

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



**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 31 MARCH 2015**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Current Quarter Ended 31-Mar-15 RM'000	Corresponding Quarter Ended 31-Mar-14 RM'000	Current Year-to-date Ended 31-Mar-15 RM'000	Corresponding Year-to-date Ended 31-Mar-14 RM'000
Revenue	69,508	87,270	69,508	87,270
Cost of Sales	(46,808)	(46,730)	(46,808)	(46,730)
Gross Profit	22,700	40,540	22,700	40,540
Other income	2,884	2,277	2,884	2,277
Operating expenses	(7,936)	(11,530)	(7,936)	(11,530)
Finance costs	(8,066)	(8,924)	(8,066)	(8,924)
Profit before taxation	9,582	22,363	9,582	22,363
Income tax expense	(497)	(348)	(497)	(348)
Profit for the period	9,085	22,015	9,085	22,015
<i>Other comprehensive income</i>				
<i>Foreign currency translation</i>	27,758	(5,223)	27,758	(5,223)
<i>Cash Flow Hedge</i>	128	48	128	48
Total Comprehensive Income for the period	36,971	16,840	36,971	16,840
Profit for the period				
Attributable to:				
Equity holders of the Company	8,637	22,016	8,637	22,016
Non-controlling interest	448	(1)	448	(1)
	9,085	22,015	9,085	22,015
Total Comprehensive Income for the period				
Attributable to:				
Equity holders of the Company	36,548	16,837	36,548	16,837
Non-controlling interest	423	3	423	3
	36,971	16,840	36,971	16,840
Earnings per share of RM0.50 each (Sen)				
a) Basic (based on weighted average)	1.17	3.01	1.17	3.01
b) Fully diluted	1.14	2.92	1.14	2.92

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2014)

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

	(Unaudited) 31-Mar-15 RM'000	(Audited) 31-Dec-14 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,180,823	1,122,642
Intangible assets	10,724	10,724
Refundable deposits	58,647	54,896
Deferred tax asset	46	46
	<u>1,250,240</u>	<u>1,188,308</u>
CURRENT ASSETS		
Inventories	1,624	1,788
Trade receivables	37,261	37,824
Other receivables, deposits and prepayments	18,861	22,167
Amount owing by a related party	31,226	31,992
Tax recoverable	3,192	3,151
Fixed deposits with licensed banks	30,238	48,773
Cash and bank balances	57,359	50,431
	<u>179,761</u>	<u>196,126</u>
TOTAL ASSETS	<u>1,430,001</u>	<u>1,384,434</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	372,966	369,285
Reserves	324,964	285,066
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	697,930	654,351
NON-CONTROLLING INTEREST	146	(277)
TOTAL EQUITY	<u>698,076</u>	<u>654,074</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	4,579	4,578
Long-term borrowings	545,562	544,422
Derivative liability	334	462
Other payables	149	149
	<u>550,624</u>	<u>549,611</u>
CURRENT LIABILITIES		
Trade payables	18,138	13,033
Other payables	16,906	24,614
Short-term borrowings	146,216	142,953
Provision for taxation	41	149
	<u>181,301</u>	<u>180,749</u>
TOTAL LIABILITIES	<u>731,925</u>	<u>730,360</u>
TOTAL EQUITY AND LIABILITIES	<u>1,430,001</u>	<u>1,384,434</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)	0.94	0.89

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2014)

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 31 MARCH 2015****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	31-Mar-15	31-Mar-14
	RM'000	RM'000
Cash flow from operating activities		
Profit before taxation	9,582	22,363
Adjustments for:		
Accretion of refundable deposits	(676)	(625)
Deficit on liquidation of subsidiaries	-	150
Depreciation of property, plant and equipment	15,295	12,778
Interest expense	7,981	8,195
Interest income	(250)	(149)
Loss on disposal of property, plant and equipment	66	45
Unrealised gain on foreign exchange	(2,601)	(1,111)
Operating profit before working capital changes	<u>29,397</u>	<u>41,646</u>
Decrease in inventories	166	94
Decrease/(Increase) in trade and other receivables	4,455	(18,845)
Increase in trade and other payables	1,381	5,452
Decrease/(Increase) in amount owing by a related party	766	(6,502)
Net cash from operations	<u>36,165</u>	<u>21,845</u>
Tax paid	(654)	(531)
Net cash from operating activities	<u>35,511</u>	<u>21,314</u>
Cash flow for investing activities		
Interest received	250	149
Proceeds from disposal of property, plant and equipment	1	15
Purchase of property, plant and equipment	(16,403)	(87,654)
(Placement)/Withdrawal of fixed deposits	(906)	581
Net cash for investing activities	<u>(17,058)</u>	<u>(86,909)</u>

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**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
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	31-Mar-15	31-Mar-14
	RM'000	RM'000
Cash flow (for)/from financing activities		
Drawdown of bank borrowings	-	67,660
Interest paid	(7,981)	(8,195)
Proceeds from issuance of shares through warrant exercise	5,216	5,414
Proceeds from share application monies	1,815	-
Repayment of bank borrowings	(31,584)	(23,355)
Repayment of hire purchase obligations	(21)	(35)
Share issuance expenses	-	(5)
Net cash (for)/from financing activities	<u>(32,555)</u>	<u>41,484</u>
Net change in cash and cash equivalents	(14,102)	(24,111)
Effect of foreign exchange translation	1,589	(41)
Cash and cash equivalents at beginning of the financial period	82,972	60,445
Cash and cash equivalents at end of the financial period	<u>70,459</u>	<u>36,293</u>
Cash and cash equivalents		
Fixed deposits with licensed banks	30,238	8,899
Cash and bank balances	<u>57,359</u>	<u>27,394</u>
	87,597	36,293
Less: Fixed deposits pledged as security	<u>(17,138)</u>	-
	<u>70,459</u>	<u>36,293</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 2014)**

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2015

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 2015											
As at 1 January 2015	369,285	10	8,404	5,213	(462)	1,635	(36,893)	307,159	654,351	(277)	654,074
Issuance of shares - Exercise of Warrants 2010/2015	3,681	1,805	2,492	(947)	-	-	-	-	7,031	-	7,031
Total comprehensive income for the period	-	-	-	-	128	-	27,783	8,637	36,548	423	36,971
Balance as at 31 March 2015	372,966	1,815	10,896	4,266	(334)	1,635	(9,110)	315,796	697,930	146	698,076
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	5,674	(1,136)	3,842	(1,459)	-	-	-	-	6,921	-	6,921
Dividend	-	-	-	-	-	-	-	(14,771)	(14,771)	-	(14,771)
Total comprehensive income for the period	-	-	-	-	(141)	-	12,114	88,048	100,021	(29)	99,992
Balance as at 31 December 2014	369,285	10	8,404	5,213	(462)	1,635	(36,893)	307,159	654,351	(277)	654,074

(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 2014)

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**INTERIM FINANCIAL REPORT FOR THE FIRST 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 2014. 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 2014.

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 July 2014)

MFRS 15 Revenue from Contracts with Customers

Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception

Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Amendments to MFRS 127 (2011): Equity Method Financial Statements in Separate

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
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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)

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

Annual Improvements to MFRSs 2012 – 2014 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, 7,361,326 ordinary shares of RM0.50 was issued pursuant to the exercise of Warrants 2010/2015 at the exercise price of RM0.71 per share. As at 31 March 2015, 33,184,697 Warrants 2010/2015 remained unexercised.

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

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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/ Period-to-date Ended 31 March 2015</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	69,508	-	-	69,508
Inter-segment revenue	-	2,832	(2,832)	-
	69,508	2,832	(2,832)	69,508
Results				
Segment results	15,268	837	1,543	17,648
Finance costs	(8,290)	(293)	517	(8,066)
Profit before taxation	6,978	544	2,060	9,582

<i>Corresponding Quarter/ Period-to-date Ended 31 March 2014</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	87,270	-	-	87,270
Inter-segment revenue	-	2,208	(2,208)	-
	87,270	2,208	(2,208)	87,270
Results				
Segment results	39,760	(2,553)	(5,920)	31,287
Finance costs	(9,181)	(319)	576	(8,924)
Profit before taxation	30,579	(2,872)	(5,344)	22,363

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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 31 March 2015.

12. Changes in Contingent Liabilities

	As at 31-Mar-15	
	Group RM'000	Company RM'000
<u>Unsecured:-</u>		
Bank guarantee granted to third parties for the benefit of a subsidiary	36,469	36,469
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	-	671,439
	36,469	707,908

13. Capital Commitment

As at 31 March 2015, the Group had the following capital commitments:

	RM'000
Approved and not contracted for	-
Approved and contracted for	
- Purchase of property, plant and equipment	248,438

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

14. Operating Lease Arrangements

As at 31 March 2015, 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	43,511
Later than 1 year and not later than 5 years	113,580
Later than 5 years	-
	<u>157,091</u>

15. Significant Related Party Transactions

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

	<u>Quarter ended 31-Mar-15 RM'000</u>	<u>Quarter ended 31-Mar-14 RM'000</u>
i. Subsidiaries:		
- rental income	89	89
- management income	2,743	2,119
ii. Related party:		
- charter income	31,000	30,213

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:

	<u>Quarter ended 31-Mar-15 RM'000</u>	<u>Quarter ended 31-Mar-14 RM'000</u>
Short-term employee benefits	2,517	5,913

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REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****16. Review of Performance**

For the current quarter ended 31 March 2015, the Group recorded a turnover of RM69.5 million and a profit before taxation of RM9.6 million, as compared to a turnover of RM87.3 million and profit before taxation of RM22.4 million in the first quarter of year 2014.

The decrease in turnover and profit before taxation in the current quarter is mainly due to the lower vessel utilization resulting from the slower work orders /contracts award from the oil majors affected by the decline in crude oil prices.

17. Comparison with Immediate Preceding Quarter

The Group recorded a turnover of RM69.5 million and a profit before taxation of RM9.6 million in the current quarter, as compared to the previous quarter's turnover of RM77.5 million and profit before taxation of RM15.3 million.

The decrease in turnover and profit before taxation is mainly attributed to lower vessel utilization resulting from the slower work orders /contracts award from the oil majors affected by the fluctuation in crude oil prices.

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

18. Prospects

The global economy and the prospects of Oil & Gas operators and service providers continue to face challenges as the fluctuation in the oil price environment remains uncertain. Any prolonged and continued decline in the oil price could result in oil companies cutting back on exploration budgets and moderating development capital expenditures. This could lead to a slow-down in new project awards.

However, the Group operates a young and versatile fleet of offshore support vessels with an average age of approximately 5.2 years old. Currently, more than half of our fleet are under long term contract with some up to year 2019 and our tendering activities remain robust. We believe all these will continue to provide the longer-term charter opportunities and stability we required amidst the uncertainty.

Nevertheless, the Group will continue to focus on stronger operational excellence and financial discipline and the Board remains confident that the long-term fundamentals of the oil and gas industry remains encouraging and will drive continued development and spending in the segments that our business operate in.

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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 31-Mar-15 RM'000	Corresponding Quarter Ended 31-Mar-14 RM'000	Current Year-to-date Ended 31-Mar-15 RM'000	Corresponding Year-to-date Ended 31-Mar-14 RM'000
Profit for the quarter is arrived at after charging/(crediting):				
Depreciation of property, plant and equipment	15,295	12,778	15,295	12,778
Deficit on liquidation of subsidiaries	-	150	-	150
Interest expense	7,981	8,195	7,981	8,195
Accretion of refundable deposits	(676)	(625)	(676)	(625)
Interest income	(250)	(149)	(250)	(149)
Loss on disposal of property, plant and equipment	66	45	66	45
Loss/(Gain) on foreign exchange:				
- realised	2,526	-	2,526	-
- unrealised	(2,601)	(1,111)	(2,601)	(1,111)

Other than the above, there were no allowance for impairment and write off of receivables, allowance for and write off of inventories, gain or loss on disposal of quoted or unquoted investments or properties, other income including investment income and exceptional items for the current quarter and financial period ended 31 March 2015.

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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 31-Mar-15 RM'000	Corresponding Quarter Ended 31-Mar-14 RM'000	Current Year-to-date Ended 31-Mar-15 RM'000	Corresponding Year-to-date Ended 31-Mar-14 RM'000
Current tax:				
Malaysian income tax	497	131	497	131
Foreign tax	-	254	-	254
Withholding tax	-	-	-	-
	497	385	497	385
Deferred tax:				
Malaysian income tax	-	(37)	-	(37)
Total	497	348	497	348

The effective tax rate for current quarter and financial period to-date were higher than the statutory tax rate mainly due to the losses which cannot be set-off against taxable profits made by subsidiaries.

21. Corporate Proposals

There were no other corporate proposals announced but not completed as of 14 May 2015.

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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 31 March 2015 were as follows:

	As at 31-Mar-15 RM'000	As at 31-Dec-14 RM'000
Short term borrowings		
Secured	116,216	107,953
Unsecured	30,000	35,000
	146,216	142,953
Long term borrowings		
Secured	545,562	544,422
Total borrowings	691,778	687,375

The above includes borrowings in US Dollars equivalent to RM661 million.

23. Derivative Financial Instruments

There are no outstanding derivative financial instruments as at 31 March 2015.

24. Changes in Material Litigation

The Group is not engaged in any material litigation as at 14 May 2015 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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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 T AFC, 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 31 December 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. This was subsequently adjourned and fixed to be heard on 11 March 2015.

The Appeal was heard on 11 March 2015 and 25 March 2015. On 25 March 2015, the Company announced that the Court of Appeal has deferred judgment to a date to be given in due course.

As at the date of report, the Court of Appeal has not handed down its judgment.

25. Dividends

There was no dividend proposed in respect of the current quarter ended 31 March 2015.

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REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****26. Earnings Per Share****a.) Basic**

	Current Quarter Ended 31-Mar-15	Corresponding Quarter Ended 31-Mar-14	Current Year-to-date Ended 31-Mar-15	Corresponding Year-to-date Ended 31-Mar-14
Net profit attributable to shareholders (RM'000)	8,637	22,016	8,637	22,016
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	738,570,075	727,222,915	738,570,075	727,222,915
Effects of warrants exercised	2,300,686	5,182,387	2,300,686	5,182,387
Weighted average number of ordinary shares in issue	740,870,761	732,405,302	740,870,761	732,405,302
Basic earnings per ordinary share of RM0.50 each (Sen)	1.17	3.01	1.17	3.01

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**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 31-Mar-15	Corresponding Quarter Ended 31-Mar-14	Current Year-to-date Ended 31-Mar-15	Corresponding Year-to-date Ended 31-Mar-14
Net profit attributable to shareholders (RM'000)	8,637	22,016	8,637	22,016
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	738,570,075	727,222,915	738,570,075	727,222,915
Effects of warrants exercised	2,300,686	5,182,387	2,300,686	5,182,387
Effects of outstanding warrants	14,650,386	20,725,427	14,650,386	20,725,427
Adjusted number of ordinary shares for calculating diluted earnings per ordinary share	755,521,147	753,130,729	755,521,147	753,130,729
Diluted earnings per ordinary share of RM0.50 each (Sen)	1.14	2.92	1.14	2.92

PERDANA PETROLEUM BERHAD

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

**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
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**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 31-Mar-2015 RM'000	As at 31-Dec-2014 RM'000
Total retained profits of the Group:		
- Realised	247,338	210,134
- Unrealised	(10,506)	(8,994)
	<u>236,832</u>	<u>201,140</u>
Add: Consolidation adjustments	78,964	106,019
Total retained profits as per statement of financial position	<u>315,796</u>	<u>307,159</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.