

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME

	Current Quarter Ended 30-Sept-15 RM'000	Corresponding Quarter Ended 30-Sept-14 RM'000	Current Year-to-date Ended 30-Sept-15 RM'000	Corresponding Year-to-date Ended 30-Sept-14 RM'000
Revenue	45,896	93,824	179,588	269,668
Cost of Sales	(52,494)	(46,240)	(149,224)	(141,803)
Gross (Loss)/Profit	(6,598)	47,584	30,364	127,865
Other income	4,826	979	8,018	4,849
Operating expenses	(25,100)	(13,792)	(50,717)	(35,307)
Results from operating activities	(26,872)	34,771	(12,335)	97,407
Finance costs	(8,648)	(7,053)	(24,431)	(23,183)
(Loss)/Profit before taxation	(35,520)	27,718	(36,766)	74,224
Income tax expense	(116)	(706)	(1,532)	(1,185)
(Loss)/Profit for the period	(35,636)	27,012	(38,298)	73,039
<i>Other comprehensive income</i>				
Foreign currency translation	114,460	10,103	164,574	(2,408)
Cash Flow Hedge	(354)	114	(95)	270
Total Comprehensive Income for the period attributable to Owners of the Company	78,470	37,229	126,181	70,901
(Loss)/Profit for the period				
Attributable to:				
Equity holders of the Company	(35,636)	27,013	(38,745)	73,041
Non-controlling interest	-	(1)	447	(2)
	(35,636)	27,012	(38,298)	73,039
Total Comprehensive Income for the period				
Attributable to:				
Equity holders of the Company	78,474	37,238	125,764	70,901
Non-controlling interest	(4)	(9)	417	-
	78,470	37,229	126,181	70,901
(Loss)/Earnings per share of RM0.50 each (Sen.)				
a) Basic (based on weighted average)	(4.76)	3.66	(5.19)	9.92
b) Fully diluted	N/A	3.57	N/A	9.67

(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)

PERDANA PETROLEUM BERHAD

(Company No. 372113 - A)

(Incorporated in Malaysia)



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) 30-Sept-15 RM'000	(Audited) 31-Dec-14 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,377,930	1,122,642
Intangible assets	10,722	10,724
Refundable deposits	72,239	54,896
Deferred tax asset	46	46
	<u>1,460,937</u>	<u>1,188,308</u>
CURRENT ASSETS		
Inventories	1,487	1,788
Trade receivables - related company	15,483	-
Trade receivables - external parties	20,671	37,824
Other receivables, deposits and prepayments	23,276	22,167
Amount owing by a related party	-	31,992
Tax recoverable	3,414	3,151
Fixed deposits with licensed banks	24,579	48,773
Cash and cash equivalents	31,211	50,431
	<u>120,121</u>	<u>196,126</u>
TOTAL ASSETS	<u>1,581,058</u>	<u>1,384,434</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	374,516	369,285
Reserves	413,006	285,066
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	787,522	654,351
NON-CONTROLLING INTEREST	140	(277)
TOTAL EQUITY	<u>787,662</u>	<u>654,074</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	4,588	4,578
Long-term borrowings	537,252	544,422
Derivative liability	557	462
Other payables	-	149
	<u>542,397</u>	<u>549,611</u>
CURRENT LIABILITIES		
Trade payables	20,032	13,033
Other payables	17,988	24,614
Short-term borrowings	212,859	142,953
Provision for taxation	120	149
	<u>250,999</u>	<u>180,749</u>
TOTAL LIABILITIES	<u>793,396</u>	<u>730,360</u>
TOTAL EQUITY AND LIABILITIES	<u>1,581,058</u>	<u>1,384,434</u>
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)		
	1.05	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)

PERDANA PETROLEUM BERHAD

(Company No. 372113 - A)

(Incorporated in Malaysia)



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30-Sept-15 RM'000	30-Sept-14 RM'000
Cash flow from operating activities		
(Loss)/Profit before taxation	(36,766)	74,224
Adjustments for:		
Accretion of refundable deposits	(2,155)	(2,193)
Allowance for impairment loss on receivables	7	-
Bad debt written off	2	7
Deficit on liquidation of subsidiaries	-	150
Depreciation of property, plant and equipment	48,233	38,399
Interest expense	24,346	22,318
Interest income	(766)	(406)
Loss on disposal of property, plant and equipment	168	161
Property, plant and equipment written off	90	-
Unrealised loss/(gain) on foreign exchange	8,597	(97)
Operating profit before working capital changes	<u>41,756</u>	<u>132,563</u>
Decrease/(Increase) in inventories	316	(209)
Decrease/(Increase) in trade and other receivables	20,013	(21,591)
Increase in trade and other payables	5,715	39
Decrease in amount owing by a related company	16,509	-
Increase in amount owing by a related party	-	(15,875)
Net cash from operations	<u>84,309</u>	<u>94,927</u>
Tax paid	<u>(1,864)</u>	<u>(765)</u>
Net cash from operating activities	<u>82,445</u>	<u>94,162</u>
Cash flow for investing activities		
Interest received	766	406
Proceeds from disposal of property, plant and equipment	199	15
Refundable deposits refunded	-	3,854
Purchase of property, plant and equipment	(22,036)	(101,338)
Placement of fixed deposits	(4,406)	(5,473)
Net cash for investing activities	<u>(25,477)</u>	<u>(102,536)</u>

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
 ENDED 30 SEPTEMBER 2015

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	30-Sept-15 RM'000	30-Sept-14 RM'000
Cash flow for financing activities		
Drawdown of bank borrowings	-	82,660
Interest paid	(24,346)	(22,318)
Proceeds from issuance of shares through warrant exercise	7,418	6,811
Repayment of bank borrowings	(98,815)	(73,958)
Repayment of hire purchase obligations	(64)	(96)
Share issuance expenses	(11)	(5)
Net cash for financing activities	<u>(115,818)</u>	<u>(6,906)</u>
Net change in cash and cash equivalents	(58,850)	(15,280)
Effect of foreign exchange translation	11,030	154
Cash and cash equivalents at beginning of the financial period	<u>82,972</u>	<u>60,445</u>
Cash and cash equivalents at end of the financial period	<u>35,152</u>	<u>45,319</u>
Cash and cash equivalents		
Fixed deposits with licensed banks	24,579	22,907
Cash and bank balances	<u>31,211</u>	<u>28,466</u>
	55,790	51,373
Less: Fixed deposits pledged as security	<u>(20,638)</u>	<u>(6,054)</u>
	<u>35,152</u>	<u>45,319</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)

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



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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	5,231	(10)	3,531	(1,345)	-	-	-	-	7,407	-	7,407
Total comprehensive income for the period	-	-	-	-	(95)	-	164,604	(38,745)	125,764	417	126,181
Balance as at 30 September 2015	374,516	-	11,935	3,868	(557)	1,635	127,711	268,414	787,522	140	787,662
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)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015**

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

A2.1 Adoption of Standards, Amendments and Interpretations

The significant accounting policies adopted in the preparation of these interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2014, except for the adoption of the following Standards, Amendments and Interpretations from 1 January 2015:

MFRS/Amendments/ Interpretation	Effective Date
Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2011 – 2013 Cycle)</i>	1 July 2014
Amendments to MFRS 2, <i>Share-based Payment (Annual Improvements to MFRSs 2010 – 2012 Cycle)</i>	1 July 2014
Amendments to MFRS 3, <i>Business Combinations (Annual Improvements to MFRSs 2010 – 2012 Cycle and 2011 – 2013 Cycle)</i>	1 July 2014
Amendments to MFRS 8, <i>Operating Segments (Annual Improvements to MFRSs 2010 – 2012 Cycle)</i>	1 July 2014
Amendments to MFRS 13, <i>Fair Value Measurement (Annual Improvements to MFRSs 2010 – 2012 Cycle and 2011 – 2013 Cycle)</i>	1 July 2014
Amendments to MFRS 116, <i>Property, Plant and Equipment (Annual Improvements to MFRSs 2010 – 2012 Cycle)</i>	1 July 2014
Amendments to MFRS 119, <i>Employee Benefits – Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Amendments to MFRS 124, <i>Related Party Disclosures (Annual Improvements to MFRSs 2010 – 2012 Cycle)</i>	1 July 2014

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. Changes in Accounting Policies (Cont'd)

MFRS/Amendments/ Interpretation	Effective Date
Amendments to MFRS 138, <i>Intangible Assets (Annual Improvements to MFRSs 2010 – 2012 Cycle)</i>	1 July 2014
Amendments to MFRS 140, <i>Investment Property (Annual Improvements to MFRSs 2011 – 2013 Cycle)</i>	1 July 2014

The adoption of the above Standards, Amendments and Interpretations does not have a material impact on the financial statements of the Group and of the Company.

A2.2 Standards, Amendments and Interpretations issued but not yet effective

MFRS/Amendments/ Interpretation	Effective Date
MFRS 14, <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 116, <i>Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 11: <i>Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations (Annual Improvement to MFRSs 2012 – 2014 Cycle)</i>	1 January 2016
Amendments to MFRS 7, <i>Financial Instruments: Disclosures - (Annual Improvement to MFRSs 2012 – 2014 Cycle)</i>	1 January 2016
Amendments to MFRS 10, <i>Consolidated Financial Statements and MFRS 128, Investment in Associates and Joint Ventures – Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture</i>	1 January 2016
Amendments to MFRS 10, <i>Consolidated Financial Statements, MFRS 12, Disclosure of interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 101, <i>Presentation of Financial Statements – Disclosure Initiative</i>	1 January 2016

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. Changes in Accounting Policies (Cont'd)

MFRS/Amendments/ Interpretation	Effective Date
Amendments to MFRS 116, <i>Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 119, <i>Employee Benefits (Annual Improvements to MFRSs 2012 – 2014 Cycle)</i>	1 January 2016
Amendments to MFRS 127, <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRS 134, <i>Interim Financial Reporting (Annual Improvements to MFRSs 2012 – 2014 Cycle)</i>	1 January 2016
MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
MFRS 9, <i>Financial Instruments (2014)</i>	1 January 2018
Amendments to MFRS 7, <i>Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>	1 January 2018

The Group plans to apply:

- From the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for Amendments to MFRS 5, Amendments to MFRS 11, Amendments to MFRS 138, Amendments to MFRS 141 and MFRS 14 which are assessed as presently not applicable to the Group.
- From the annual period beginning on 1 January 2018 for MFRS 15, MFRS 9 and Amendments to MFRS 7 which are effective for annual period beginning on or after 1 January 2018.

The initial application of the above accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements for current and prior period financial statements of the Group.

3. Qualification of Financial Statements

There was no qualification on the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

4. Seasonal or Cyclical Factors

Seasonal and cyclical factors do not have any material impact on the Group's business operations.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015**

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

5. Unusual Items

There are no unusual items affecting assets, liabilities, equity, or cash flows during the current quarter and financial period to-date, except for the other comprehensive income arising from foreign currency translation of investment in Labuan subsidiaries denominated in US Dollars. During the current quarter and financial period to-date, the other comprehensive income arising from foreign currency translation amounted to RM114.5 million and RM164.6 million respectively.

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, 543,889 and 10,462,105 ordinary shares of RM0.50 were issued pursuant to the exercise of Warrants 2010/2015 at the exercise price of RM0.71 per share. As at 30 September 2015, 30,083,918 Warrants 2010/2015 remained unexercised.

The Warrants 2010/2015 expired on 26 October 2015.

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.

8. Dividends Paid

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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. Segmental Information

Business Segment

<i>Current Quarter Ended 30 September 2015</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	45,896	-	-	45,896
Inter-segment revenue	-	2,836	(2,836)	-
	45,896	2,836	(2,836)	45,896
Results				
Segment results	(20,520)	(2,656)	(3,696)	(26,872)
Finance costs	(8,882)	(300)	534	(8,648)
Loss before taxation	(29,402)	(2,956)	(3,162)	(35,520)
<i>Corresponding 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

PERDANA PETROLEUM BERHAD

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



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. Segmental Information (Cont'd)

Business Segment

<i>Current Year-to-date Ended 30 September 2015</i>	Marine Offshore Support Services RM'000	Investment Holding RM'000	Elimination RM'000	Group RM'000
Revenue				
External revenue	179,588	-	-	179,588
Inter-segment revenue	-	8,500	(8,500)	-
	179,588	8,500	(8,500)	179,588
Results				
Segment results	1,981	(2,517)	(11,799)	(12,335)
Finance costs	(25,088)	(890)	1,547	(24,431)
Loss before taxation	(23,107)	(3,407)	(10,252)	(36,766)
<i>Corresponding 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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

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, except for any additional tax that may be imposed on the Group following a recent tax audit by the Inland Revenue Board. The Group is currently responding to the queries raised thereby vide their letter dated 19 October 2015 and is unable to quantify the additional tax that may be payable, if any.

11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current quarter ended 30 September 2015.

12. Changes in Contingent Liabilities

In addition to the contingent tax liability as disclosed in Note 10, the following are the contingent liabilities outstanding as at 30 September 2015:

	As at 30-Sept-15	
	Group RM'000	Company RM'000
<u>Unsecured:-</u>		
Bank guarantee granted to third parties for the benefit of a subsidiary	4,800	4,800
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	4,807	734,622
	<u>9,607</u>	<u>739,422</u>

13. Capital Commitment

As at 30 September 2015, the Group had the following capital commitments:

	RM'000
Approved and contracted for	
- Purchase of property, plant and equipment	<u>298,906</u>

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

14. Operating Lease Arrangements

As at 30 September 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	50,545
Later than 1 year and not later than 5 years	111,736
	<u>162,281</u>

15. Significant Related Party Transactions

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

	Quarter ended 30-Sept-15 RM'000	Quarter ended 30-Sept-14 RM'000
i. Subsidiaries:		
- rental income	93	89
- management income	2,743	2,119
ii. Related party:		
- charter income	20,797	33,902

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-15 RM'000	Quarter ended 30-Sept-14 RM'000
Short-term employee benefits	5,005	2,474

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015**

**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 2015, the Group recorded a lower turnover of RM45.9 million and a loss before taxation of RM35.5 million, as compared to a turnover of RM93.8 million and profit before taxation of RM27.7 million in the third quarter of year 2014.

The lower turnover registered and the loss before taxation incurred in the current quarter is mainly due to lower vessel utilization at 55% in the current quarter as compared to 98% in third quarter of year 2014, resulting from the slower work orders /contracts award from the oil majors affected by the decline in crude oil prices. The loss before taxation has also accounted for a realized foreign exchange loss of RM6.7 million in the current quarter ended 30 September 2015.

- B. For the financial period ended 30 September 2015, the Group recorded a lower turnover of RM179.6 million and loss before taxation of RM36.8 million as compared to previous period ended 30 September 2014's turnover of RM269.7 million and profit before taxation of RM74.2 million.

The lower turnover registered and the loss before taxation incurred is mainly due to lower vessel utilization at 66% for the financial period ended 30 September 2015, as compared to 94% in previous period ended 30 September 2014, resulting from the slower work orders /contracts award from the oil majors affected by the decline in crude oil prices. Apart from the realized foreign exchange loss of RM10.1 million and unrealized foreign exchange loss of RM8.6 million recognized, the loss before taxation is also affected by higher bunkering, repair and maintenance cost in the current period ended 30 September 2015.

17. Comparison with Immediate Preceding Quarter

The Group recorded a lower turnover of RM45.9 million and a loss before taxation of RM35.5 million in the current quarter, as compared to the previous quarter's turnover of RM64.2 million and loss before taxation of RM10.8 million.

The lower turnover registered and the loss before taxation incurred is mainly attributed to lower vessel utilization at 55% in the current quarter as compared to 68% in the previous quarter, resulting from the slower work orders /contracts award from the oil majors affected by the decline in crude oil prices.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015**

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

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 remains uncertain and depressed. Such volatility and prolonged decline in the oil price have already resulted in oil companies making cut backs on their exploration and operation budgets leading to a slow-down in new project awards.

Notwithstanding the above, the Group has embarked on cost cutting initiatives and will continue to focus on enhancing operational efficiencies and improving its financial management with the well positioned young and versatile fleet of offshore support vessels that have an average age of approximately 5.2 years old. The Board believes its fleet will continue to provide the longer-term charter opportunities and that under the current environment the Group must harness the strength and resilience to weather an extended period of low oil price.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

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

19. (Loss)/Profit for the Quarter/Period

	Current Quarter Ended 30-Sept-15 RM'000	Corresponding Quarter Ended 30-Sept-14 RM'000	Current Year-to-date Ended 30-Sept-15 RM'000	Corresponding Year-to-date Ended 30-Sept-14 RM'000
(Loss)/Profit for the quarter is arrived at after charging/(crediting):				
Allowance for impairment loss on receivables	7	-	7	-
Bad debt written off	2	7	2	7
Depreciation of property, plant and equipment	17,273	12,795	48,233	38,399
Deficit on liquidation of subsidiaries	-	-	-	150
Interest expense	8,662	7,031	24,346	22,318
Loss on disposal of property, plant and equipment	36	58	168	161
Property, plant and equipment written off	90	-	90	-
Accretion of refundable deposits	(790)	(555)	(2,155)	(2,193)
Interest income	(203)	(153)	(766)	(406)
Loss/(Gain) on foreign exchange:				
- realised	6,723	-	10,102	(336)
- unrealised	2,967	1,154	8,597	(97)

Other than the above, there were no 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 for the current quarter and financial period ended 30 September 2015.

PERDANA PETROLEUM BERHAD

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015****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-15 RM'000	Corresponding Quarter Ended 30-Sept-14 RM'000	Current Year-to-date Ended 30-Sept-15 RM'000	Corresponding Year-to-date Ended 30-Sept-14 RM'000
Current tax:				
Malaysian income tax	116	697	992	958
Foreign tax	-	-	540	254
Withholding tax	-	-	-	1
	116	697	1,532	1,213
Deferred tax:				
Malaysian income tax	-	9	-	(28)
Total	116	706	1,532	1,185

Despite the consolidated losses for the current quarter and financial period to-date, the Group still incurs a tax charge as the losses incurred by certain group entities cannot be offset against the taxable profits made by other group entities.

21. Corporate Proposals

On 14 May 2015, the Company has received a notice from Maybank Investment Bank Berhad (“Maybank IB”) on behalf of Dayang Enterprise Holdings Berhad (“Dayang”) in relation to the proposed acquisition of 42,965,100 ordinary shares of RM0.50 each in Perdana Petroleum Berhad (“PPB”) (“PPB Shares”), representing approximately 5.74% equity interest in PPB from Affin Hwang Asset Management Berhad for a total cash consideration RM66,595,905 or RM1.55 per share (“Proposed Acquisition”) and proposed mandatory general offer (“MGO”) for all the remaining PPB Shares not already owned by Dayang after the Proposed Acquisition and such number of new PPB Shares that may be issued pursuant to the exercise of any outstanding warrants 2010/2015 issued by PPB (“PPB Warrants”) prior to the close of the proposed MGO for a cash consideration of RM1.55 per PPB Share and all the remaining PPB Warrants not already owned by Dayang for a cash consideration of RM0.84 per PPB Warrant.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

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

21. Corporate Proposals (Cont'd)

On 2 July 2015, the Company has received a notice of conditional mandatory take-over offer from Maybank IB, on behalf of Dayang to acquire all the remaining PPB Shares not already owned by Dayang after the Acquisition and such number of new PPB Shares that may be issued pursuant to the exercise of any outstanding PPB Warrants prior to the close of the Offer ("Offer Shares") and all the remaining PPB Warrants not already owned by Dayang ("Offer Warrants") for a cash offer price of RM1.55 per Offer Share and RM0.84 per Offer Warrant. In relation to the Offer, the Board has deliberated on the Notice and is not seeking an alternative person to make a take-over offer for the Offer Shares and Offer Warrants.

On 24 July 2015, Dayang ("the Offeror") has received valid acceptances in respect of the Offer, resulting in Dayang and the person acting in concert with Dayang for the Offer ("PACs") holding in aggregate, together with such PPB Shares that are already acquired, held or entitled to be acquired or held by Dayang and the PACs, more than 50% of the voting shares of PPB. As such, the acceptance condition of the Offer has been fulfilled and the Offer has become unconditional.

On the close of the Offer on 13 August 2015, the Offeror and PACs have accepted 710,783,665 ordinary shares of RM0.50 each and 28,368,926 warrants, which equivalent to 94.96% of issued and paid-up share capital of PPB as at 13 August 2015 of 748,488,501 PPB Shares and 92.63% of 30,627,597 outstanding PPB Warrants as at 13 August 2015. Henceforth, the Company regards Dayang Enterprise Holdings Bhd as its holding company.

As the public shareholding spread of PPB is less than 10% of the Voting Shares of PPB, on 14 August 2015, the Company has announced that the trading in all the securities of PPB will be suspended by Bursa Securities with effect from 9.00 a.m. on 30 September 2015, pursuant to Paragraph 16.02(2) of the Main Market Listing Requirements ("MMLR"). Accordingly, trading in the structured warrants relating to Perdana will also be suspended at the same date and time. The suspension will only be uplifted by Bursa Malaysia Securities Berhad upon PERDANA's full compliance with the public shareholding spread requirements under paragraph 8.02(1) of the MMLR or as may be determined by Bursa Malaysia Securities Berhad.

On 25 September 2015, the Company announced that Bursa Securities has vide their letter dated 23 September 2015 granted the Company an extension of time of three months from 13 August 2015 to 12 November 2015 to comply with the public shareholding spread requirement.

The Company has vide their letter dated 9 November 2015 sought a further extension of time of six months from 13 November 2015 to 12 May 2016 to rectify the shortfall in the public shareholding spread of PPB to comply with the Required Public Spread and is currently awaiting response from the authority.

There were no other corporate proposals announced but not completed as of 17 November 2015 save for the above.

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

**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 2015 were as follows:

	As at 30-Sept-15 RM'000	As at 31-Dec-14 RM'000
Short term borrowings		
Secured	192,859	107,953
Unsecured	20,000	35,000
	<u>212,859</u>	<u>142,953</u>
Long term borrowings		
Secured	537,252	544,422
Total borrowings	<u>750,111</u>	<u>687,375</u>

The above includes borrowings in US Dollars equivalent to RM730 million.

23. Derivative Financial Instruments

There are no outstanding derivative financial instruments as at 30 September 2015.

24. Changes in Material Litigation

The Group is not engaged in any material litigation as at 17 November 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.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015**

**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 had reversed 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 year ended 31 December 2014 was 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 August 2015, the Company announced that the Court of Appeal has made the following judgements:-

- (a) PPB's appeal is allowed with costs against Tengku Dato' Ibrahim Petra bin Tengku Indra Petra, Wong Fook Heng and Tiong Young Kong;
- (b) PPB's appeal is dismissed with costs against Lee Mee Jiong; and
- (c) Tengku Dato' Ibrahim Petra bin Tengku Indra Petra's cross appeal is dismissed with costs.

On 25 September 2015, the Company announced that the Company had on 23 September 2015 received the Notices of Motion from the solicitors of Tengku Dato' Ibrahim bin Tengku Indra Petra and Wong Fook Heng & Tiong Young Kong respectively, to apply for leave to appeal to the Federal Court against the decision of the Court of Appeal on 25 August 2015.

PERDANA PETROLEUM BERHAD

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015****PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING
REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****25. Dividends**

There was no dividend proposed in respect of the current quarter ended 30 September 2015.

26. (Loss)/Earnings Per Share**a.) Basic**

	Current Quarter Ended 30-Sept-15	Corresponding Quarter Ended 30-Sept-14	Current Year-to-date Ended 30-Sept-15	Corresponding Year-to-date Ended 30-Sept-14
Net (loss)/profit attributable to shareholders (RM'000)	(35,636)	27,013	(38,745)	73,041
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	748,488,291	738,216,175	738,570,075	727,222,915
Effects of warrants exercised	169,389	173,723	7,398,139	8,997,525
Weighted average number of ordinary shares in issue	748,657,680	738,389,898	745,968,214	736,220,440
Basic (loss)/earnings per ordinary share of RM0.50 each (Sen)	(4.76)	3.66	(5.19)	9.92

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

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

26. (Loss)/Earnings Per Share (Cont'd)

b.) Diluted

	Current Quarter Ended 30-Sept-15	Corresponding Quarter Ended 30-Sept-14	Current Year-to-date Ended 30-Sept-15	Corresponding Year-to-date Ended 30-Sept-14
Net (loss)/profit attributable to shareholders (RM'000)	(35,636)	27,013	(38,745)	73,041
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	748,488,291	738,216,175	738,570,075	727,222,915
Effects of warrants exercised	169,389	173,723	7,398,139	8,997,525
Effects of outstanding warrants	16,321,276	18,604,221	16,073,689	19,385,269
Adjusted number of ordinary shares for calculating diluted earnings per ordinary share	764,978,956	756,994,119	762,041,903	755,605,709
Diluted earnings per ordinary share of RM0.50 each (Sen)	*N/A	3.57	*N/A	9.67

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

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2015

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-2015 RM'000	As at 31-Dec-2014 RM'000
Total retained profits of the Group:		
- Realised	214,745	210,134
- Unrealised	(12,984)	(8,994)
	<u>201,761</u>	<u>201,140</u>
Add: Consolidation adjustments	66,653	106,019
Total retained profits as per statement of financial position	<u>268,414</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.

28. Change of Board members and Auditors

On 24 August 2015, Datuk Ling Suk Kiong and Bailey Kho Chung Siang have been appointed as the Executive Directors of the Company. All the Non-Executive Directors have been appointed on 10 September 2015 and 1 October 2015.

On 15 September 2015, the Company announced that Messrs. Crowe Horwath have tendered their resignation as the Auditors of the Company for the financial year ending 31 December 2015. Their resignation took effect upon the appointment of new Auditors, KPMG on 28 October 2015.