,888	-	(103,888)	-	-	-	-	-	-	-	-
Issuance of shares - Exercise of Warrants 2010/2015	12,157	1,146	16,320	(4,376)	-	-	-	-	25,247	-	25,247
Total comprehensive income for the year	-	-	-	-	481	(492)	16,072	61,660	77,721	(11)	77,710
Balance as at 31 December 2013	363,611	1,146	4,562	6,672	(321)	1,635	(49,007)	233,882	562,180	(248)	561,932

(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 2013)

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
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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 2013. 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 2013.

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 (2009) Financial Instruments

MFRS 9 (2010) Financial Instruments

MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)

Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014**

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. Changes in Accounting Policies (Cont'd)

MFRSs, Amendments to MFRS and IC Interpretation issued but not yet effective (Cont'd)

IC Interpretation 21 Levies

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

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

During the current quarter and financial period to-date, 213,100 and 11,206,360 ordinary shares of RM0.50 each respectively were issued pursuant to the exercise of Warrants 2010/2015 at the exercise price of RM0.71 per share. As at 30 September 2014, 40,686,823 Warrants 2010/2015 remained unexercised.

There have no cancellation, repurchase, resale and repayment of debts and equity securities in the current quarter and financial period to-date save for the above.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. Dividends Paid

No dividend was paid during the current quarter and financial period to-date.

9. Segmental Information

Business Segment

<i>Current Quarter Ended 30 September 2014</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	93,824	-	-	93,824
Inter-segment revenue	-	2,208	(2,208)	-
	93,824	2,208	(2,208)	93,824
Results				
Segment results	41,445	(609)	(6,065)	34,771
Finance costs	(7,252)	(318)	517	(7,053)
Profit before taxation	34,193	(927)	(5,548)	27,718
Corresponding Quarter Ended 30 September 2013				
Revenue				
External revenue	68,174	-	-	68,174
Inter-segment revenue	-	89	(89)	-
	68,174	89	(89)	68,174
Results				
Segment results	23,844	(2,845)	(977)	20,022
Finance costs	(3,517)	(719)	-	(4,236)
Profit before taxation	20,327	(3,564)	(977)	15,786

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. Segmental Information (Cont'd)

Business Segment

<i>Current Year-to-date Ended 30 September 2014</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	269,668	-	-	269,668
Inter-segment revenue	-	6,624	(6,624)	-
	269,668	6,624	(6,624)	269,668
Results				
Segment results	112,645	(5,256)	(9,982)	97,407
Finance costs	(23,866)	(954)	1,637	(23,183)
Profit before taxation	88,779	(6,210)	(8,345)	74,224
<i>Corresponding Year-to-date Ended 30 September 2013</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	196,609	-	-	196,609
Inter-segment revenue	-	267	(267)	-
	196,609	267	(267)	196,609
Results				
Segment results	68,424	(10,182)	(3,378)	54,864
Finance costs	(8,287)	(2,315)	-	(10,602)
Profit before taxation	60,137	(12,497)	(3,378)	44,262

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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.

11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 30 September 2014.

12. Changes in Contingent Liabilities

	As at 30-Sept-14	
	Group RM'000	Company RM'000
<u>Unsecured:-</u>		
Bank guarantee granted to third parties for the benefit of a subsidiary	12,559	12,559
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	-	557,961
	<u>12,559</u>	<u>570,520</u>

13. Capital Commitment

As at 30 September 2014, the Group had the following capital commitments:

	RM'000
Approved and not contracted for	-
Approved and contracted for	<u>351,906</u>

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

14. Operating Lease Arrangements

As at 30 September 2014, the Group has entered into operating lease agreements for the use of certain vessels, office, premise and office equipment. The future aggregate minimum lease payments are as follows:

	RM'000
Not later than 1 year	38,478
Later than 1 year and not later than 5 years	118,510
Later than 5 years	1,698
	158,686

15. Significant Related Party Transactions

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

	Quarter ended 30-Sept-14 RM'000	Quarter ended 30-Sept-13 RM'000
i. Subsidiaries:		
- rental income	89	89
- management income	2,119	-
ii. Related party:		
- charter income	33,902	16,321

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-Sept-14 RM'000	Quarter ended 30-Sept-13 RM'000
Short-term employee benefits	2,474	2,576

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
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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

- A. For the current quarter ended 30 September 2014, the Group recorded a turnover of RM93.8 million, an increase of 37.5% from RM68.2 million reported in the third quarter of year 2013. The increase is mainly due to higher vessel utilisation and increase in the number of vessels in the current quarter.

The Group registered a profit before taxation of RM27.7 million in the current quarter, an improvement of 75.3% from RM15.8 million recorded in the third quarter of year 2013. The significant increase in profit before taxation in the current quarter is mainly due to higher revenue generated, in spite of the decrease in other income RM5.5m and increase in administrative cost and finance cost totalling RM7.9m in the current quarter.

- B. For the financial period ended 30 September 2014, the Group recorded a turnover of RM269.7 million and profit before taxation of RM74.2 million as compared to previous period ended 30 September 2013's turnover of RM196.6 million and profit before taxation of RM44.3 million.

The significant increase in turnover and profit before taxation is mainly due to higher vessel utilisation and increase in the number of vessels. The average vessel utilisation has improved from 78% in the previous period to 93% in the current period.

17. Comparison with Immediate Preceding Quarter

The Group recorded a turnover of RM93.8 million and a profit before taxation of RM27.7 million in the current quarter, as compared to the previous quarter's turnover of RM88.6 million and profit before taxation of RM24.1 million. The increase is in line with the improvement in vessel utilization in the current quarter.

18. Prospects

The Board is positive on the outlook for oil and gas support services in the domestic and regional markets, despite some signs of caution over the uncertainty in oil prices which currently ranges from USD75 – USD80 per barrel.

Our fleet, with an average age of approximately 4.2 years old, will continue to provide the longer-term charter opportunities and stability. Currently, we have long term charters with an order book of approximately RM1.1 billion up to year 2019.

The Board expects the Group's offshore marine business to continue to remain stable and this in turn will continue to provide a positive result to the Group.

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

19. Profit for the Quarter/Period

	Current Quarter Ended 30-Sept-14 RM'000	Corresponding Quarter Ended 30-Sept-13 RM'000	Current Year-to-date Ended 30-Sept-14 RM'000	Corresponding Year-to-date Ended 30-Sept-13 RM'000
Profit for the quarter is arrived at after charging/(crediting):				
Interest expense	7,031	4,213	22,318	10,111
Bad debt written off	7	-	7	-
Depreciation of property, plant and equipment	12,795	7,110	38,399	19,936
Loss/(Gain) on disposal of property, plant and equipment	58	(5)	161	(47)
(Gain)/Loss on foreign exchange:				
- realised	-	(4,129)	(336)	(5,172)
- unrealised	1,154	149	(97)	(2,296)
Loss on disposal of other investment	-	100	150	100
Property, plant and equipment written off	-	-	-	1
Accretion of refundable deposits	(555)	(898)	(2,193)	(5,853)
Interest income	(153)	(381)	(406)	(820)

Other than the above, there were no allowance for and write off of inventories, other income including investment income and exceptional items for the current quarter and financial period ended 30 September 2014.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

20. Taxation

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

	Current Quarter Ended 30-Sept-14 RM'000	Corresponding Quarter Ended 30-Sept-13 RM'000	Current Year-to-date Ended 30-Sept-14 RM'000	Corresponding Year-to-date Ended 30-Sept-13 RM'000
Current tax:				
Malaysian income tax	697	(74)	958	553
Foreign tax	-	-	254	914
Withholding tax	-	-	1	3
	697	(74)	1,213	1,470
Deferred tax:				
Malaysian income tax	9	(12)	(28)	2,106
Total	706	(86)	1,185	3,576

The effective tax rate for current quarter and financial period to-date were lower than the statutory tax rate principally due to utilisation of unabsorbed capital allowances in subsidiary companies and lower tax rates for offshore subsidiary companies.

21. Corporate Proposals

There were no other corporate proposals announced but not completed as of 18 November 2014.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

22. Borrowings

Total Group's borrowings as at 30 September 2014 were as follows:

	As at 30-Sept-14 RM'000	As at 31-Dec-13 RM'000
Short term borrowings		
Secured	112,943	94,140
Unsecured	35,000	20,000
	<u>147,943</u>	<u>114,140</u>
Long term borrowings		
Secured	430,033	459,783
Total borrowings	<u>577,976</u>	<u>573,923</u>

The above includes borrowings in US Dollars equivalent to RM520 million.

23. Derivative Financial Instruments

There are no outstanding derivative financial instruments as at 30 September 2014.

24. Changes in Material Litigation

The Group is not engaged in any material litigation as at 18 November 2014 except for the following:

On 22 June 2011, the Company 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.

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

24. Changes in Material Litigation (Cont'd)

On 7 September 2012, the Company filed notices of discontinuance 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 had 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.

The trial at the High Court ended on 26 April 2013 and oral submissions by respective counsels were made on 21 November 2013 and 28 November 2013. On 21 March 2014, the Company announced that the High Court gave its decision that the Company was unsuccessful in the suit. On 17 April 2014, the Company filed a Notice of Appeal to the Court of Appeal on the decision of the Suit.

On 9 September 2014, the Company announced that the High Court has made a decision on costs and ordered PPB to pay the Defendant Parties, a total cost of RM841,731. The High Court has also ordered Tengku Dato' Ibrahim Petra bin Tengku Indra Petra to pay PPB the sum of RM192,780 with post judgement interest calculated at 5% per annum starting from 22 March 2014 ("Judgement Sum"). The earnings of the Group for the quarter ending 30 September 2014 would be reduced by the differential sum of the total cost payable and the judgement sum receivable.

On 24 September 2014, the Company announced that the Court of Appeal has fixed the hearing of the Appeal on 2 December 2014.

25. Dividends

The Board of Directors has declared an interim single tier dividend of 2.0 sen per ordinary share of RM0.50 each in respect of the financial year ending 31 December 2014 to be paid on 22 December 2014 to shareholders registered in the Record of Depositors on 12 December 2014.

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(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2014****PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****26. Earnings Per Share****a.) Basic**

	Current Quarter Ended 30-Sept-14	Corresponding Quarter Ended 30-Sept-13	Current Year-to-date Ended 30-Sept-14	Corresponding Year-to-date Ended 30-Sept-13
Net profit attributable to shareholders (RM'000)	27,013	15,514	73,041	39,774
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	738,216,175	498,762,900	727,222,915	495,132,000
Effects of warrants exercised	173,723	12,433,414	8,997,525	5,626,535
Weighted average number of ordinary shares in issue	738,389,898	511,196,314	736,220,440	500,758,535
Basic earnings per ordinary share of RM0.50 each (Sen)	3.66	3.03	9.92	7.94

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ENDED 30 SEPTEMBER 2014

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

26. Earnings Per Share (Cont'd)

b.) Diluted

	Current Quarter Ended 30-Sept-14	Corresponding Quarter Ended 30-Sept-13	Current Year-to-date Ended 30-Sept-14	Corresponding Year-to-date Ended 30-Sept-13
Net profit attributable to shareholders (RM'000)	27,013	15,514	73,041	39,774
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	738,216,175	498,762,900	727,222,915	495,132,000
Effects of warrants exercised	173,723	12,433,414	8,997,525	5,626,535
Effects of outstanding warrants	18,604,221	21,184,568	19,385,269	20,884,380
Adjusted number of ordinary shares for calculating diluted earnings per ordinary share	756,994,119	532,380,882	755,605,709	521,642,915
Diluted earnings per ordinary share of RM0.50 each (Sen)	3.57	2.91	9.67	7.62

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ENDED 30 SEPTEMBER 2014

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

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:

	As at 30-Sept-2014 RM'000	As at 31-Dec-2013 RM'000
Total retained profits of the Group:		
- Realised	246,799	157,163
- Unrealised	(5,602)	1,961
	<u>241,197</u>	<u>159,124</u>
Add: Consolidation adjustments	65,726	74,758
Total retained profits as per statement of financial position	<u>306,923</u>	<u>233,882</u>

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.