## CREST PETROLEUM BHD ( Company No : 45631-D) Incorporated in Malaysia

# QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30 JUNE 2003

## THE FIGURES HAVE NOT BEEN AUDITED

## I. CONDENSED CONSOLIDATED INCOME STATEMENT

			Individual	Quarter	Cumulative Quarter	
			Current year quarter	Preceding year corresponding quarter	Six months to	Six months to
			<b>30/6/2003</b> RM'000	<b>30/6/2002</b> RM'000	<b>30/6/2003</b> RM'000	<b>30/6/2002</b> RM'000
1.	(a)	Revenue	238,461	188,759	336,441	286,345
	(b)	Operating expenses	(237,958)	(183,475)	(352,441)	(280,551)
	(c)	Other operating income	1,095	320	1,235	568
	(d)	Profit/(Loss) from operations	1,598	5,604	(14,765)	6,362
	(e)	Finance cost	(1,075)	(391)	(2,401)	(772)
	(f)	Profit/(Loss) before share of associates and jointly controlled entities' results	523	5,213	(17,166)	5,590
	(g)	Share of profits of associated companies and jointly controlled entities	6,016	7,670	13,185	12,790
	(h)	Profit/(Loss) before taxation and minority interests	6,539	12,883	(3,981)	18,380
	(i)	Taxation	(2,775)	(5,033)	(6,632)	(7,371)
	(j)	Profit/(Loss) after taxation and before minority interests	3,764	7,850	(10,613)	11,009
	(k)	Minority interests	(168)	(381)	502	84
	(I)	Net profit/(Loss) attributable to members of the company	3,596	7,469	(10,111)	11,093
2.		Earnings per share (sen) based on 1(l) above and 75,778,200 (2001 : 75,778,200) ordinary shares	4.75	9.86	(13.34)	14.64

The condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002

## CREST PETROLEUM BHD ( Company No : 45631-D) Incorporated in Malaysia

# II. CONDENSED CONSOLIDATED BALANCE SHEET

		UNAUDITED As at end of current quarter 30/6/2003 RM'000	AUDITED As at preceding financial year end 31/12/2002 RM'000
1.	Property, plant and equipment	175,061	176,464
2.	Investment in associated companies	115,365	106,620
3.	Jointly controlled entities	1,461	2,232
4.	Deferred expenditure	<u>7,115</u> 299,002	<u>5,465</u> 290,781
5.	CURRENT ASSETS		
	Inventories Trade & other receivables	1,175	315 201,886
	Dividends receivable from jointly controlled entity	271,088	1,208
	Deposits with licensed financial institutions	18,853	23,121
	Cash and bank balances	20,449	46,745
		311,565	273,275
6.	CURRENT LIABILITIES		·
	Trade & other payables Amount due to associated company	251,870 20,805	177,098 22,811
	Amount due to jointly controlled entities	20,005	7
	Short term borrowings	52,672	56,488
	Taxation	10,759	19,575
		336,110	275,979
7.	Net current liabilities	(24,545)	(2,704)
		274,457	288,077
8.	Shareholders' funds Share capital Reserves	75,778	75,778
	Share premium	134,251	134,251
	Revaluation reserve	7,678	7,678
	Capital reserve	3,519	3,519
	Merger reserve	51,989	51,989
	Reserve on consolidation	19,753	19,753
	Exchange reserve Accumulated loss	377 (68,617)	180 (58,506)
	Total reserves	148,950	158,864
		224,728	234,642
9.	Minority interests	5,520	5,938
9. 10.	Long term borrowings	20,730	21,570
11.	Hire purchase and lease creditors	3,450	4,928
12.	Deferred taxation	20,029	20,999
		274,457	288,077
13.	Net tangible assets per share	2.87	3.02

The condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2002

### CREST PETROLEUM BHD (Company No: 45631-D) Incorporated in Malaysia

### III. CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Job       Job         Adjustments:       Depreciation and amortisation       1         Interest expenses       1         Interest income       Share of profit of associated companies and jointly controlled entities       (1)         Provision for doubtful debts       Provision for doubtful debts       (1)         Write back of provision for doubtful debts       (1)       Provision for doubtful debts         Mon-operating items       Operating (loss) / profit before working capital changes       (2)         Changes in working capital       (6)       (6)         Not operating items       (2)       (2)         Change in current labilities       7       (3)         Cash generated form / (used in) operations       (1)       (1)         Interest expenses       (1)       (1)         Tax refund       (1)       (1)       (1)         Net cash used in operating activities       (1)       (1)         Investing Activities       (1)       (1)         Dividend from jointly controlled entities       (1)       (1)         Purchase of property, plant and equipment       (1)       (1)         Defered expenditure incurred       (1)       (1)       (1)         Net cash used in investing activities       (1)	audited months	Audited Twelve months
Loss before taxation       Adjustments:         Depreciation and amortisation       1         Interest expenses       Interest income         Share of profit of associated companies and jointly controlled entities       (1)         Impairment of property, plant and equipment       Provision for doubful debts         Write back of provision for doubful debts       Impairment of other investment         Non-operating items       Operating (coss) / profit before working capital changes         Operating (coss) / profit before working capital changes       (2)         Changes in working capital       (2)         Net change in current liabilities       7         Cash generated form / (used in) operations       (1)         Interest expenses       (1)         Tax refund       (1)         Net cash used in operating activities       (1)         Investing Activities       (1)         Dividend from jointly controlled entities       (1)         Purchase of property, plant and equipment       (1)         Deferred expenditure incurred       (1)         Distribution proceeds from subsidiary company under voluntary liquidation       (1)         Others       (2)         Net cash used in investing activities       (2)         Net cash used in investing bedged       (2)	to	to
Loss before taxation       Adjustments:         Depreciation and amortisation       1         Interest expenses       Interest income         Share of profit of associated companies and jointly controlled entities       (1)         Impairment of property, plant and equipment       Provision for doubtful debts         Write back of provision for doubtful debts       Impairment of other investment         Non-operating (loss) / profit before working capital changes       (2)         Changes in working capital       (2)         Net change in current assets       (2)         Net change in current liabilities       7         Cash generated form / (used in) operations       (1)         Interest expenses       (1)         Tax refund       (1)         Net cash used in operating activities       (1)         Dividend from jointly controlled entities       (1)         Purchase of property, plant and equipment       (2)         Deferred expenditure incurred       (2)         Distribution proceeds from subsidiary company under voluntary liquidation       (2)         Others       (2)         Net cash used in investing activities       (2)         Net cash used in investing activities       (2)         Net cash (used in) / generated from financing activities       (	)/6/2003	31/12/2002
Adjustments: Depreciation and amortisation 1 Interest expenses Interest income (1) Interest income (1) Impairment of property, plant and equipment Provision for doubful debts Write back of provision for doubful debts Impairment of other investment Non-operating (items Operating (items) (1) Operating (1) Tax refund (1) Tax refund (1) Dividend from jointly controlled entities (1) Obvidend from jointly controlled entities (1) Dividend from jointly controlled entities (1) Net cash used in investing activities (1) Net cash used in investing activities (1) Net cash used in investing activities (1) Net cash (used in) / generated from financing activities (1) Net changes in faxed deposits pledged (1) Net cash (used in) / generated from financing activities (1) Net cash (used in) / generated from financing activities (1) Net cash and Cash Equivalents at end of period / year (2) Note: Cash and Cash Equivalents comprise of the following balance sheet amounts: Deposits with licensed financial institutions (2) Cash and bank balances (2)	RM'000	RM'000
Depreciation and amortisation 11 Interest expenses Interest income 23 Share of profit of associated companies and jointly controlled entities (11 Impairment of property, plant and equipment Provision for doubtful debts Write back of provision for doubtful debts Impairment of other investment Non-operating items 0 Operating (loss) / profit before working capital changes 2 Changes in working capital 2 Net change in current assets 2 Changes in working capital 3 Net change in current liabilities 7 Cash generated form / (used in) operations 2 Interest expenses 1 Taxation paid 1 Tax refund 1 Net cash used in operating activities 1 Dividend from jointly controlled entities 2 Purchase of property, plant and equipment 2 Deferred expenditure incurred 2 Distribution proceeds from subsidiary company under voluntary liquidation 0 Others 1 Net cash used in investing activities 1 Financing Activities 1 Net cash used in investing activities 1 Net cash used in investing activities 1 Financing Activities 1 Net cash used in jenerated from financing activities 1 Net cash (used in) / generated from financing activities 1 Net changes in Sah oft Equivalent 2 Cash and Cash Equivalents at beginning of year 2 Effect of exchange rate translation 2 Cash and Cash Equivalents comprise of the following balance sheet amounts: 2 Deposits with licensed financial institutions 1 Deposits wi	(3,981)	(89,004)
Interest expenses Interest income Share of profit of associated companies and jointly controlled entities Impairment of property, plant and equipment Provision for doubtful debts Impairment of other investment Non-operating items Operating (loss) / profit before working capital changes Changes in working capital Net change in current assets (6 Net change in current assets (7 Cash generated form / (used in) operations Interest expenses Inter		
Interest income Share of profit of associated companies and jointly controlled entities Impairment of property, plant and equipment Provision for doubtful debts Write back of provision for doubtful debts Impairment of other investment Non-operating items Operating (loss) / profit before working capital changes Changes in working capital Net change in current liabilities 7 Cash generated form / (used in) operations Interest expenses Interest property, plant and equipment Deferred expenditure incurred Distribution proceeds from subsidiary company under voluntary liquidation Others Net cash used in investing activities Interest expenses Repayment of hire purchase and lease creditors Net changes in Stort term borrowings Dividend from financing activities Interest expenses Interest expenses Interest expanses Interest expenses Interes	12,937	24,322
Share of profit of associated companies and jointly controlled entities       (1         Impairment of property, plant and equipment       Provision for doubtful debts         Write back of provision for doubtful debts       Impairment of other investment         Non-operating items       Operating (loss) / profit before working capital changes         Operating (loss) / profit before working capital changes       (6         Net change in current assets       (6         Net change in current liabilities       7         Cash generated form / (used in) operations       (1)         Interest expenses       (1)         Tax refund       (1)         Tax refund       (1)         Net cash used in operating activities       (1)         Dividend from jointly controlled entities       (1)         Dividend from jointly controlled entities       (1)         Deferred expenditure incurred       (1)         Distribution proceeds from subsidiary company under voluntary liquidation       (1)         Others       (1)         Net cash used in investing activities       (1)         Financing Activities       (1)         Net cash used in investing activities       (2)         Net changes in Short term boars       (2)         Repayment of hire purchase and lease creditors	2,401	2,599
Impairment of property, plant and equipment Provision for doubtful debts Impairment of other investment Non-operating items Operating (loss) / profit before working capital changes Changes in working capital Net change in current assets Net change in current assets Net change in current liabilities Taxation paid Tax refund Net cash used in operating activities Dividend from jointly controlled entities Purchase of property, plant and equipment Deferred expenditure incurred Distribution proceeds from subsidiary company under voluntary liquidation Others Net cash used in investing activities (1) Financing Activities Net cash used in investing activities Financing Activities Net cash used in investing activities Net cash used in jointly controlled entities Purchase of property. Jant and equipment Distribution proceeds from subsidiary company under voluntary liquidation Others Net cash used in investing activities (1) Financing Activities Net changes in fixed deposits pledged Net cash (used in) / generated from financing activities Net changes in Cash and Cash Equivalent Cash and Cash Equivalents at beginning of year Effect of exchange rate translation Cash and Cash Equivalents at end of period / year Note: Cash and cash equivalents comprise of the following balance sheet amounts: Deposits with licensed financial institutions 1 Cash and bank balances 2	(324)	(1,401)
Provision for doubtful debts Write back of provision for doubtful debts Impairment of other investment Non-operating items Operating (loss) / profit before working capital changes Changes in working capital Net change in current assets (6) Changes in working capital Net change in current liabilities 7 Cash generated form / (used in) operations Interest expenses 1 Taxation paid 7 Tax refund Net cash used in operating activities 1 Net change of property, plant and equipment Deferred expenditure incurred Distribution proceeds from subsidiary company under voluntary liquidation Others Net changes in fixed deposits pledged Net drawdown of term loans Repayment of hire purchase and lease creditors Net changes in Short term borrowings Dividend paid Net cash used in / generated from financing activities (2) Net cash used in / generated from financing activities (4) Net cash used in / generated from financing activities (4) Net cash used in / generated from financing activities (4) Net cash used in / generated from financing activities (4) Net cash used in / generated from financing activities (4) Net cash used in / generated from financing activities (5) Net changes in Cash and Cash Equivalent (6) Deformed paid Net cash equivalents at end of period / year 2) Note: Cash and Cash Equivalents comprise of the following balance sheet amounts: Deposits with licensed financial institutions (4) Deposite with licensed financial institutions	(13,185)	(29,619)
Write back of provision for doubtful debts         Impairment of other investment         Non-operating items         Operating (loss) / profit before working capital changes         Changes in working capital         Net change in current assets         Net change in current liabilities         7         Cash generated form / (used in) operations         Interest expenses         Taxation paid         Tax refund         Net cash used in operating activities         Dividend from jointly controlled entities         Purchase of property, plant and equipment         Deferred expenditure incurred         Distribution proceeds from subsidiary company under voluntary liquidation         Others         Net increase in fixed deposits pledged         Net cash used in investing activities         Financing Activities         Net cash (used in) / generated from financing activities         Net cash (used in) / generated from financing activities         Net changes in short term borrowings         Dividend paid         Net cash (used in) / generated from financing activities         Net changes in Cash and Cash Equivalent         Cash and Cash Equivalents at beginning of year         Effect of exchange rate translation         Cash and Cash Equivalent	-	116,625
Impairment of other investment Non-operating items Operating (loss) / profit before working capital changes Changes in working capital Net change in current assets Net change in current liabilities Cash generated form / (used in) operations Interest expenses Taxation paid Tax refund Net cash used in operating activities Dividend from jointly controlled entities Purchase of property, plant and equipment Deferred expenditure incurred Distribution proceeds from subsidiary company under voluntary liquidation Others Net cash used in investing activities (1) Financing Activities Net increase in fixed deposits pledged Net drawdown of term loans Repayment of hire purchase and lease creditors Net cash (used in) / generated from financing activities Net changes in Short term borrowings Dividend paid Net cash and Cash Equivalents at beginning of year Effect of exchange rate translation Cash and Cash Equivalents at end of period / year Activities Note: Cash and Cash Equivalents comprise of the following balance sheet amounts: Deposits with licensed financial institutions Cash and bank balances 20	-	4,950
Non-operating items       Operating (loss) / profit before working capital changes         Operating (loss) / profit before working capital changes       (f)         Changes in working capital       Net change in current assets       (f)         Net change in current liabilities       7       7         Cash generated form / (used in) operations       (f)       7         Interest expenses       (f)       (f)         Tax refund       (f)       7         Net cash used in operating activities       (f)       (f)         Dividend from jointly controlled entities       (f)       (f)         Net cash used in investing activities       (f)       (f)         Net cash used in investing activities       (f)       (f)         Financing Activities       (f)       (f)       (f)         Financing Activities       (f)       (f)       (f)         Net cash used in investing acti	-	(200)
Operating (loss) / profit before working capital changes       Interest expanses         Changes in working capital       7         Net change in current assets       (6         Net change in current liabilities       7         Cash generated form / (used in) operations       (1         Interest expenses       (1         Taxation paid       (1         Tax refund       (1         Net cash used in operating activities       (1         Investing Activities       (1         Dividend from jointly controlled entities       (1         Purchase of property, plant and equipment       (1         Deferred expenditure incurred       (1         Distribution proceeds from subsidiary company under voluntary liquidation       (1         Others       (1         Net cash used in investing activities       (1         Financing Activities       (1         Net increase in fixed deposits pledged       (1         Net drawdown of term loans       (1         Repayment of hire purchase and lease creditors       (1         Net cash (used in) / generated from financing activities       (1         Net changes in Sch and Cash Equivalent       (2         Cash and Cash and Cash Equivalents at beginning of year       (2	-	500
Changes in working capital Net change in current liabilities 7 Cash generated form / (used in) operations 7 Interest expenses 7 Taxation paid 7 Tax refund 7 Net cash used in operating activities 7 Investing Activities 7 Dividend from jointly controlled entities 9 Purchase of property, plant and equipment 9 Deferred expenditure incurred 9 Distribution proceeds from subsidiary company under voluntary liquidation 9 Others 7 Net cash used in investing activities 7 Financing Activities 7 Net cash used in investing activities 7 Net cash used in jointly controlled entities 9 Net cash used in investing activities 7 Financing Activities 7 Net cash used in fixed deposits pledged 1 Net cash used in fixed deposits pledged 1 Net cash (used in) / generated from financing activities 7 Net changes in Short term borrowings 7 Dividend paid 7 Net cash (used in) / generated from financing activities 7 Net changes in Cash and Cash Equivalent 7 Cash and Cash Equivalents at beginning of year 2 Effect of exchange rate translation 7 Cash and Cash Equivalents comprise of the following balance 7 sheet amounts: 7 Deposits with licensed financial institutions 7 Cash and bank balances 7 Dividend bank balances 7 Dividend paid 7 Dividend	382	(110)
Net change in current liabilities       7         Cash generated form / (used in) operations       7         Interest expenses       (1         Tax refund       (1         Net cash used in operating activities       (1         Investing Activities       (1         Dividend from jointly controlled entities       (1         Purchase of property, plant and equipment       (1         Deferred expenditure incurred       (1         Distribution proceeds from subsidiary company under voluntary liquidation       (1         Others       (1         Net cash used in investing activities       (1         Financing Activities       (1         Net increase in fixed deposits pledged       (1         Net drawdown of term loans       (1         Repayment of hire purchase and lease creditors       (1         Net cash (used in) / generated from financing activities       (2         Cash and Cash Equivalents at beginning of year       (2         Effect of exchange rate translation       (2         Cash and Cash Equivalents comprise of the following balance       (2         Note:       Cash and cash equivalents comprise of the following balance       (2         Cash and cash equivalents comprise of the following balance       (2	(1,770)	28,662
Net change in current liabilities       7         Cash generated form / (used in) operations       7         Interest expenses       (1         Tax refund       (1         Net cash used in operating activities       (1         Investing Activities       (1         Dividend from jointly controlled entities       (1         Purchase of property, plant and equipment       (1         Deferred expenditure incurred       (1         Distribution proceeds from subsidiary company under voluntary liquidation       (1         Others       (1         Net cash used in investing activities       (1         Financing Activities       (1         Net increase in fixed deposits pledged       (1         Net drawdown of term loans       (1         Repayment of hire purchase and lease creditors       (1         Net cash (used in) / generated from financing activities       (1         Net cash (used in) / generated from financing activities       (2         Net changes in Cash and Cash Equivalent       (2         Cash and Cash Equivalents at beginning of year       (2         Effect of exchange rate translation       (2         Cash and cash equivalents comprise of the following balance sheet amounts:       (2         Deposits with licensed financ		
Net change in current liabilities       7         Cash generated form / (used in) operations       7         Interest expenses       (1         Tax refund       (1         Net cash used in operating activities       (1         Investing Activities       (1         Dividend from jointly controlled entities       (1         Purchase of property, plant and equipment       (1         Deferred expenditure incurred       (1         Distribution proceeds from subsidiary company under voluntary liquidation       (1         Others       (1         Net cash used in investing activities       (1         Financing Activities       (1         Net increase in fixed deposits pledged       (1         Net drawdown of term loans       (1         Repayment of hire purchase and lease creditors       (1         Net cash (used in) / generated from financing activities       (1         Net cash (used in) / generated from financing activities       (2         Net changes in Cash and Cash Equivalent       (2         Cash and Cash Equivalents at beginning of year       (2         Effect of exchange rate translation       (2         Cash and cash equivalents comprise of the following balance sheet amounts:       (2         Deposits with licensed financ	(69,707)	5,973
Cash generated form / (used in) operations Interest expenses Taxation paid Tax refund Net cash used in operating activities Investing Activities Dividend from jointly controlled entities Purchase of property, plant and equipment Deferred expenditure incurred Distribution proceeds from subsidiary company under voluntary liquidation Others Net cash used in investing activities (1 Financing Activities Net increase in fixed deposits pledged Net drawdown of term loans Repayment of hire purchase and lease creditors Net cash (used in) / generated from financing activities Net changes in Short term borrowings Dividend paid Net cash and Cash Equivalent Cash and Cash Equivalents at beginning of year Effect of exchange rate translation Cash and Cash Equivalents at end of period / year Note: Cash and cash equivalents comprise of the following balance sheet amounts: Deposits with licensed financial institutions 2	72,576	(42,428)
Taxation paid       (1)         Tax refund       (1)         Net cash used in operating activities       (1)         Investing Activities       (1)         Dividend from jointly controlled entities       (1)         Purchase of property, plant and equipment       (1)         Deferred expenditure incurred       (1)         Distribution proceeds from subsidiary company under voluntary liquidation       (1)         Others       (1)         Net cash used in investing activities       (1)         Financing Activities       (1)         Net increase in fixed deposits pledged       (1)         Net drawdown of term loans       (1)         Repayment of hire purchase and lease creditors       (1)         Net cash (used in) / generated from financing activities       (1)         Net cash (used in) / generated from financing activities       (2)         Net changes in Cash and Cash Equivalent       (2)         Cash and Cash Equivalents at beginning of year       (2)         Effect of exchange rate translation       (2)         Cash and cash equivalents comprise of the following balance       (2)         Note:       (2)       (2)         Cash and cash equivalents comprise of the following balance       (2)         Sheet amounts: </td <td>1,099</td> <td>(7,793)</td>	1,099	(7,793)
Taxation paid       (1)         Tax refund       (1)         Net cash used in operating activities       (1)         Investing Activities       (1)         Dividend from jointly controlled entities       (1)         Purchase of property, plant and equipment       (1)         Deferred expenditure incurred       (1)         Distribution proceeds from subsidiary company under voluntary liquidation       (1)         Others       (1)         Net cash used in investing activities       (1)         Financing Activities       (1)         Net increase in fixed deposits pledged       (1)         Net drawdown of term loans       (1)         Repayment of hire purchase and lease creditors       (1)         Net cash (used in) / generated from financing activities       (1)         Net cash (used in) / generated from financing activities       (2)         Net changes in Cash and Cash Equivalent       (2)         Cash and Cash Equivalents at beginning of year       (2)         Effect of exchange rate translation       (2)         Cash and Cash Equivalents comprise of the following balance       (2)         Note:       (2)       (2)         Cash and cash equivalents comprise of the following balance       (2)         Sheet amounts: </td <td>(2,401)</td> <td>(2,599)</td>	(2,401)	(2,599)
Tax refund       (1)         Net cash used in operating activities       (1)         Investing Activities       (1)         Dividend from jointly controlled entities       (1)         Purchase of property, plant and equipment       (1)         Deferred expenditure incurred       (1)         Distribution proceeds from subsidiary company under voluntary liquidation       (1)         Others       (1)         Net cash used in investing activities       (1)         Financing Activities       (1)         Net increase in fixed deposits pledged       (1)         Net drawdown of term loans       (1)         Repayment of hire purchase and lease creditors       (1)         Net cash (used in) / generated from financing activities       (2)         Net cash (used in) / generated from financing activities       (2)         Net changes in Cash and Cash Equivalent       (2)         Cash and Cash Equivalents at beginning of year       (2)         Effect of exchange rate translation       (2)         Cash and Cash Equivalents at end of period / year       (2)         Note:       (2)         Cash and cash equivalents comprise of the following balance sheet amounts:       (2)         Deposits with licensed financial institutions       (2) <t< td=""><td>(11,596)</td><td>(12,117)</td></t<>	(11,596)	(12,117)
Net cash used in operating activities       (1         Investing Activities       (1         Dividend from jointly controlled entities       (1         Purchase of property, plant and equipment       (1         Deferred expenditure incurred       (1         Distribution proceeds from subsidiary company under voluntary liquidation       (1         Others       (1         Net cash used in investing activities       (1         Financing Activities       (1         Net increase in fixed deposits pledged       (1         Net changes in short term loans       (1         Repayment of hire purchase and lease creditors       (1         Net changes in short term borrowings       (1         Dividend paid       (2         Net changes in Cash and Cash Equivalent       (2         Cash and Cash Equivalents at beginning of year       (2         Effect of exchange rate translation       (2         Cash and Cash Equivalents at end of period / year       (2         Note:       (2         Cash and cash equivalents comprise of the following balance sheet amounts:       (2         Deposits with licensed financial institutions       (1         Cash and bank balances       (2	-	1,550
Divided from jointly controlled entities         Purchase of property, plant and equipment         Deferred expenditure incurred         Distribution proceeds from subsidiary company under voluntary liquidation         Others         Net cash used in investing activities         Financing Activities         Net increase in fixed deposits pledged         Net drawdown of term loans         Repayment of hire purchase and lease creditors         Net changes in short term borrowings         Dividend paid         Net changes in Cash and Cash Equivalent         Cash and Cash Equivalents at beginning of year         Effect of exchange rate translation         Cash and Cash Equivalents at end of period / year         Note:         Cash and cash equivalents comprise of the following balance         sheet amounts:         Deposits with licensed financial institutions         1         Cash and bank balances	(12,898)	(20,959)
Dividend from jointly controlled entities         Purchase of property, plant and equipment         Deferred expenditure incurred         Distribution proceeds from subsidiary company under voluntary liquidation         Others         Net cash used in investing activities         Net increase in fixed deposits pledged         Net drawdown of term loans         Repayment of hire purchase and lease creditors         Net changes in short term borrowings         Dividend paid         Net changes in Cash and Cash Equivalent         Cash and Cash Equivalents at beginning of year         Effect of exchange rate translation         Cash and Cash Equivalents at end of period / year         Note:         Cash and cash equivalents comprise of the following balance sheet amounts:         Deposits with licensed financial institutions       1         Cash and bank balances       2		
Purchase of property, plant and equipment       Image: Comparison of the following balance sheet amounts:         Deferred expenditure incurred       Image: Comparison of the following balance sheet amounts:         Distribution proceeds from subsidiary company under voluntary liquidation       Image: Comparison of the following balance sheet amounts:         Net cash used in investing activities       Image: Comparison of the following balance sheet amounts:       Image: Comparison of the following balance sheet amounts:	675	100
Deferred expenditure incurred       Image: Second sec	(9,952)	(106,827)
Distribution proceeds from subsidiary company under voluntary liquidation Others (1) Net cash used in investing activities (1) Financing Activities (1) Financing Activities (1) Net increase in fixed deposits pledged (1) Net drawdown of term loans (1) Repayment of hire purchase and lease creditors (1) Net changes in short term borrowings (1) Dividend paid (1) Net changes in Cash and Cash Equivalent (2) Cash and Cash Equivalents at beginning of year (2) Effect of exchange rate translation (2) Cash and Cash Equivalents at end of period / year (2) Note: (2) Cash and cash equivalents comprise of the following balance (2) sheet amounts: (2) Deposits with licensed financial institutions (2) Cash and bank balances (2)	(3,519)	(2,025)
Others       (1)         Net cash used in investing activities       (1)         Financing Activities       (1)         Net increase in fixed deposits pledged       (1)         Net drawdown of term loans       (1)         Repayment of hire purchase and lease creditors       (1)         Net changes in short term borrowings       (1)         Dividend paid       (2)         Net cash (used in) / generated from financing activities       (2)         Net changes in Cash and Cash Equivalent       (2)         Cash and Cash Equivalents at beginning of year       (2)         Effect of exchange rate translation       (2)         Cash and Cash Equivalents at end of period / year       (2)         Note:       (2)         Cash and cash equivalents comprise of the following balance sheet amounts:       (2)         Deposits with licensed financial institutions       (1)         Cash and bank balances       (2)	-	45
Net cash used in investing activities       (1         Financing Activities       (1         Net increase in fixed deposits pledged       (1         Net drawdown of term loans       (1         Repayment of hire purchase and lease creditors       (1         Net changes in short term borrowings       (1         Dividend paid       (1         Net cash (used in) / generated from financing activities       (1         Net changes in Cash and Cash Equivalent       (2         Cash and Cash Equivalents at beginning of year       (2         Effect of exchange rate translation       (2         Note:       (2         Cash and Cash Equivalents at end of period / year       (2         Note:       (2         Cash and cash equivalents comprise of the following balance sheet amounts:       (2         Deposits with licensed financial institutions       (1         Cash and bank balances       (2	383	2,086
Net increase in fixed deposits pledged       Image: Second S	(12,413)	(106,621)
Net increase in fixed deposits pledged       Image: Second S		<b> </b>
Net drawdown of term loans       Image: Comparison of term loans         Repayment of hire purchase and lease creditors       Net changes in short term borrowings         Dividend paid       Image: Comparison of term financing activities         Net cash (used in) / generated from financing activities       Image: Comparison of term financing activities         Net changes in Cash and Cash Equivalent       Image: Comparison of term financing activities         Net changes in Cash and Cash Equivalent       Image: Comparison of term financing activities         Net changes in Cash and Cash Equivalents at beginning of year       Image: Comparison of the following financial institution         Cash and Cash Equivalents at end of period / year       Image: Comparison of the following balance sheet amounts:         Note:       Image: Comparison of the following balance sheet amounts:         Deposits with licensed financial institutions       Image: Comparison of the following balance sheet amounts:         Deposits with licensed financial institutions       Image: Comparison of term following balance sheet amounts:         Deposits with licensed financial institutions       Image: Comparison of term following balance sheet amounts:         Deposits with licensed financial institutions       Image: Comparison of term following balance sheet amounts:         Deposits with licensed financial institutions       Image: Comparison of term following balance sheet amounts:         Deposits with licensed financial	(1,396)	(385)
Repayment of hire purchase and lease creditors         Net changes in short term borrowings         Dividend paid         Net cash (used in) / generated from financing activities         Net changes in Cash and Cash Equivalent         Cash and Cash Equivalents at beginning of year         Effect of exchange rate translation         Cash and Cash Equivalents at end of period / year         Note:         Cash and cash equivalents comprise of the following balance sheet amounts:         Deposits with licensed financial institutions         1         Cash and bank balances	(3,836)	28,228
Net changes in short term borrowings         Dividend paid         Net cash (used in) / generated from financing activities         Net cash (used in) / generated from financing activities         Net changes in Cash and Cash Equivalent         Cash and Cash Equivalents at beginning of year         Effect of exchange rate translation         Cash and Cash Equivalents at end of period / year         Cash and Cash Equivalents at end of period / year         Note:         Cash and cash equivalents comprise of the following balance sheet amounts:         Deposits with licensed financial institutions         Cash and bank balances	(738)	(2,444)
Dividend paid	1,426	33,946
Net cash (used in) / generated from financing activities       (2)         Net changes in Cash and Cash Equivalent       (2)         Cash and Cash Equivalents at beginning of year       55         Effect of exchange rate translation       55         Cash and Cash Equivalents at end of period / year       22         Note:       2         Cash and cash equivalents comprise of the following balance sheet amounts:       55         Deposits with licensed financial institutions       1         Cash and bank balances       22	-	(2,728)
Cash and Cash Equivalents at beginning of year       5         Effect of exchange rate translation       2         Cash and Cash Equivalents at end of period / year       2         Note:       2         Cash and cash equivalents comprise of the following balance sheet amounts:       3         Deposits with licensed financial institutions       1         Cash and bank balances       2	(4,544)	56,617
Cash and Cash Equivalents at beginning of year     5       Effect of exchange rate translation     2       Cash and Cash Equivalents at end of period / year     2       Note:     2       Cash and cash equivalents comprise of the following balance sheet amounts:     5       Deposits with licensed financial institutions     1       Cash and bank balances     2	(29,855)	(70,963)
Effect of exchange rate translation       2         Cash and Cash Equivalents at end of period / year       2         Note:       2         Cash and cash equivalents comprise of the following balance sheet amounts:       2         Deposits with licensed financial institutions       1         Cash and bank balances       2	58,182	129,020
Cash and Cash Equivalents at end of period / year       2         Note:       2         Cash and cash equivalents comprise of the following balance sheet amounts:       2         Deposits with licensed financial institutions       1         Cash and bank balances       2	142	125
Cash and cash equivalents comprise of the following balance sheet amounts:Deposits with licensed financial institutions1Cash and bank balances2	28,469	58,182
Cash and bank balances 2		
	18,853	23,121
Ponk overdrefte	20,449	46,745
Bank overdrafts	-	(2,247)
	39,302	67,619
	(10,833)	(9,437)
2	28,469	58,182

The condensed Consolidated Cash Flow Statement should be read in conjuction with the Annual Financial Report for the year ended 31 December 2002.

# CREST PETROLEUM BHD ( Company No : 45631-D) Incorporated in Malaysia

# IV. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Capital Reserves	(Accumulated loss)/Retained Profit	Total
	RM'000	RM'000	RM'000	RM'000
Six months to 30 June 2003 (unaudited)				
Balance at beginning of year Loss for the period Currency translation differences	75,778 - -	217,370 - 197	(58,506) (10,111) -	234,642 (10,111) 197
Balance at end of period	75,778	217,567	(68,617)	224,728
Six months to 30 June 2002 (unaudited)				
Balance at beginning of year	75,778	217,356	59,184	352,318
Profit for the period		455	11,093	11,093
Currency translation differences Dividend 5.0 sen per share less tax	-	155	(2,728)	155 (2,728)
Balance at end of period	75,778	217,511	67,549	360,838

The condensed Consolidated Statement of Changes in Equity should be read in conjuction with the Annual Financial Report for the year ended 31 December 2002.

#### **CREST PETROLEUM BHD** (Company No: 45631 - D) Incorporated in Malaysia

### V. Notes to the Financial Statements

- The unaudited condensed consolidated financial statements have been prepared by applying accounting policies and methods of 1 computation consistent with those used in the preparation of the most recent audited financial statements of the Group and in accordance with MASB 26, Interim Financial Reporting.
- 2 The audit report on the Group's financial statements for the financial year 2002 was not qualified.
- 3 The Group's operations are not materially subject to any seasonal or cyclical factors.
- There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group other than that disclosed in Note 4 18.
- 5 There were no changes to the estimates of amount reported in prior financial years.
- The Group and the Company did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share 6 cancellations, shares held as treasury shares and resale of treasury shares during the current financial period ended 30 June 2003.

7 Segment information for the current financial period ended 30 June 2003 is as follows:

	6 months to 30/6/2003		3 months to 31/3/2003 (as re-stated)	
	Revenue RM'000	Segment profit/(loss) RM'000	Revenue RM'000	Segment profit/(loss) RM'000
Core Operating activities				
Offshore installation & construction	197,105	(13,994)	37,029	(12,556)
Offshore drilling	89,130	20,596	44,452	11,402
Marine services	50,206	222	16,499	(5,017)
	336,441	6,824	97,980	(6,171)
Other Activities				
Teknik Hidayat Refurbishment	-	(8,556)	-	(3,296)
Others	-	(2,249)		(1,053)
Consolidated revenue / results	672,882	(3,981)	97,980	(10,520)

Certain expenses have been reclassified for segmental information purposes.

- The valuations of property, plant and equipment have been brought forward without amendment from previous annual financial statements. 8
- 9 There were no material events subsequent to 30 June 2003 to the date of this announcement other than those disclosed in Note 15.
- 10 For the current quarter and financial period ended 30 June 2003, there were no changes in the composition of the Group including business combinations, acquisitions or disposals of subsidiaries and long term investments, restructuring or discontinued operations.
- 11 There were no changes in the contingent liabilities as at the date of this announcement since the preceding financial year ended 31 December 2002 other than that disclosed below :

The Company provided performance guarantees to ensure performance of contracts by certain subsidiary companies and corporate guarantees to secure credit and guarantee facilities of certain subsidiary companies amounting to RM199.5 million. As at 30 June 2003, an amount of RM133.8 million was utilised by certain subsidiary companies under several facilities granted by financial institutions.

#### 12 Taxation consists of :

	Individual Quarter Preceding year		Cumulativ	Cumulative Quarter	
	Current year quarter	corresponding quarter	6 months to	6 months to	
	30/6/2003	30/6/2002	30/6/2003	30/6/2002	
	RM'000	RM'000	RM'000	RM'000	
Malaysian taxation					
- current taxation	1,465	2,777	3,066	3,472	
- deferred taxation	(970)	-	(970)	-	
<ul> <li>share of taxation of associated companies</li> <li>/ jointly controlled entities</li> </ul>	2,280	2,256	4,536	3,899	
	2,775	5,033	6,632	7,371	

The effective tax rates for the current quarter and current year vary from the statutory tax rate due to certain disallowable expenses for tax purposes and the absence of Group relief for losses suffered by certain subsidiary companies.

13 There were no disposal of unquoted investment during the current quarter and financial period ended 30 June 2003 except for the following:

On 28 May 2003, the Company's wholly-owned subsidiary company, Probadi Sdn Bhd ("Probadi"), entered into a Share Sale Agreement with Renong Berhad for the disposal of Probadi's 1.11% interest (500,000 ordinary shares of RM1.00 each) in Renong Overseas Corporation Sdn Bhd for a cash consideration of RM1.00.

The disposal has no impact on the Group's earnings and net tangible assets for the financial year ending 31 December 2003 as impairment loss on the investment was fully provided in the preceding financial year ended 31 December 2002.

14 (a) There were no acquisitions and disposals of quoted securities for the current quarter and financial period ended 30 June 2003.

(b) There were no investments in quoted securities as at 30 June 2003.

15 Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this announcement.

1. Proposed acquisition of 3,000,000 ordinary shares of RM1.00 each, representing 100% equity interest in Sapura Energy Sdn Bhd ("SESB") from Sapura Holdings Sdn Bhd ("SHSB") for a purchase consideration of RM135,500,000 together with a deferred contingent consideration of up to RM14,300,000 and the obligation by the Company to pay SHSB RM36,500,000 for the Company to replace SHSB in respect of the Shareholders' Advances (Proposed SESB Acquisition);

2. Proposed renounceable rights issue of up to 100,000,000 new ordinary shares of RM1.00 each in the Company ("right shares") together with up to 50,000,000 new free detachable warrants ("warrants") on the basis of one (1) warrant for every two(2) right shares subscribed to raise approximately RM150million of which the basis, price and number of shares and warrants to be issued shall be determined later; and

3. Proposed increase in the authorised share capital of the Company from RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each to RM500,000,000 comprising 490,000,000 ordinary shares of RM1.00 each and 100,000,000 redeemable convertible preference shares of RM0.10 each.

On 29 July 2003, the Company has entered into a conditional Sale and Purchase Agreement with SHSB for the Proposed SESB Acquisition above.

16 Details of Group borrowings as at 30 June 2003 are as follows:

	Long term borrowings			Short term borrowings			
	Secured	Unsecured	Total	Secured	Unsecured	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Borrowings							
Domestic Banks	4,620	-	4,620	1,680	36,673	38,353	
Offshore Bank (USD8,007,674.03)	16,110	-	16,110	14,319	-	14,319	
TOTAL	20,730	-	20,730	15,999	36,673	52,672	

- 17 There were no financial instruments with off-balance sheet risks as at the date of this announcement.
- 18 On 20 February 2003 Central Time USA, a Warrant To Seize A Vessel was issued against the rig Teknik Hidayat (in rem), Crest and two of its wholly-owned subsidiaries, Sasaran Perdana Sdn Bhd ("SP") and Crest Hidayat (L) Ltd ("CHLL") (in personam) following a Complaint filed by Newpark Shipbuilding-Pelican Island, Inc ("Plaintiff") for failure to pay necessaries provided to the Teknik Hidayat by the Plaintiff in the form of repairs and refurbishment amounting to USD 8,612,194.95, plus wharfage, additional repair services performed, attorneys' fees, court costs and additional accrued interest.

On 5 May 2003, the United States District Court for the Southern District of Texas, Galveston Division, had granted CHLL's Motion to Compel Arbitration and Stay Proceedings and denied as moot the Plaintiff's Motion for Partial Summary Judgment. Accordingly, the District Court has stayed and administratively closed this case until the Parties to this action initiate and complete the dispute resolution process by way of Arbitration. The District Court further ordered within thirty (30) days of the completion of the Arbitration, either Party may move to reopen this case and that each Party is to bear its own taxable costs and expenses incurred therein to date.

The Plaintiff's demand for arbitration was filed with the American Arbitration Association in May 2003. The hearing dates for the arbitration has been set for 20 to 22 January 2004.

- 19 The Group's revenue of RM238.5 million for the current quarter is 143.4% higher than that of the immediate preceding quarter due to increased activities in the offshore installation and construction and marine services divisions. The Group registered a profit before taxation of RM6.5 million for the current quarter as compared to a loss before taxation of RM10.5 million in the immediate preceding quarter due to improved performance by the offshore installation and construction and marine services divisions.
- 20 Review of Performance for the Current Quarter and Year

The Group's revenue of RM238.5 million for the current quarter is 26.3% higher than that of the corresponding period in the preceding year due to higher contract revenue registered by the offshore installation and construction division. The Group however, registered a lower profit before taxation of RM6.5 million as compared to profit before taxation of RM12.9 million in the corresponding quarter of the preceding year, mainly due to losses registered by a subsidiary company involved in the rig refurbishment project which is currently under suspension.

The Group's revenue of RM336.4 million for the current year to date is 17.5% higher than that of the corresponding period in the preceding year due to higher contract revenue registered by the offshore installation and construction division. The Group however, registered a loss before taxation of RM3.9 million as compared to a profit before taxation of RM18.4 million for the corresponding period in the preceding year mainly due to higher losses incurred in the offshore installation and construction division, decreased performance in marine services division and losses registered by a subsidiary company involved in the rig refurbishment project which is currently under suspension.

- 21 In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen from 30 June 2003 to the date of this announcement and which would substantially affect the financial results of the Group and of the Company for the six months ended 30 June 2003.
- 22 Prospects for Year 2003

Barring any unforeseen circumstances, the Directors expect the Group to achieve satisfactory operating results for the financial year ending 31 December 2003.

23 The Board of Directors does not recommend the payment of an interim dividend for the current period ended 30 June 2003. (2002: Nil)

By Order of the Board

KUALA LUMPUR 27 August 2003 Sabrina Albakri Abu Bakar Tasneem Mohd Dahalan Company Secretaries