

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



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Current Quarter Ended 30-June-14 RM'000</b>	<b>Corresponding Quarter Ended 30-June-13 RM'000</b>	<b>Current Year-to-date Ended 30-June-14 RM'000</b>	<b>Corresponding Year-to-date Ended 30-June-13 RM'000</b>
Revenue	88,574	71,656	175,844	128,435
Cost of Sales	(48,833)	(49,937)	(95,563)	(89,018)
Gross Profit	39,741	21,719	80,281	39,417
Other income	1,593	3,553	3,870	10,197
Operating expenses	(9,985)	(6,893)	(21,515)	(14,772)
Finance costs	(7,206)	(3,073)	(16,130)	(6,366)
Profit before taxation	24,143	15,306	46,506	28,476
Income tax expense	(131)	(1,754)	(479)	(3,662)
<b>Profit for the period</b>	<b>24,012</b>	<b>13,552</b>	<b>46,027</b>	<b>24,814</b>
<i>Other comprehensive income</i>				
<i>Foreign currency translation</i>	(7,288)	13,959	(12,511)	15,033
<i>Cash Flow Hedge</i>	108	30	156	129
<b>Total Comprehensive Income for the period</b>	<b>16,832</b>	<b>27,541</b>	<b>33,672</b>	<b>39,976</b>
<b>Profit for the period</b>				
Attributable to:				
Equity holders of the Company	24,012	13,166	46,028	24,260
Non-controlling interest	-	386	(1)	554
	24,012	13,552	46,027	24,814
<b>Total Comprehensive Income for the period</b>				
Attributable to:				
Equity holders of the Company	16,826	26,988	33,663	39,259
Non-controlling interest	6	553	9	717
	16,832	27,541	33,672	39,976
<b>Earnings per share of RM0.50 each (Sen)</b>				
a) Basic (based on weighted average)	3.25	2.64	6.26	4.86
b) Fully diluted	3.17	2.37	6.10	4.36

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

**PERDANA PETROLEUM BERHAD**

(Company No. 372113 - A)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>30-June-14</b>	<b>31-Dec-13</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,009,671	961,556
Intangible assets	27,507	27,507
Refundable deposits	49,229	52,697
Deferred tax asset	46	46
Other investment	-	150
Derivative asset	-	421
	<u>1,086,453</u>	<u>1,042,377</u>
<b>CURRENT ASSETS</b>		
Inventories	1,456	1,310
Trade receivables	44,059	31,769
Other receivables, deposits and prepayments	18,658	18,055
Amount owing by a related party	36,179	19,953
Tax recoverable	3,316	3,231
Fixed deposits with licensed banks	35,359	26,098
Cash and bank balances	12,996	34,928
	<u>152,023</u>	<u>135,344</u>
Non-current asset classified as held for sale	4,469	4,576
	<u>156,492</u>	<u>139,920</u>
<b>TOTAL ASSETS</b>	<u>1,242,945</u>	<u>1,182,297</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	369,108	363,611
Reserves	233,389	198,569
<b>TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	<u>602,497</u>	<u>562,180</u>
<b>NON-CONTROLLING INTEREST</b>	(239)	(248)
<b>TOTAL EQUITY</b>	<u>602,258</u>	<u>561,932</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	4,522	4,559
Long-term borrowings	444,449	459,783
Derivative liability	115	-
Other payables	258	260
	<u>449,344</u>	<u>464,602</u>
<b>CURRENT LIABILITIES</b>		
Trade payables	14,251	14,088
Other payables	26,833	27,153
Short-term borrowings	149,951	114,140
Provision for taxation	308	382
	<u>191,343</u>	<u>155,763</u>
<b>TOTAL LIABILITIES</b>	<u>640,687</u>	<u>620,365</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,242,945</u>	<u>1,182,297</u>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>		
	0.82	0.77

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

**PERDANA PETROLEUM BERHAD**

(Company No. 372113 - A)

(Incorporated in Malaysia)

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

	<b>30-June-14</b>	<b>30-June-13</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from operating activities</b>		
Profit before taxation	46,506	28,476
<b>Adjustments for:</b>		
Accretion of refundable deposits	(1,638)	(4,955)
Depreciation of property, plant and equipment	25,604	12,826
Loss/(Gain) on disposal of property, plant and equipment	103	(42)
Interest expense	15,287	5,898
Interest income	(253)	(439)
Loss on disposal of other investment	150	-
Property, plant and equipment written off	-	1
Unrealised gain on foreign exchange	(1,251)	(2,445)
Operating profit before working capital changes	<u>84,508</u>	<u>39,320</u>
Decrease in inventories	(144)	2,160
(Increase)/Decrease in trade and other receivables	(13,243)	2,345
Increase in trade and other payables	(758)	15,344
Increase in amount owing by a related party	(16,226)	-
Net cash from operations	<u>54,137</u>	<u>59,169</u>
Tax paid	<u>(673)</u>	<u>(1,336)</u>
Net cash from operating activities	<u>53,464</u>	<u>57,833</u>
<b>Cash flow for investing activities</b>		
Charterer deposits refunded	3,854	43,170
Interest received	253	439
Proceeds from disposal of property, plant and equipment	15	7,084
Purchase of property, plant and equipment	(95,339)	(120,569)
Placement of fixed deposits	<u>(2,152)</u>	<u>(79)</u>
Net cash for investing activities	<u>(93,369)</u>	<u>(69,955)</u>

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



**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
 ENDED 30 JUNE 2014**

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>30-June-14</b>	<b>30-June-13</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flow from financing activities</b>		
Drawdown of bank borrowings	82,660	66,421
Interest paid	(15,287)	(5,898)
Proceeds from issuance of share by a subsidiary to minority shareholders	-	180
Proceeds from issuance of shares through warrant exercise	6,659	4,685
Repayment of bank borrowings	(48,694)	(21,491)
Repayment of hire purchase obligations	(65)	(42)
Share issuance expenses	(5)	-
Net cash from financing activities	<u>25,268</u>	<u>43,855</u>
Net change in cash and cash equivalents	(14,637)	31,733
Effect of foreign exchange translation	(186)	132
Cash and cash equivalents at beginning of the financial period	<u>60,445</u>	<u>37,254</u>
Cash and cash equivalents at end of the financial period	<u>45,622</u>	<u>69,119</u>
<b>Cash and cash equivalents</b>		
Fixed deposits with licensed banks	35,359	51,735
Cash and bank balances	<u>12,996</u>	<u>21,027</u>
	48,355	72,762
Less: Fixed deposits pledged as security	<u>(2,733)</u>	<u>(3,643)</u>
	<u>45,622</u>	<u>69,119</u>

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

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Share Application Monies RM'000	Share Premium RM'000	Warrant Reserve RM'000	Cash Flow Hedge Reserve RM'000	Other Capital Reserve RM'000	Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Non- Controlling Interest RM'000	Total Equity RM'000
<b>Financial year ended 31 December 2014</b>											
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	5,497	(1,146)	3,717	(1,414)	-	-	-	-	6,654	-	6,654
Total comprehensive income for the period	-	-	-	-	156	-	(12,521)	46,028	33,663	9	33,672
<b>Balance as at 30 June 2014</b>	<b>369,108</b>	<b>-</b>	<b>8,279</b>	<b>5,258</b>	<b>(165)</b>	<b>1,635</b>	<b>(61,528)</b>	<b>279,910</b>	<b>602,497</b>	<b>(239)</b>	<b>602,258</b>
<b>Financial year ended 31 December 2013</b>											
As at 1 January 2013	247,566	-	92,130	11,048	(802)	2,127	(65,079)	172,222	459,212	(237)	458,975
Bonus issue	103,888	-	(103,888)	-	-	-	-	-	-	-	-
Issuance of shares - Exercise of Warrants 2010/2015	12,157	1,146	16,320	(4,376)	-	-	-	-	25,247	-	25,247
Total comprehensive income for the year	-	-	-	-	481	(492)	16,072	61,660	77,721	(11)	77,710
<b>Balance as at 31 December 2013</b>	<b>363,611</b>	<b>1,146</b>	<b>4,562</b>	<b>6,672</b>	<b>(321)</b>	<b>1,635</b>	<b>(49,007)</b>	<b>233,882</b>	<b>562,180</b>	<b>(248)</b>	<b>561,932</b>

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

**PERDANA PETROLEUM BERHAD**

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014**

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. Basis of Preparation**

The interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2013.

**2. Changes in Accounting Policies**

At the date of authorisation of the interim financial statements, the following MFRSs, Amendments to MFRS and IC Interpretation were issued but not yet effective and have not been applied by the Group.

**MFRSs, Amendments to MFRS and IC Interpretation issued but not yet effective**

MFRS 9 (2009) Financial Instruments

MFRS 9 (2010) Financial Instruments

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

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

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

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**2. Changes in Accounting Policies (Cont'd)**

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

IC Interpretation 21 Levies

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

**3. Qualification of Financial Statements**

The preceding annual financial statements of the Group were not subject to any qualification.

**4. Seasonal or Cyclical Factors**

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

**5. Unusual Items**

There are no unusual items affecting assets, liabilities, equity, net income, or cash flows during the current quarter and financial period to-date.

**6. Material Changes in Estimates**

There are no material changes in the estimates of amounts reported in the current quarter and financial period to-date.

**7. Issuance and Repayment of Debts and Equity Securities**

During the current quarter and financial period to-date, 1,755,000 and 10,993,260 ordinary shares of RM0.50 each were issued pursuant to the exercise of Warrants 2010/2015 at the exercise price of RM0.71 per share. As at 30 June 2014, 40,899,923 Warrants 2010/2015 remained unexercised.

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

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**8. Dividends Paid**

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

**9. Segmental Information**

**Business Segment**

<i>Current Quarter Ended 30 June 2014</i>	<b>Marine Offshore Support Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
External revenue	88,574	-	-	88,574
Inter-segment revenue	-	2,208	(2,208)	-
	<b>88,574</b>	<b>2,208</b>	<b>(2,208)</b>	<b>88,574</b>
<b>Results</b>				
Segment results	31,440	(2,094)	2,003	31,349
Finance costs	(7,433)	(317)	544	(7,206)
<b>Profit before taxation</b>	<b>24,007</b>	<b>(2,411)</b>	<b>2,547</b>	<b>24,143</b>
<i>Corresponding Quarter Ended 30 June 2013</i>	<b>Marine Offshore Support Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
External revenue	71,656	-	-	71,656
Inter-segment revenue	-	89	(89)	-
	<b>71,656</b>	<b>89</b>	<b>(89)</b>	<b>71,656</b>
<b>Results</b>				
Segment results	26,960	(2,376)	(6,205)	18,379
Finance costs	(2,317)	(756)	-	(3,073)
<b>Profit before taxation</b>	<b>24,643</b>	<b>(3,132)</b>	<b>(6,205)</b>	<b>15,306</b>



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

9. Segmental Information (Cont'd)

**Business Segment**

<i>Current Year-to-date Ended 30 June 2014</i>	<b>Marine Offshore Support Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
External revenue	175,844	-	-	175,844
Inter-segment revenue	-	4,416	(4,416)	-
	<b>175,844</b>	<b>4,416</b>	<b>(4,416)</b>	<b>175,844</b>
<b>Results</b>				
Segment results	71,200	(4,647)	(3,917)	62,636
Finance costs	(16,614)	(636)	1,120	(16,130)
<b>Profit before taxation</b>	<b>54,586</b>	<b>(5,283)</b>	<b>(2,797)</b>	<b>46,506</b>
<i>Corresponding Year-to-date Ended 30 June 2013</i>	<b>Marine Offshore Support Services RM'000</b>	<b>Investment Holding RM'000</b>	<b>Elimination RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>				
External revenue	128,435	-	-	128,435
Inter-segment revenue	-	178	(178)	-
	<b>128,435</b>	<b>178</b>	<b>(178)</b>	<b>128,435</b>
<b>Results</b>				
Segment results	44,580	(7,337)	(2,401)	34,842
Finance costs	(4,770)	(1,596)	-	(6,366)
<b>Profit before taxation</b>	<b>39,810</b>	<b>(8,933)</b>	<b>(2,401)</b>	<b>28,476</b>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**10. Material Events Subsequent to the reporting period**

There were no material events subsequent to the end of the interim period reported which have not been reflected in the financial statements.

**11. Changes in Composition of the Group**

There were no changes in the composition of the Group for the current quarter ended 30 June 2014 except that on 19 June 2014, the Company announced that it has incorporated a new wholly-owned subsidiary, Perdana Mars Ltd under the Labuan Companies Act 1990 on 19 June 2014.

**12. Changes in Contingent Liabilities**

	As at 30-June-14	
	Group RM'000	Company RM'000
<u>Unsecured:-</u>		
Bank guarantee granted to third parties for the benefit of a subsidiary	12,559	12,559
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	-	575,602
	<u>12,559</u>	<u>588,161</u>

**13. Capital Commitment**

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

	RM'000
Approved and not contracted for	-
Approved and contracted for	<u>345,557</u>

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**14. Operating Lease Arrangements**

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

	RM'000
Not later than 1 year	39,034
Later than 1 year and not later than 5 years	122,790
Later than 5 years	3,890
	165,714

**15. Significant Related Party Transactions**

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

	Quarter ended 30-June-14 RM'000	Quarter ended 30-June-13 RM'000
i. Subsidiaries:		
- rental income	89	89
- management income	2,119	-
ii. Related party:		
- charter income	31,805	12,310

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-June-14 RM'000	Quarter ended 30-June-13 RM'000
Short-term employee benefits	3,932	1,801

**PERDANA PETROLEUM BERHAD**

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

**INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014**

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

**16. Review of Performance**

For the current quarter, the Group recorded a turnover of RM88.6 million, an increase of 23.7% from RM71.7 million reported in the second quarter of year 2013. The increase is mainly due to higher vessel utilisation, increase in the number of vessels and charter rates in the current quarter.

The Group registered a profit before taxation of RM24.1 million in the current quarter, an improvement of 57.5% from RM15.3 million recorded in the second quarter of year 2013. The significant increase in profit before taxation in the current quarter is mainly due to higher revenue generated, in spite of the increase in administrative cost and finance cost totalling RM7.2m in the current quarter.

**17. Comparison with Immediate Preceding Quarter**

The Group recorded a turnover of RM88.6 million and a profit before taxation of RM24.1 million in the current quarter, as compared to the previous quarter's turnover of RM87.3 million and profit before taxation of RM22.3 million. The increase is in line with the improvement in vessel utilization, coupled with lower administrative cost and finance cost in the current quarter.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014

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

**18. Prospects**

The Board is optimistic on the prospect for oil and gas support services in the domestic and regional markets, on the back of the stable oil prices range from USD90 – USD100 per barrel, upsurge in offshore activities, ongoing tenders and bidding exercises and various development programmes spearheaded by our national oil company, PETRONAS with the support of major oil companies.

Our fleet, with an average age of approximately 4.5 years old, will continue to provide the longer-term charter opportunities and stability that we need. Currently, we have 15 out of 18 of our vessels, which represents 83% of our fleet, on long term charters with an order book of approximately RM1.4 billion up to year 2019. With the improving marine charter outlook, we have potential to secure more long term charters by the remaining 3 vessels currently on spot charters and under construction.

The recent orders of 2 units of 500 men work barges (with an option for another two), is in line with the group's expansion plan to venture into the next phase of growth to acquire more new assets and to have a well-balanced fleet of AHTS and work barges/workboats to meet the increase in demand with the upsurge in the OSV market.

The Board thus expects the Group's offshore marine business will be in a position to provide a better result in the coming year.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014

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

19. Profit for the Quarter/Period

	Current Quarter Ended 30-June-14 RM'000	Corresponding Quarter Ended 30-June-13 RM'000	Current Year-to-date Ended 30-June-14 RM'000	Corresponding Year-to-date Ended 30-June-13 RM'000
<b>Profit for the quarter is arrived at after charging/(crediting):</b>				
Interest expense	7,092	2,943	15,287	5,898
Depreciation of property, plant and equipment	12,826	6,743	25,604	12,826
Loss/(Gain) on disposal of property, plant and equipment	58	56	103	(42)
Gain on foreign exchange:				
- realised	(336)	(427)	(336)	(1,043)
- unrealised	(140)	(339)	(1,251)	(2,445)
Loss on disposal of other investment	-	-	150	-
Property, plant and equipment written off	-	-	-	1
Accretion of refundable deposits	(1,013)	(1,228)	(1,638)	(4,955)
Interest income	(104)	(253)	(253)	(439)

Other than the above, there were no allowances for impairment and write off of receivables, allowance for and write off of inventories and exceptional items for the current quarter and financial period ended 30 June 2014.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014

**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:

	<b>Current Quarter Ended 30-June-14 RM'000</b>	<b>Corresponding Quarter Ended 30-June-13 RM'000</b>	<b>Current Year-to-date Ended 30-June-14 RM'000</b>	<b>Corresponding Year-to-date Ended 30-June-13 RM'000</b>
Current tax:				
Malaysian income tax	130	583	261	627
Foreign tax	-	801	254	914
Withholding tax	1	2	1	3
	131	1,386	516	1,544
Deferred tax:				
Malaysian income tax	-	368	(37)	2,118
Total	131	1,754	479	3,662

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

**21. Corporate Proposals**

There were no other corporate proposals announced but not completed as of 12 August 2014.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014

**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 June 2014 were as follows:

	<b>As at 30-June-14 RM'000</b>	<b>As at 31-Dec-13 RM'000</b>
<b>Short term borrowings</b>		
Secured	114,951	94,140
Unsecured	35,000	20,000
	<u>149,951</u>	<u>114,140</u>
<b>Long term borrowings</b>		
Secured	444,449	459,783
<b>Total borrowings</b>	<u>594,400</u>	<u>573,923</u>

The above includes borrowings in US Dollars equivalent to RM533 million.

**23. Derivative Financial Instruments**

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

**24. Changes in Material Litigation**

The Group is not engaged in any material litigation as at 12 August 2014 except for the following:

On 22 June 2011, the Company filed a suit in the High Court against Tengku Dato' Ibrahim Petra bin Tengku Indra Petra, Wong Fook Heng, Tiong Young Kong, Lee Mee Jiong, TA Securities Holdings Berhad ("TASB"), Yap Hock Heng and TA First Credit Sdn Bhd ("TAFC") to claim for losses and damages suffered by the Company in respect of, inter alia, the divestment of 10,500,000 ordinary shares of RM0.50 each in Petra Energy Berhad ("PEB") by PPB to the Parties on 10 September 2009 and the divestment of 48,800,000 ordinary shares of RM0.50 each in PEB by PPB as conducted by the TA Securities Holdings Berhad and Yap Hock Heng on 11 December 2009.

This suit is mounted on several causes of action, including breaches of fiduciary and statutory duties, accessory liability and conspiracy and the Company is seeking from the High Court, various declaratory reliefs, damages (general and/or fiduciary and/or aggravated) to be assessed, interest, account and disgorgement and costs.



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014

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

**24. Changes in Material Litigation (Cont'd)**

On 7 September 2012, the Company filed notices of discontinuance pursuant to a negotiated settlement with TASB, Yap Hock Heng and TAFC, with no admission of liability and with no liberty to file afresh. In this connection, TASB had also agreed to discontinue their suit against the Company in relation to a claim of approximately RM2.796 million as placement fees due to them ("TASB Suit") with no admission of liability and with no liberty to file afresh. With the discontinuance of the TASB Suit, the Company will reverse the provisions made earlier.

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

**25. Dividends**

There was no dividend proposed in respect of the current quarter ended 30 June 2014.

**PERDANA PETROLEUM BERHAD**

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

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

	<b>Current Quarter Ended 30-June-14</b>	<b>Corresponding Quarter Ended 30-June-13</b>	<b>Current Year-to-date Ended 30-June-14</b>	<b>Corresponding Year-to-date Ended 30-June-13</b>
Net profit attributable to shareholders (RM'000)	24,012	13,166	46,028	24,260
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	736,461,175	495,132,000	727,222,915	495,132,000
Effects of warrants exercised	1,339,181	3,630,900	7,894,818	3,630,900
Weighted average number of ordinary shares in issue	737,800,356	498,762,900	735,117,733	498,762,900
Basic earnings per ordinary share of RM0.50 each (Sen)	3.25	2.64	6.26	4.86

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014

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

26. Earnings Per Share (Cont'd)

b.) Diluted

	Current Quarter Ended 30-June-14	Corresponding Quarter Ended 30-June-13	Current Year-to-date Ended 30-June-14	Corresponding Year-to-date Ended 30-June-13
Net profit attributable to shareholders (RM'000)	24,012	13,166	46,028	24,260
Number of ordinary shares of RM0.50 each at the beginning of the quarter/period	736,461,175	495,132,000	727,222,915	495,132,000
Effects of warrants exercised	1,339,181	3,630,900	7,894,818	3,630,900
Effects of outstanding warrants	18,804,308	57,748,885	19,776,214	57,748,885
Adjusted number of ordinary shares for calculating diluted earnings per ordinary share	756,604,664	556,511,785	754,893,947	556,511,785
Diluted earnings per ordinary share of RM0.50 each (Sen)	3.17	2.37	6.10	4.36

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER  
ENDED 30 JUNE 2014

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

**27. Disclosure of Realised and Unrealised Profits**

On 25 March 2010, Bursa Securities issued a directive to all listed issuers pursuant to Paragraph 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the format required.

The breakdown of the retained profits of the Group into realised and unrealised profits, pursuant to the directive, is as follows:

	<u>As at 30-June-2014 RM'000</u>	<u>As at 31-Dec-2013 RM'000</u>
Total retained profits of the Group:		
- Realised	212,430	157,163
- Unrealised	(4,336)	1,961
	<u>208,094</u>	<u>159,124</u>
Add: Consolidation adjustments	71,816	74,758
Total retained profits as per statement of financial position	<u>279,910</u>	<u>233,882</u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.