

**TANJUNG OFFSHORE BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**  
(the figures have not been audited)

	2009 Current Period Quarter Ended 31-Dec (Unaudited) (RM'000)	2008 Preceding Year Quarter Ended 31-Dec (Audited) (RM'000)	2009 Current Year Cumulative to Date 31-Dec (Unaudited) (RM'000)	2008 Preceding Year Period Ended 31-Dec (Audited) (RM'000)
Revenue	136,096	203,141	649,502	574,273
Cost of Sale	-107,341	-161,456	-535,739	-461,246
<b>Gross Profit</b>	<b>28,755</b>	<b>41,685</b>	<b>113,763</b>	<b>113,027</b>
Other Income	211	1,171	1,445	1,576
Operating Expenses	-24,920	-23,945	-94,985	-67,165
Finance Cost	-5,675	-4,406	-18,994	-12,883
Share of Profit/(Loss) From Associate	2,419	-1,011	6,369	-329
<b>Profit Before Taxation</b>	<b>790</b>	<b>13,594</b>	<b>7,598</b>	<b>34,226</b>
Taxation: Company & Subsidiary Companies Associate Company	1,536 101	60 -1	-974 -593	-2,776 -1
<b>Net Profit For the Year</b>	<b>2,427</b>	<b>13,553</b>	<b>6,031</b>	<b>31,449</b>
Attributable to:				
Equity Holders of the Parent	2,422	13,616	4,884	31,379
Minority Interest	5	37	1,147	70
<b>Net Profit Attributable to Ordinary Equity Holders</b>	<b>2,427</b>	<b>13,653</b>	<b>6,031</b>	<b>31,449</b>

<b>CONDENSED CONSOLIDATED BALANCE SHEET</b>		
<b>AS AT 31 DECEMBER 2009</b>		
(the figures have not been audited)		
	As at 31-Dec-09 (RM'000) Unaudited	As at 31-Dec-08 (RM'000) Audited
<b>NON-CURRENT ASSETS</b>		
Associated Company	7,114	1,338
Property, Plant & Equipment	759,940	588,797
Intangible Assets	11,542	7,093
Deferred Tax Assets	7,848	6,607
<b>Total Non-Current Assets</b>	<b>786,444</b>	<b>603,835</b>
<b>CURRENT ASSETS</b>		
Inventories	8,965	18,246
Trade Receivables	174,094	238,447
Other Receivables, Prepayment & Deposits	39,330	26,657
Fixed Deposits With Licenced Banks	6,967	56,873
Cash & Bank Balances	31,057	19,820
<b>Total Current Assets</b>	<b>260,413</b>	<b>360,043</b>
<b>CURRENT LIABILITIES</b>		
Trade Payables	87,168	148,831
Other Payables & Accruals	30,380	28,636
Hire Purchase & Lease Payables	1,387	870
Short Term Borrowings	63,975	86,131
Provision For Taxation	817	2,010
<b>Total Current Liabilities</b>	<b>183,727</b>	<b>266,478</b>
<b>NET CURRENT ASSETS</b>	<b>76,686</b>	<b>93,565</b>
	<b>863,130</b>	<b>697,400</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		
Share Capital	125,650	123,295
Reserves	198,612	203,006
Treasury Shares	(4,396)	(4,351)
	319,866	321,950
Minority Interests	5,061	315
<b>Total Equity</b>	<b>324,927</b>	<b>322,265</b>
<b>NON-CURRENT LIABILITIES</b>		
Hire Purchase & Lease Payables	3,751	2,248
Term Loans	288,827	127,262
RM150 Million Serial Bond Issuance	125,597	125,597
Islamic MTN Programme	120,028	120,028
<b>Total Non-Current Liabilities</b>	<b>538,203</b>	<b>375,135</b>
	<b>863,130</b>	<b>697,400</b>

## TANJUNG OFFSHORE BERHAD

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS

OF CHANGES IN EQUITY FOR THE

YEAR ENDED 31 DECEMBER 2008

(The figures have not been audited)

	Equity Attributable to Equity Holders of the Company										Minority Interests	Total
	Distributable					Non-Distributable						
	Share Capital RM'000	Accumulated Profit RM'000	Share Premium RM'000	Capital Reserves RM'000	Foreign Exchange Reserve RM'000	Revaluation Reserve RM'000	Employee Share Option Reserve RM'000	Treasury Shares RM'000	Total RM'000	RM'000		
Balance as at 01.01.2008	123,296	59,724	40,070	3,433	(3,843)	102,258	1,564	-4,351	321,050	315	322,265	
Movement during the period	-	4,864	-	-	-	-	-	-	4,864	1,147	6,011	
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	3,599	3,599	
Net income recognised directly in equity - foreign exchange differences on liquidation of foreign operation	-	-	-	-	630	-	-	-	630	-	630	
Dividend paid	-	(10,990)	-	-	-	-	-	-	(10,990)	-	(10,990)	
Repurchased of shares	-	-	-	-	-	-	-	(48)	(48)	-	(48)	
Realisation of revaluation reserve	-	5,792	-	-	-	(5,793)	-	-	-	-	-	
ESOS Share Subscription during the year	2,346	-	632	-	-	-	-	-	2,978	-	2,978	
Transfer to share premium for share options exercised and cancelled	-	-	681	-	-	-	(432)	-	249	-	249	
Warrants exercised during the period	9	-	-	(4)	-	-	-	-	10	-	10	
Balance as at 31.12.2008	125,650	59,418	41,328	3,429	(3,213)	96,465	922	(4,380)	319,882	5,061	324,943	

## TANJUNG OFFSHORE BERHAD

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENTS

OF CHANGES IN EQUITY FOR THE

YEAR ENDED 31 DECEMBER 2008

(The figures have been audited)

	Equity Attributable to Equity Holders of the Company										Minority Interests	Total Equity
	Distributable					Non-Distributable						
	Share Capital RM'000	Accumulated Profit RM'000	Share Premium RM'000	Capital Reserves RM'000	Foreign Exchange Reserve RM'000	Revaluation Reserve RM'000	Other Reserves RM'000	Treasury Shares RM'000	Total RM'000	RM'000		
Balance as at 01.01.08	101,483	29,960	125	3,738	-	-	1,153	-	136,489	148	136,637	
Realisation of revaluation reserve	-	2,896	-	-	-	(2,896)	-	-	-	-	-	
Revaluation surplus*	-	-	-	-	-	105,154	-	-	105,154	-	105,154	
Repurchase of shares	-	-	-	-	-	-	(4,351)	-	(4,351)	-	(4,351)	
Movement during the period	-	31,379	-	-	-	-	-	31,379	31,379	70	31,449	
Net income recognise directly in equity - foreign exchange differences on liquidation of foreign operation	-	-	-	-	(3,843)	-	-	-	(3,843)	-	(3,843)	
Acquisition of shares in foreign entity	-	-	-	-	-	-	-	-	-	87	87	
Dividend paid	-	(4,541)	-	-	-	-	-	-	(4,541)	-	(4,541)	
ESOS share subscription during the period	688	-	435	-	-	-	-	-	1,123	-	1,123	
Rights issue exercise	29,489	-	40,878	-	-	-	211	-	61,467	-	61,467	
Share-based payment under ESOS	-	-	-	-	-	-	-	-	211	-	211	
Warrants exercised during the period	635	-	458	(395)	-	-	-	-	788	-	788	
Expenses incurred on separate exercise	-	-	(1,828)	-	-	-	-	-	(1,828)	-	(1,828)	
Balance as at 31.12.08	122,205	88,724	40,070	3,403	(3,843)	102,258	1,384	(4,351)	321,930	315	322,245	

\* Also taking into consideration the market break value of the revalued seven (7) units of offshore support vessels on the date of revaluation i.e. 17 July 2008

Company No. 662315-U

**TANJUNG OFFSHORE BERHAD**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED CASH FLOW  
STATEMENT FOR THE YEAR ENDED  
31 DECEMBER 2009**

(The figures have not been audited)

	As at 31-Dec-09 (Unaudited) (RM'000)	As at 31-Dec-08 (Audited) (RM'000)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	7,598	34,226
<b>Adjustments:</b>		
Non cash item	22,596	22,304
Non operating items	18,351	11,402
<b>Operating profit before changes in working capital</b>	<b>48,545</b>	<b>67,932</b>
<b>Changes in working capital</b>		
Net change in current assets	65,216	-165,708
Net change in current liabilities	-63,940	102,119
<b>Cash generated from operating activities</b>	<b>49,821</b>	<b>4,343</b>
Tax paid	-3,985	-818
<b>Net cash generated from operating activities</b>	<b>45,836</b>	<b>3,525</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	605	1,279
Purchase of property, plant and equipment	-192,910	-189,903
Purchase of intangible assets	-1,156	(7,309)
Proceeds from disposal of property, plant & equipment	-	324
Investment in associate company	-	(127)
Acquisition of subsidiary companies	-2,439	-
<b>Net cash used in investing activities</b>	<b>-195,900</b>	<b>-195,736</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issuance of shares	3,233	63,378
Net bank borrowings	110,170	184,161
Interest expenses	-18,956	(12,682)
Repurchase of shares	-45	(4,351)
Increased in fixed deposit pledge	-42,148	(6,222)
Expenses incurred on corporate exercise	-	(1,925)
Dividend paid	-10,990	(4,541)
<b>Net cash generated from financing activities</b>	<b>41,264</b>	<b>217,818</b>
Net change in cash and cash equivalent	-108,800	25,607
Opening cash and cash equivalent	32,985	7,378
<b>Closing cash and cash equivalent</b>	<b>-75,815</b>	<b>32,985</b>

**Summary of Key Financial Information**  
31 December 2009

	Individual Period		Cumulative Period	
	Current Year 31/12/2009 RM'000	Preceding Year Quarter 31/12/2008 RM'000	Current Year Quarter 31/12/2009 RM'000	Preceding Year Quarter 31/12/2008 RM'000
1. Revenue	136,096	203,141	649,502	574,273
2. Profit before taxation	790	13,594	7,598	34,226
3. Profit for the year	2,427	13,653	6,031	31,449
4. Profit attributable to ordinary equity holders of the parent	2,422	13,616	4,884	31,379
5. Basic earnings per share (sen)	0.98	5.58	1.99	14.63
6. Proposed/Declared Dividend per share (sen)	0.00	0.00	0.00	0.00

	As at End of Current Quarter	As at Preceding Financial Year End
7. Net assets per share attributable to ordinary equity holders of the parent (RM)	1.27	1.32

Remarks:

The calculation of basic earnings per ordinary share for both the current quarter and year-to-date ended 31 December 2009 is based on the weighted average number of ordinary shares of 248,060,301 and 245,525,478 ordinary shares respectively.

**Additional Information**

	Individual Period		Cumulative Period	
	Current Year Quarter 31/12/2009 RM'000	Preceding Year Quarter 31/12/2008 RM'000	Current Year Quarter 31/12/2009 RM'000	Preceding Year Quarter 31/12/2008 RM'000
1. Gross interest income	104	222	605	1,291
2. Gross interest expense	5,675	2,238	18,994	10,478

Company No: 662315-U  
Tanjung Offshore Berhad  
**NOTES TO THE QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER  
2009**

**A1 Basis of Preparation**

The interim financial statements have been prepared under the historical cost convention. The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation adopted by Tanjung Offshore Berhad and its subsidiaries ("Tanjung" or "Group" or "Company") in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2008.

**A2 Qualification of Financial Statement**

The auditor's report of the preceding annual financial statements was not subject to any qualification.

**A3 Seasonal or Cyclical Factors**

The business operations of the Group were not affected by any seasonal or cyclical factors in the oil and gas industry.

**A4 Extraordinary and Exceptional Items**

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income or cash flows in the interim financial report for the financial period ended 31 December 2009.

**A5 Change in Estimates of Amounts Reported Previously**

The Group did not announce any profit estimates or forecast in any public documents in the previous financial periods.

**Issuances of Debt & Equity Securities**

The Employee Share Options Scheme ("ESOS Scheme") was implemented on 2 August 2005. As at 31 December 2009, the Company has granted 24,876,390 Employees' Share Option Scheme ("ESOS") options to the eligible employees of the Group. As at 31 December 2009, the details of the ESOS options outstanding for the period under review are as follows:-

<b>No Options Granted up to 31 December 2009</b>	<b>Exercised</b>	<b>Cancelled</b>	<b>No of Options Outstanding as at 31 December 2009</b>	<b>Date of expiry</b>
24,876,390	9,804,290	996,200	14,075,900	1 August 2010

On 10 December 2007, the SC has approved the Issue of, Offer for Subscription or Purchase of, or Invitation to Subscribe for or Purchase of up to RM400.0 Million Nominal Value Islamic Medium Term Notes ("IMTN") pursuant to an Islamic Medium Term Notes Programme ("IMTN Programme"). The proceeds from the IMTN Programme shall be utilised by Tanjung, for Syariah-compliant purposes to finance the acquisition and/or construction of offshore support vessels, production platforms, lift barges and oil rigs.

The said IMTN Programme has a tenure of up to fifteen (15) years from the date of the first issuance of the IMTN Programme subject to the first issuance to be effected within six (6) months from the date of the SC's approval. As at 31 December 2009, Tanjung issued RM120.0 million from the said IMTN Programme to finance and part finance six (6) units of offshore support vessels namely, MV Tanjung Gelang, MV Tanjung Gaya, MV Tanjung Biru 1, MV Tanjung Biru 2, MV Tanjung Dahan 1 and MV Tanjung Dahan 2. As at 31 December 2009, the Group has taken delivery of all of the aforesaid vessels save for, MV Tanjung Dahan 1 and MV Tanjung Dahan 2. These two (2) units of vessels are expected to be delivered in February 2010 and March 2010 respectively.

On 15 April 2008, Tanjung announced a Share Buy-Back exercise to purchase its own shares of up to ten percent (10%) of its issued and paid-up capital. The Share Buy-Back exercise was approved by the shareholders of Tanjung on 23 May 2008.

On 16 June 2009, Tanjung obtained the consent from its bondholders to reduce the existing IMTN Programme from RM400.0 million to RM200.0 million in view of the general weak market conditions and lack of demand for corporate bonds.

On 17 June 2008, Tanjung announced a renounceable rights issue of up to 50,547,652 new ordinary shares of RM0.50 each in the Company together with up to 50,547,652 free new detachable warrants at an issue price to be determined later on the basis of one (1) Rights Share together with one (1) free Warrant for every five (5) existing shares of RM0.50 each held in the Company at an entitlement date to be determined later ("Rights Issue with Warrants"). On 29 August 2008, Tanjung obtained its shareholders' approval for the Rights Issue with Warrants. On 17 October 2008, the Rights Issue with Warrants was completed with the listing of new Rights Shares and Warrants on Bursa Malaysia Securities Berhad.

Save as disclosed above, there were no issuance of debt and equity securities for the current financial period under review.

**A7 Dividends declared or paid**

The Board of Directors does not recommend any dividend for the quarter ended 31 December 2009.

The Board has declared a final dividend of 4% or RM0.02 per share of RM0.50 (less 25% taxation) for the financial year ended 31 December 2008. The final dividend was approved by the shareholders of Tanjung at the Annual General Meeting held on 26 May 2009. The said dividend was paid on 2 June 2009.

The Board declared and paid an interim dividend of 8% or RM0.04 per share of RM0.50 (less 25% taxation) for the financial year ended 31 December 2009. The said interim dividend of RM7,326,605.25 has been paid on 8 April 2009.

For the financial year ended 31 December 2007, the Company paid a total of RM5,250,000.0 as final dividend at 6% or 3 sen per share of RM0.50 (less 26% taxation).

For the financial year ended 31 December 2006, the Company paid a total of RM3,142,429.28 as final dividend at 6% or 3 sen per share of RM0.50 (less 27% taxation).

For the financial year ended 31 December 2005, the Company paid a total of RM2,781,180 as final dividend at 6% or 3 sen per share of RM0.50 (less 28% taxation).

**A8 Segmental information**

As at 31 December 2009, no segmental reporting has been prepared as Tanjung Group's activities are principally confined to the provision of integrated oil and gas services in Malaysia.

**A9 Valuation of Property, Plant and Equipment**

The property, plant and equipment of the Group are stated at cost less accumulated depreciation and impairment loss (if any). Save for the seven (7) units of offshore support vessels as detailed below, no revaluation of plant and equipment were undertaken during the current quarter under review.

On 17 July 2008, the Company has undertaken a revaluation of all existing seven (7) units of existing fleet of vessels by an independent valuer. The valuation was determined by reference to Fair Market Value basis as follows:-

	Cost (RM million)	Market revaluation (RM million)	Revaluation surplus (RM million)
MV Tanjung Huma	34.15	54.45	20.30
MV Tanjung Manis	22.10	28.05	5.95
MV Tanjung Pinang 1	34.40	47.85	13.45
MV Tanjung Pinang 2	34.40	47.85	13.45
MV Tanjung Pinang 3	34.40	47.85	13.45
MV Tanjung Pinang 4	34.40	47.85	13.45
MV Tanjung Dawai	45.75	61.05	15.30
<b>Total</b>	<b>239.60</b>	<b>334.95</b>	<b>95.35</b>



**A10 Material events subsequent to Balance Sheet date as at 31 December 2009**

There were no material events subsequent to the Balance Sheet date as at 31 December 2009 which will materially affect the earnings or income of the Group.

**A11 Changes in the Composition of the Group**

There were no significant changes in the composition of the Group in the interim financial report, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

**A12 Contingent Liabilities**

There were no significant changes in contingent liabilities since the last annual balance sheet date and there were no additional contingent liabilities reported in the current financial quarter ended 31 December 2009.

**A13 Capital Commitments**

As at 31 December 2009, capital commitments for three (3) units of offshore support vessels are as set out below (contracted but not provided for as at 31 December 2009) totalled RM19,080,000.

MV Tanjung Sari	:	Anchor Handling Tug & Supply (AHTS) vessel;
MV Tanjung Dahan 1	:	AHTS vessel;
MV Tanjung Dahan 2	:	AHTS vessel.

As at todote, MV Tanjung Biru 1, MV Tanjung Biru 2 and MV Tanjung Sari has been delivered to the Group. The remaining two (2) units of AHTS vessels namely, MV Tanjung Dahan 1 and MV Tanjung Dahan 2 are expected to be delivered by February 2010 and March 2010 respectively.

**A14 Acquisition of Property, plant and equipment**

There was no material acquisition or disposal of assets such as property, plant and equipment during the current quarter under review.

**B ADDITIONAL INFORMATION REQUIRED UNDER LISTING REQUIREMENTS**

**B1 Variance of results against preceding year quarter**

For the current quarter ended 31 December 2009, the Group recorded consolidated revenue of RM136.09 million. This represents a decrease of RM67.04 million or 33% as compared to RM203.14 million recorded in the corresponding quarter ended 31 December 2008. The net profit after tax recorded for the current quarter ended 31 December 2009 of RM2.43 million is RM11.22 million or 82% lower than that recorded in the corresponding quarter ended 31 December 2008 of RM13.65 million.

The Group registered lower revenue in the current quarter due to lesser contracts secured for the Group. In view of the volatile oil prices during this period, it has been anticipated that oil majors have postponed various contracts in particular the engineering equipment packages.

The Group also registered a lower profit after tax due to losses registered at our subsidiary, Citech Energy Recovery Systems UK Limited (CERS). In the current quarter, CERS registered a net loss of GBP1.63 million due to the redundancy payments for the workforce and losses from completion of the last contract from the previous management at CERS. With the completion of the last contract from the previous management, it also represents an end to the late delivery charges and cost overruns that has affected the financial performance of CERS. CERS is currently in the midst of bidding for new contracts under the new management and the Group is confident that CERS will perform better operationally and financially for the financial year ending 31 December 2010.

**B2 Variance of results against preceding quarter**

The Group's total revenue for the current quarter of RM136.09 million represents a decrease of RM18.80 million as compared to RM154.89 million recorded in the preceding quarter ended 30 September 2009. The Group's consolidated net profit of RM2.43 million registered in the current quarter represents an increase of more than 100% as compared to the net loss registered in the preceding quarter of RM10.29 million. The decrease in overall revenue is due to lesser contracts secured in the current period due to postponement of contracts by the oil majors operating in this region and worldwide.

**B3 Current Year Prospects**

The Board of Directors of Tanjung remains cautiously optimistic on the prospects of the oil and gas industry in the international markets. We are continuously monitoring the latest developments in the industry within Malaysia and abroad.

Notwithstanding the reduction in revenue and profitability levels registered in the current quarter, we remain confident that we are able to overcome these short term losses as we continue to enhance our services to the oil majors in their exploration, development of new oilfields, upgrade and maintenance of the existing and new offshore platforms in Malaysia and international markets.

Tanjung Group will continue to penetrate new niche markets within our four (4) core businesses to remain relevant in the industry and will continue to invest in assets that are fundamentally strong in generating healthy returns and taking a long term outlook of the oil and gas industry.

This is evident with the recent long term charters of between three (3) to six (6) years that we have secured for our newly delivered vessels namely, MV Tanjung Biru 1, MV Tanjung Biru 2 and MV Tanjung Sari. We expect to take delivery of another two (2) units of AHTS vessels, namely MV Tanjung Dahan 1 and MV Tanjung Dahan 2 by the end of February 2010 and end of March 2010 respectively. We are confident of securing long term charters for the aforesaid vessels in due course.

From March 2010, Tanjung will be operating 16 units of offshore vessels and save for 2 units of vessels on spot charters, all of these vessels are chartered out to the oil majors on long term basis.

With the recovery of oil process currently hovering at between USD70 to USD80 per barrel, we remain optimistic that the Group will continue to secure new engineering equipment and maintenance contracts. We are also optimistic that CERS is expected to turnaround and return to profitability in the coming financial quarters.

#### B4 Variance of actual and profit estimates

The Group has not provided any quarterly profit forecasts and therefore no comparison is available.

#### B5 Taxation

	Individual Period		Cumulative Period	
	Current Year Quarter 31/12/2009 RM'000	Preceding Year Corresponding Quarter 31/12/2008 RM'000	Current Year Quarter 31/12/2009 RM'000	Preceding Year Corresponding Quarter 31/12/2008 RM'000
a. Income Tax (Income)/Expenses	(396)	753	2,808	3,589
b. Over provision in previous year	-	(91)	-	(91)
c. Deferred Tax Liabilities / (Assets)	(1,241)	(721)	(1,241)	(721)
d. Total	(1,637)	(59)	1,567	2,777

**Note:** The Group's tax rate is lower than that of the statutory tax rate. This is mainly due to the utilisation of capital allowances for newly completed vessels.

**B6 Acquisition and Disposal of Unquoted Investment and Properties**

There was no material purchase or disposal of unquoted investment and/or properties during the current quarter under review.

**B7 Quoted and Marketable Investment**

There was no purchase or disposal of quoted and marketable securities during the current quarter under review.

**B8 Status of Corporate Proposal**

The Employee Share Options Scheme ("ESOS Scheme") was implemented on 2 August 2005. As at 31 December 2009, the Company has granted 24,876,390 Employees' Share Option Scheme ("ESOS") options to the eligible employees of the Group. As at 31 December 2009, the details of the ESOS options outstanding for the period under review are as follows:-

No Options Granted up to 31 December 2009	Exercised	Cancelled	No of Options Outstanding as at 31 December 2009	Date of expiry
24,876,390	9,804,290	996,200	14,075,900	1 August 2010

On 10 December 2007, the SC has approved the issue of, Offer for Subscription or Purchase of, or Invitation to Subscribe for or Purchase of up to RM400.0 Million Nominal Value Islamic Medium Term Notes ("IMTN") pursuant to an Islamic Medium Term Notes Programme ("IMTN Programme"). The proceeds from the IMTN Programme shall be utilised by Tanjung, for Syariah-compliant purposes to finance the acquisition and/or construction of offshore support vessels, production platforms, lift barges and oil rigs.

The said IMTN Programme has a tenure of up to fifteen (15) years from the date of the first issuance of the IMTN Programme subject to the first issuance to be effected within six (6) months from the date of the SC's approval. As at 31 December 2009, Tanjung issued RM120.0 million from the said IMTN Programme to finance and part finance six (6) units of offshore support vessels namely, MV Tanjung Gelang, MV Tanjung Gaya, MV Tanjung Biru 1, MV Tanjung Biru 2, MV Tanjung Dahan 1 and MV Tanjung Dahan 2. As at 31 December 2009, the Group has taken delivery of all of the aforesaid vessels save for, MV Tanjung Dahan 1 and MV Tanjung Dahan 2. These two (2) units of vessels are expected to be delivered in February 2010 and March 2010 respectively.

On 15 April 2008, Tanjung announced a Share Buy-Back exercise to purchase its own shares of up to ten percent (10%) of its issued and paid-up capital. The Share Buy-Back exercise was approved by the shareholders of Tanjung on 23 May 2008.

On 16 June 2009, Tanjung obtained the consent from its bondholders to reduce the existing IMTN Programme from RM400.0 million to RM200.0 million in view of the general weak market conditions and lack of demand for corporate bonds.

On 17 June 2008, Tanjung announced a renounceable rights issue of up to 50,547,652 new ordinary shares of RM0.50 each in the Company together with up to 50,547,652 free new detachable warrants at an issue price to be determined later on the basis of one (1) Rights Share together with one (1) free Warrant for every five (5) existing shares of RM0.50 each held in the Company at an entitlement date to be determined later ("Rights Issue with Warrants"). On 29 August 2008, Tanjung obtained its shareholders' approval for the Rights Issue with Warrants. On 17 October 2008, the Rights Issue with Warrants was completed with the listing of new Rights Shares and Warrants on Bursa Malaysia Securities Berhad.

Save as disclosed above, there were no other corporate proposal in the current financial period under review.

#### **B9 Bank Borrowings**

	<b>Secured (RM'000)</b>	<b>Unsecured (RM'000)</b>	<b>Total (RM'000)</b>
Short term borrowings	31,362	34,000	65,362
Long term borrowings	538,203	-	538,203
<b>Total borrowings</b>	<b>569,565</b>	<b>34,000</b>	<b>603,565</b>

The above bank borrowings are denominated in Ringgit Malaysia save for an overdraft facility of Pound Sterling £2.50 million granted to our subsidiary, CERS in the United Kingdom.

#### **B10 Off balance sheet financial instrument**

As of todote, Tanjung has not entered into any off balance sheet financial instruments.

#### **B11 Material litigation**

The Group is not engaged in any litigation, either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Directors are not aware of any proceedings pending or threatened or of any fact likely to give any proceedings which might materially and/or adversely affect the position or business of the Group.

**B13 Earnings per share**

	Quarter Ended		Year to Date Ended	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
Net profit attributable to ordinary shareholders (RM'000)	2,422	13,616	4,884	31,379
<b>Basic</b>				
Total number of ordinary shares ('000)	248,824	244,165	248,824	244,165
Adjusted weighted average number of ordinary shares ('000)	248,060	244,093	245,525	214,420
	248,060	244,093	245,525	214,420
<b>Basic earnings per ordinary share (cent)</b>	<b>0.98</b>	<b>5.58</b>	<b>1.99</b>	<b>14.63</b>
<b>Diluted</b>				
Adjusted weighted average number of ordinary shares ('000)	248,060	244,093	245,525	214,420
<b>ESOS: #</b>				
No of unissued ESOS ('000)	-	14,691	-	14,691
No of unexercised warrants ('000)	35,884	76,880	35,884	76,880
	35,884	76,880	35,884	76,880
Diluted weighted average number of ordinary share ('000)	252,617	264,503	250,082	234,830
<b>Diluted earnings per ordinary share (cent)</b>	<b>0.96</b>	<b>5.15</b>	<b>1.95</b>	<b>13.36</b>

# The diluted earnings per ordinary share for the quarter ended 31 December 2009 are not presented, as the computation would result in anti-dilutive earnings per ordinary share.